Financing Agreement

(Second Additional Financing for the Health Sector Development Support Project)

between

REPUBLIC OF BURUNDI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 10, 2012
AGREEMENT dated December 12, 2012, entered into between REPUBLIC OF BURUNDI ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing a second additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I -- GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II -- FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to sixteen million five hundred thousand Special Drawing Rights (SDR 16,500,000) (variously, “Grant” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are April 15 and October 15 in each year.

2.05. The Payment Currency is Dollars.

ARTICLE III -- PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Public Health and Fight Against HIV/AIDS in accordance with the provisions of Article IV of the General Conditions.
3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Conditions of Effectiveness consist of the following:

(a) The HRITF Second Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.


4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is its minister at the time responsible for finance.

5.02. The Recipient's Address is:

Ministry of Finance and Economic Development Planning
P. O. Box 1830
Bujumbura
Burundi

Facsimile:

257-22-22-38-27

5.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: Telex: Facsimile:

INDEVAS 248423 (MCI) 1-202-477-6391
AGREED at Bujumbura, Burundi, as of the day and year first above written.

REPUBLIC OF BURUNDI

By

[Signature]

Authorized Representative

Name: Tabu Abdallah Namirubwa

Title: Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: [Redacted]

Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to increase the use of a defined package of health services by pregnant women, children under the age of five and couples of reproductive age.

The Project consists of the following parts:

1. Results-Based Financing

Use of Results-Based Payments to: (a) supplement the provision of the Free Package of Health Services; principally to pregnant women and children under five; (b) provide contraceptives to couples of reproductive age and support to nutrition-related activities for pregnant women and children under five; and (c) support a program of specific activities by select supervisory units in the health sector to provide enhanced supervision and internal verification of the delivery of health services under Parts 1(a) and (b).

2. Health Service Delivery Enhancement

(a) Provision of nutritional products to pregnant women and children under five.

(b) Provision of select medical equipment to Health Facilities participating in the Project.

(c) Construction of not less than 15 small-scale incinerators on the grounds of pre-identified hospitals within the Recipient’s territory.

3. Institutional Strengthening, Outreach and Education, and Project Implementation

(a) Design and implementation of a program of activities, including inter alia, capacity building of community-based organizations, training of health workers, and outreach and awareness-raising campaigns for the purpose of increasing demand, including access by vulnerable groups, to the health care services referred to under Parts 1(a) and (b) of the Project and stimulating positive health-related behavioral change.

(b) Strengthening of the Ministry of Public Health and Fight Against HIV/AIDS’ capacity to manage the public health sector through: (a) capacity building activities for the public health-related units within the Ministry of Public Health and Fight Against HIV/AIDS; and (b) Project management and coordination for the Project, including monitoring and evaluation, procurement, financial management and audits, excluding activities defined under Part 4(a) of the Project.
4. Verification Activities for Results-Based Payments

(a) Carrying out a program of activities to maintain and strengthen internal controls in relation to Free Package of Health Services-Related Activities.

(b) Carrying out a program of activities to maintain and strengthen external controls in relation to, including carrying out of third-party verification of, Free Package of Health Services-Related Activities.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Ministry of Public Health and Fight Against HIV/AIDS

1. The Ministry of Public Health and Fight Against HIV/AIDS shall be responsible for overall Project implementation and management in accordance with the following institutional arrangements:

Directorate General of Health Services and Fight Against HIV/AIDS

2. The Directorate General of Health Services and Fight Against HIV/AIDS shall be responsible for overall coordination and technical supervision of the Project, with the Directorate of Health Promotion, Hygiene, and Sanitation specifically responsible for the Project's compliance with the plans referred to in paragraph G of this Section I.

Directorate General of Resources

3. The Directorate General of Resources shall be responsible for administrative and financial management, procurement, and disbursement under the Project, and, to this end, the Recipient shall maintain in said Directorate General, throughout Project implementation, competent personnel in adequate numbers, particularly in the areas of financial management and procurement, all as satisfactory to the Association.

The Directorate General of Planning

4. The Directorate General of Planning shall be responsible for monitoring and evaluation under the Project and, to this end, the Recipient shall maintain in said Directorate General, throughout Project implementation, competent personnel in adequate numbers, all as satisfactory to the Association.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
C. Manuals

1. The Recipient shall maintain the Results-Based Financing Procedures Manual in form and substance satisfactory to the Association setting forth, *inter alia*, the detailed arrangements and procedures, in consideration of the Grant, including: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) social safeguards management; and (vi) monitoring, evaluation, reporting and communication.


3. The Recipient shall carry out the Project in accordance with the provisions and requirements set forth or referred to in the Results-Based Financing Procedures Manual and the Ministry of Public Health and Fight Against HIV/AIDS Administrative, Accounting, and Financial Procedures Manual; and except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Results-Based Financing Procedures Manual or the Ministry of Public Health and Fight Against HIV/AIDS Administrative, Accounting, and Financial Procedures Manual, or any provisions thereof. Notwithstanding the foregoing, if any of the provisions of the Results-Based Financing Procedures Manual or the Ministry of Public Health and Fight Against HIV/AIDS Administrative, Accounting, and Financial Procedures Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

D. Results-Based Payments

1. General

Without prejudice to the provisions of Section IA of this Schedule, the Directorate General of Health Services and Fight Against HIV/AIDS shall review and approve, on behalf of the Recipient, applications for Results-Based Payments, in accordance with the provisions of this Part D and the Results-Based Financing Procedures Manual.

2. Results-Based Payments Eligibility and Free Package of Health Services-Related Activities | Implementation Guidelines and Procedures

No proposed Beneficiary shall be eligible for financing under Part 1 of the Project unless, on the basis of a review conducted in accordance with this Part D and the Results-Based Financing Procedures Manual, the proposed Beneficiary is deemed to satisfy the eligibility criteria specified below and in further detail in
the Results-Based Financing Procedures Manual, which shall include the following:

(a) the proposed Beneficiary is a public or non-profit health service provider carrying out Free Package of Health Services-Related Activities or a unit within the Ministry of Public Health and Fight Against HIV/AIDS involved in the supervision of the Project;

(b) the proposed Free Package of Health Services-Related Activities satisfy the requirements of Part 1 of the Project as described in further detail in the Results-Based Financing Procedures Manual;

(c) the proposed Free Package of Health Services-Related Activities comply with the Specific Plan for Very Vulnerable Peoples, Including the Batwa and the National Biomedical Waste Management Plan;

(d) the proposed Free Package of Health Services-Related Activities are consistent with the relevant sectoral, environmental, and social standards and policies; and

(e) the Beneficiary has put in place all necessary arrangements, including financial and human resources, for the management of the proposed Free Package of Health Services-Related Activities.

3. Terms and Conditions of Results-Based Payments Agreements

(a) Free Package of Health Services-Related Activities shall be carried out pursuant to a results-based payments agreement ("Results-Based Payments Agreement"), to be concluded between the Directorate General of Health Services and Fight Against HIV/AIDS on behalf of the Recipient and the respective Beneficiary, under terms and conditions satisfactory to the Association, as further described in the Results-Based Financing Procedures Manual, which shall include the following:

(i) a description of the Free Package of Health Services-Related Activities, the applicable rates, and applicable performance indicators;

(ii) the obligation of the Beneficiary to: (A) carry out the Free Package of Health Services-Related Activities with due diligence and efficiency and in accordance with sound technical, financial, administrative, and environmental practices; (B) ensure that the resources required for the activities are provided promptly as needed; (C) maintain adequate records to reflect, in accordance with sound accounting practices, the resources,
operations, and expenditures relating to the Free Package of Health Services-Related Activities; and (D) at the request of the Association or the Recipient, have such records audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the records as so audited to the Recipient and the Association;

(iii) the obligation of the Beneficiary to carry out the Free Package of Health Services-Related Activities in accordance with the provisions of the Anti-Corruption Guidelines;

(iv) the obligation of the Beneficiary to carry out the Free Package of Health Services-Related Activities in accordance with the provisions of the Ministry of Public Health and Fight Against HIV/AIDS Administrative, Accounting, and Financial Procedures Manual and the Results-Based Financing Procedures Manual;

(v) the obligation of the Beneficiary to carry out the Free Package of Health Services-Related Activities in accordance with the provisions of: (A) the Specific Plan for Very Vulnerable Peoples, Including the Batwa; and (B) the National Biomedical Waste Management Plan;

(vi) the requirement that the goods and consultants’ services to be financed from the proceeds of the Results-Based Payment shall be procured in accordance with procedures ensuring efficiency and economy as further detailed in Section III of this Schedule, and shall be used exclusively in the carrying out of the Free Package of Health Services-Related Activities; and

(vii) the right of the Directorate General of Health Services and Fight Against HIV/AIDS, or the Ministry of Public Health and Fight Against HIV/AIDS, on behalf of the Recipient, and of the Recipient in its own right, to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods and sites included in the Free Package of Health Services-Related Activities, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of the Free Package of Health Services-Related Activities; and (C) suspend or terminate the right of the Beneficiary to use the proceeds of the Results-Based Payment, or obtain a refund of all or any part
of the amount of the Results-Based Payment then withdrawn, as the case may be, upon failure by the Beneficiary to perform any of its obligations under the Results-Based Payments Agreement.

(b) The Recipient, or the Directorate General of Health Services and Fight Against HIV/AIDS, or the Ministry of Public Health and Fight Against HIV/AIDS, as the case may be, shall exercise its rights and carry out its obligations under the Results-Based Payments Agreement in such manner as to protect its interests and those of the Association and to accomplish the purposes of the Results-Based Payment, and, except as the Association shall otherwise agree, neither the Recipient nor the Directorate General of Health Services and Fight Against HIV/AIDS, nor the Ministry of Public Health and Fight Against HIV/AIDS, shall assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

4. **External Controls**

(a) The Recipient shall maintain, throughout Project implementation, external auditors, with qualifications, experience, and terms of reference satisfactory to the Association, for purposes of the third-party verification of Free Package of Health Services-Related Activities to be carried out under Part 4 (b) of the Project.

(b) The Recipient shall cause said auditors to carry out, throughout Project implementation, quarterly verification exercises of Free Package of Health Services-Related Activities, including community and focus group surveys, Beneficiary spot checks, verification of data provided and records kept by Beneficiaries in relation to Free Package of Health Services-Related Activities, and assessments of the quality of health services provided under such Activities, in accordance with the provisions of the Results-Based Financing Procedures Manual.

E. **Annual Work Plans and Budgets**

1. Not later than November 30 in each calendar year (or one (1) month after the Effective Date for the first year of Project implementation), the Recipient shall prepare and furnish to the Association a draft annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the Association shall have reasonably requested.

2. The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out such annual work plan and budget during such subsequent calendar year as shall have
been approved by the Association ("Annual Work Plan and Budget"). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.

3. For any training proposed to be included in an Annual Work Plan and Budget, the Recipient shall, inter alia, identify: (a) particulars of the training envisaged; (b) the criteria for selection of the personnel to be trained, and such personnel if known; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association's prior written approval.

F. Semi-Annual Reviews

The Recipient shall review with the Association, not later than one (1) month after the transmittal to the Association of every Project Report referred to in Section II.A of this Schedule, or such later date as the Association shall request, said Project Report, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of said review and the Association's views on the matter.

G. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Specific Plan for Very Vulnerable Peoples, Including the Batwa and the National Biomedical Waste Management Plan, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of any conflict between the provisions of the Specific Plan for Very Vulnerable Peoples, Including the Batwa, or the National Biomedical Waste Management Plan, and those of this Agreement, the latter shall prevail.

3. Without limitation upon its other reporting obligations under Section II.A of this Schedule, the Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Report, information on the status of compliance with the Specific Plan for Very Vulnerable Peoples, Including the Batwa and the National Biomedical Waste Management Plan, giving details of:
(a) measures taken in furtherance of said plans;
(b) conditions, if any, which interfere or threaten to interfere with the
smooth implementation of said plans; and
(c) remedial measures taken or required to be taken to address such
conditions.

4. The Directorate General of Health Services and Fight Against
HIV/AIDS shall
be responsible for the implementation and monitoring and evaluation of said
plans.

5. To this end, and for purposes of capacity building of said Directorate General in
this regard, the Recipient shall maintain, throughout Project implementation, in
said Directorate General an environmental and social specialist, with
qualifications, experience, and terms of reference satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare
Project Reports in accordance with the provisions of Section 4.08 of the General
Conditions and on the basis of indicators acceptable to the Association. Each
Project Report shall cover the period of one (1) calendar semester, and shall be
furnished to the Association not later than ninety (90) days after the end of the
period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the
provisions of Section 4.08 of the General Conditions. The Completion Report
shall be furnished to the Association not later than six months after the
Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall, throughout Project implementation, maintain or cause to be
maintained a financial management system in accordance with the provisions of
Section 4.09 of the General Conditions.

2. The Recipient shall throughout Project implementation, maintain the Directorate
General of Resources and the information system configured to interface with the
accounting system of said Directorate.

3. Without limitations on the provisions of Part A of this Section II, the Recipient
shall prepare and furnish to the Association, interim unaudited financial reports
for the Project covering the quarter, not later than forty-five (45) days after the end of the period, in form and substance satisfactory to the Association.

4. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

5. To this end, the Recipient shall maintain, throughout Project implementation, external auditors, with qualifications, experience, and terms of reference satisfactory to the Association.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:
C. **Particular Method of Procurement of Consultants’ Services**

1. **Quality- and Cost-Based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-Based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-Based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(b) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(d) Single Source Selection</td>
</tr>
<tr>
<td>(e) Selection of Individual Consultants set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines</td>
</tr>
<tr>
<td>(f) Single Source Selection of Individual Consultants set forth in paragraph 5.4 of the Consultant’s Guidelines</td>
</tr>
</tbody>
</table>

D. **Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.
Section IV. **Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>Results-Based Payments under Part 1(a) of the Project in the Fiscal Year 2014</td>
<td>700,000</td>
</tr>
<tr>
<td>(b)</td>
<td>Results-Based Payments under Part 1(a) of the Project in the Fiscal Year 2015</td>
<td>1,600,000</td>
</tr>
<tr>
<td>(c)</td>
<td>Results-Based Payments under Part 1(a) of the Project in the Fiscal Year 2016</td>
<td>1,800,000</td>
</tr>
<tr>
<td>(d)</td>
<td>Results-Based Payments under Part 1(a) of the Project in the Fiscal Year 2017</td>
<td>1,800,000</td>
</tr>
<tr>
<td>(e)</td>
<td>Results-Based Payments under Part 1(a) of the Project in the Fiscal Year 2018</td>
<td>1,800,000</td>
</tr>
<tr>
<td>(2)</td>
<td>Results-Based Payments under Part 1(b) of the Project</td>
<td>1,000,000</td>
</tr>
<tr>
<td>(3)</td>
<td>Results-Based Payments under Part 1(c) of the Project</td>
<td>4,500,000</td>
</tr>
</tbody>
</table>
(4) Works, goods, non-consulting services and consultants' services, under Part 2 of the Project  

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works, goods, non-consulting services and consultants' services, under Part 2 of the Project</td>
<td>200,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

(5) Goods, consultants' services, Training and Operating Costs under Part 3 of the Project  

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, consultants' services, Training and Operating Costs under Part 3 of the Project</td>
<td>3,000,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

(6) Goods, consultants' services, Training and Operating Costs under Part 4 of the Project  

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, consultants' services, Training and Operating Costs under Part 4 of the Project</td>
<td>100,000</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

**TOTAL AMOUNT**  

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>16,500,000</td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement; or

   (b) under Category (1), unless the Recipient has: (i) exhausted the funds allocated in Category 1 of Section IV.A.2 of Schedule 2 to the First Additional Financing Agreement; and (ii) if after the Recipient's Fiscal Year 2014, exhausted, in compliance with Section V(B)(3) below in this Schedule 2, the funds allocated in the Counterpart Funds Account for the relevant year of Project implementation; or

   (c) under Category (3), unless the Recipient has exhausted the funds allocated in Category 1 of Section IV.A.2 of Schedule 2 to the Original Financing Agreement; or

   (d) under Category (5), unless the Recipient has exhausted the funds allocated in Category 2 of Section IV.A.2 of Schedule 2 to the Original Financing Agreement; or

   (e) under Category (6), unless the Recipient has exhausted the funds allocated in Category 2 of Section IV.A.2 of Schedule 2 to the First Additional Financing Agreement.

2. The Closing Date is December 31, 2018.
Section V. Other Undertakings

A. Results-Based Financing

(1) Unless otherwise agreed with the Association, the Recipient shall, beginning in the Fiscal Year 2015 through the end of Project implementation, maintain its allocation to the annual budget of the Ministry of Public Health and Fight Against HIV/AIDS for the provision of the Free Package of Health Services to pregnant women and children under five at no less than 1.4 percent (1.4%) of the Recipient's total budget expenditures as approved under the Recipient's Budget Law of the applicable year.

(2) The Recipient shall on a semi-annual basis, upon agreement with the Association, fix the minimum payment percentage of Category I from the Grant and the Counterpart Funds to be allocated to Health Centers providing services under the Free Package of Health Services.

(3) The Recipient shall, throughout Project implementation, set forth measures to ensure post-Project sustainability of the Free Package of Health Services in accordance with the guidance provided in the Results-Based Financing Procedures Manual.

B. Counterpart Fund:

In order to assist in carrying out Part 1(a) of the Project, the Recipient shall,

(1) maintain in the Bank of the Republic of Burundi, at all times throughout Project implementation, on terms and conditions acceptable to the Association, the Counterpart Funds Account into which it shall deposit all such allocation referred to in paragraph (A)(1) of this Section V ("Counterpart Funds Account");

(2) no later than end of February, end of April, end of June, and end of August of the relevant Fiscal Year, after the allocation of the percentage of its general expenditures to the budget of the Ministry of Public Health and Fight Against HIV/AIDS as required under paragraph (A)(1) of this Section V, and without limitation upon the provisions of Section 4.03 of the General Conditions, deposit into the Counterpart Funds Account, an amount in the Recipient's currency, equivalent to twenty (25) percent of such budget allocation for each respective period listed above in this paragraph; and
(3) ensure that all amounts deposited in the Counterpart Funds Account be used exclusively to pay for Eligible Expenditures required for Part 1(a) of the Project.

C. Other

(1) No later than two (2) months after the Effective Date, the Recipient shall recruit in accordance with the provisions of Section III.C of this Schedule 2, a financial management specialist, with qualifications, experience and terms of reference acceptable to the Association.

(2) No later than six (6) months after the Effective Date, the Recipient has submitted to the Association a progress report, satisfactory to the Association, detailing the status of implementation of the Instruction Letter.

(3) The Recipient shall, throughout Project implementation, carry out the training program referred to in Section V.E (a) of Schedule 2 to the First Additional Financing Agreement, for all staff involved in procurement processing within the Ministry of Public Health and Fight Against HIV/AIDS, in a manner acceptable to the Association.

(4) The Recipient shall, throughout Project implementation, maintain the procurement complaint management system within the Ministry of Public Health and Fight Against HIV/AIDS, as referred to in Section V.E (b) of Schedule 2 to the First Additional Financing Agreement, in a manner acceptable to the Association.

(5) The Recipient shall ensure that the Financing shall be used exclusively for the financing of activities detailed in Schedule 1 of this Agreement and no portion of the Financing shall be used for any applicable expenditure under the Project if such expenditure was reimbursed by the Original Grant or the First Additional Financing.
APPENDIX

Section I. Definitions

1. "Annual Work Plan and Budget" means each annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section I.E of Schedule 2 to this Agreement.


3. "Bank of the Republic of Burundi" or "Banque de la République de Burundi" means the Recipient's central bank.

4. "Beneficiary" means an entity to which or for whose benefit a Results-Based Payment (as hereinafter defined) is made or proposed to be made and which is a party to a Results-Based Payments Agreement (as hereinafter defined).

5. "Budget Law" means the Recipient's annual Loi de Finance approved by the its legislature and promulgated by the president in accordance with the Recipient's budget approval rules and regulations.

6. "Co-financier" means the World Bank acting as an administrator of the HRITF.

7. "Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of twenty million dollars ($20,000,000), to be provided by the Co-financier to assist in financing the Project.


9. "Counterpart Funds Account" means the account maintained by the Recipient at the Bank of the Republic of Burundi for the purposes of the Project in accordance with the provisions of Section V.B of Schedule 2 to this Agreement.

10. "Directorate General of Health Services and Fight Against HIV/AIDS" (Direction Générale de la Santé et de la lutte contre le Sida) means the Recipient's entity, under the supervisory authority of the Ministry of Public Health and Fight Against HIV/AIDS (as hereinafter defined), responsible for health services.

11. "Directorate General of Planning" (Direction Générale de la Planification) means the Recipient's entity, under the supervisory authority of the Ministry of
Public Health and Fight Against HIV/AIDS (as hereinafter defined), responsible for overall planning as well as monitoring and evaluation activities.

12. “Directorate General of Resources” (Direction Générale des Ressources) means the Recipient’s entity, under the supervisory authority of the Ministry of Public Health and Fight Against HIV/AIDS (as hereinafter defined), responsible for resource management for said Ministry and in the health sector.


14. “First Additional Financing” means the additional financing provided under the First Additional Financing Agreement.


16. “Fiscal Year” means the Recipient’s fiscal year as determined by the Budget Law.

17. “Free Package of Health Services” means the Recipient’s free package of health services, referred to under Part 1 (a) of the Project, procured in accordance with Section III of Schedule 2 to this Agreement, comprising preventive and curative services, including primary health care and preventive services for pregnant women, delivery and post-partum care, care for children under the age of five.

18. “Free Package of Health Services-Related Activities” means the activities relating to supporting and promoting the provision of the Free Package of Health Services and in support of which a Results-Based Payment (as hereinafter defined) is made or proposed to be made.


25. “HRITF” or “Health Results Innovation Trust Fund” means the trust fund established in December 2007 by various donors to support results-based financing approaches in the health sector for the achievement of the health-related millennium development goals.

26. “HRITF Second Financing Agreement” means the agreement of even date herewith between the Recipient and the Co-financier providing for the Co-financing.


28. “Ministerial Ordinance” means the ministerial ordinance 630/677, dated April 16, 2010 pursuant to the Presidential Decree on the Free Health Care Policy.


30. “Ministry of Public Health and Fight Against HIV/AIDS Administrative, Accounting, and Financial Procedures Manual” (Manuel des Procédures Administratives, Comptables et Financières du Ministère de la Santé Publique et de la lutte contre le VIH/SIDA) means the Recipient’s manual, dated October 2, 2008, agreed with the Association and revised in accordance with Article 4.01(b) of this Agreement, outlining implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of implementation of the activities of the Ministry of Public Health and Fight Against HIV/AIDS, including the activities of the
Project, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to said manual.

31. “National Biomedical Waste Management Plan” (Plan National de Gestion des Déchets Biomédicaux) means the Recipient’s plan, disclosed in country and at the World Bank’s infoshop on August 1, 2012, setting out the measures to be taken for the development and implementation of biomedical waste management and safe handling of said waste, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to said plan.

32. “National Health Development Plan” (Plan National de Développement Sanitaire) means the Recipient’s plan, covering the period from 2006-2010 and revised to cover the period from 2011-2015, for the development of its health sector.

33. “Operating Costs” means the incremental operating costs under the Project, based on the Annual Work Plans and Budgets approved by the Association, and incurred by the Ministry of Public Health and Fight Against HIV/AIDS, on account of utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.


35. “Original Grant” means the grant provided under the Original Financing Agreement.

36. “Original Project” means the Project described in the Original Financing Agreement.

37. “Presidential Decree on the Free Health Care Policy” means the Recipient’s Decret no. 100/38 du 16 Mars 2010 Portant Revision de Subvention des Soins aux Enfants de Moins de 5 Ans et des Accouchements dans les Structures de Soins Publiques et Assimilées, as the same may be updated from time to time.

39. "Procurement Plan" (Plan de Passation des Marchés) means the Recipient's procurement plan for the Project, dated August 24, 2012 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

40. "Results-Based Financing Procedures Manual" (Manuel des Procédures relatives au Financement Basé sur les Résultats) means the manual, dated September 2011 and revised in accordance with Article 4.01 (b) of this Agreement, as the same may be revised from time to time with the prior written agreement of the Association, and such term includes any schedules to said manual.

41. "Results-Based Payment" means a payment made or proposed to be made out of the proceeds of the Grant to finance the activities provided for under Part 1 of Schedule 1 of this Agreement.

42. "Results-Based Payments Agreement" means an agreement between the Recipient, represented by the Directorate General of Health Services and Fight Against HIV/AIDS and a Beneficiary, setting forth the terms and conditions governing Results-Based Payments.

43. "Specific Plan for Very Vulnerable Peoples, Including the Batwa" (Plan Spécifique pour les Populations Très Vulnerables, dont les Batwa) means the Recipient's plan, disclosed in country and at the World Bank's Infoshop on August 1, 2012, outlining measures to ensure culturally appropriate social and economic benefits for very vulnerable peoples, including the Batwa under the Project and avoidance, minimization, or mitigation of or compensation for any potential adverse effects on them associated with activities to be implemented under the Project, as shall have been agreed with the Association for purposes of Project implementation, as the same may be updated from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to said plan.

44. "Training" means the costs of training under the Project, based on the Annual Work Plans and Budgets approved by the Association, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.


46. "UNOPS" or "United Nations Office for Project Services" means an independent self-financing member of the United Nations family serving as a central resource for the United Nations system in procurement and contracts management.