Multi-Donor Health Results Innovation
Trust Fund
Grant Agreement

(Improving Health Sector Performance Project)

between

REPUBLIC OF DJIBOUTI

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

both acting as administrator of the
Multi-Donor Trust Fund for Health Results Innovation

Dated MAY 13, 2015
AGREEMENT dated __________________, 2015, entered into between:

REPUBLIC OF DJIBOUTI ("Recipient"); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION (collectively, "World Bank"), both acting as administrator of the Multi-Donor Trust Fund for Health Results Innovation ("Trust Fund"), for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement).

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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

Article II
The Project

2.01. The Recipient declares its commitment to the objective of the project described in Schedule I to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through the Ministry of Health (MoH) in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to seven million United States Dollars ($7,000,000) ("Grant") to assist in financing the Project.

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

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action; and

(b) the Project Steering Committee (PSC) has been established with a composition and terms of reference acceptable to the Association.

4.02. As part of the evidence to be furnished pursuant to Section 4.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

4.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World
Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article V**

**Recipient’s Representative; Addresses**

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Economy and Finance in charge of Industry.

5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Economy and Finance in charge of Industry
BP 13
Djibouti City
Republic of Djibouti

Facsimile:
(253) 21 35 6501/ (253) 21 35 5085

5.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD
Telex: INDEVAS 248423 (MCI) or 1-202-477-6391
Facsimile: 64145 (MCI)
AGREED at Djibouti City, Djibouti, as of the day and year first above written.

REPUBLIC OF DJIBOUTI

By

Authorized Representative

Name: H.E. Mulla Moossa Danagh
Title: MINISTER OF ECONOMY AND FINANCE IN CHARGE OF INDUSTRY

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION both acting as administrator of the Multi-Donor Trust Fund for Health Results Innovation

By

Authorized Representative

Name: Mrs. Homa Zahra Fotouhi
Title: RESIDENT REPRESENTATIVE
SCHEDULE 1
Project Description

The objective of the Project is to improve the utilization of quality healthcare services for maternal and child health and communicable disease control programs (HIV/AIDS and TB).

The Project consists of the following parts:

**Part A. Improving health service delivery performance**

Provision of financing for the Eligible Expenditure Payments (EEPs) to the selected Participating Health Care Providers in support of the improvement of the Recipient’s health service delivery performance, in accordance with the provisions set forth in Section IV of Schedule 2 to this Agreement, specifically for the following key services:

(a) Maternal and neonatal health services
(b) Integrated Management of Childhood Illnesses
(c) Nutrition Services
(d) Expanded Program on Immunization
(e) HIV/AIDS prevention and treatment services
(f) Detection and treatment of TB

**Part B. Strengthening project management and monitoring and evaluation capacity**

Provision of goods, consultants’ services, non-consulting services, training and financing of incremental operating costs to support:

(a) the management and fiduciary implementation of the Project, through the PIU;
(b) the strengthening of the monitoring and evaluation of the Project; and
(c) the carrying out of independent technical audits to validate and verify the achievements of Participating Health Care Providers’ outputs on a quarterly basis, and independent health surveys on a bi-annual basis, as well as health facility and client satisfaction surveys.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient, through MoH, shall maintain throughout the Project’s implementation, the PIU to be in charge of the following: (i) the fiduciary, administrative and technical support of the implementation of the Project; (ii) coordination of the Project activities; and (iii) preparation and submission of the Project’s progress reports.

2. The Recipient, through MoH, shall maintain, under Part A of the Project and throughout the Project’s implementation the Project Steering Committee (PSC), with a composition and terms of reference acceptable to the Association. The PSC shall be responsible for reviewing the technical aspects of the indicators to be used to approve the EEPs for the Participating Health Care Providers and based on the reports provided by the independent purchasing and verification firm performing the independent verification audits of the EEPs.

3. The Recipient, through MoH, shall ensure, under Part A of the Project, that the selected Participating Health Care Providers shall be responsible for: (i) maintaining sub-accounts at the regional level to facilitate financial audits related to EEPs; and (ii) keeping track of the necessary technical information related to the Project indicators in order to follow the progress of the Project and have the information needed to carry out the final progress report of the Project.

4. For purposes of implementation of Part A of the Project, the Recipient, through the MoH, shall maintain Health Management Committees (COGES) within each Participating Health Care Providers, in charge with the planning and managing of community health needs and monitor its functioning throughout the Project’s implementation.

5. For purposes of implementation of Part A of the Project, the Recipient, through the MoH, shall maintain the CAP, within the PIU, in charge of the monthly verification of the DLI(s) as per the RBF Manual.

6. For purposes of implementation of Part A of the Project, the Recipient shall furnish to the World Bank on or about January 31 of each year, starting on the first such date after the Effective Date, regular reports (the “EEP Spending and Assessment Reports”) prepared in accordance with the provisions of the RBF Manual.
B. Manuals

1. (a) The Recipient shall ensure that the Project is carried out in accordance with the Project Manuals.

   (b) Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive any of the Project Manuals, or any provision thereof.

2. In the event of any conflict between the provisions of any of the Project Manuals and those of this Agreement, the provisions of this Agreement shall prevail.

C. Participating Health Care Provider Agreements

To facilitate the carrying out of Part A of the Project, the Recipient, through MoH, shall make part of the proceeds of the Financing allocated on a quarterly basis to Category (1) of the table set forth in Section IV.A.2 of this Schedule available to Participating Health Care Providers under agreements between MoH and each of the selected Participating Health Care Providers ("Participating Health Care Provider Agreements"), under terms and conditions approved by the World Bank, including but not limited to the following provisions:

1. a requirement that the Participating Health Care Provider adheres to the Anti-Corruption Guidelines;

2. that MoH provide quarterly EEPs to the selected Participating Health Care Providers in accordance and in compliance with the procedures set forth in the RBF Manual, the EIA and EMP;

3. that the selected Participating Health Care Providers use funds made available under the Participating Health Care Provider Agreement for Eligible Expenditures pursuant to this Agreement;

4. that the selected Participating Health Care Providers maintain records and accounts for expenditures of the payments received pursuant to their Participating Health Care Provider Agreement and submit their financial statements to the Recipient on a quarterly basis; and

5. that the selected Participating Health Care Providers conduct its procurement under the Participating Health Care Provider Agreement in accordance with this Agreement, and performance based procurement procedures acceptable to the World Bank and set forth in the Project Manuals.
D. Anti-Corruption

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

E. Safeguards

The Recipient, through MoH, shall implement the Project activities in accordance with the Environmental Impact Assessment (EIA) and the Environmental Management Plan (EMP).

F. External Controls for Part A of the Project

1. Independent Verification

(a) The Recipient shall, not later than one (1) month after the Effective Date, appoint external monitoring and evaluation experts ("Independent Verifiers"), to act as third-party verifiers of the proper fulfillment of the DLIs set forth in RBF Manual and the respective Participating Health Care Provider Agreement.

(b) The Recipient shall cause the Independent Verifiers to carry out, prior to each Withdrawal, an assessment of the level of fulfillment of DLIs set forth in RBF Manual and the respective Participating Health Care Provider Agreement, and provide to the Recipient and the World Bank, an Independent Verification Report containing, inter alia, said assessment on the fulfillment of the pertinent DLIs and a proposal for disbursement under each Withdrawal.

2. Independent Verification Reports

The Recipient shall cause the Independent Verifiers to furnish to the World Bank every calendar trimester starting six months after the Effective Date, regular reports ("Independent Verification Reports") prepared in accordance with the provisions of the Project Implementation Manual.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be
furnished to the World Bank not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than 45 days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

4. Not later than two (2) months after Effective Date, the Recipient shall recruit an external auditor whose qualifications, experience and terms of reference shall be acceptable to the Association.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (a) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014) (“Procurement Guidelines”) in the case of goods, works and non-consulting services, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and
Grants by World Bank Borrowers” dated January 2011 (revised July 2014) (“Consultant Guidelines”) in the case of consultants’ services; and

(b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

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

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

2. Other Methods of Procurement of Goods and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding subject to the additional provisions provided in Section 3 below; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; (e) Direct Contracting; (f) Procurement from UN Agencies; and (g) Performance based procurement acceptable to the World Bank and set forth in the Project Operational Manuel.

3. Additional Provisions for NCB. The Additional Provisions for National Competitive Bidding are as follows:

1. In the Standard Bidding Documents, as enacted by the by Law n°2010-349/PRE, dated May 8, 2010, the “Fraud and Corruption” clause shall be revised to read as follows for all contracts financed by the present Financing Agreement:

“It is the World Bank’s policy to require that Borrowers (including beneficiaries of World Bank administered Financing Agreements), bidders, suppliers, contractors and their agents (whether declared or not), sub-contractors, sub-consultants, service providers or suppliers, and any personnel thereof, observe the
highest standard of ethics during the procurement and execution of World Bank-financed contracts. In pursuance of this policy, the World Bank:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(ii) "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) "obstructive practice" is:

(A) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a World Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or

(B) acts intended to materially impede the exercise of the World Bank's inspection and audit rights provided for under paragraph (c) below.

(b) will reject a proposal for award if it determines that the bidder recommended for award, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
(c) will declare misprocurement and cancel the portion of the loan/credit allocated to a contract if it determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan/credit engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement or the implementation of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur, including by failing to inform the World Bank in a timely manner at the time they knew of the practices;

(d) will sanction a firm or individual, at any time, in accordance with the prevailing World Bank's sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a World Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded a World Bank-financed contract;

(e) hereby requires that a clause be included in bidding documents and in contracts financed by a World Bank loan/credit agreement, requiring bidders, suppliers and contractors, and their sub-contractors, agents, personnel, consultants, service providers, or suppliers, to permit the World Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the World Bank; and

(f) will require that, when a Borrower procures goods, works or non-consulting services directly from a United Nations (UN) agency under an agreement signed between the Borrower and the UN agency, the above provisions regarding sanctions on fraud or corruption shall apply in their entirety to all suppliers, contractors, service providers, consultants, subcontractors or sub-consultants, and their employees that signed contracts with the UN agency.

As an exception to the foregoing, paragraphs (d) and (e) will not apply to the UN agency and its employees, and paragraph (e) will not apply to the contracts between the UN agency and its suppliers and service providers. In such cases, the UN agencies will apply their own rules and regulations for investigating allegations of fraud or corruption subject to such terms and conditions as the World Bank and the UN agency may agree, including an obligation to periodically inform the World Bank of the decisions and actions taken. The World Bank retains the right to require the Borrower to invoke remedies such as suspension or termination. UN agencies shall consult the World Bank's list of firms and individuals suspended or debarred. In the event a UN agency signs a contract or purchase order with a firm or an individual suspended or debarred by the World Bank, the World
Bank will not finance the related expenditures and will apply other remedies as appropriate.”

2. Bidders shall sign, as part of their bids, the ethical charter Form enacted as Annex 3 by the Decree # 2010-0085PRE dated May 8, 2010;

3. No preference shall be granted for domestic bids;

4. The NCB procedures shall include, further to public opening of bids, publication of results of evaluation and of the award of contract as per paragraph 7 of Appendix 1 of the Procurement Guidelines; and

5. The Recipient shall have an effective and independent protest mechanism in place allowing bidders to protest and have their protests handled in a timely manner.

C. Particular Methods 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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (g) Selection of UN Agencies; (h) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (i) Selection of Individual Consultants; and (j) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. **Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and
(c) such additional instructions as the World Bank 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 World Bank 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 Grant (“Category”), the allocations of the amounts of the Grant 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 USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) EEPs to the Participating Health Care Providers, under Part A of the Project</td>
<td>4,875,000</td>
<td>100% of amounts spent and reported under the EEP Spending and Assessment Reports for each Withdrawal</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants’ services, audit, Training and Incremental Operating Costs under Part B of the Project</td>
<td>2,125,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>7,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made under Category (1) unless:

   (a) the MoH has adopted the RBF Manual in a manner satisfactory to the Association;
   
   (b) the relevant EEP Spending and Assessment Report has been submitted to, and found satisfactory by, the Association in accordance with the Independent Verification Reports; and
(c) any applicable Disbursement-Linked Indicators as set forth in the RBF Manual and the respective Participating Health Care Provider Agreement have been met by the Recipient satisfactory to the World Bank.

2. Notwithstanding the provisions of Part A of this Section and without limitation to the provision set forth in paragraph 1 above, withdrawals under Category (1) above may be made by the Recipient as follows:

(a) Withdrawals shall be made in amounts not exceeding the total of the ceilings per each respective DLI as provided in RBF Manual, subject to submission to the World Bank of evidences satisfactory to the World Bank and as defined in the RBF Manual that the DLIs have been achieved.

(b) If, at any time, the World Bank determines that any portion of the amounts disbursed by the Recipient under Category (1) was made: (i) for expenditures which are not eligible under the EEPs; or (ii) not in compliance with the provisions of Section IV.B.2 (a) of this Schedule, the Recipient shall promptly refund any such amount to the World Bank as the World Bank shall specify by notice to the Recipient.

(c) If, at any time, the World Bank is not satisfied that any of the DLI(s) has/have been achieved by end of each Fiscal Year or of the date by which the said DLI(s) is/ are set to be achieved and/ or the Allocated Amount(s) of such DLI(s) has/ have not been fully withdrawn as such said date has been established in the POM and referred to in the Participating Health Care Provider Agreement, the World Bank may, at any time, by notice to the Recipient, decide, in its sole discretion, to:

(i) authorize the withdrawal of such lesser amount of respective Allocated Amount(s) allocated to any of DLI(s) which in the opinion of the World Bank, corresponds to the extent of achievement of said DLI(s);

(ii) withhold all or a portion of the proceeds of the Financing then allocated to said DLI(s) until such DLI(s) is/ are satisfactorily met;

(iii) reallocate all or a portion of the proceeds of the Financing then allocated to said DLI(s) to any other DLI(s) within the same DLI; and/or

(iv) cancel all or a portion of the proceeds of the Financing then allocated to said DLI(s).

3. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2018.
APPENDIX

Definitions


2. “CAP” means Purchasing Unit (Cellule d'achat de Performance) established within the PIU to support the implementation of Part A of the Project as referred to in Section I.A.5 of Schedule 2 to this Agreement.


4. “COGES” means the Health Management Committees (Comités de Gestion de Santé) referred to in Section I.A.4 of Schedule 2 to this Agreement to be established within each Participating Health Care Providers not later than July 1, 2013.

5. “DLI(s)” means the set of disbursement-linked indicators as specified in the RBF Manual and the Participating Health Care Provider Agreement.

6. “EEP” means Eligible Expenditure Payments, namely a portion of the Financing’s proceeds for financing the payments to Participating Health Care Providers under Part A of the Project.

7. “EEP Spending and Assessment Reports” means any report prepared by the Recipient in accordance with the Project Manuals and referred to in Section I.A.6 of Schedule 2 to this Agreement on the spending status of the EEP under Part A of the Project and the level of achievement of the DLIs.

8. “Environmental Impact Assessment” or “EIA” means the document prepared by the Recipient, through MoH, updated and disclosed on November 17, 2014 that: (a) evaluates the environmental impact of the Project and the existing medical waste management plan in place; (b) proposes mitigation measures in the form of an EMP (hereinafter defined) and monitors those measures; and (c) provides for training and capacity building in environmental aspects.

9. “EMP” means Environmental Management Plan developed by the Recipient in the form of the sample provided in the EIA (hereinafter defined) in order to provide for mitigation measures for the impacts of medical waste under the Project, including the bio-medical waste management plan.
10. "Incremental Operating Costs" means reasonable incremental operating expenses incurred by the PIU on account of Project implementation, management and monitoring, including staff salaries, operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, public awareness-related media expenditures, travel and supervision costs, per diem, additional staff costs, but excluding the salaries of officials and public servants of the Recipient’s civil service.

11. "Independent Verifiers" means the independent verifiers referred to in Section I.F.1 of Schedule 2 to this Agreement recruited by the Project Implementation Unit in order to prepare the Independent Verification Reports.

12. "Independent Verification Reports" means the report prepared by the Independent Verifiers in accordance with the details provided in the RBF Manual and referred to in Section I.F.2 of Schedule 2 to this Agreement, to make disbursement recommendation for each Withdrawal based on the spending status of the Eligible Expenditure Payments under Part 1 of the Project and the compliance with the DLIs.

13. "MoH" means the Recipient’s Ministry of Health or any legal successor thereto.


15. "Original Project" means the Project described in the Original Financing Agreement.

16. "Participating Health Care Providers" means the health care facilities participating in the Project by means of a Participating Health Care Provider Agreement (hereinafter defined) with MoH (defined above).

17. "Participating Health Care Provider Agreement" means an agreement between a Participating Health Care Providers and MoH, satisfactory to the Association, for incentive-based payments based on the Project RBF Manual (hereinafter defined) and enhanced supervision.

18. "PIU" means project implementation unit established by the Recipient for purposes of Project coordination and management under the Health Sector Development Project financed under Development Credit Agreement no.3650-DJ dated August 12, 2002 between the Recipient and the World Bank.

20. "Procurement Plan" means the Recipient's procurement plan for the Project, dated March 3, 2015 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.

21. "Project Operational Manual" or "POM" means the Recipient's manual adopted for the Original Project and updated, setting out implementation, organizational, monitoring and evaluation, risk mitigation, and fiduciary mechanisms for purposes of implementation of the Project, as the same may be amended from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such manual.


23. "PSC" means the Project Steering Committee referred to in Section I.A.2 of Schedule 2 to this Agreement.

24. "RBF Manual" means the Project's Results-based Financing manual, setting forth for all necessary forms for keeping track of services provided, incentives received, quality checklists and the terms and conditions for the Participating Health Care Providers' Agreements.

25. "Training" means expenditures incurred in connection with workshops, seminars, meetings and conferences to be carried out under the Project, including air tickets, local transportation, per diem, hotel, coffee breaks, meals, exchange and wire transfer fees, visa costs, participants' medical and travel insurance; and conference rooms, equipment and logistic arrangements for workshops, seminars, meetings and conferences.

26. "Withdrawal" means each withdrawal under Category (1) of the table in Section IV of Schedule 2 to this Agreement.