Financing Agreement

(Additional Financing for the East Africa Public Health laboratory Networking Project)

between

REPUBLIC OF BURUNDI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 31st, 2016
FINANCING AGREEMENT

AGREEMENT dated April 01, 2016, entered into between REPUBLIC OF BURUNDI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) 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 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 seven million two hundred thousand Special Drawing Rights (SDR7,200,000) (“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 1 and October 1 in each year.

2.05. The Payment Currency is Dollar.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (a) carry out Parts A, B and C.1 and C.2 of Project through its Ministry of Health in accordance with the provisions of Article IV of the General Conditions; and (b) cause Part C.2 of the Project to be carried out by ECSA in accordance with the provisions of Article IV of the General Conditions and the Subsidiary Agreement.

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 — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) The Memorandum of Understanding between the Recipient and ECSA has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of ECSA to perform any of its obligations under Part C.2 of the Project.

(b) Either the Ethiopia Financing Agreement, the Kenya Financing Agreement, the Tanzania Financing Agreement, or the Uganda Financing Agreement fails to become effective by December 31, 2015 or such later date as the Association shall establish by notice to the Recipient.

(c) The right to withdraw the proceeds of any financing under either the Ethiopia Financing Agreement, the Kenya Financing Agreement, the Tanzania Financing Agreement, or the Uganda Financing Agreement is suspended, canceled or terminated, in whole or in part, pursuant to the terms of such agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

5.02. 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 VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister at the time responsible for finance.

6.02. The Recipient’s Address is:

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

Telephone:
257-22-22-27 - 75

6.03. 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
Washington, D.C.
AGREED at Bujumbura, Burundi, as of the day and year first above written.

REPUBLIC OF BURUNDI

By

[Signature]

Authorized Representative

Name: [Name]
Title: [Title]

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: [Name]
Title: [Title]
SCHEDULE 1

Project Description

The objective of the Project is to establish a network of efficient, high quality, accessible public health laboratories for the diagnosis and surveillance of tuberculosis and other communicable diseases.

The Project consists of the following parts:

Part A: Regional Diagnostic and Surveillance Capacity

Development and operationalization of a regional diagnostic network among the Project Countries through:

1. (a) The rehabilitation, expansion and/or construction of eight satellite laboratories within the Recipient's territory to expand diagnostic services for vulnerable groups in cross-border areas and to serve as sentinel surveillance sites to monitor hot spots for disease transmission; (b) the acquisition of laboratory equipment and materials, including waste management equipment and protective gear to ensure the safety of lab personnel; (c) the acquisition of computer equipment and software, and provision of technical support for an integrated laboratory information system; (d) the provision of operating costs to render the laboratories functional; and (e) the provision of equipment to screen, diagnose and track cancer through enhanced pathology services.

2. Carrying out of a program to strengthen the capacity of the Recipient's central public health laboratory and its linkages to the other central public health laboratories of the Project Countries, such program to consist of: (a) rehabilitation and/or construction of the national reference laboratory, and acquisition of the laboratory equipment and material for the national reference laboratory; (b) the acquisition of computers and videoconferencing equipment, and development of capacity in the use of such equipment, to facilitate sharing of information and link into existing telemedicine installations where appropriate; (c) the provision of technical advisory services for accreditation of the Recipient's satellite laboratories and standardization of procedures and protocols to ensure that diagnostic procedures are performed by appropriately trained technicians on the basis of clear regional and international proficiency and quality standards; (d) the provision of operating costs for laboratory external quality assessment, and recruitment of necessary personnel to provide mentorship to satellite laboratories; and (e) the provision of appropriate biosafety level capacity.

3. Carrying out of a program of activities designed to enable the Recipient to comply with its commitments under the International Health Regulation and facilitate laboratory-based disease surveillance efforts and cross border activities, such
program to include: (a) measures aimed at strengthening etiological confirmation of pathogens and promoting active participation of laboratory and health facility personnel in disease surveillance and disease outbreak investigations, including joint investigations between animal and human health specialists; (b) establishing and maintaining an integrated data management system and printing surveillance protocols; (c) sharing of relevant data with the other Project Countries, including publication of periodic newsletters and quarterly and annual disease surveillance reports; and (d) providing equipment and supplies to strengthen screening for viral hemorrhagic fevers at the country’s international airport and at other ports of entry; (e) providing equipment and supplies to set up two isolation wards; and (f) providing operating costs for an Emergency Operation Center.

4. Financing, through the provision of grants (“Results-based Grants”) to the national laboratory, satellite laboratories and select managerial units within the Ministry of Health, for the carrying out of specific development projects comprising of packages of quality laboratory services (“Laboratory Quality Service Packages”), as measured through the Balanced Score Card, with the view of sharing lessons learned with the Project Countries.

Part B: Joint Training and Capacity Building

1. Carrying out a program to develop the capacity of health personnel, community health workers and other port of entry personnel, such program to include, training and mentoring in epidemic preparedness and response; case identification and contact tracing; viral hemorrhagic fever diagnostic techniques; multi-drug resistant tuberculosis management; and provision of in-service and pre-service training programs and joint laboratory training programs for diagnostic laboratory personnel.

2. Carrying out of a training plan in identified areas of laboratory sciences and field epidemiology, for laboratory personnel including facilitating access to relevant: (a) training courses at the national and regional levels; (b) laboratory attachments, fellowships, and regional exchanges at recognized centers of laboratory excellence; (c) selective graduate training; (d) technical assistance to review; and develop standards and training curricula and generic specifications for equipment; and (e) regional workshops designed for knowledge sharing.

Part C: Joint Operational Research and Knowledge Sharing/Regional coordination and Program Management

1. Carrying out of operational research on the basis of the priorities to be identified by the Recipient, including: (a) the evaluation of the effectiveness of new tuberculosis related diagnostic technologies; (b) the assessment of drug resistance patterns for endemic diseases; (c) ascertaining the feasibility of the use of mobile telephone technology for reporting of selected diseases; and (d) cost effective
approaches to conducting disease outbreaks, all through the provision of technical advisory services, training and operating costs.

2. Facilitation of knowledge sharing and learning on matters relating to diagnosis and surveillance of communicable diseases, through the carrying out by ECSA of a program to, *inter alia*: (a) convene technical experts and policy makers in order to harmonize laboratory operating procedures and quality assurance among the Project Countries; (b) coordinate the provision of capacity building training for diagnostic laboratory personnel at the regional level; (c) establish a forum for learning and knowledge sharing; (d) collaborate with the East African Community in implementing a strategic plan for developing an East Africa integrated disease surveillance network as a model regional network, and producing a regional quarterly surveillance bulletin; (e) organize workshops and facilitate the sharing of research and programmatic results in the region, including results of the RBF pilot undertaken under Part A.4 of the Project; (f) establish a team within ECSA to coordinate activities at the regional level; (g) build the capacity for videoconferencing; and (h) develop a website to serve as a platform for sharing of information and results of research; all through the provision of operating costs, technical advisory services and the acquisition of goods and equipment needed to organize workshops.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

1. National Level

(a) National Steering Committee

In order to ensure prompt and efficient oversight of the Project, the Recipient shall maintain, at all times during the implementation of the Project, the National Steering Committee, with a mandate, composition and resources satisfactory to the Association. To this end, said National Steering Committee shall be:

(i) chaired by the Recipient's Permanent Secretary of the Ministry of Health;

(ii) comprised of, inter alia, heads of the Department of Pharmacy, Medicine and Laboratories, General Resources Department, the Promotion of Health, Hygiene and Drainage Department and the Results Based Financing Unit, and the Director General of Health; and

(iii) responsible for, inter alia, providing oversight of the Project.

(b) National Project Coordination Team

To ensure proper implementation of Parts A, B and C.1 of the Project, the Recipient shall maintain at all times during the implementation of the Project, the National Project Coordination Team (NPCT), within the Ministry of Health, with staffing, resources and mandate satisfactory to the Association. To this end, the Recipient shall ensure that the NPCT shall:

(i) be composed of qualified and experienced staff, in adequate numbers, such staff to include financial management specialists, a focal point, an operations officer, procurement specialists and a monitoring and evaluation specialist, all with qualification, terms of reference and experience satisfactory to the Association; and

(ii) be responsible for day to day coordination, including financial management, procurement, monitoring, evaluation and reporting, of Parts A, B and C.1 of the Project.
2. Regional Level

ECSA

To ensure proper and efficient coordination among Project Countries and implementation of Part C.2 of the Project:

(a) the Recipient and ECSA shall execute a Memorandum of Understanding, in form and substance satisfactory to the Association, setting forth the terms of the Recipient’s participation in ECSA for the purpose of the Project; and

(b) the Recipient shall thereafter maintain, at all times until the completion of the Project, its active participation in ECSA for the purpose of the Project. To this end, the Recipient shall ensure that ECSA remains, until the completion of the Project, responsible for the implementation of Part C.2 of the Project, including, inter alia:

(a) preparing consolidated semi-annual and annual Project status reports, and reviewing the progress made towards achieving the Project’s objectives at the regional level; and

(b) facilitating governmental and inter-governmental actions that may be required under the Project.

B. National Level Implementation Arrangements

1. Project Implementation Plan

The Recipient shall carry out the Project (or cause it to be carried out) in accordance with the arrangements, procedures and guidelines set out in the Project Implementation Plan, provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Plan and the provisions of this Agreement, the provisions of this Agreement shall prevail.

2. Results-based Financing

(a) Results-based Financing Procedures Manual

(i) The Recipient shall maintain during the Project implementation, the Results-based Financing Procedures Manual containing detailed administrative, procurement, financial management, safeguards, monitoring and evaluation procedures and arrangements for Part A.4 of the Project.

(ii) Without limitation upon the foregoing, said updated Results-based Financing Procedures Manual shall include, inter alia, a detailed elaboration of:
(A) the description of laboratory services to be delivered under the Laboratory Quality Service Packages;

(B) the detailed description of all the indicators and data elements, including their weighting, contained in the Balanced Score Card to be used to assess the quality of the laboratory services;

(C) the procedures and methodology for adapting the Balanced Score Card to fit the national results based financing system, including a process of formal annual revision incorporating lessons learned; and

(D) the procedures for monitoring and evaluation of Laboratory Quality Service Packages and the Laboratory Balanced Score Card (ex-ante verification), including an element of counter-verification of results (ex-post verification) by regional assessors.

(iii) The Recipient shall exchange views with the Association on any proposed change or amendment to the Results-based Financing Procedures Manual; and thereafter adopt such updated Results-based Financing Procedures Manual as shall have been approved by the Association.

(iv) The Recipient: (i) shall carry out Part A.4 of the Project in accordance with the Results-based Financing Procedures Manual and (ii) shall not revise or waive any provision of the Results-based Financing Procedures Manual without the prior written agreement of the Association.

(b) Results-based Grants

(i) Following the procedures described in the Results-based Financing Procedures Manual, the Recipient shall make Results-based Grants under Part A.4 of the Project to the managerial units and the national and satellite laboratories ("Laboratories") which meet the eligibility requirements set forth in the updated Results-based Financing Procedures Manual. Each such Results-based Grant shall be made on a non-reimbursable grant basis under an agreement entered into between the Recipient and each management unit or Laboratory, on terms and conditions acceptable to the Association ("Results-based Agreement") as further detailed in the updated Results-based Financing
Procedures Manual, which shall include the terms and conditions set forth below in paragraph (ii) of this Section.

(ii) Each Results-based Agreement with the respective management unit or Laboratory shall include provisions whereby said management unit or Laboratory shall be required to:

(A) carry out its activities under the Results-based Agreement with due diligence and efficiency and in accordance with sound public health, environmental and social and administrative standards and practices acceptable to the Association, including in accordance with the Results-based Financing Procedures Manual, the Waste Management Plan, ESMF and IPP the Anti-Corruption Guidelines; provide promptly, as needed, the resources required for the purpose; and procure the inputs required for said activities in accordance with procedures that ensure economy and efficiency;

(B) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect its operations, resources and expenditures, including those related to the Results-based Agreement; and at the Recipient’s or the Association’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; and

(C) enable the Recipient and the Association to inspect its facilities, operations and any records and documents relevant to the Results-based Agreement; and prepare and furnish to the Recipient and the Association all such information as either shall reasonably request relating to the Results-based Agreement.

(iii) The Recipient shall perform its obligations and exercise its rights under Results-based Agreement in such manner as to protect its interests and the interests of the Association and to achieve the Project’s objective, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Results-based Agreement or any of its provisions.
Verification of the Laboratory Quality Service Package

Prior to each payment to a Laboratory under a Results-based Agreement, the Recipient shall, under terms of reference acceptable to the Association and elaborated in the Results-based Financing Procedures Manual:

(i) verify the quality of the said Laboratory Quality Service Packages using the Balanced Score Card as detailed in the Results-based Financing Procedures Manual; and

(ii) ensure that the verification, validation and counter verification procedures related to the Laboratory Quality Service Packages are carried out following the procedures laid out in the Results-based Financing Procedures Manual.

External verification of Laboratory Quality Service Package delivery

The Recipient shall, not later than three (3) months after the conclusion of the first Laboratory Quality Service Package by a given Laboratory or managerial unit referred to in Part A.4 of the Project, maintain, throughout Project implementation, external assessors, whose terms of reference, qualifications and experience shall be satisfactory to the Association, to carry out quarterly assessments of the Laboratory Quality Service Packages using the Balanced Score Card.

C. Regional Level Implementation Arrangements

1. Subsidiary Agreement

(a) To facilitate the carrying out of Part C.2 of the Project, the Recipient shall make available to ECSA, on a grant basis, the proceeds of the Financing allocated from time to time to Category (3), under a subsidiary agreement, between the Recipient and ECSA, with terms and conditions approved by the Association, which shall, inter alia, include the following ("Subsidiary Agreement"):

(i) the requirement that ECSA carry out Part C.2 of the Project with due diligence and efficiency, in conformity with appropriate administrative, financial, technical, environmental and social standards acceptable to the Association, and provide, or cause to be provided, promptly as needed, the facilities, services and other resources required for the purpose;

(ii) the obligation of ECSA to comply with the procedures for procurement of goods, and consultants’ services set forth in Section III of this Schedule 2;
(iii) the requirement that ECSA fully collaborate with the Recipient in order to permit timely compliance with the requirements set forth in Section II.A and II.B of this Schedule 2, including the requirement that ECSA (A) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of Part C.2 of the Project and the achievement of its objectives; (B)(1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to Part C.2 of the Project; and (B)(2) have such financial statements audited annually by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (C) enable the Recipient and the Association to inspect Part C.2 of the Project, its operation and any relevant records and documents; and (D) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing;

(iv) the obligation of ECSA to exchange views with the Recipient and the Association with regard to the progress of Part C.2 of the Project, and the performance of its obligations under the Subsidiary Agreement;

(v) the requirement that ECSA promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of Part C.2 of the Project, or the performance of its obligations under the Implementation Agreement;

(vi) the requirement that ECSA carry out Part C.2 of the Project in compliance with the terms of the Anti-Corruption Guidelines; and

(vii) rights of the Recipient adequate to protect its interests and those of the Association, including the right: (A) suspend or terminate the right of ECSA to use the proceeds of the Financing allocated from time to time to Category (3), or (B) obtain refund of all or any part if such amount of the Financing then withdrawn, upon ECSA's failure to perform any of its obligations under the Subsidiary Agreement.
(b) The Recipient shall exercise its rights and carry at its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

D. Annual Work Plan
1. The Recipient shall:
   
   (a) prepare and furnish to the Association for its review, not later than one month before the end of the Recipient’s Fiscal Year, during the implementation of the Project, the proposed annual work plan for all activities proposed to be included in the Project (including a budget therefor) for the following Fiscal Year;
   
   (b) afford the Association a reasonable opportunity to exchange views with the Recipient on said proposed annual work plan; and
   
   (c) thereafter implement the Project during such following Fiscal Year in accordance with such annual work plan as shall have been approved by the Association for such Fiscal Year (“Annual Work Plan”).

2. Without limitation upon the provisions of paragraph D.1 above, the Recipient shall, prior to submission of the annual work plan to the Association, ensure that any proposed regional research, training, information or knowledge sharing activities which are included in the annual work plan have been discussed and agreed upon at the regional level by ECSA and the other Project Countries.

3. The Recipient shall not make or allow to be made any changes to the Annual Work Plan without prior approval, in writing, by the Association.

E. Anti-Corruption

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

F. Environmental and Social Safeguards

1. The Recipient shall:
   
   (a) implement the Project in accordance with the ESMF, the Waste Management Plan, and the IPP;
as part of the preparation of each proposed Annual Work Plan, prepare, adopt, disclose, and implement, in form and substance satisfactory to the Association, an environmental assessment, and as needed, an environmental and social mitigation plan in accordance with the ESMF, defining: (i) the measures to be taken during the implementation of the relevant activities included in the Annual Work Plan to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures; and

not amend or waive, or permit to be waived, the ESMF, the Waste Management Plan, the IPP, or any environmental assessment or environmental and social mitigation plan, or any provision of any one of thereof.

2. Without limitation upon its other reporting obligations under this Agreement including Section 4.08 of the General Conditions, the Recipient shall regularly collect, compile and submit to the Association, as part of the progress reports referred to in Section II.A.1 of this Schedule, reports, in form and substance satisfactory to the Association, on the status of compliance with the ESMF, the Waste Management Plan, the IPP, each environmental assessment and any environmental and social management plan, giving details for the previous semester of:

(a) measures taken in furtherance of such ESMF, the Waste Management Plan, the IPP, each such environmental assessment and any such environmental and social management plan;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such ESMF, Waste Management Plan, the IPP, and any such environmental and social management plan, environmental assessment; and

(c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such ESMF, Waste Management Plan, the IPP, and any such environmental assessment and environmental and social management plan.

3. The Recipient shall ensure that no activities that would involve involuntary resettlement are included in the Annual Work Plan, or in the Project.
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 twelve months, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

2.  On or about the date twenty-four (24) months after the Effective Date, the Recipient shall undertake in conjunction with the Association and the ECSA a comprehensive mid-term review of the Project during which it shall exchange views generally with the Association on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by the ECSA of its respective obligations under the Subsidiary Agreement, having regard to the performance indicators referred to in paragraph A.1 of this Section.

B.  Financial Management, Financial Reports and Audits

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

2.  Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3.  The Recipient shall have its Financial Statements 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 Fiscal Year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III.  Procurement

A.  General

1.  **Goods and Works.** All goods and works 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 Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

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

2. **Other Methods of Procurement of Goods and Works.** The following methods of procurement, other than International Competitive Bidding, may be used for goods and works under the circumstances specified in the Procurement Plan for each such method: (a) Limited International Bidding; (b) National Competitive Bidding; (c) Shopping; (d) Direct Contracting; and (e) Procurement from the United Nations.

**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 of procurement, other than Quality- and Cost-based Selection, may be used for consultants’ services under the circumstances specified in the Procurement Plan for each such method: (a) Quality-Based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection Based on Consultants’ Qualifications; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (f) Single Source Selection; of consulting firms; and (g) Sole Source Procedures for the Selection of Individual Consultants.

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

1. The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review.

2. All other contracts shall be subject to Post Review by the Association.
Section IV. Withdrawal of the Proceeds of the Financing

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 shall 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:

B. Withdrawal Conditions; Withdrawal Period

<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) Goods, works, consultants’ services, Training and Operating Costs for Parts A.1, 2, and 3, Part B and Part C.1 of the Project</td>
<td>5,330,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Non-consulting services under Results-based Agreements under Part A.4 of the Project.</td>
<td>1,510,000</td>
<td>100% of amounts paid under Results-based Grants</td>
</tr>
<tr>
<td>(3) Goods, consultants’ services, Training and Operating Costs for Part C.2 of the of the Project</td>
<td>360,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>7,200,000</td>
<td></td>
</tr>
</tbody>
</table>
1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is March 30, 2020.

Section V. Other Undertakings

1. The Recipient shall, not later than one month after the Effective Date, update and adopt, in form and substance satisfactory to the Association, the Project Implementation Plan, taking into account the views of the Association on the matter.

2. The Recipient shall, not later than three months after the Effective Date, prepare and adopt, in form and substance satisfactory to the Association, an annual work plan for each public health laboratory supported under the Project, and thereafter, at all times during the implementation of the Project, review with the Association and thereafter update the said annual work plan every 12 months, taking into account the views of the Association on the matter.

3. Without limitation upon the provisions of Section II.A.1 of this Schedule 2, the Recipient shall during the period of the Project, and under terms of reference satisfactory to the Association, regularly monitor the recurrent expenditures of all the laboratories financed out of the proceeds of the Financing, including the levels of absorption of the personnel recruited to support such laboratories. To this end, and as part of the progress reports referred to in Section II.A.1 of this Schedule, the Recipient shall furnish reports, in form and substance satisfactory to the Association, on the status of such expenditures.

4. The Recipient shall, not later than June 30, 2017: (i) amend the Subsidiary Agreement in form and substance satisfactory to the Association; and (ii) furnish to the Association a legal opinion or opinions confirming in form and substance satisfactory to the Association confirming that the amended Subsidiary Agreement has been duly authorized or ratified by the Recipient and ECSA and is legally binding upon the Recipient and ECSA in accordance with its terms.

5. The Recipient shall, not later than June 30, 2016: (i) amend the Memorandum of Understanding in form and substance satisfactory to the Association; and (ii) furnish to the Association a legal opinion or opinions confirming in form and substance satisfactory to the Association confirming that the amended Memorandum of Understanding has been duly authorized or ratified by the Recipient and ECSA and is legally binding upon the Recipient and ECSA in accordance with its terms.
6. The Recipient shall, not later than three months after the Effective Date, update and adopt, in form and substance satisfactory to the Association, the Waste Management Plan, taking into account the views of the Association on the matter.

7. The Recipient shall conduct no later than twelve months after the Effective Date, an assessment of the proposed new biosafety level three laboratory, including a risk assessment in line with WHO standards, and an evaluation of the maintenance and operating costs, and share the results with the Association prior to undertaking the respective investments under Part A.1(a) of the Project.
APPENDIX

Definitions

1. "Annual Work Plan" means the work plan and budget for the Project prepared annually by the Recipient and approved by the Association in accordance with Section I.D.1 of Schedule 2 to this Agreement.


3. "Balanced Score Card" means a quality checklist adapted from the "Laboratory Quality Improvement Towards Accreditation" indicators.

4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. "Department of Pharmacy, Medicine and Laboratories" means the department with the Ministry of Health referred to in Section I(a)(ii) of Schedule 2 to this Agreement.

7. "Director General of Health" means the director general of health, an official within the Recipient’s Ministry of Health in charge of the general coordination for the Project, as further detailed in the Project Implementation Plan.


9. "ECSA" means East, Central and Southern Africa Health Community established and operating pursuant to the Convention of the East, Central and Southern Africa Health Community dated November 22, 2002, (the Convention) and which entered into force and effect as at July 1, 1980, in accordance with Article 17 of the Convention.

10. "Environmental and Social Management Framework" or "ESMF" means the Environmental and Social Management Framework dated February 2012, adopted by the Recipient, giving details of a program of actions, measures and policies designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental and social impacts, or reduce such impacts to acceptable levels and including, inter alia, environmental guidelines for contractors, an
environmental and social checklist, a generic environmental assessment, terms of reference for an environmental assessment, and an environmental and social management plan.

11. "Ethiopia Financing Agreement" means the financing agreement entered into or to be entered into between the Federal Democratic Republic of Ethiopia and the Association for the financing of certain activities related to the Project.

12. "Fiscal Year" means the fiscal year of the Recipient.


14. "General Resources Directorate" means the directorate within the Recipient's Ministry of Health, referred to in Section I.A.1(a) of Schedule 2 to this Agreement responsible for financial and resource management.

15. "Indigenous Peoples" means, a social group of people with a distinct social and cultural identity that makes them vulnerable to being disadvantaged in the development process, including the presence in varying degrees of the following characteristics: (i) a close attachment to ancestral territories and to the natural resources in these areas; (ii) self-identification and identification by others as members of a distinct cultural group; (iii) an indigenous language, often different from the national language; (iv) presence of customary social and political institutions; and (v) primarily subsistence-oriented production.

16. "Indigenous Peoples Plan" or "IPP" means the Recipient's document titled, "Plan de Developpement des Groupes Vulnerables dont les Batwa" dated February 2012, adopted by the Recipient and setting forth measures for addressing the needs of the Indigenous Peoples, and providing guidelines and procedures for consultation with and informed participation of Indigenous Peoples residing or cultivating lands in areas under the Project.

17. "International Health Regulation" means the International Health Regulations 2005 (IHR 2005), adopted by the WHO member states (including the Recipient), to provide a legal framework for adoption by said member states to ensure maximum protection against the international spread of infectious diseases and to minimize restrictions on travel and trade.

18. "Kenya Financing Agreement" means the financing agreement entered into or to be entered into between the Republic of Kenya and the Association for the financing of certain activities related to the Project.
19. “Laboratory” means any of the Recipient’s national of satellite laboratories referred to in Section I.B.2(b)(i) of Schedule 2 to this Agreement; and “Laboratories” means more than one such laboratory.

20. “Laboratory Quality Improvement Towards Accreditation” means a process, which involves a checklist and scoring system developed by World Health Organization (Africa) to benchmark, measure and monitor performance of laboratories towards accreditation.

21. “Laboratory Quality Service Packages” means the packages of quality laboratory services referred in to Part A.4 of Schedule 1 to this Agreement.

22. “Memorandum of Understanding” means a memorandum of understanding to be executed between the Recipient and ECSA in accordance Section 5.01(a) of this Agreement setting forth, inter alia, the terms of the Recipient’s participation in ECSA for the purpose of the Project.

23. “National Project Coordination Team” or “NPCT” means the team referred to in section I.A.1(b) of Schedule 2 to this Agreement.

24. “National Steering Committee” means the committee referred to in Section I.A.1(a) of Schedule 2 to this Agreement.

25. “Operating Costs” means the costs incurred by the Recipient and ECSA on account of the implementation of the respective parts of the Project approved by the Association, and on the basis of the Annual Work Plans for such respective parts of the Project, including, rental services of office machines and equipment; operation and maintenance costs for vehicles, office supplies, consumables, travel costs, travel per diems, and accommodation, but excluding salaries of the Recipient’s officials and civil servants, and the employees of ECSA


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

28. “Permanent Secretary of the Ministry of Health” means the permanent secretary of the Recipient’s Ministry of Health in charge of chairing the National Steering Committee as further detailed in the Project Implementation Plan.

30. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated March 6, 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.

31. "Project Countries" means collectively, the Recipient, the Federal Democratic Republic of Ethiopia, the Republic of Kenya, the United Republic of Tanzania, and the Republic of Uganda.

32. "Project Implementation Plan" means the Recipient’s plan, dated April 12, 2012 as updated, and referred to Section I.B.1 of Schedule 2 to this Agreement, containing or referring to detailed arrangements and procedures for implementation of the Project, including: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) monitoring, evaluation, and reporting; (v) procedures, measure and guidelines for environmental and social management and implementation of the ESMF, the IPP and the Waste Management Plan; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as such plan may be amended by the Recipient from time to time with the prior agreement of the Association.

33. "Promotion of Health, Hygiene and Sanitation Department" means the department responsible for the promotion of health, hygiene and sanitation within the Recipient’s Ministry of Health.

34. "RBF" means results based financing.

35. "Results-based Agreement" means the agreement to be entered into between the Recipient and any Laboratory or management unit, referred to in Section I.B.2(b)(i) of Schedule 2 to this Agreement, as further detailed in the Results-based Financing Procedures Manual.

36. "Results-based Financing Procedures Manual" means the manual dated September 2011 and updated pursuant to Section I.B.2(a) of Schedule 2 to this Agreement.

37. "Results Based Financing Unit" means the department within the Recipient’s Ministry of Health responsible for implementation of the national RBF program.

38. "Results-based Grant" means the grant to be provided to the management unit or Laboratories under the Results-based Agreement and referred to in Section I.B.2(b)(i) of Schedule 2 to this Agreement, as further detailed in the Results-based Financing Procedures Manual.
39. "Subsidiary Agreement" means the agreement referred to in Section 5.01(b) of this Agreement as concluded on May 14, 2012 and May 1, 2012, respectively between the Recipient and ECSA pursuant to Section I.C.1 of Schedule 2 to this Agreement, as such agreement may be amended and/or supplemented from time to time with the prior written approval of the Association, and such terms includes all schedules to such agreement.

40. "Tanzania Financing Agreement" means the financing agreement entered into or to be entered into between the United Republic of Tanzania and the Association for the financing of certain activities related to the Project.

41. "Training" means the costs associated with the training and workshops based on Annual Work Plan and Budget approved by the Association pursuant to Section I.D.1(c) of Schedule 2 to this Agreement, including travel and subsistence costs for training and workshops participants, costs associated with securing the services of trainers, rental of training facilities, preparation, reproduction, and acquisition of training materials, and other costs directly related to course preparation and implementation.

42. "Uganda Financing Agreement" means the financing agreement entered into or to be entered into between the Republic of Uganda and the Association for the financing of certain activities related to the Project.

43. "Waste Management Plan" means the Recipient’s health waste management plan dated April 2010 adopted by the Recipient, setting forth the guidelines, procedures and measures for improvement of management of health care waste including, and disposal of such health waste.

44. "WHO" means the World Health Organization.