Financing Agreement

(Municipal Health Service Strengthening Project)

between

REPUBLIC OF ANGOLA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 8, 2011
FINANCING AGREEMENT

AGREEMENT dated September 8, 2011, entered into between REPUBLIC OF ANGOLA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). 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 credit in an amount equivalent to forty-six million seven hundred thousand Special Drawing Rights (SDR 46,700,000) (variously, “Credit” and “Financing”) to assist in financing parts 2, 3, 1.1(b), 1.2, 1.3, 1.4(a) and 1.5 of 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. The Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is its Minister of Planning.

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

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

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.
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 Health in accordance with the provisions of Article IV of the General Conditions and this 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 — EFFECTIVENESS; TERMINATION

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

(a) The Co-Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

(b) The Recipient has established the Central Coordinating Unit, with staff including specialists for financial and procurement management, public health, and training specialists each with qualifications and experience, and pursuant to terms of reference, satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement.

(c) The Recipient has adopted an Operational Manual, including financial management and accounting procedures annexes, in form and substance satisfactory to the Association.

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

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister of Planning.
5.02. The Recipient’s Address is:

Ministério de Planeamento

Largo do Palácio, 17 de setembro
Caixa Postal 1205
Luanda
República de Angola

Facsimile:

244-22233-9586

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
Washington, D.C.

AGREED at Luanda, Republic of Angola, as of the day and year first above written.

REPUBLIC OF ANGOLA

By

/s/ Ana Dias Lourenço
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ Eleoterio Codato
Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to improve the Recipient population’s access to and quality of maternal and infant health care services.

The Project consists of the following parts:

Part 1: Improvement of Health Service Delivery

1.1 (a) Strengthening of primary health care service at the municipal level through provision of training, on emergency obstetric and neonatal care and integrated management of childhood illnesses, to trainers and general nurses as well as pre-service training of nurse midwives; and (b) strengthening of primary health care service at the municipal level, including enhancement of professional knowledge and skills of health care personnel and procurement of essential medical drugs and supplies in Participating Provinces, through provision of goods, services, and training.

1.2 Scaling up of healthcare outreach services in Participating Provinces through provision of goods and training.

1.3 Improving healthcare interventions at the community level in Participating Provinces through provision of goods and training.

1.4 (a) Rehabilitation and construction of 32 delivery rooms at healthcare centers and healthcare posts; construction of 24 houses for health professionals at provincial and municipal levels, as well as provision of goods and equipment for family planning as well as pre- and post-natal care in Participating Provinces, all of the above through provision of goods, services and civil works; (b) rehabilitation and construction of four delivery rooms at healthcare centers and healthcare posts in Malange; and (c) provision of solar and camping kits to outreach teams, to be procured from entities other than the Co-Financier.

1.5 Carrying out of the Medical Waste Management Plan.

Part 2: Voucher Scheme Pilot

2.1 Provision by the Recipient of Cash Transfers to Beneficiaries residing in the Recipient’s municipalities of Negage and Caculama to facilitate access to child delivery services and pre-natal care, all in accordance with the provisions of the Voucher Scheme Manual and this Agreement.
2.2 Provision of technical assistance to manage the activities referred to in Part 2.1 of the Project.

Part 3: Project Management and Monitoring and Evaluation

Strengthening the capacity of the Ministry of Health at the central, provincial, and municipal levels, to manage, supervise, implement and monitor and evaluate the Project, including carrying out audits of the Project, through provision of goods, services, training and Operating Costs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Execution of the Project

The Recipient shall carry out the Project through the National Department of Public Health of the Ministry of Health, with the assistance of the Participating Provinces.

2. Steering Committee

(a) The Recipient shall maintain, at all times during Project implementation, a Steering Committee with a mandate, composition and resources satisfactory to the Association for the purpose of overseeing the execution of the Project. The Steering Committee shall be chaired by the minister of health or his designate and composed inter alia by: (a) MOH’s vice-minister for hospital management; (b) MOH’s vice-minister for public health; (c) MOH’s director for human resources; (d) MOH’s national director for medical equipment and medicines; (e) MOH’s director for public health; (f) MOH’s director of planning; (g) MOH’s director for human resources; and (h) one representative of the Co-Financier.

(b) The Steering Committee shall, among other matters, review the Project reports prepared by the Central Coordinating Unit as provided in Section II.A of this Schedule 2.

3. The Central Coordinating Unit

(a) The Recipient shall maintain the Central Coordinating Unit at its National Department of Public Health, at all times during Project implementation, with a structure, functions and responsibilities acceptable to the Association, including, inter alia, the responsibility of the Central Coordinating Unit to assist the Recipient in the coordination, implementation, monitoring, evaluation and supervision of the Project.

(b) The Recipient shall ensure that the Central Coordinating Unit is, at all times during Project implementation, headed by a Project coordinator and staffed with, among others, a deputy Project coordinator; a senior financial management specialist and a financial officer; a senior procurement specialist and a procurement officer; training, infrastructure,
public health, and monitoring & evaluation specialists; and administrative staff, all hired with terms of reference, through competitive processes, in numbers and with qualifications and experience acceptable to the Association.

(c) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not introduce changes in the number of positions of the Central Coordinating Unit or in the professional skills required for occupying such positions, unless said changes have been previously agreed in writing with the Association.

3. Participation of Provinces

Subject to fulfillment of the eligibility criteria set forth in the Operational Manual, each Participating Province shall enter into an agreement (the Participation Agreement), with the Recipient, in form and substance satisfactory to the Association, including, \textit{inter alia}: the obligation of the Participating Province to comply with the applicable provisions of this Agreement.

B. Operational Manual

1. Operational Manual

(a) To ensure the proper implementation of the Project, the Recipient shall prepare a manual, satisfactory to the Association, for the implementation of the Project. Said manual shall include, \textit{inter alia}: (i) an institutional implementation plan of National Department of Public Health of the Ministry of Health for the management of the Project (including, \textit{inter alia}, allocation of responsibilities among staff, yearly planning of activities and budget and time allocation for those activities); (ii) financial management and accounting procedures annexes; (iii) detailed arrangements for the overall carrying out of the Project (including, \textit{inter alia}, the procurement, environmental and social guidelines to be followed during Project implementation by the Recipient; (iv) internal control systems to be followed by the Central Coordinating Unit during Project implementation; (v) detailed guidelines and procedures for the implementation of the ESMF in connection with the carrying out of the Project; (vi) detailed guidelines for the preparation of Environmental Management Plans; (vii) the guidelines and indicators for Project monitoring and evaluation; and (viii) the GAAP.

(b) The Recipient shall: (i) furnish to and exchange views with the Association on such manual promptly upon its preparation; and (ii) thereafter adopt such manual as shall have been approved by the
Association, and implement the Project in accordance with the Operational Manual.

(c) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.

(d) In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. **Fiduciary Safeguards**

1. **Anti-Corruption**

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

   (b) Without limitation to the provisions of paragraph (a) immediately above, the Recipient shall ensure that the Recipient’s agencies and service providers which are required to provide services under the Project, are made aware of the requirements of the Anti-Corruption Guidelines and take all actions necessary to support the carrying out of the Project in accordance with such requirements.

2. **The GAAP**

   Without limitation upon the provisions related to Project implementation set forth in Section 4.01 of the General Conditions, the provisions of this Agreement, the provisions of the Operational Manual, and the rules and procedures set forth in the Anti-Corruption Guidelines, the Recipient shall carry out the Project in accordance with a governance and accountability action plan, in form and substance satisfactory to the Association, including, *inter alia:* (a) anti-corruption prevention measures; (b) mechanisms to improve the impact of Project activities; and (c) procedures to enhance the transparency of Project transactions.

3. **Project Auditors**

   The Recipient shall, not later than three (3) months following the Effective Date: (a) appoint the Project’s internal auditors under terms of reference, qualifications and experience satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement; and (b) appoint the Project’s external auditors with terms of reference, qualifications and experience satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement.
4. The Recipient shall, not later than six (6) months following the Effective Date: (a) appoint the procurement auditors for the Project under terms of reference, qualifications and experience satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement, to perform an audit, under terms of reference satisfactory to the Association, of the procurement for all goods, works, consultants’ services, payments for Cash Transfers under the Voucher Scheme; and Operating Costs required for the Project. Each such audit of the Project’s procurement shall cover the period of two (2) calendar years, commencing with the calendar year in which the first withdrawal under the Project was made. The audit report for each such period shall: (i) be furnished to the Association not later than forty-five (45) days after the end of each such period; and (b) include action plans to improve performance and/or correct any shortcomings and/or deficiencies.

D. Environmental and Social Safeguards

1. Medical Waste Management Plan

The Recipient shall implement the Project in accordance with the provisions of the Medical Waste Management Plan.

2. Environmental and Social Management Framework (ESMF)

(a) The Recipient shall, prior to initiating the implementation of Parts 1.4 (a), and 1.4(b) of the Project, provide evidence to the Association, in form and substance satisfactory to the Association, demonstrating that the Recipient has complied with the provisions of the ESMF and relevant Environmental Management Plans.

(b) Without limitation upon the provisions of paragraph 2(a) of this Section, when applicable, the Recipient shall prepare and implement Environmental Management Plans in accordance with the ESMF, in form and substance acceptable to the Association, defining a program of actions, measures and policies to avoid, minimize, mitigate, and offset potential adverse environmental and social impacts (including resettlement), as a result of the carrying out of the Project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with said Environmental Management Plans.

(c) In case of any conflict between the terms of the ESMF or the Environmental Management Plans and those of this Agreement, the terms of this Agreement shall prevail.
E. Voucher Scheme

1. For the implementation of Part 2 of the Project, the Recipient shall provide, or cause to be provided through one or more Payment Service Providers, Cash Transfers to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association, and described in the Voucher Scheme Manual.

2. Not later than two (2) years following the Effective Date, the Recipient shall adopt the Voucher Scheme Manual in a manner and substance satisfactory to the Association. The Voucher Scheme Manual shall contain provisions guiding the implementation of the voucher scheme that will, as a minimum, address the following: (a) the eligibility criteria for potential beneficiaries; (b) detailed conditions to be met by potential beneficiaries in order to receive the proposed benefits; (c) a mechanism for delivery of the proposed benefits; (d) institutional arrangements, including the Recipient’s lines of authority and accountability; (e) the monitoring and evaluation system, including details on how to audit the scheme and how to handle complaints and appeals in a timely manner; and (f) legal framework that would underpin the proposed voucher scheme.

3. Each Cash Transfer shall be in an amount which the Association and the Recipient agree should be provided to Beneficiaries.

4. The Recipient shall ensure that the amount of each Cash Transfer is used by the Beneficiary for its intended purpose.

5. (a) The Recipient shall conclude and thereafter implement, until it has expired in accordance with its terms, a service agreement, in form and substance satisfactory to the Association, with one or more Payment Service Providers acceptable to the Association for the payment of Cash Transfers to Beneficiaries (each a “Service Agreement”). The Recipient shall ensure that each Service Agreement is:

   (i) submitted to the Association for its review and approval prior to its signature between the Recipient and a Payment Service Provider; and

   (ii) signed and effective before any proceeds of the Financing is transferred to the Payment Service Provider.

(b) Without limitation to the provisions of paragraph (i) above, each Service Agreement shall include, inter alia, provisions to the effect that:

   (i) unless the Association shall otherwise agree in writing, each Payment Service Provider shall: (A) before its first receipt of funds for the payment of Cash Transfers under the Service
Agreement, open and thereafter maintain for a term equal to the term of the Service Agreement, a separate designated account (the Voucher Scheme Account) for the exclusive purpose of depositing funds for Cash Transfers and disbursing funds for the delivery of Cash Transfers in accordance with the provisions of the Service Agreement and the Voucher Scheme Manual. The Voucher Scheme Account shall be opened in a commercial bank acceptable to the Association, upon terms and conditions satisfactory to the Association, including *inter alia* a waiver of any rights said commercial bank or any third party may have to set off, or claim or otherwise appropriate the payment of, any amount from time to time deposited in the Voucher Scheme Account in satisfaction of any debt or claim owed to said commercial bank or third party by the Payment Service Provider; and (B) ensure that all amounts deposited from time to time in the Voucher Scheme Account are used exclusively to make Cash Transfer payments to Beneficiaries in accordance with the detailed provisions, procedures, sequencing and timing in relation thereto as set forth in the Voucher Scheme Manual;

(ii) the Payment Service Provider shall maintain records and accounts, in form and substance satisfactory to the Association, adequate to record all expenditures incurred in the delivery of Cash Transfer payments, and shall retain said records and accounts for at least the term of the Service Agreement plus two years, and shall furnish such records or copies thereof to the Recipient and to the Association upon their respective request;

(iii) the Payment Service Provider shall enable the Recipient and the Association to inspect its operations, including those related to the Cash Transfers, and the Voucher Scheme Account, and to examine and make copies of all records and documents relating thereto; and

(iv) the Payment Service Provider shall prepare and furnish to the Recipient not later than six (6) months after the end of their reporting year to which they relate, financial statements, in form and substance satisfactory to the Recipient, audited by an independent auditor, and the relevant audit report (with any information reasonably requested by the Recipient on the audit and the auditor). The Recipient shall be allowed to communicate all such information to the Association if the Association shall so request.
(v) the Payment Service Provider shall comply with the provisions of the Anti-Corruption Guidelines.

(c) The Recipient shall exercise its rights under each Service 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 in writing, the Recipient shall not assign, amend, abrogate or waive any Service Agreement or any of its provisions.

F. Other Undertakings

1. The Recipient shall ensure that under each budget proposal to its legislature for the corresponding year during Project implementation, adequate arrangements are made by the Recipient to assume such portion of the costs related to Recipient’s in kind contribution, required to achieve the objective of the Project.

2. The Recipient shall ensure that the Association is promptly informed of any development in the legislation or regulations of the Recipient, and/or the rules and procedures of the Recipient or any other event that may affect the performance of the Project or the realization of its objectives.

3. The Recipient shall ensure that MOH procures the solar and camping kits referred to in Part 1.4(c) of the Project from providers other than the Co-Financier.

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, through the Central Coordinating Unit, in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators agreed with the Association. Each Project Report shall cover the period of six (6) months and shall be furnished to the Association not later than one month after the end of the period covered by such report.

2. Mid-Term Review

No later than December 31, 2012, or such later date as may be agreed upon by the Recipient and the Association, the Recipient and the Association shall carry out a mid-term review of the Project, covering the progress achieved in the implementation of the Project. The Recipient shall prepare, under terms of reference satisfactory to the Association, and shall furnish to the Association approximately three (3) months prior to the beginning of such mid-term review of the Project, a report integrating the results of the monitoring and evaluation
activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date.

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 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, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. 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.

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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. 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) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
<tr>
<td>(d) Community Participation</td>
</tr>
<tr>
<td>(e) Procurement from United Nations Agencies</td>
</tr>
</tbody>
</table>

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 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 based on Consultants Qualifications</td>
</tr>
<tr>
<td>(b) Quality Based Selection</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Single Source Selection</td>
</tr>
<tr>
<td>(e) Selection of Individual Consultants</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 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants’ services, and Training, for Part 1 of the Project (except Parts 1.1(a), 1.4 (b), and 1.4(c) of the Project )</td>
<td>32,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, consultants’ services, Training and Operating Costs for Part 3 of the Project</td>
<td>11,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Cash Transfers under the Voucher Scheme, and consultants’ services for Part 2 of the Project</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>2,300,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>46,700,000</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:

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

   (b) under Category 3 unless: (i) the Recipient has adopted the Voucher Scheme Manual satisfactory to the Association; and (ii) the Recipient has issued a decree, satisfactory to Association, regulating the Voucher Scheme.

2. The Closing Date is December 31, 2015.

C. **Refund**

All amounts withdrawn from the Voucher Scheme Account shall be used exclusively for Cash Transfer payments to Beneficiaries in accordance with the terms, criteria and procedures specified or referred to in this Agreement, and the Voucher Scheme Manual. If the Association determines, as a result of the reports and evaluation activities referred to in Section II of this Schedule 2 or Section 4.09 of the General Conditions, or otherwise howsoever, that an amount of the Financing withdrawn from the Voucher Scheme Account was not used for Cash Transfer Payments, the Recipient shall, promptly upon notice from the Association, refund an amount of the Financing equal to the amount of such payment to the Association. All amounts so refunded to the Association shall be cancelled.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15; commencing on October 15, 2020 to and including April 15, 2030:</td>
<td>5%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.
APPENDIX

Section I. Definitions


2. “Beneficiary” means a pregnant woman residing in the Recipient’s municipalities of Negage and Caculama, who having met the eligibility criteria set forth in the Voucher Scheme Manual, is eligible to receive Cash Transfers under the Project.

3. “Cash Transfer” means a transfer of funds in the form of a non-refundable grant by the Recipient to a Beneficiary, made or to be made in accordance with the provisions of: (a) this Agreement; (b) the Voucher Scheme Manual; and (c) the Service Agreement, to finance access to child delivery services and pre-natal care to benefit women residing in the Recipient’s municipalities of Negage and Caculama.

4. “Category” means a category set forth in the table in paragraph A of Section IV of Schedule 2 to this Agreement.

5. “Central Coordinating Unit” means unit established within the Recipient’s National Department of Public Health in accordance with Section I.A.3 of Schedule 2 to this Agreement.

6. “Co-Financier” means Total E&P Angola, an entity vested with legal personality established and operating under the laws of the Recipient.

7. “Co-Financing” means an amount equivalent to four million five hundred thousand United States Dollars (US$4,500,000), to be provided by the Co-financier to assist in financing the Project.

8. “Co-Financing Agreement” means the agreement to be entered into between the Association and the Co-financier providing for the Co-financing.


10. “Environmental Management Plan” means each plan to be prepared and adopted by the Recipient pursuant to the ESMF (as hereinafter defined), as may be required, setting out the measures to be taken for the avoidance, minimization, mitigation and offsetting of potential adverse environmental and social (including resettlement) impacts of the activities to be implemented under the Project.
11. “ESMF” means the Recipient’s environmental and social management framework dated January 11, 2010, and disclosed on the Recipient’s government portal on April 20, 2010, setting forth the policy framework, principles, standards, processes and institutional arrangements to be applied to assess potential adverse environmental and social (including resettlement) impacts associated with the Project, and the ways to avoid, minimize, mitigate or offset them, including public consultation, disclosure and reporting.

12. “GAAP” means the Recipient’s governance and accountability action plan, dated April 21, 2010, disclosed on the Recipient’s government portal on the same date, referred to in Section I.C.2 of Schedule 2 to this Agreement.

13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005, (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.

14. “Medical Waste Management Plan” means the medical waste management plan acceptable to the Association, dated April 20, 2010, and disclosed on the Recipient’s government portal on the same date for the management of hazardous health/medical waste under the Project, referred to in Section I.D.1 of Schedule 2 to this Agreement, as the same may be amended from time to time, and such term includes any schedules to the Medical Waste Management Plan.

15. “Ministry of Health” and the acronym “MOH” mean the Recipient’s ministry responsible for health and any successor thereto.

16. “Operating Costs” means reasonable costs for recurrent Project expenditures, based on an annual budget previously approved by the Association, that would not have been incurred by the Recipient absent the Project, including costs for: (a) office utilities; (b) office rental expenses; (c) Project vehicle maintenance costs, fuel and spare parts; (d) travel expenses and per-diems for official Project staff (excluding salaries of Recipient’s government staff); and (e) operation and maintenance of office equipment, financed with the proceeds of the Financing, all as needed for the Project.

17. “Operational Manual” means the manual approved by the Association and adopted by the Recipient in accordance with the provisions of Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes and schedules to the Operational Manual.

18. “Participating Provinces” means the Recipient’s provinces of Bengo, Malange, Lunda Norte, Moxico, and Uige.
19. “Payment Service Provider” a commercial bank or other entity which, having met the requirements of the Voucher Scheme Manual, has entered into a Service Agreement with the Recipient in accordance with the provisions of Section I.E.5 of Schedule 2 to this Agreement.


21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 2, 2009, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

22. “Service Agreement” has the meaning ascribed to that expression in Section I.E.5 of Schedule 2 to this Agreement.

23. “Steering Committee” means a body established in accordance with Section I.A.2 of Schedule 2 to this Agreement to oversee the execution of the Project.

24. “Training” means reasonable expenditures, based on an annual budget previously approved by the Association (other than those for consultants’ services), incurred by the Recipient, to finance transportation costs and per diem of trainers and trainees, rental of training facilities and acquisition of training equipment and material needed for the implementation and supervision of the Project.

25. “Voucher Scheme” means the Recipient’s program of Cash Transfers, duly regulated under the provisions of: (a) the Recipient’s legislation; (b) the Voucher Scheme Manual; (c) the Service Agreement; and (d) this Agreement, made or to be made to finance access to child delivery services and pre-natal care to benefit women residing in the Recipient’s municipalities of Negage and Caculama.

26. “Voucher Scheme Account” means the segregated account opened by a Payment Service Provider in accordance with the provisions of Section I.E.5(b)(i) of Schedule 2 to this Agreement.

27. “Voucher Scheme Manual” means the manual approved by the Association and adopted by the Recipient in accordance with the provisions of Section I.E of Schedule 2 to this Agreement as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes and schedules to the Voucher Scheme Manual.
Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005, (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

“Section 2.07. Refinancing Preparation Advance

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

(a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”