Financing Agreement

(Second Additional Financing for Health and Social Protection Project)

between

KYRGYZ REPUBLIC

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated November 22, 2011
FINANCING AGREEMENT

Agreement dated November 22, 2011, entered into between the KYRGYZ REPUBLIC ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing second additional financing for 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 and a credit (collectively, "Financing") in the following amounts to assist in financing Parts A.2, A.3, B.2 and C.2 of the project described in Schedule 1 to this Agreement ("Project"): 

(a) an amount equivalent to six million nine hundred thousand Special Drawing Rights (SDR 6,900,000) ("Grant"); and

(b) an amount equivalent to eight million four hundred thousand Special Drawing Rights (SDR 8,400,000) ("Credit").

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 February 15 and August 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 United States Dollars.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient, through MoH, shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely, the Project Operational Manual shall have been amended, suspended, abrogated or waived without the Association’s prior consent.

4.02. The Additional Event of Acceleration consists of the following, namely, the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, the Recipient has adopted the Project Operational Manual, satisfactory to the Association.

5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister of Finance.

6.02. The Recipient’s Address is:

Ministry of Finance  
58 Erkindik Blvd.  
Bishkek City, 720040  
Kyrgyz Republic

Telex: Facsimile:

245-156 NUR KH (996-312) 661645

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
AGREED at Bishkek, Kyrgyz Republic, as of the day and year first above written.

KYRGYZ REPUBLIC

By /s/ Melis Mambetjanov

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Alexander Kremer

Authorized Representative
SCHEDULE 1
Project Description

The objectives of the Project are to assist the Recipient in: (i) improving the performance of its health sector; (ii) strengthening the targeting system in the delivery of social benefits; and (iii) improving and sustaining the health and nutritional status of vulnerable populations affected by food price shocks.

The Project consists of the Original Project and activities financed under the First Additional Financing, as modified and expanded hereunder:

Part A: Support “Manas Taalimi” Program and the Den Sooluk Program and Their Respective Associated Programs of Work

1. Support to MoH in the implementation of the “Manas Taalimi” Program, covering the period 2006-2011, and its associated Program of Work agreed upon annually between the Recipient and the Association, including strengthening MoH’s institutional and fiduciary capacities.

2. Support to MoH in the implementation of the “Den Sooluk” Program, covering the period 2012-2016, and its Annual Program of Work to be agreed upon annually between the Recipient and the Association, including strengthening MoH’s institutional and fiduciary capacities as well as improving the efficiency of the Maintenance Fund.

3. Strengthening the Recipient’s health system through: (a) merging the Osh Maternity Hospital and the Osh City Perinatal Center, and financing of associated works; (b) carrying out pilot tests of community-based programs for mental health in select oblasts in the southern and northern parts of Kyrgyz Republic, including Osh, Jalal-abad, and Batken, focusing on mental health illnesses related to post-conflict situations; (c) provision of technical assistance to MoH in developing methods of pricing pharmaceutical services and products; (d) provision of technical assistance to MoH in carrying out the costing of a new health strategy, the Den Sooluk Program, and preparing the Program of Work for the implementation of said strategy; (e) provision of technical assistance to MOH in formulating and implementing its health sector budget, focusing on separating capital investments from recurrent costs, and in building MOH’s capacity to calculate non-salary recurrent costs; (f) provision of technical assistance to MOH in improving the functional and structural relationship between MOH and MHIF; (g) carrying out a mapping exercise of MoH’s hospital network following the merger of the Osh Maternity Hospital and the Osh City Perinatal Center; (h) provision of technical assistance to MOH in identifying multi-sectoral determinants of health and in promoting healthy life styles and behavior change, including measures for tobacco control, smoking secession and controlling alcohol abuse; (i) examining options for improving the quality of health care services; and (j) provision of support to MOH in carrying out repairs and rehabilitation of select health sector equipment.
Part B: Strengthening the Administrative System of the MSP

1. Support to MSP in the implementation of proposals on consolidating and restructuring cash social assistance benefits, developing eligibility conditions for the consolidated benefit structure and building an efficient administrative system for implementing associated benefits, including institutional strengthening.

2. Provision of technical assistance to MSP in designing a Social Safety Net strategy and building capacity of MSP staff to execute said strategy.

Part C: Protecting Health and Nutritional Status

1. Support to MoH in improving the health and nutritional status of vulnerable individuals and social groups through the provision of nutritional supplements and nutritional education to pregnant and lactating women as well as through the provision of nutritional supplements to infants and young children.

2. Provision of nutritional services and supplements targeting women and children, and strengthening the role of village health committees to undertake community-based nutrition campaigns across different communities in conflict affected areas.

Part D: Poverty Mitigation through Expanded Targeted Social Assistance

1. Supporting MSP to mitigate the impact of escalating food prices on poor families through the scaling up and strengthening of the Unified Monthly Benefit Program;

2. Carrying out audits, in accordance with terms and conditions agreed upon by the Recipient and Association, pertaining to the implementation of Part D of the Project; and

3. Provision of technical assistance to MSP in:

   a) developing a system for identifying poor families and vulnerable social groups that are adversely affected by the instability of food prices;

   b) promoting outreach programs and training for identifying and registering eligible poor families affected by the instability of food prices;

   c) strengthening MSP’s capacity to oversee the Unified Monthly Benefit Program as well as to monitor the performance and implementation of said program as a tool for mitigating the impact of price instability of food;

   d) developing systems for monitoring and evaluating various impacts of food price instability;
e) implementation of said program as a tool for mitigating the impact of price instability of food; and

f) developing systems for monitoring and evaluating various impacts of food price instability.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient, through MoH, shall implement the Project in accordance with the provisions of the Project Operational Manual.

2. On behalf of the Recipient, MoH shall have overall leadership and coordination role for the execution of the Project, with staffing and resources adequate to enable it to effectively oversee the Project implementation. MoH shall:

   (a) prepare applications for withdrawal of the Grant proceeds;

   (b) maintain records and accounts related to the Project and to arrange the audits thereof; and

   (c) incorporate procurement activities reports into the reports referred to in Section II.A of this Agreement.

3. To implement Part B.2 of the Project, MoH shall coordinate Project implementation activities with MSP, whereas MSP shall be responsible for carrying out technical activities pertaining to social protection.

4. The Recipient, through MoH, shall not later than August 15 of each year during the implementation of the Project, or such later date as may be agreed by the Association, submit to the Association an APW, satisfactory to the Association and the Recipient, prepared in accordance with the format included in the Project Operational Manual and which shall include agreed amounts of Transfers for SGBPs for the respective Fiscal Year.

5. The Recipient, through MoH, shall maintain until completion of the Project, the Health Policy Council, headed by the Minister of Health, consisting of state secretary, deputy ministers, and heads of departments, which shall be responsible for coordinating the Project activities.

6. The Recipient shall maintain the Inter-ministerial Coordination Committee consisting of representatives of MoH, MoF, and MSP which will be responsible for: (a) inter-ministerial coordination of the Project activities, including harmonization activities; and (b) review of effective functioning of complaint mechanism in case of misuse of funds and taking follow up measures in case of serious or unresolved complaints by internal auditors and/or third party audit to ensure the independence and reliability of the system.
7. The Recipient shall by October 1 each year: (a) approve budgetary allocation for the health sector for the next fiscal year in the amounts agreed at annual sector review meetings to be held in May of each year during Project execution, and (b) execute the approved budget for the health sector in full and in a timely manner.

8. The Recipient shall, following the implementation of the first APW, exchange views with the Association and undertake any corrective measures, as agreed upon by the Association, for the implementation of the Project.

9. The Recipient shall ensure that non-salary recurrent costs for the health sector in the approved 2011 budget shall be 0.96 percent of the Recipient’s gross domestic product (GDP), or such other percentage as may be agreed with the Association on an annual basis.

B. Anti-Corruption

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

C. Safeguards

1. The Recipient, through MoH and MSP, shall carry out Parts A.2, A.3, B.2 and C.2 of the Project in accordance with provisions of the Environmental Management Plan and the Environmental Impact Assessment.

2. Except as the Association shall otherwise agree, the Recipient, MoH or MSP shall not amend or waive any provision of the Project Operational Manual, the Environmental Management Plan and/or the Environmental Impact Assessment if, in the opinion of the Association, such amendment or waiver may materially or adversely affect the carrying out of the Project or the achievement of the Project objectives.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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 the indicators agreed with the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.
B. Financial Management, Financial Reports and Audits

1. The Recipient, through MoH, 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, through MoH, shall prepare and furnish to the Association as part of the Project Report, not later than sixty (60) 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, through MoH, shall have the Financial Statements of the Project audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Financing was made. 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.

4. The Recipient, through MoH, shall have the internal control framework, the operational processes and procedures followed under the Project, audited for each fiscal year (or other period agreed to by the Association), in accordance with terms of reference and by independent auditors both acceptable to the Association.

5. Not later than December 31, 2011, the Recipient shall establish and maintain a functional automated accounting and reporting system at MoH, satisfactory to the Association.

6. The Recipient shall, through the provision of technical assistance, strengthen the capacity of internal audit units of MOH and MHIF, and shall maintain, throughout project implementation, the existing staffing levels of said units to ensure continuous risk-based internal audit function consistent with the recommendations of international internal audit consultants acceptable to the Association.

Section III. Procurement

A. General

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Limited International Bidding</td>
</tr>
<tr>
<td>(b) National Competitive Bidding, subject to the following provisions:</td>
</tr>
</tbody>
</table>

1. The eligibility of bidders shall be as defined under Section I of the Guidelines Procurement under IBRD Loans and IDA credits; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Guidelines Procurement under IBRD Loans and IDA credits. Exclusion from participation as a result of debarment should result from violation of clearly identified grounds of misconduct and in accordance with a fair and transparent process.

2. Procuring entities shall use the appropriate standard bidding documents acceptable to the Bank.

3. An extension of bid validity, if justified by exceptional circumstances, shall be requested in writing from all bidders before the expiration date and for a minimum period required to complete the evaluation or award contract.

4. No national preferences may be applied on the basis of the origin of products or labor.
### Procurement Method

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<tbody>
<tr>
<td>5.</td>
<td>Entities in which the State owns a majority shareholding shall not be invited to participate in tenders for the Government unless they are and can be shown to be legally and financially autonomous and they operate under commercial law.</td>
</tr>
<tr>
<td>6.</td>
<td>Pre-qualification shall be conducted for large works contracts and shall be applied upon the Bank’s agreement;</td>
</tr>
<tr>
<td>7.</td>
<td>The pre- and post- qualification criteria shall only pertain to past contract performance, financial, managerial and technical capabilities of bidders.</td>
</tr>
<tr>
<td>8.</td>
<td>Joint venture partners shall be jointly and severally liable for their obligations.</td>
</tr>
<tr>
<td>9.</td>
<td>State unit costs shall not be used for contract budgeting and evaluation for civil works contracts.</td>
</tr>
<tr>
<td>10.</td>
<td>Bids shall be opened in public, immediately after the deadline for their submission. No bids can be rejected at bid opening and under the circumstances referred to Article 6 of the Recipient’s Public Procurement Law.</td>
</tr>
<tr>
<td>11.</td>
<td>No bids shall be rejected solely because they exceed the estimated price. Bids can be cancelled and new bids invited, only if the conditions of clause 2.62 of the Guidelines Procurement under IBRD Loans and IDA credits, are met.</td>
</tr>
<tr>
<td>12.</td>
<td>All bid evaluation criteria shall be quantifiable in monetary term.</td>
</tr>
<tr>
<td>13.</td>
<td>Qualification criteria for bid evaluation shall be applied on a pass or fail basis.</td>
</tr>
<tr>
<td>14.</td>
<td>Contracts shall be awarded to qualified bidder having submitted the lowest evaluated substantially responsive bid and no negotiation shall take place.</td>
</tr>
<tr>
<td>15.</td>
<td>There should be an effective and independent protest mechanism allowing bidders and interested parties to protest and to have their protest handled in a timely manner.</td>
</tr>
<tr>
<td>16.</td>
<td>Advance Bank no objection is required for any modifications in the contract scope/conditions during contract implementation.</td>
</tr>
</tbody>
</table>

(e) **Shopping**

(d) **Direct Contracting**
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) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Selection Under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection Based on the Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single-Source Selection</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.2, 5.3 and 5.4 of the Consultant Guidelines for the 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 Credit Allocated (expressed in SDR)</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, Nutritional Supplements, Consultants Services (including audit) and Training for Parts A.3, B.2 and C.2 of the Project</td>
<td>3,470,000</td>
<td>2,840,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Transfers for SGBPs under Part A.2 of the Project</td>
<td>4,930,000</td>
<td>4,060,000</td>
<td>100% of expenditures allocated for SGBP</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>8,400,000</td>
<td>6,900,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Schedule:

(a) the term “Training” means expenditures for Project related study tours, training courses, seminars, workshops and other training activities not included under goods or service providers’ contracts, including costs of training materials, space and equipment rental, travel and per diem costs of trainees and trainers.

(b) the term “Transfers for SGBPs” means the amount of the proceeds of the Grant to be disbursed to the Recipient, through quarterly installments in amounts set forth in a respective APW, for financing social benefits to eligible beneficiaries under SGBP, in accordance with the eligibility criteria, terms and procedures set forth in the Recipient’s laws and regulations applicable to SGBP.

(c) the term “Nutritional Supplements” means dietary preparations intended to supplement and provide an individual with vital nutrients for the human body that are not part of the individual’s daily diet.
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for: (a) payments made prior to the date of this Agreement; and (b) Transfers for SGBP, unless the MoH’s budget has been approved by the Recipient for the Fiscal Year covered by the respective APW, and the APW for the respective year has been approved by the Association.

2. The withdrawals from the Grant Account under Category (2) shall be made quarterly or at other intervals as may be agreed upon by the Recipient and the Association on the basis of an APW for each Fiscal Year and a report to be submitted to the Association in form and substance satisfactory to the Association, such report to include the interim unaudited financial reports, budgets, updated Procurement Plan and progress against agreed sector monitoring indicators and other information as the Association shall specify by notice to the Recipient. In case of the first such request submitted to the Association, the Recipient shall submit to the Association only the APW for the respective Fiscal Year and statement with the projected sources and applications of funds for the Project for the first quarter of that APW.

3. If, at any time, the Association determines that any portion of the amount disbursed by the Association to the Recipient under Category (2) was made for reimbursement of expenditures which are not eligible under the Project or not in compliance with the provisions of this Agreement or the Project Operational Manual, the Recipient shall promptly refund any such amount to the Association as the Association shall specify by notice to the Recipient.

4. The Closing Date is June 30, 2014.
## 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 February 15 and August 15:</td>
<td></td>
</tr>
<tr>
<td>commencing on August 15, 2021 to and including February 15, 2031</td>
<td>1%</td>
</tr>
<tr>
<td>commencing August 15, 2031 to and including February 15, 2051</td>
<td>2%</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.
Section I. Definitions

1. “Annual Program of Work” or “APW” means the annual program of activities included in the “Den Sooluk” Program to be carried out in each Fiscal Year (as defined hereinafter) under said “Den Sooluk” Program, as agreed upon between the Recipient and the Association pursuant to paragraph 4 of Section I.A of Schedule 2 to this Agreement.


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


5. “Den Sooluk” Program means the Recipient’s State Health Sector Reform Program covering the period 2012-2016.

6. “Eligible Program Expenditures” means the expenditures for goods, works, consultants’ services, training, incremental operating costs and recurrent costs required for carrying out the Project in accordance with the respective APW.

7. “Environmental Impact Assessment” means the Environmental Impact Assessment Study carried out under Parts A.2, A.3, B.2 and C.2 of the Project, addressing environmental risks relating to the Project, as well as setting forth the mitigation, monitoring and institutional measures to manage the risks.

8. “Environmental Management Plan” means the site-specific documents prepared by the Recipient, pursuant to the Environmental Impact Assessment and paragraph 1 of Section I.C of Schedule 2 to this Agreement, and satisfactory to the Association, in respect of works to be undertaken by the Recipient under the Project defining details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of activities under the Project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as the same may be amended and supplemented from time to time with the Association’s prior written approval.


11. “Health Policy Council” means the council established by a Decree of the Recipient’s Minister of Health No.130 dated April 2, 2002 and referred to in paragraph 5 of Section I.A of Schedule 2 to this Agreement, or any successor thereto.

12. “Inter-ministerial Coordination Committee” means the committee established by an Order No. 118 dated March 7, 2006 of the Recipient’s Minister of Health and referred to in paragraph 6 of Section I.A of Schedule 2 to this Agreement.

13. “Maintenance Fund” means MoH’s maintenance fund established pursuant to the Minister of Health’s Order Number 265, dated July 6, 2007, to support the maintenance of medical equipment, or any successor thereto.

14. “MHIF” the Recipient’s the Mandatory Health Insurance Fund established pursuant to Decree No. 326, issued by the President of the Recipient, dated November 22, 1996, or any successor thereto.

15. “MoF” means the Ministry of Finance of the Recipient or any legal successor thereto.

16. “MoH” means the Ministry of Health of the Recipient or any successor thereto.

17. “MSP” means the Recipient’s Ministry of Social Protection or any successor thereto.

18. “Non-Salary Recurrent Costs” means the Recipient’s expenditures for the health sector that do not involve or include payment of salaries or carrying out capital investments.


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

22. “Procurement Plan” means the Recipient’s procurement plan for the Project, covering, *inter alia*, the first and each successive APW, dated May 27, 2011 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.

23. “Project Operational Manual” means the manual to be adopted by the Recipient pursuant to Section 5.01 of this Agreement, describing procedures for implementation of the Project, consistent with the provisions of this Agreement and with the national laws and regulations of the Recipient and including, *inter alia*: (i) procedures governing administrative, procurement, accounting, financial management, including adequate measures for procurement and forensic audits and complaint mechanisms in case of misuse of the proceeds of the Grant, and monitoring and evaluation arrangements; (ii) sample formats of Annual Program of Work and annual reports; and (iii) the EMP; as the same may be amended from time to time with the agreement of the Association.

24. “State Guaranteed Benefits Package” or “SGBP” means the Recipient’s State Guaranteed Benefits Package financed and administered by the Recipient in accordance with Article 20 of Chapter 3 of the Recipient’s Law on Protection of the Population’s Health, Number 6, dated January 9, 2005.

25. “Unified Monthly Benefit Program” means the Recipient’s program for providing cash transfer benefits to poor families with children in order to reduce and mitigate their exposure to poverty.