Financing Agreement

(Second Additional Financing for National State Health Investment Project)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 30 August, 2016
FINANCING AGREEMENT

AGREEMENT dated 30 August, 2016, entered into between the FEDERAL REPUBLIC OF NIGERIA ("Recipient") and the 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).

A. WHEREAS, by a grant agreement to be entered into between the Recipient and the Association ("GFF Grant Agreement"), as further defined in Section I of the Appendix to this Agreement, the Association, acting as an implementing agency of the Multi-Donor Trust Fund for the Global Financing Facility in Support of Every Woman Every Child, intends to extend to the Recipient a grant in an amount equivalent to twenty million United States Dollars ($20,000,000) to assist the Recipient in financing part of the cost of activities related to the Project on the terms and conditions set forth in the GFF Grant Agreement; and

B. WHEREAS, the World Bank has also agreed, on the basis, inter alia, of the foregoing, to extend the Credit provided for in Article II of this Agreement to the Recipient upon the terms and conditions set forth in 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 credit in an amount equivalent to eighty-eight million two hundred thousand Special Drawing Rights (SDR 88,200,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section V 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 Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

2.06. The Payment Dates are February 1 and August 1 in each year.

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

2.08. 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 shall: (a) carry out Part 2.B of the Project through the NPHCDA; and (b) cause the NE States to carry out Parts 1.A, 2.A and 3 of the Project within their respective jurisdictions, all in accordance with the provisions of Article IV of the General Conditions.

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

**ARTICLE IV — EFFECTIVENESS; TERMINATION**

4.01. The Additional Conditions of Effectiveness are:

(a) that at least one Subsidiary Agreement, satisfactory to the Association, has been executed on behalf of the Recipient and one NE State; and

(b) that all conditions for the effectiveness of the GFF Grant Agreement, except for the effectiveness of this Credit, have been met.

4.02. The Additional Legal Matter is that the Subsidiary Agreement referred to in Section 4.01(a) of this Agreement has been duly authorized or ratified by the Recipient and the NE State and is legally binding upon the Recipient and the NE State in accordance with its terms.
4.03. The Effectiveness Deadline is the date sixty (60) days after the date of this Agreement.

4.04. 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 V — REPRESENTATIVE; ADDRESSES

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

5.02. The Recipient’s Address is:

   Federal Ministry of Finance
   Ahmadu Bello Way
   Central Business District
   Abuja, Nigeria

   Facsimile: 234 9 6273609

5.03. The Association’s Address is:

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

   Telex: 248423 (MCI)  Facsimile: 1-202-477-6391
AGREED at Abuja, Federal Republic of Nigeria, as of the day and year first above written.

FEDERAL REPUBLIC OF NIGERIA

By

Authorized Representative

Name: Mrs Kemi Adeosun

Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Rachid Benmessahed

Title: Country Director
SCHEDULE 1

Project Description

The objectives of the Project are to increase the delivery and use of high impact maternal and child health interventions and improve quality of care available to the community in Nasarawa and Ondo and all the states in the North East.

The Project consists of the Original Project, as amended below, and the following additional part:

Part 1: Results Based Financing

1.A Strengthening Service Delivery

1.A.1 Performance Based Health Facility Financing. Carrying out of a program of specific activities to deliver Packages of Health Services by PBF Health Facilities, with a focus on maternal and child health, psycho-social support and mental health, through the provision of quarterly quantity- and quality-adjusted output-based grants to said facilities.

1.A.2 Decentralized Health Facility Financing. Carrying out of a program of specific activities to deliver Packages of Health Services by DFF Health Facilities, with a focus on maternal and child health, through the provision of quarterly output-based grants to said facilities.

1.A.3 LGA PHC Department Performance Based Financing. Carrying out of a program of specific activities by LGA PHC Departments to support, supervise and verify the delivery of the Packages of Health Services by the Participating Health Facilities under Parts 1.A.1 and 1.A.2 of the Project, through the provision of quarterly quantity- and quality-adjusted output-based grants to said LGA PHC Departments.

1.B Strengthening Institutional Performance

1.B.1 DLI Based LGA Financing. Carrying out of a program of specific health administration activities by the Participating LGAs including, inter alia, preparation, execution and publication of transparent LGA health budgets in accordance with the updated charts of accounts for the Participating LGAs, carrying out of enhanced systematic supervision of services delivered by health facilities, preparation and analysis of improved quarterly health management information system reports on key health indicators, development and implementation of appropriate health facility staffing norms and human resource policies, and implementation of improved procurement arrangements for acquiring quality assured drugs; all through the provision of annual output-based grants to the Participating LGAs.
1.B.2 **DLI Based State Financing.** Carrying out of a program of specific health administration activities by the Participating States including, *inter alia,* preparation, execution and publication of transparent state health budgets in accordance with the updated charts of accounts for the Participating States, systematic verification of performance by the LGAs and health facilities and administration of related result-based coordination and administration mechanisms, and other essential institutional strengthening measures supporting the implementation and sustainability of results-based financing mechanisms; all through the provision of: (a) annual output-based sub-financings; and (b) bi-annual output-based sub-financings to the Participating States.

Part 2: Technical Assistance

2.A **Project Implementation at State Level**

Carrying out of specific activities to build the capacity of SMOHs, SPHCDAs, SPFMUs and other state agencies involved in the implementation of the Project to carry out the day-to-day coordination, management, audit, monitoring and evaluation of Project activities within the Participating States, all through the provision of technical advisory services, non-consulting services, training and workshops, goods, minor works, and operating costs to the Participating States.

2.B **Implementation of Results-Based Approaches**

Carrying out of specific activities to: (i) build the capacity of federal and state agencies, LGAs, facilities and civil society stakeholders to implement and sustain the results based financing mechanisms supported under the Project through, *inter alia,* development and implementation of result-based financing processes, protocols and systems, and learning, knowledge sharing, communication and community engagement activities; and (ii) assist the NPHCDA to carry out its day-to-day functions under the Project, all through the provision of technical advisory services, training and workshops, goods, minor works and operating costs to NPHCDA.

2.C **Overall Project Management, Monitoring and Evaluation**

Carrying out of specific activities to: (i) establish and implement a monitoring and evaluation system to improve routine data collection and utilization, ensure accurate reporting and evaluate the impact of Project interventions in improving health service delivery; (ii) conduct household and health facility surveys for the purposes of the Project; and (iii) assist the FMOH to carry out the overall coordination, management, and audit of the Project at the federal level, all through the provision of technical advisory services, training and workshops, goods, minor works and operating costs to FMOH, NBS and NPoPC.
Part 3: Partnerships to Strengthen Service Delivery

Establishing health services in LGAs where services have mostly been destroyed; carrying out mobile clinics; and strengthening management at the LGA level.
SCHEDULE 2

Project Execution

Section I. Institutional Arrangements

Institutional Arrangements at the Federal Level

A. Federal Project Steering Committee

1. The Recipient shall ensure that the FMOH shall maintain, throughout the implementation of the Project, a Project steering committee at the federal level with functions, composition and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part A, the Federal Project Steering Committee shall:

   (a) be chaired by the Recipient’s Federal Minister of Health and comprise representatives from, *inter alia*, the FMOH, the FMOF, the NPHCDA, the Federal Ministry of Budget and National Planning, each NE State, each Participating LGA (on a rotation basis), and civil society; and

   (b) meet annually or more often if required for the purposes of, *inter alia*:

      (i) reviewing Project progress and results, and providing overall strategic and policy direction on all activities supported under the Project;

      (ii) reviewing and commenting on the reports provided by the Federal Technical Working Group; and

      (iii) facilitating the coordination of Project activities among the participants in the Federal Project Steering Committee and the removal of any obstacles to the implementation of the Project.

B. Federal Technical Working Group

1. The Recipient shall ensure that the NPHCDA shall maintain, throughout the implementation of the Project, a technical working group at the federal level with functions, composition and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part B, the Federal Technical Working Group shall:
(a) be chaired by the executive director of the NPHCDA and comprise representatives from, *inter alia*, the FMOH, the NPHCDA and each NE State; and

(b) meet semi-annually or more often if required for the purpose of providing overall technical guidance on all activities supported under the Project.

C. **Federal Ministry of Health**

1. The Recipient shall ensure that the FMOH shall maintain, throughout the implementation of the Project, a Project implementation structure tasked with implementing its functions under the Project, with functions, status, staffing and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part C, the FMOH shall be responsible for the overall coordination, monitoring and evaluation of the Project, including, *inter alia*:

   (a) chairing and performing secretarial functions for the Federal Project Steering Committee, and participating in the Federal Technical Working Group;

   (b) providing monitoring and evaluation technical support to stakeholders in the NE States, including contracting technical advisory services for such purpose in accordance with Section IV of this Schedule;

   (c) serving as principal liaison with the Association on all aspects of Project implementation and reporting, including the collation of the Project Reports and other relevant information and documentation related to the implementation of the Project; and

   (d) managing in coordination with the NPHCDA the administration of the HMIS and the conduct of operations research and impact evaluation studies.

D. **National Primary Health Care Development Agency**

1. The Recipient shall ensure that the NPHCDA shall maintain, throughout the implementation of the Project, a Project implementation structure tasked with implementing its functions under the Project, with functions, status, staffing and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part D, the NPHCDA shall be responsible for carrying out Part 2.B of the Project including, *inter alia*: 
(a) providing technical support to federal, state and local government agencies, health facilities and other stakeholders in the implementation of the results-based financing mechanisms under the Project, including contracting technical advisory services for such purpose in accordance with Section IV of this Schedule;

(b) managing the information technology systems for the Project;

(c) chairing the Federal Technical Working Group and participating in the Federal Project Steering Committee; and

(d) coordinating with the FMOH on the administration of the HMIS and the conduct of operations research and impact evaluation studies.

E. Federal Project Financial Management Division

1. The Recipient shall dedicate and retain throughout the implementation of the Project staff from the accounting unit of FPFMD, in adequate numbers and with qualifications and terms of reference satisfactory to the Association, to be responsible for the financial management of Part 2.B of the Project in accordance with the provisions of this Agreement including, but not limited to the preparation of budgets, monthly reports, interim unaudited financial reports, and annual financial statements.

2. The Recipient shall dedicate and retain throughout the implementation of the Project staff from the internal audit unit of the FPFMD, in adequate numbers and with qualifications and terms of reference satisfactory to the Association, to perform internal audit functions for the purposes of Part 2.B of the Project including, but not limited to the application and reliability of managerial, financial, operational and budgetary controls.

Institutional Arrangements at the State Level

F. State Project Steering Committees

1. The Recipient shall ensure that each NE State shall establish and maintain through its SMOH, throughout the implementation of the Project, a Project steering committee at the state level with functions, composition and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part F, the State Project Steering Committee shall:

(a) be chaired by the commissioner of health of the NE State and shall comprise representatives from, inter alia, the SMOH, the SPHCDA, the SMOF, the SMOLGCA, each Participating LGA, and civil society; and
meet semi-annually or more often if required for the purposes of, *inter alia*:

(i) reviewing the progress of the NE State’s Respective Parts of the Project, and providing overall strategic and policy direction on all activities supported under the Project within the respective NE State;

(ii) reviewing and commenting on the reports provided by the State Technical Working Group; and

(iii) facilitating the coordination of Project activities within the respective NE State among the participants in the State Project Steering Committee and the removal of any obstacles to the implementation of the NE State’s Respective Parts of the Project.

G. State Technical Working Groups

1. The Recipient shall ensure that each NE State shall establish and maintain through its SPHCDA, throughout the implementation of the Project, a technical working group at the state level with functions, composition and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part G, each State Technical Working Group shall:

(a) be chaired by the executive director/chairman of the SPHCDA and comprise representatives from, *inter alia*, the SMOH, the Participating LGAs and civil society; and

(b) meet quarterly or more often if required for the purpose of providing overall technical guidance on the implementation of the NE State’s Respective Parts of the Project.

H. State Ministries of Health

1. The Recipient shall ensure that each NE State shall maintain, throughout the implementation of the Project, a Project implementation structure within its SMOH tasked with implementing its functions under the Project, with functions, status, staffing and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part H, each SMOH shall be responsible for overall stewardship of the NE State’s Respective Part of the Project including, *inter alia*:
(a) chairing and performing secretarial functions for the State Project Steering Committee, and participating in the State Technical Working Group and the LGA RBF Steering Committee;

(b) coordinating, monitoring and evaluating Project activities in the NE State, including the submission to FMOH of reports for collation into the overall Project Reports; and

(c) serving as principal liaison with the Recipient and the Association on all aspects of Project activities carried out in the respective NE State.

I. State Primary Health Care Development Agencies

1. The Recipient shall ensure that each NE State shall maintain, throughout the implementation of the Project, a Project implementation structure within its SPHCDA tasked with implementing its functions under the Project, with functions, status, staffing and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part I, each SPHCDA shall:

   (a) comprise within its Project implementation structure, inter alia, a Project coordinator from the SMOH, a procurement specialist, an environmental and social safeguards specialist and a monitoring and evaluation officer, all with qualifications, experience and terms of reference satisfactory to the Association; and

   (b) be responsible for carrying out Part 2.A of the Project in the respective NE State including, inter alia:

      (i) contracting with, and verifying the performance of, Participating Health Facilities and LGA PHC Departments under Part 1.A of the Project, and authorizing the SPFMU to disburse funds to the Participating Health Facilities and the LGA PHC Departments;

      (ii) overseeing the overall procurement and environmental and social safeguards management under Part 1 of the Project in the respective NE State; and

      (iii) chairing the State Technical Working Group and participating in the State Project Steering Committee and the LGA RBF Steering Committee.
J. State Project Financial Management Units

1. The Recipient shall ensure that each NE State shall establish and maintain, throughout the implementation of the Project, a Project financial management unit within its SMOF with functions, status, composition and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part J, each SPFMU shall be responsible for, *inter alia*:

   (a) the financial management of Project activities within the respective NE State in accordance with the provisions of this Agreement, including the preparation of budgets, monthly reports, interim unaudited financial reports, and annual financial statements; and

   (b) disbursing Grant funds to Participating Health Facilities and Participating LGAs upon authorization by the SPHCDA.

Institutional Arrangements at the LGA Level

K. LGA RBF Steering Committees

1. The Recipient shall ensure that each Participating LGA shall maintain, throughout the implementation of the Project, an LGA RBF steering committee with functions, composition and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part K, each LGA RBF Steering Committee shall:

   (a) be chaired by the councilor for health of the Participating LGA and comprise representatives from, *inter alia*, the SMOH, the SPHCDA, the LGA PHC Department, the Participating Health Facilities (on a rotation basis) and civil society; and

   (b) meet quarterly or more often if required for the purposes of, *inter alia*:

      (i) providing overall direction and support for all activities carried out under Parts 1.A and 1.B.1 of the Project within the jurisdiction of the LGA RBF Steering Committee;

      (ii) facilitating the coordination of Project activities among the participants in the LGA RBF Project Steering Committee and the removal of any obstacles to the implementation of Project activities; and
(iii) reviewing and approving the final consolidated quarterly invoices of Participating Health Facilities prior to their transmission to the SPHCDA.

L. Participating LGAs

1. The Recipient shall ensure that each Participating LGA shall maintain, throughout the implementation of the Project, the LGA PHC Department with functions, status, staffing and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part L, each LGA shall be responsible for carrying out Parts 1.A.3 of the Project within the jurisdiction of the respective Participating LGA including, *inter alia*:

   (a) overseeing the overall procurement, financial management, and environmental and social safeguards management under Parts 1.A of the Project in the respective Participating LGA;

   (b) chairing the LGA RBF Steering Committee and participating in the State Project Steering Committee and the State Technical Working Group; and

   (c) through its LGA PHC Department:

      (i) carrying out regular supervision of the quality of the Packages of Health Services delivered by the Participating Health Facilities including the completion of quarterly supervision checklists in accordance with the PIM;

      (ii) collecting and analyzing HMIS data; and

      (iii) supporting and training health facility staff.

Institutional Arrangements at the Health Facility Level

M. Health Facility RBF Committees

1. The Recipient shall ensure that each Participating Health Facility shall establish and maintain, throughout the implementation of the Project, an RBF committee with functions, composition and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph 1 of this Part M, the Health Facility RBF Committee shall:

   (a) in the case of primary health care facilities, be chaired by the Chair of the Ward development committee and comprise, *inter alia*, member(s) of the Ward development committee, the officer in
charge and a technical officer of the Participating Health Facility (non-voting members), and the headmaster of the local school; and

(ii) in the case of hospitals, be chaired by a respectable person from the community appointed by the Chair of the Participating LGA and comprise, inter alia, a representative of the LGA PHC Department, the chief medical officer and the hospital administrator (non-voting members), a representative of the traditional ruler, and a representative of a women’s group; and

(b) meet monthly or more often if required for the purposes of, inter alia:

(i) providing guidance and direction on the management of the Participating Health Facility;

(ii) discussing and agreeing on the content of the business plan and related activities in the facility prior to submission of the business plan to the SPHCDA;

(iii) monitoring and reporting to the LGA PHC Department and the SPHCDA on the quantity and quality of the Packages of Health Services delivered by the facility, and the implementation of the facility’s business plan;

(iv) in the case of PBF Health Facilities, reviewing and approving the performance appraisal of health facility workers according to applicable workers’ motivation contracts;

(v) approving the utilization of PBF Grants received by the Participating Health Facility; and

(vi) participating on a rotation basis, through a designated representative, in the LGA RBF Steering Committee.

Section II. Implementation Arrangements

A. Project Implementation Manual

1. Not later than July 15, 2016, the Recipient shall revise and adopt the Project Implementation Manual in form and substance satisfactory to the Association, containing detailed arrangements and procedures for:

(a) institutional coordination and day-to-day execution of the Project;

(b) Project disbursement and financial management;
(c) procurement;

(d) environmental and social safeguards management;

(e) modalities for results-based financing, including the methodology for calculating and updating the unit price to be paid for each service under the Packages of Health Services, and templates of Grant Agreements;

(f) monitoring, evaluation, reporting and communication; and

(g) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the PIM (provided, however, that in case of any conflict between the arrangements and procedures set out in the PIM and the provisions of this Agreement, the provisions of this Agreement shall prevail), and shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the PIM or any of its provisions without prior approval in writing by the Association.

B. Anti-Corruption

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

C. Health Care Waste Management Plan

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the HCWMP, and shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the HCWMP or any of its provisions without prior approval in writing by the Association, subject to the same approval and disclosure requirements as applicable to the adoption of the HCWMP.

D. Subsidiary Agreements; State Sub-financings

1. To facilitate the carrying out of Parts 1 and 2.A of the Project, the Recipient shall make the proceeds of the Financing allocated from time to time to Categories (1) and (2) of the table set forth in Section V, Part A, paragraph 2 of this Schedule ("Subsidiary Financing") available to the NE States under a subsidiary agreement between the Recipient and each NE State, under terms and conditions approved by the Association ("Subsidiary Agreement"), which shall include, inter alia:

(a) (i) the principal amount of the Subsidiary Financing shall be the equivalent in terms of SDR of the amount withdrawn under the
Subsidiary Agreement (determined as of the date or dates of withdrawal from the Financing Account);

(ii) interest on the principal amount of the Subsidiary Financing withdrawn and outstanding shall be charged at the same rate per annum as that charged by the Association to the Recipient for the Credit; and

(iii) such principal amount shall be repayable over a period not exceeding the period remaining at the time of execution of the Subsidiary Agreement for the repayment of the Financing, inclusive of a grace period not exceeding the grace period remaining at the time of execution of the Subsidiary Agreement for the Financing;

(b) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:

(i) suspend or terminate the right of the NE State to use the proceeds of the Subsidiary Financing, or declare to be immediately due and payable or obtain a refund of all or any part of the amount of the Subsidiary Financing then withdrawn, upon the NE State’s failure to perform any of its obligations under the Subsidiary Agreement; and

(ii) require each NE State to:

(A) carry out its Respective Part of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;

(B) provide, promptly as needed, the resources required for the purpose;

(C) make the LGA PHC Department Grants and the PBF Grants available to, respectively, the LGA PHC Departments and the Participating Health Facilities pursuant to the provisions of Section II, Part E of this Schedule and the PIM;
(D) supervise the activities carried out by the LGA PHC Departments and the Participating Health Facilities and ensure that they are carried out 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 provisions of this Agreement, the PIM, the HCWMP, the Anti-Corruption Guidelines and the respective Grant Agreements;

(E) ensure that any goods, works and/or services to be financed out of the Subsidiary Financing are procured in accordance with the provisions of this Agreement;

(F) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of its Respective Parts of the Project and the achievement of the objectives of the Project;

(G) (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 its Respective Part of the Project; and (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, but in any event not later than six (6) months after the end of each Fiscal Year;

(H) enable the Recipient and the Association to inspect the NE State’s Respective Part of the Project, its operation and any relevant records and documents;

(I) permit the Association to make the Subsidiary Agreement and all financial statements audited pursuant to sub-paragraph (G) above available to the public in accordance with the Association’s policies on access to information; and
J) 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.

2. The Recipient shall exercise its rights and perform 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.

E. PBF Grants and LGA PHC Department Grants

General

1. For the purpose of carrying out the activities ("Subprojects") under Part 1.A of the Project, the Recipient shall ensure that each NE State shall, through its SPHCDA, make PBF Grants and LGA PHC Department Grants (individually, "Grant" and collectively, "Grants") to, respectively, the PBF Health Facilities and the LGA PHC Departments (individually, "Beneficiary" and collectively, "Beneficiaries") in accordance with eligibility criteria and procedures acceptable to the Association and elaborated in the PIM, and shall make no Grant payments to any Beneficiary unless such payment satisfies the conditions for payment specified in this Agreement, the PIM and the respective Grant Agreement.

Grant Agreements

2. The Recipient shall ensure that each NE State shall make each Grant under a Grant Agreement between the NE State and the respective Beneficiary on terms and conditions approved by the Association, which, inter alia, shall include the following:

(a) the Grant Agreement shall specify the outputs and performance targets to be achieved by the Beneficiary, including:

(i) in the case of PBF Grant Agreements, the Packages of Health Services to be delivered by the PBF Health Facility; and

(ii) in the case of LGA PHC Department Grant Agreements, the outputs to be delivered by the LGA PHC Departments as detailed in a performance matrix approved by the Association and set forth in the PIM, all in accordance with the provisions of this Agreement as further elaborated in the PIM.

(b) the Grant Agreement shall specify the arrangements for verification of the quantity and quality of outputs delivered by the Participating Health Facilities and the LGA PHC Departments;
(c) the Grant Agreement shall specify the maximum Grant amounts payable against the outputs specified in the Grant Agreement, the periodicity of payments, the conditions for payments and the methodology for determining the amount of payments during each payment period, including, in the case of PBF Grant Agreements and LGA PHC Department Grant Agreements, the Unit Prices for each service included in the Packages of Health Services to be delivered by the PBF Health Facilities, and for the outputs to be delivered by the LGA PHC Departments, including the arrangements for periodic review and recalculation of said Unit Prices;

(d) the Grant shall be made on a non-reimbursable grant basis; and

(e) the NE State shall obtain rights adequate to protect its interests and those of the Recipient and the Association, including the right to:

(i) suspend or terminate the right of the Beneficiary to use the proceeds of the Grant, or obtain a refund of all or any part of the amount of the Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Grant Agreement; and

(ii) require each Beneficiary to:

(A) carry out the Subproject 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 Project Implementation Manual, the Health Care Waste Management Plan and the Anti-Corruption Guidelines;

(B) provide promptly, as needed, the resources required for the purpose;

(C) use the proceeds of the Grant for eligible expenditures specified in the Grant Agreement, including: (1) operating costs in the case of PBF Grants and LGA PHC Department Grants; and (2) staff performance bonuses in the case of PBF Grants and LGA PHC Department Grants;

(D) procure any goods, works and/or services required for the Subproject and to be financed out of the proceeds of the
Grant in accordance with the provisions of Section IV of this Schedule as further elaborated in the PIM;

(E) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the implementation of the Subproject and the achievement of its objectives;

(F) (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 its operations, resources and expenditures, including those related to the Grant; and (2) at the Association’s or the Recipient’s or the NE State’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 Association, the Recipient and the NE State;

(G) enable the Association, the Recipient and the NE State to inspect its facilities, operations and any records and documents relevant to the Subproject; and prepare and furnish to the Association, the Recipient and the NE State all such information as either shall reasonably request relating to the implementation of the Subproject;

(H) permit the Association to make the Grant Agreement and all financial statements audited pursuant to sub-paragraph (F) above available to the public in accordance with the Association’s policies on access to information; and

(I) prepare and furnish to the NE State, the Recipient and the Association all such further information as the NE State, the Recipient or the Association shall reasonably request relating to the foregoing.

3. The NE State shall exercise its rights and perform its obligations under each Grant Agreement in such manner as to protect the interests of the NE State, the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association and the Recipient shall otherwise agree, the NE State shall not assign, amend, abrogate or waive any Grant Agreement or any of its provisions.
Payment Amounts

4. The Recipient shall cause each NE State to ensure that:

(a) the amount of payments under the PBF Grants to be made to the Participating Health Facilities shall be determined using the Unit Price to be paid for each service under the Package of Health Services, each of which Unit Price shall be:

(i) calculated on the basis of a methodology acceptable to the Association, and designed to ensure that the Unit Price:

(A) does not exceed the reasonable cost of the service under the Package of Health Services to be delivered and financed under the PBF Grants;

(B) in the case of PBF Grants is adjusted to reflect the quality of the service delivered, and the conditions of the locations where the service is to be delivered; and

(C) excludes any amount of the cost of the Package of Health Services which is to be financed from another source of financing; and

(ii) no later than January 31 in each year, reviewed and adjusted, in a manner and at a level acceptable to the Association, as necessary to ensure that it continues to comply with the criteria set forth in sub-paragraph (i) above;

(b) the amount of payments under the LGA PHC Department Grants to be made to the LGA PHC Departments shall be determined using the Unit Price to be paid for producing the outputs detailed in an LGA PHC Department performance matrix approved by the Association and set forth in the PIM, which Unit Price shall be:

(i) calculated on the basis of a methodology acceptable to the Association, and designed to ensure that the Unit Price:

(A) does not exceed the reasonable cost of the said outputs to be delivered and financed under the LGA PHC Department Grants;

(B) is adjusted to reflect the performance of the LGA PHC Department against the LGA PHC Department performance matrix set forth in the PIM; and
(C) excludes any amount of the cost of the outputs which is to be financed from another source of financing; and

(ii) no later than January 31 in each year, reviewed and adjusted, in a manner and at a level acceptable to the Association, as necessary to ensure that it continues to comply with the criteria set forth in sub-paragraph (i) above.

**Verification Arrangements**

5. **Internal Ex-Ante Verification of the Delivery of the Packages of Health Services.**

The Recipient shall ensure that NPHCDA engages the services of contract management and verification agents that will manage PBF Grants to Participating Health Facilities and conduct quarterly verification on behalf of the SPHCDAs. Prior to each quarterly payment to a Participating Health Facility under a PBF Grant, the Recipient shall ensure, in accordance with terms of reference and in a manner acceptable to the Association and elaborated in the PIM, that the relevant SPHCDA/CMVA shall verify the quantity, and the relevant LGA PHC Department shall verify the quality, of the Package of Health Services delivered by the respective Participating Health Facility during the quarter for which such payment is requested.

6. **External Ex-Post Verification of the Delivery of the Packages of Health Services.**

The Recipient shall ensure that the NPHCDA engages, under Part 2.B of the Project and in accordance with the provisions of Section IV of this Schedule, not later than November 30, 2016, one independent verification agent for each NE State, whose terms of reference, qualifications and experience shall be satisfactory to the Association, to conduct ex-post verifications of the delivery of the Packages of Health Services by each Participating Health Facility, including through interviews with consumers of such services, inspections of the Participating Health Facility’s documentation and facilities, and employment by the said independent expert of community organizations whose terms of reference, qualifications and experience and terms and conditions of employment shall be satisfactory to the Association to carry out satisfaction surveys of users of the Packages of Health Services.

7. **Verification of LGA PHC Department Performance.**

Prior to each quarterly payment to an LGA PHC Department under an LGA PHC Department Grant, the Recipient shall ensure, in accordance with terms of reference and in a manner acceptable to the Association and elaborated in the PIM, that the relevant SPHCDA/CMVA shall:

(a) verify that the respective LGA PHC Department has carried out quarterly supervision visits to the relevant Participating Health Facilities during the quarter for which such payment is requested, and has submitted to the
SPHCDA, not later than twenty-one (21) days after such quarter, the completed supervision checklists in accordance with the provisions of the PIM and the LGA PHC Department Grant Agreement; and

(b) evaluate the performance of the LGA PHC Department under Part 1.A.3 of the Project in accordance with the LGA performance matrix specified in the PIM and the LGA PHC Department Grant Agreement.

Section III. 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 indicators acceptable to the Association. Each Project Report shall cover the period of one calendar year, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

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. 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 shall, not later than six months after the Effective Date, appoint the independent auditors referred to in Section 4.09(b) of the General Conditions, in accordance with the provisions of Section IV of this Schedule, with qualifications, experience and terms of reference satisfactory to the Association.

5. Without limitation to the provisions of paragraphs 1 through 4 of this Part B, the Recipient shall, not later than nine (9) months after the end of each Fiscal Year, or such later date as the Association may agree, furnish to the Association the annual state audit report prepared by the respective NE State's Auditor General.
Section IV. **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 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:

   (a) National Competitive Bidding; and

   (b) Shopping.

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 Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single-source Selection of consulting firms</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines</td>
</tr>
<tr>
<td>(g) Single-source procedures 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 V. **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, works and services required for Part 1.A.1 of the Project and to be financed out of PBF Grants and LGA PHC Department Grants on an output basis at the respective Unit Price for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Bauchi State</td>
<td>9,300,000</td>
<td>86% of amounts paid under the respective Grant Agreement</td>
</tr>
<tr>
<td>(b) Borno State</td>
<td>20,600,000</td>
<td></td>
</tr>
<tr>
<td>(c) Gombe State</td>
<td>4,600,000</td>
<td></td>
</tr>
<tr>
<td>(d) Taraba State</td>
<td>4,300,000</td>
<td></td>
</tr>
<tr>
<td>(e) Yobe State</td>
<td>11,500,000</td>
<td></td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services (including audits), Operating Costs, and Training, Workshops and Study Tours under Part 2.A of the Project for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Bauchi State</td>
<td>600,000</td>
<td>86%</td>
</tr>
<tr>
<td>(b) Borno State</td>
<td>2,300,000</td>
<td></td>
</tr>
<tr>
<td>(c) Gombe State</td>
<td>300,000</td>
<td></td>
</tr>
<tr>
<td>(d) Taraba State</td>
<td>300,000</td>
<td></td>
</tr>
<tr>
<td>(e) Yobe State</td>
<td>1,300,000</td>
<td></td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consultants’ services (including audits), Operating Costs, and Training, Workshops and Study Tours for NPHCDA under Part 2.B of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,900,000</td>
<td>86%</td>
</tr>
</tbody>
</table>
(4) Goods, works, non-consulting services, consultants' services (including audits), Operating Costs, and Training, Workshops and Study Tours for Part 3 of the Project

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Bauchi State</td>
<td>600,000</td>
<td>86%</td>
</tr>
<tr>
<td>(b) Borno State</td>
<td>6,200,000</td>
<td></td>
</tr>
<tr>
<td>(c) Gombe State</td>
<td>300,000</td>
<td></td>
</tr>
<tr>
<td>(d) Taraba State</td>
<td>300,000</td>
<td></td>
</tr>
<tr>
<td>(e) Yobe State</td>
<td>3,400,000</td>
<td></td>
</tr>
</tbody>
</table>

(5) Contingency

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5) Contingency</td>
<td>13,400,000</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL AMOUNT</td>
<td>88,200,000</td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

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

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

(b) for payments under Categories (1) and (2) made to any NE State unless and until:

(i) the respective NE State has entered into a Subsidiary Agreement with the Recipient; and

(ii) the Association has received an opinion satisfactory to it establishing that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the respective NE State and is legally binding upon the Recipient and the respective NE State in accordance with its terms;

(c) for payments under Category (1) for any Grant unless the respective NE State has entered into a Grant Agreement, satisfactory to the Association, with the respective Beneficiary; and

(d) for payments under Category (3) unless the Recipient has signed at least seven (7) contracts for CMVAs and five (5) contracts for independent verification agencies to conduct the monitoring and verification in all six of the NE States.
2. The Closing Date is June 30, 2020.
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 1 and August 1:</td>
<td></td>
</tr>
<tr>
<td>commencing August 1, 2021 to and including February 1, 2031</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing August 1, 2031 to and including February 1, 2041</td>
<td>3.35%</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

Definitions


2. “Beneficiary” means a Participating Health Facility or an LGA PHC Department, as the case may be.

3. “Category” means a category set forth in the table in Section V, Part A, paragraph 2 of Schedule 2 to this Agreement.

4. “CMVA” means an independent contract management and verification agency retained for purposes of monitoring the use of PBF Grants to Participating Health Facilities and the performance of LGA PHC Departments under the Project.


6. “DFF” means the decentralized facility financing.

7. “DFF Health Facility” means a primary health care facility or a general hospital within the jurisdiction of each Participating LGA selected to receive support under Part I.A.2 of the Project.

8. “Federal Ministry of Finance” and the acronym “FMOF” mean the Recipient’s ministry responsible for finance and any successor thereto.

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

10. “Federal Project Steering Committee” means the committee to be maintained by the Recipient in accordance with the provisions of Section I, Part A of Schedule 2 to this Agreement.

11. “Federal Technical Working Group” means the working group to be maintained by the Recipient in accordance with the provisions of Section I, Part B of Schedule 2 to this Agreement.

12. “Fiscal Year” and the acronym “FY” means the Recipient’s fiscal year commencing January 1 and ending December 31 in each year.


15. “GFF Grant Agreement” means the grant agreement between the Recipient and the Association, acting as an implementing agency of the Multi-Donor Trust Fund for the Global Financing Facility in Support of Every Woman Every Child, for a grant to the Recipient in an amount equivalent to twenty million United States Dollars ($20,000,000) to support activities under the Project.

16. “Grant” means a PBF Grant or an LGA PHC Department Grant, as the case may be.

17. “Grant Agreement” means a PBF Grant Agreement or an LGA PHC Department Grant Agreement, as the case may be.

18. “HCWMP” means the Health Care Waste Management Plan prepared and adopted by the Recipient, reviewed and disclosed in the Recipient’s territory on April 14, 2016, and at the World Bank Infoshop on April 15, 2016, defining the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental impacts of medical waste, offset them, reduce them to acceptable levels, or to enhance positive impacts of the Project activities, as such plan may be amended by the Recipient from time to time, with the prior written approval of the Association in accordance with Section II, Part C of Schedule 2 to this Agreement.

19. “Health Facility RBF Committee” means the committee to be maintained by each Participating Health Facility in accordance with the provisions of Section I, Part M of Schedule 2 to this Agreement.

20. “HMIS” means health management information system.

21. “LGA” means a local government authority established and operating in the territory of each NE State pursuant to the laws of the Recipient and the NE State.

22. “LGA PHC Department” means the primary health care department of each Participating LGA.

23. “LGA PHC Department Grant” means a grant made or proposed to be made by the respective NE State to an LGA PHC Department out of, inter alia, the proceeds of the Financing to assist in financing the delivery of outputs by the LGA PHC Department under Part 1.A.3 of the Project.
24. "LGA PHC Department Grant Agreement" means an agreement, to be concluded between a NE State and an LGA PHC Department, in accordance with the provisions of Section II, Part E, paragraph 2 of Schedule 2 to this Agreement, pursuant to which the NE State shall make an LGA PHC Department Grant out of the proceeds of the Financing to the LGA PHC Department.

25. "LGA RBF Steering Committee" means the committee to be maintained by each Participating LGA in accordance with the provisions of Section I, Part K of Schedule 2 to this Agreement.

26. "NAFDAC" means the Recipient's National Agency for Food and Drug Administration and Control and any successor thereto.

27. "NE State" means each of Adamawa State, Bauchi State, Borno State, Gombe State, Taraba State and Yobe State of the Recipient and which has respectively entered into a Subsidiary Agreement with the Recipient, in accordance with Section II, Part D of Schedule 2 to this Agreement for the purpose of carrying out its Respective Parts of the Project.

28. "NPHCDA" means the Recipient’s National Primary Health Care Development Agency and any successor thereto.

29. "NPoPC" means the Recipient’s National Population Commission and any successor thereto.

30. "Operating Costs" means the operating costs incurred for the purposes of the implementation of the Project including maintenance of vehicles and equipment, fuel, office supplies, utilities, consumables, rental charges, bank charges, advertising expenses, travel, per diems, accommodation, and salaries of selected support staff, but excluding salaries of consultants and salaries of officials of the Recipient’s civil service.

31. "Original Financing Agreement" means the financing agreement for the State Health Investment Project between the Recipient and the Association, dated April 16, 2013, as amended to the date of this Agreement (Credit No. 5094-NG).

32. "Original Project" means the Project described in Schedule 1 to the Original Financing Agreement, as amended.

33. "Package of Health Services" means a minimum package of services to be delivered by primary health facilities, and a complementary package of services to be delivered by general and secondary hospitals, as defined in the Project Implementation Manual and the respective PBF Grant Agreements, with a focus on maternal and child health services delivered through visits, consultations, tests, treatments, surgeries, vaccinations, and deliveries.
34. “Participating Health Facility” means a PBF Health Facility.

35. “Participating LGA” means each LGA within the NE States.

36. “Participating State” means each of the NE States as well as the states participating in the Original Project.

37. “PBF Grant” means a grant made or proposed to be made by the respective NE State to a PBF Health Facility out of, inter alia, the proceeds of the Financing to assist in financing the delivery of the Package of Health Services by said facility under Part 1.A.1 of the Project.

38. “PBF Grant Agreement” means an agreement, to be concluded between a NE State and a PBF Health Facility, in accordance with the provisions of Section II, Part E, paragraph 2 of Schedule 2 to this Agreement, pursuant to which the NE State shall make a PBF Grant out of the proceeds of the Financing to the PBF Health Facility.

39. “PBF Health Facility” means a primary health care facility, a general hospital or a secondary hospital within the jurisdiction of each Participating LGA selected to receive support under Part 1.A.1 of the Project.

40. “PCN” means the Pharmacists’ Council of Nigeria and any successor thereto.


42. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 11, 2016, 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.

43. “Project Implementation Manual” or “PIM” means the manual for the implementation of the Project to be adopted by the Recipient in accordance with the provisions of Section II, Part A of Schedule 2 to this Agreement.

44. “RBF” means results-based financing.

45. “Respective Part of the Project” means, in respect of each NE State, the activities approved for inclusion in the Project and to be carried out within the NE State’s jurisdiction.

46. “SMOF” means each NE State ministry responsible for finance and any successor thereto.
47. “SMOH” means each NE State’s ministry responsible for health and any successor thereto.

48. “SMOLGCA” means each NE State’s ministry responsible for local government and chieftaincy affairs and any successor thereto.

49. “SPHCDA” means the State Primary Health Care Development Agency established and operating pursuant to the laws of the respective NE State and any successor thereto.

50. “State Project Financial Management Unit” and the acronym “SPFMU” mean the unit within SMOF to be maintained in accordance with the provisions of Section I, Part J of Schedule 2 to this Agreement.

51. “State Project Steering Committee” means the committee to be maintained by each NE State in accordance with the provisions of Section I, Part F of Schedule 2 to this Agreement.

52. “State Technical Working Group” means the working group to be maintained by each NE State in accordance with the provisions of Section I, Part G of Schedule 2 to this Agreement.

53. “Subproject” means the specific programs of activities to be carried out under Parts 1.A and 1.B.1 of the Project by, respectively, the PBF Health Facilities and the LGA PHC Departments.

54. “Subsidiary Agreement” means the agreement referred to in Section II, Part D of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to each NE State, as the same may be amended from time to time with the prior written consent of the Association, and such term includes all schedules to such Subsidiary Agreement.

55. “Subsidiary Financing” means the amount of the Financing made available to each NE State pursuant to the Subsidiary Agreements.

56. “Training, Workshops and Study Tours” means the reasonable costs associated with the participation of personnel involved in Project supported training activities, workshops and study tours, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation.

57. “Unit Price” means, for each Package of Health Services to be delivered by a Participating Health Facility, and for the outputs to be delivered by an LGA PHC
Department, the unit price thereof determined in accordance with the provisions of Section II, Part E, paragraph 4(a) and (b) of Schedule 2 to this Agreement.

58. "Ward" means an administrative subdivision within each LGA in the territory of the Recipient.