OFFICIAL DOCUMENTS

GRANT NUMBER D166-BI

Financing Agreement
(Health System Support Project ("KIRA"))

between

REPUBLIC OF BURUNDI
and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated March 23, 2017
AGREEMENT dated 29th March, 2017, entered into between REPUBLIC OF BURUNDI ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to thirty-seven million two hundred thousand Special Drawing Rights (SDR 37,200,000) ("Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

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

2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

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

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

ARTICLE IV — EFFECTIVENESS; TERMINATION

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

(a) The Recipient has adopted the Project Implementation Manual pursuant to Sections 1.C of Schedule 2 to this Agreement.

(b) The Recipient has updated the Results-Based Financing Procedures Manual pursuant to Sections V.A.3 of Schedule 2 to this Agreement.

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

4.03. 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 years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

5.02. The Recipient’s Address is:

Ministry of Finance, Budget and Privatization
P. O. Box 1830
Bujumbura
Republic of Burundi

Telex: 5135
Telephone: 257-22-22-27-75
MINIFINBDI

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 Bujumbura, Republic of Burundi, as of the day and year first above written.

REPUBLIC OF BURUNDI

By

[Signature]

Authorized Representative

Name: Démonial NTISHIRWA

Title: Ministre de Finances,

et du Budget et de la Privatisation

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: NEGER CAFA

Title: Operation Manager
SCHEDULE I

Project Description

The objective of the Project is to increase the use of quality reproductive, maternal, neonatal, child and adolescent health services, and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency.

The Project consists of the following parts:

1. Use of performance-based payments to support the Recipient’s Free Health Care Program through, *inter alia*:

   (a) support for the provision of the Package of Health Services through the payment of performance-based subsidies to select public and private health facilities and non-profit health providers;

   (b) support for the provision of a predefined set of activities including health promotion and prevention services, referral services to health centers and community-based distribution of health related inputs through the payment of performance-based subsidies to select community health worker cooperatives;

   (c) support for the administration and verification of results based financing claims related to the Package of Health Services through the payment of performance-based subsidies to applicable Recipient’s departments or units tasked with said claims administration and verification activities; and

   (d) use of performance-based payments to (i) strengthen the capacity of strategic departments within the Ministry of Health to manage the public health sector including the enhanced functioning of health facilities; and (ii) improve the quality of nursing training.

2. Implementation support for the Free Health Care Program-Related Activities through, *inter alia*:

   (a) implementation of Project-related counter verifications and third-party verification activities under Parts 1(a), (b) and (c) of the Project and provision of relevant supplies for verification activities under Part 1(c) of the Project;

   (b) Project management and coordination for the Project through support to Ministry of Health and the RBF National Technical Unit, including
monitoring and evaluation, procurement, financial management, social and environmental safeguards, audits and ad hoc surveys; and

(c) (i) design and implementation of a program of activities, including *inter alia*, capacity building of community-based organizations, training of health workers, and outreach and awareness-raising campaigns for the purpose of increasing demand, including access by vulnerable groups, to the health care services referred to under Parts 1(a) and (b) of the Project and stimulating positive health-related behavioral change; and (ii) construction of Montfort-type incinerators on the grounds of pre-identified hospitals within the Recipient's territory to improve biomedical waste management

3. Strengthening of newly integrated Free Health Care Program service providers consisting of, *inter alia*: (a) provision of support to nursing training schools through the provision of technical equipment, computers, training software, library supplies, and implementation of minor works; and (b) provision of relevant supplies to community health workers, including bicycles, umbrellas, boots, medicines boxes, gears, hats and white coats.

4. Contingent emergency response through the provision of immediate response to an Eligible Crisis or Emergency, as needed.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Ministry of Health

1. The Ministry of Health shall be responsible for overall Project implementation and management in accordance with the following institutional arrangements:

Department of Health Services

2. The Department of Health Services shall be responsible for coordinating the day-to-day implementation of the Project, with the Department of Resources Management as the deputy coordinating unit.

Department of Resources Management

3. (a) The Department of Resources Management shall be responsible for the administrative and financial management, procurement, and disbursement of the Project, and, to this end, the Recipient shall maintain in said Department of Resources Management, throughout Project implementation, competent personnel in adequate numbers, particularly in the areas of financial management and procurement, all as satisfactory to the Association.

(b) Without limitation upon the provisions of the preceding paragraph 3(a) and in furtherance of the obligations thereof, the Recipient shall, no later than three (3) months after the Effective Date, recruit to the Department of Resources Management, in accordance with the provisions of Section III of this Schedule 2, an additional procurement specialist, with qualifications, experience, and terms of reference acceptable to the Association.

The Department of Planning

4. The Department of Planning shall be responsible for: (a) monitoring and evaluation under the Project; and (b) co-implementation with the RBF National Technical Unit of all activities pertaining to RBF payments to the National Health Information System and, to this end, the Recipient shall maintain in said Department of Planning, throughout Project implementation, competent personnel in adequate numbers, all as satisfactory to 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. Project Implementation Manual

1. The Recipient shall prepare, in accordance with terms of reference acceptable to the Association, a Project implementation manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, reporting and communication; (e) environmental and safeguard management; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall afford the Association a reasonable opportunity to review and approve such manual, and shall thereafter adopt such manual, as shall have been approved by the Association ("Project Implementation Manual").

3. The Recipient shall carry out the Project in accordance with the Project Implementation Manual and shall, not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written consent of the Association.

4. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

D. Results-Based Payments

1. General

Without prejudice to the provisions of Section I.A of this Schedule, the Department of Health Services shall review and approve, on behalf of the Recipient, applications for Results-Based Payments, in accordance with the provisions of this Part D and the Results-Based Financing Procedures Manual.

2. Results-Based Payments Eligibility and Free Health Care Program-Related Activities Implementation Guidelines and Procedures

No proposed Beneficiary shall be eligible for financing under Part 1 of the Project unless, on the basis of a review conducted in accordance with this Part D and the Results-Based Financing Procedures Manual, the proposed Beneficiary is deemed to satisfy the eligibility criteria specified below and in further detail in the Results-Based Financing Procedures Manual, which shall include the following:
(a) the proposed Beneficiary is a service provider carrying out Free Health Care Program-Related Activities or a unit within the Ministry of Health involved in Package of Health Services-related claims administration or verification, all under Part I of the Project;

(b) the proposed activities satisfy the requirements of Part I of the Project as described in further detail in the Results-Based Financing Procedures Manual;

(c) the proposed activities comply with the Safeguards Instruments; and

(d) the Beneficiary has put in place all necessary arrangements, including financial and human resources, for the management of the proposed activities.

3. Terms and Conditions of Results-Based Payments Agreements

(a) The activities referred to in paragraph I.D.2 above shall be carried out pursuant to a results-based payments agreement ("Results-Based Payments Agreement"), to be concluded between the Department of Health Services on behalf of the Recipient and the respective Beneficiary, under terms and conditions, satisfactory to the Association, as further described in the Results-Based Financing Procedures Manual, which shall include the following:

(i) a description of the activities, the applicable rates, and applicable performance indicators;

(ii) the obligation of the Beneficiary to: (A) carry out said activities with due diligence and efficiency and in accordance with sound technical, financial, administrative, and environmental and social standards and practices satisfactory to the Association; (B) ensure that the resources required for the activities are provided promptly as needed; (C) maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to said activities; and (D) at the request of the Association or the Recipient, have such records audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the records as so audited to the Recipient and the Association;

(iii) the obligation of the Beneficiary to carry out said activities in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient;
(iv) the obligation of the Beneficiary to carry out said activities in accordance with the provisions of the Project Implementation Manual and the Results-Based Financing Procedures Manual;

(v) the obligation of the Beneficiary to carry out said activities in accordance with the provisions of the Safeguards Instruments;

(vi) the requirement that the minor works, goods and consultants' services to be financed from the proceeds of the Results-Based Payment shall be procured in accordance with procedures ensuring efficiency and economy as further detailed in Section III of this Schedule, and shall be used exclusively in the carrying out of said activities; and

(vii) the right of the Recipient to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the applicable goods and sites financed by the Financing, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of said activities; and (C) suspend or terminate the right of the Beneficiary to use the proceeds of the Results-Based Payment, or obtain a refund of all or any part of the amount of the Results-Based Payment then withdrawn, as the case may be, upon failure by the Beneficiary to perform any of its obligations under the Results-Based Payments Agreement.

(b) The Recipient shall exercise its rights and carry out its obligations under the Results-Based Payments Agreement in such manner as to protect its interests and those of the Association and to accomplish the purposes of the Results-Based Payment, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

4. External Controls

(a) The Recipient shall maintain, throughout Project implementation, external auditors, with qualifications, experience, and terms of reference satisfactory to the Association, for purposes of the third-party verification of Package of Health Services and all Free Health Care Program-Related Activities to be carried out under Part 2 (a) of the Project.

(b) The Recipient shall cause said auditors to carry out, throughout Project implementation, quarterly verification exercises of Package of Health
Services and Free Health Care Program-Related Activities, including community and focus group surveys, Beneficiary spot checks, verification of data provided and records kept by Beneficiaries in relation to said activities, and assessments of the quality of health services provided under Part 1(a) and 1(b) and, in accordance with the provisions of the Results-Based Financing Procedures Manual.

E. Annual Work Plans and Budgets

1. Not later than November 30 in each calendar year (or one (1) month after the Effective Date for the first year of Project implementation), the Recipient shall prepare and furnish to the Association a draft annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the Association shall have reasonably requested.

2. The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out such annual work plan and budget during such subsequent calendar year as shall have been approved by the Association ("Annual Work Plan and Budget"). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.

3. For any training proposed to be included in an Annual Work Plan and Budget, the Recipient shall, inter alia, identify: (a) particulars of the training envisaged; (b) the criteria for selection of the personnel to be trained, and such personnel if known; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association’s prior written approval.

F. Safeguards

1. The Recipient shall implement the Project in accordance with the relevant Safeguards Instruments, and shall, to that end, if any activity under the Project would require the adoption of an ESMP or IPP in accordance with the ESMF or IPPF respectively:

   (a) prepare: (A) such ESMP or IPP in accordance with the ESMF or IPPF respectively; (B) furnish such ESMP or IPP to the Association for review and approval; and (C) thereafter adopt and disclose such IPP prior to implementation of the activity; and
(b) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such ESMP or IPP.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, for each Safeguards Instrument, regularly collect, compile and furnish to the Association reports in form and substance satisfactory to the Association, on the status of compliance with each Safeguards Instrument, as part of the Project Reports, giving details of:

(a) measures taken in furtherance of such Safeguards Instrument;
(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguards Instrument; and
(c) remedial measures taken or required to be taken to address such conditions.

3. In the event that any provision of the Safeguards Instruments shall conflict with any provision under this Agreement, the provisions of this Agreement shall prevail.

4. The Department of Health Services shall be responsible for the implementation and monitoring and evaluation of said Safeguards Instruments.

5. To this end, and for purposes of capacity building of said Department of Health Services in this regard, the Recipient shall maintain, throughout Project implementation, in said Department of Health Services an environmental and social specialist, with qualifications, experience, and terms of reference satisfactory to the Association.

G. Contingent Emergency Response Arrangements for Part 4 of the Project

1. In order to ensure the proper implementation of Part 4 of the Project ("CERC Part"), the Recipient shall:

(a) prepare and furnish to the Association for its review and approval, an operations manual which shall set forth detailed implementation arrangements for the CERC Part, including: (i) designation of terms of reference for, and resources to be allocated to the entity to be responsible for coordinating and implementing the CERC Part ("Coordinating Authority"); (ii) specific activities which may be included in the CERC Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the CERC Part; (iv) procurement methods and procedures for the CERC Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for the CERC Part, consistent with the
Association's policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CERC Part;

(b) afford the Association a reasonable opportunity to review said proposed operations manual;

(c) promptly adopt such operations manual for the CERC Part as shall have been approved by the Association ("CERC Operations Manual");

(d) ensure that the CERC Part is carried out in accordance with the CERC Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and

(e) not amend, suspend, abrogate, repeal or waive any provision of the CERC Operations Manual without prior approval by the Association.

2. The Recipient shall, throughout the implementation of the CERC Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.

3. The Recipient shall undertake no activities under the CERC Part (and no activities shall be included in the CERC Part) unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CERC Operations Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be
furnished to the Association not later than ninety (90) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 4.08 of the General Conditions. The Completion Report shall be furnished to the Association not later than six months after the Closing Date.

**B. Financial Management; Financial Reports; Audits**

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

2. The Recipient shall, throughout Project implementation, maintain the Directorate General of Resources and the information system configured to interface with the accounting system of said Directorate.

3. Without limitations on the provisions of Part A of this Section II, the Recipient shall prepare and furnish to the Association, interim unaudited financial reports for the Project covering the quarter, not later than forty-five (45) days after the end of the period, in form and substance satisfactory to the Association.

4. The Recipient shall have its Financial Statements for 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 (1) fiscal year of the Recipient. 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.

5. The Recipient shall recruit, no later than three (3) months after the Effective Date, an external auditor in accordance with the provisions of Section III.C of this Schedule 2 to this Agreement.

**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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Goods, 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 methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Procurement from UN Agencies</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
</tbody>
</table>

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan:
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 Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<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) Individual Consultants</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Results-Based Payments under Part 1 of the Project.</td>
<td>30,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Works, goods, non-consulting services and consultants' services,</td>
<td>7,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training and Operating Costs under Parts 2 and 3 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Emergency Expenditures under Part 4 of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>37,200,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

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

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

   (b) under Category (3), for Emergency Expenditures under Part 4 of the Project, unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:

   (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

   (ii) the Recipient has prepared and disclosed all safeguards instruments required for said activities, and the Recipient has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.G.3(b) of Schedule 2 to this Agreement, for the purposes of such activities;
iii) the Recipient’s Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.G.2 of Schedule 2 to this Agreement, for the purposes of said activities; and

(iv) the Recipient has adopted a CERC Operations Manual in form, substance and manner acceptable to the Association and the provisions of the CERC Operations Manual remain, or have been updated in accordance with the provisions of Section I.G.1(c) of Schedule 2 to this Agreement so as to be appropriate for the inclusion and implementation of said activities under the CERC Part.

2. The Closing Date is June 30, 2021.

Section V. Other Undertakings

A. Results-Based Financing

1. Unless otherwise agreed with the Association, the Recipient shall, in the Fiscal Year 2017, maintain its allocation to the annual budget of the Ministry of Health for the provision of the Free Health Care Program at no less than 1.5% of the Recipient’s total budget expenditures as approved under the Recipient’s Budget Law of said Fiscal Year and shall progressively increase such allocation by 0.1 percentage in each subsequent Fiscal Year through the end of Project implementation.

2. The Recipient shall, throughout Project implementation, set forth measures to ensure post-Project sustainability of the Package of Health Services in accordance with the guidance provided in the Results-Based Financing Procedures Manual.

3. Without limitations to the provisions of I.D of this Schedule 2, the Recipient shall update the Results-Based Financing Procedures Manual in a manner satisfactory to the Association.

B. The Recipient shall ensure that the Financing shall be used exclusively for the financing of activities detailed in Schedule 1 of this Agreement and no portion of the Financing shall be used for any applicable expenditure under the Project if such expenditure was reimbursed by the HSDSP Financing.
APPENDIX

Section I. Definitions

1. “Annual Work Plan and Budget” means each annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section I.E of Schedule 2 to this Agreement.


3. “Beneficiary” means an entity to which or for whose benefit a Results-Based Payment is made or proposed to be made and which is a party to a Results-Based Payments Agreement and which includes health facilities; community health workers; nursing schools; public health programs; regulatory bodies and implementation departments.

4. “Budget Law” means the Recipient’s annual Loi de Finance approved by its legislature and promulgated by the president in accordance with the Recipient’s budget approval rules and regulations.

5. “CERC Operations Manual” means the operations manual referred to in Section I.G.1(c) of Schedule 2 to this Agreement, to be adopted by the Recipient for the CERC Part of the Project in accordance with the provisions of said Section, as said manual may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.

6. “CERC Part” means Part 4 of the Project.


8. “Coordinating Authority” means the entity designated by the Recipient in the CERC Operations Manual and approved by the Association pursuant to Section I.G.1(a)(i) of Schedule 2 to this Agreement, to be responsible for coordinating the CERC Part of the Project.

9. “Department of Health Services” means the Recipient’s entity, under the supervisory authority of the Recipient’s Ministry of Health, responsible for health services.
10. “Department of Planning” means the Recipient’s entity, under the supervisory authority of the Recipient’s Ministry of Health, responsible for overall planning as well as monitoring and evaluation activities.

11. “Department of Resources Management” means the Recipient’s entity, under the supervisory authority of the Recipient’s Ministry of Health, responsible for resource management for said Ministry.

12. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

13. “Emergency Expenditure” means any of the Eligible Expenditures set forth in the CERC Operations Manual in accordance with the provisions of Section I.G.1(a)(ii) of Schedule 2 to this Agreement and required for the activities included in the CERC Part of the Project.

14. “Environmental and Social Management Framework” or “ESMF” means the framework disclosed in the Recipient’s territory on December 13, 2016 and at the Association’s Infoshop on December 14, 2016, in form and substance satisfactory to the Association, outlining environmental and social implementation procedures, mitigation measures and monitoring procedures for the Project, including the management of medical waste, as said framework may be amended from time to time with the Association’s prior written approval.

15. “Environmental and Social Management Plan” and “ESMP” mean a plan, approved by the Association for the Project, to be prepared by the Recipient, as required by the ESMF, outlining specific appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and resettlement impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the Association.

16. “Fiscal Year” means the Recipient’s fiscal year as determined by the Budget Law.

17. “Free Health Care Program” means the Recipient’s national free health care program defined in the Presidential Decree on the Free Health Care Policy.

18. “Free Health Care Program-Related Activities” means the activities relating to supporting and promoting the effective provision of the Package of Health Service, including activities detailed in Parts 1(b), 1(c) and 1(d) of the Project and in support of which a Results-Based Payment is made or proposed to be made.


21. "HSDSP Financing" means the financing for the Health Sector Development Support Project pursuant to the second additional financing agreement between the Recipient and IDA, dated December 10, 2012 (Grant No. H8080-BI) and second additional financing agreement for the Health Sector Development Support Project between the Recipient and the International Bank for Reconstruction and Development and International Development Association (collectively, "World Bank"), both acting as the administrator of the Multi Donor Trust Fund for Health Results innovation (HRITF), dated December 10, 2012 as amended (MDTF-HRI Grant Number TF 013043).

22. "Indigenous Peoples Plan" or "IPP" means the plans to be prepared by the Recipient on the basis of the IPPF (as hereinafter defined), defining specific measures to be implemented for indigenous minorities in order to protect them and to ensure that members of said minorities be granted equal legal, financial and organizational opportunities under the Project, as the said plan may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.

23. "Indigenous Peoples Planning Framework" or "IPPF" means the Recipient's framework, disclosed in country on December 13, 2016 and at the Association's Infoshop on December 14, 2016, outlining measures to ensure culturally appropriate social and economic benefits for very vulnerable peoples, including the Batwa under the Project and avoidance, minimization, or mitigation of, or compensation for, any potential adverse effects on them associated with activities to be implemented under the Project, as shall have been agreed with the Association for purposes of Project implementation, as the same may be updated from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to said plan.

24. "Ministry of Health" means the Recipient's ministry responsible for health, and any successor thereto.

25. "Medical Waste Management Plan" or "MWMP" means the Recipient's plan, disclosed in country on December 13, 2016 and at the Association's Infoshop on December 14, 2016, setting out the measures to be taken for the development and implementation of biomedical waste management and safe handling of said waste, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to said plan.

26. "National Health Information System" means the national information program managed by the Ministry of Health, consisting of interrelated procedures organized
to generate health information and intelligence that is used to monitor the Recipient’s health sector status and services.

27. “Operating Costs” means the incremental operating costs under the Project, based on the Annual Work Plans and Budgets approved by the Association, and incurred by the Ministry of Health, on account of utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.

28. “Package of Health Services” means the Recipient’s free package of health services, referred to under Part 1 (a) of the Project, procured in accordance with Section III of Schedule 2 to this Agreement, packaged as a minimum package of activities (MPA) or complementary package of activities (CPA) and comprising preventive and curative services, including primary health care and preventive services for pregnant women, delivery and post-partum care, care for children under the age of five, adolescents and couples of reproductive age.

29. “Presidential Decree on the Free Health Care Policy” means the Recipient’s Decret no. 100/38 du 16 Mars 2010 Portant Revision de Subvention des Soins aux Enfants de Moins de 5 Ans et des Accouchements dans les Structures de Soins Publiques et Assimilées, as the same may be updated from time to time.


31. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 13, 2017 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.

32. “Project Implementation Manual” means the manual to be prepared and adopted by the Recipient in accordance with the provisions of Section I.C of Schedule 2 to this Agreement, as the same may be revised from time to time with the prior written consent of the Association.

33. “RBF” means Results-Based Financing.

34. “RBF National Technical Unit” means a unit within the Department of Health Services responsible for coordinating the RBF program.
35. "Results-Based Financing Procedures Manual" (Manuel des Procédures relatives au Financement Basé sur les Résultats) means the manual, dated September 2011 and updated in accordance with Article 4.01 (b) of this Agreement, as the same may be revised from time to time with the prior written agreement of the Association, and such term includes any schedules to said manual.

36. "Results-Based Payment" means a payment made or proposed to be made out of the proceeds of the Grant to finance the activities provided for under Part I of Schedule 1 of this Agreement.

37. "Results-Based Payments Agreement" means an agreement between the Recipient, represented by the Department of Health Services, and a Beneficiary, setting forth the terms and conditions governing Results-Based Payments.

38. "Safeguards Instruments" means the ESMF, IPPF, MWMP, ESMP and any IPP prepared in accordance with the IPPF and Safeguards Instrument means each and any of the Safeguards Instruments.

39. "Training" means the costs of training under the Project, based on the Annual Work Plans and Budgets approved by the Association, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities