

CONFORMED COPY

GRANT NUMBER H564-BJ

Financing Agreement

(Health System Performance Project)

between

REPUBLIC OF BENIN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 25, 2010

GRANT NUMBER H564-BJ

FINANCING AGREEMENT

AGREEMENT dated May 25, 2010 entered into between the REPUBLIC OF BENIN (“Recipient”) and the 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 up to the equivalent of fourteen million nine hundred thousand Special Drawing Rights (SDR14,900,000) (variously, “Grant”, 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 IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Un-withdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.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 the Euro.

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 MoH 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 Procedures Manual in accordance with Section I.C.1 of Schedule 2 of this Agreement, in form and substance satisfactory to the Association;
 - (b) the Recipient has recruited, for the General Secretariat, a Project coordinator, a specialist for financial management and a specialist for procurement, all in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement;
 - (c) the Trust Fund Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled; and
 - (d) the Recipient has appointed the consultant referred to in Section I.E(a) of Schedule 2 of this Agreement in accordance with the provisions thereof.
- 4.02. The Effectiveness Deadline is the date falling one hundred twenty (120) 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:

Ministère de l'Economie et des Finances
B.P. 302
Cotonou
Republic of Benin

Cable address:	Telex:	Facsimile:
MINFINANCES Cotonou	5009 MINFIN or 5289 CAA	+229-21-30-18-51 +229-21-31-53-56

5.03. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

AGREED at Cotonou, Republic of Benin, as of the day and year first above written.

REPUBLIC OF BENIN

By /s/ Idriss L. Daouda

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Joseph Baah-Dwomoh

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are (i) to increase coverage of quality maternal and neonatal health care services in the Targeted Areas, and (ii) to strengthen the institutional capacity of the MoH.

The Project consists of the following parts:

A. Results-Based Health Services Financing

1. Strengthening of maternal and neonatal health services in the Targeted Areas through the carrying out of specific development projects to provide packages of preventive and curative services; such services may include the following:

MATERNAL CARE SERVICES
1. Antenatal care visit
2. Antenatal care visit for a woman identified as poor
3. Family planning visit
4. Assisted delivery
5. Assisted delivery for a woman identified as poor
OTHER HEALTH CARE SERVICES
6. Antenatal care visit for a woman with fever and having been tested for malaria (rapid test)
7. Antenatal care visit for a woman with malaria and having received CTA
8. Outpatient visit (adult)
9. Outpatient visit for a child with pneumonia
10. Outpatient visit for a child with diarrhea
11. Outpatient visit for a child with fever and having being tested for malaria (rapid test)
12. Outpatient visit for a child with malaria and having received CTA
13. Distribution of Insecticide-Treated mosquito Nets (ITN)
14. Full immunization of children

2. (i) Carrying out of a capacity building program of the MoH, to facilitate its implementation of Part A.1. of the Project; such program to include technical assistance, development and implementation of training programs, implementation of a communications strategy relating to the Project, and provision of goods required for the purpose.
- (ii) Carrying out of a program to monitor the implementation of Maternal and Neonatal Health Services Subprojects in the Targeted Areas, including establishment of third party verification of such implementation.
- (iii) Carrying out of a program to strengthen the provision of Maternal and Neonatal Health Services Subprojects in the Targeted Areas through the recruitment of specialist doctors for the purpose.

B. Financial Accessibility

1. Development and implementation of a program to strengthen the process for identification of the Recipient's poorest households for purposes of facilitating their access to health services, such program to include (i) capacity building of community-based organizations (including women groups and community health insurance schemes) in each of the Targeted Areas; (ii) development of adequate and standardized identification criteria; and (iii) registration of such households through the implementation of a pilot biometric health care identification system in four (4) of the Targeted Areas.
2. Strengthening of health services in four (4) of the Targeted Areas through the carrying out of specific development projects to provide packages of preventive and curative services; such services may include the following:

HEALTH CARE SERVICES
Outpatient visit
Hospital days
Medical examination (lab, X-ray and echography)
Mental health assessment
Drugs
Delivery
Minor surgery
Major surgery

3. Carrying out of a program to develop a universal health care insurance system in the Recipient's territory, through the provision of technical assistance, training and basic equipment to MoH.

C. Institutional Strengthening

1. Strengthening the capacity of the MoH in the areas of Project implementation, management, coordination, administration, monitoring and evaluation through, *inter alia*, provision of technical assistance, training, studies and assessments, and acquisition of equipment and materials.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

General Secretariat

1. In order to ensure the prompt and efficient implementation of the Project, the Recipient shall maintain within MoH throughout Project implementation, the General Secretariat to be responsible for the implementation of the Project, all with terms of reference, staffing (including a Project coordinator, a specialist for financial management and a specialist for procurement) and resources satisfactory to the Association.

Steering Committee

2. The Recipient shall maintain throughout the period of implementation of the Project, a Project steering committee (chaired by the Minister of MoH and including, *inter alia*, representatives of the MoH, the Recipient's Ministry of Finance, the Recipient's Ministry in Charge of Development Prospective, Evaluation of Public Politics and Governmental Action Coordination and the Recipient's Ministry of Civil Service), with membership, functions and responsibilities satisfactory to the Association, which responsibilities shall include review of the annual work plans and their related budget of the Project; and general oversight of Project implementation.

B. Anti-Corruption

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

C. Procedures Manual

1. The Recipient shall prepare and furnish to the Association for review and approval, the procedures manual, outlining implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of implementation of the Project; such manual shall also include (A) a results-based financing framework document for purposes of implementation of Part A.1 of the Project, which will include the following: (i) maximum aggregate amount of all Maternal and Neonatal Health Services

Grants which may be made during each fiscal year of the Recipient and in each Targeted Areas; (ii) detailed list of Maternal and Neonatal Health Services to be financed under Maternal and Neonatal Health Services Grants; (iii) unit costs for each Maternal and Neonatal Health Service and the maximum percentage of such costs to be financed under each Maternal and Neonatal Health Services Subproject; and (iv) a form of Maternal and Neonatal Health Services Grant Agreement; and (B) a results-based financing framework document for purposes of implementation of Part B.2 of the Project, which will include the following: (i) maximum aggregate amount of all HEF Health Services Grants which may be made during each fiscal year of the Recipient; (ii) detailed list of HEF Health Services to be financed under HEF Health Services Grants; (iii) unit costs for each HEF Health Service and the maximum percentage of such costs to be financed under each HEF Health Services Subproject; and (iv) a form of HEF Health Services Grant Agreement. The Recipient shall afford the Association a reasonable opportunity to comment on such manual; and thereafter, adopt and apply such manual as shall have been approved by the Association.

2. The Recipient: (a) shall ensure that the Project is carried out in accordance with the Procedures Manual; and (b) except as the Association shall otherwise agree, shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
3. In the event of any conflict between the provisions of the Procedures Manual and those of this Agreement, the latter shall prevail.

D. Maternal and Neonatal Health Services Grants and HEF Health Services Grants

1. General

Without prejudice to the provision of Section I.A.1 of this Schedule, the Recipient shall, through the General Secretariat, review and approve applications for:

- (i) Maternal and Neonatal Health Services Grants, and thereafter monitor and evaluate the implementation of Maternal and Neonatal Health Services Subprojects; and
- (ii) HEF Health Services Grants, and thereafter monitor and evaluate the implementation of HEF Health Services Subprojects,

in each case in accordance with the provisions of this Part D and the Procedures Manual.

2. Eligibility and Implementation Guidelines and Procedures

No proposed Beneficiary shall be eligible for a Maternal and Neonatal Health Services Grant or a HEF Health Services Grant (as applicable) unless, the Recipient has determined on the basis of a review conducted in accordance with guidelines acceptable to the Association, and elaborated in the Procedures Manual, that the proposed Beneficiary and Maternal and Neonatal Health Services Subproject or HEF Health Services Subproject (as the case may be) satisfy the eligibility criteria specified below:

- (a) the proposed Beneficiary is a public or a private non-profit health service provider carrying out Maternal and Neonatal Health Services or HEF Health Services (as applicable) and involved in the financial or technical supervision of said activities;
- (b) the proposed Maternal and Neonatal Health Services Subproject or HEF Health Services Subproject (as applicable) is technically feasible, and financially and economically sound;
- (c) the proposed Maternal and Neonatal Health Services Subproject or HEF Health Services Subproject (as applicable) complies with the Medical Waste Management Plan;
- (d) the proposed Maternal and Neonatal Health Services Subproject or HEF Health Services Subproject (as applicable) is consistent with the relevant sectoral, environmental, and social standards and policies of the Recipient; and
- (e) the proposed Beneficiary has put in place all necessary arrangements, including financial and human resources, for the management and implementation of the proposed Maternal and Neonatal Health Services Subproject or HEF Health Services Subproject (as applicable).

3. Terms and Conditions of Maternal and Neonatal Health Services Grants and HEF Health Services Grants

- (a) The Recipient shall make each Maternal and Neonatal Health Services Grant to a Beneficiary under a Maternal and Neonatal Health Services Grant Agreement and each HEF Health Services Grant to a Beneficiary under a HEF Health Services Grant Agreement, in each case, under terms and conditions, satisfactory to the Association, as further described in the Procedures Manual, which shall include the following:

- (i) the amount of the Maternal and Neonatal Health Services Grant or HEF Health Services Grant (as applicable) shall not exceed the total estimated cost of the Maternal and Neonatal Health Services Subproject or HEF Health Services Subproject (as applicable); and the proceeds of the Maternal and Neonatal Health Services Grant or HEF Health Services Grant (as applicable) shall be made available to the Beneficiary on non-reimbursable grant terms;
- (ii) a description of the Maternal and Neonatal Health Services Subproject or HEF Health Services Subproject (as applicable), the applicable rates for the services thereunder, and applicable performance indicators;
- (iii) the obligation of the Beneficiary to: (A) carry out the Maternal and Neonatal Health Services Subproject and HEF Health Services Subproject (as applicable) with due diligence and efficiency and in accordance with sound technical, financial, administrative, environmental and social practices and standards; (B) ensure that the resources required for the Maternal and Neonatal Health Services Subproject or HEF Health Services Subproject (as applicable) are provided promptly as needed; (C) procure the goods and services required for the Maternal and Neonatal Health Services Subproject and HEF Health Services Subproject (as applicable) in accordance with Section III of this Section, maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the Maternal and Neonatal Health Services Subproject and the HEF Health Services Subproject; 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;
- (iv) the obligation of the Beneficiary to carry out the Maternal and Neonatal Health Services Subproject and HEF Health Services Subproject (as applicable) in accordance with the provisions of the Anti-Corruption Guidelines;
- (v) the obligation of the Beneficiary to carry out the Maternal and Neonatal Health Services Subproject and HEF Health Services Subproject (as applicable) in accordance with the provisions of the Procedures Manual;

- (vi) the obligation of the Beneficiary to carry out the Maternal and Neonatal Health Services Subproject and HEF Health Services Subproject (as applicable) in accordance with the provisions of the Medical Waste Management Plan;
 - (vii) the requirement that the goods and consultants' services to be financed from the proceeds of the Maternal and Neonatal Health Services Grant or the HEF Health Services Grant (as applicable) shall be used exclusively in the carrying out of the Maternal and Neonatal Health Services Subproject or HEF Health Services Subproject (as applicable); and
 - (viii) the right of the Recipient, to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods and sites included in the Maternal and Neonatal Health Services Subproject or HEF Health Services Subproject (as applicable), 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 the Maternal and Neonatal Health Services Subproject or HEF Health Services Subproject (as applicable); and (C) suspend or terminate the right of the Beneficiary to use the proceeds of the Maternal and Neonatal Health Services Grant or HEF Health Services Grant (as applicable), or obtain a refund of all or any part of the amount thereof then withdrawn, as the case may be, upon failure by the Beneficiary to perform any of its obligations under the Maternal and Neonatal Health Services Grant Agreement or HEF Health Services Grant Agreement (as applicable).
- (b) The Recipient shall exercise its rights under the Maternal and Neonatal Health Services Grant Agreement or HEF Health Services Grant Agreement (as applicable) in such manner as to protect its interests and those of the Association and to accomplish the purposes of the grant provided thereunder, and, except as the Association shall otherwise agree, the Recipient shall not shall assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

E. External Controls

- (a) The Recipient shall appoint a consultant, in accordance with Section III of this Schedule, for purposes of implementing the third-party verification in accordance with the Procedures Manual in respect of (i) Maternal and Neonatal Health Services Subprojects to be carried out under Part A.1 of the Project; and (ii) HEF Health Services Subprojects to be carried out under Part B.2 of the Project.
- (b) The Recipient shall cause said firm consultant to carry out, throughout Project implementation, and under terms of reference acceptable to the Association, quarterly verification exercises of Maternal and Neonatal Health Services Subprojects and HEF Health Services Subprojects, including community and focus group surveys, Beneficiary spot checks, verification of data provided and records kept by Beneficiaries in relation to Maternal and Neonatal Health Services Subproject and HEF Health Services Subprojects, and assessments of the quality of health services provided under such subprojects, in accordance with the provisions of the Procedures Manual.

F. Safeguards

- 1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Medical Waste Management Plan.
- 2. Without limitation upon its other reporting obligations under Section II.A of this Schedule, the Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Report, information on the status of compliance with the Medical Waste Management Plan, giving details of:
 - (a) measures taken in furtherance of such plan;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such plan; and
 - (c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators 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 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. To this end, the Recipient shall install and make operational in the General Secretariat, no later than two (2) month after the Effective Date, an accounting system software for the Project which is acceptable to the Association.
3. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than 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.
4. 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 (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. To this end, the Recipient shall appoint, no later than four (4) months after the Effective Date, financial auditors in accordance with the provisions of Section III of this Schedule.

Section III. Procurement

A. General

1. **Goods.** All goods 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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding;
(b) Shopping;
(c) Procurement from United Nations Agencies; and
(d) Direct Contracting.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Least Cost Selection
(b) Selection Based on Consultants' Qualifications
(c) Single Source Selection
(d) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods and services to be financed from the proceeds of Maternal and Neonatal Health Services Grants under Part A.1 of the Project	650,000	8.33% of amounts of Maternal and Neonatal Health Services Grants disbursed

(2) Goods and services to be financed from the proceeds of HEF Health Services Grants under Part B.2 of the Project	1,650,000	100% of amounts of HEF Health Services Grants disbursed
(3) Goods, consultants' services, Training, and Operating Costs for Parts A.2, B.1, B.3 and C of the Project	12,600,000	100%
TOTAL AMOUNT	14,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is December 31, 2014.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Beneficiary” means a Maternal and Neonatal Health Services Beneficiary or a HEF Beneficiary, as the case may be.
3. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
4. “HEF Beneficiary” means an entity to which or for whose benefit a HEF Health Services Grant is made or proposed to be made and which is a party to a HEF Health Services Grant Agreement.
5. “HEF Health Services” means the packages of preventive and curative health services, referred to under Part B.2 of the Project.
6. “HEF Health Services Grant” means a grant made or proposed to be made out of the proceeds of the Financing to an HEF Beneficiary to finance an HEF Health Services Subproject.
7. “HEF Health Services Grant Agreement” means the agreement between the Recipient, represented by the General Secretariat, and a HEF Beneficiary, providing for a HEF Health Services Grant.
8. “HEF Health Services Subproject” means a specific development project included in Part B.2 of the Project to be carried out by an HEF Beneficiary and financed or to be financed under a HEF Health Services Grant.
9. “General Secretariat” means the General Secretariat of the MoH and any successor thereto.
10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
11. “Maternal and Neonatal of Health Services” means the packages of maternal and neonatal health services, referred to under Part A.1 of the Project.

12. “Maternal and Neonatal Health Services Beneficiary” means an entity to which or for whose benefit a Maternal and Neonatal Health Services Grant is made or proposed to be made and which is a party to a Maternal and Neonatal Health Services Grant Agreement.
13. “Maternal and Neonatal Health Services Grant” means a grant made or proposed to be made out of the proceeds of the Financing to a Maternal and Neonatal Health Services Beneficiary for a Maternal and Neonatal Health Services Subproject.
14. “Maternal and Neonatal Health Services Grant Agreement” means the agreement between the Recipient, represented by the General Secretariat, and a Maternal and Neonatal Health Services Beneficiary, providing for a Maternal and Neonatal Health Services Grant.
15. “Maternal and Neonatal Health Services Subproject” means a specific development project included in Part A.1 of the Project to be carried out by a Maternal and Neonatal Health Services Beneficiary and financed or to be financed under a Maternal and Neonatal Health Services Grant.
16. “Medical Waste Management Plan” means the Recipient’s plan, dated November 30, 2009, agreed with the Association and setting out the measures to be taken for the development and implementation of medical waste management and safe handling of said waste, and such term includes any annexes or schedules to said plan.
17. “MoH” means the Recipient’s ministry at the time responsible for the health sector.
18. “Operating Costs” means the reasonable incremental operating costs under the Project, based on the annual work plans and budgets approved by the Association, and incurred by the MoH on account of utilities and supplies, audits, bank charges, communications, vehicle operation, maintenance, 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.
19. “Procedures Manual” means the Recipient’s manual, referred to in Section I.C.1 of Schedule 2 to this Agreement, as the same may be amended from time to time in accordance with the terms of this Agreement, and such term includes any schedules to said manual.

20. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
21. “Procurement Plan” (*Plan de Passation des Marchés*) means the Recipient’s procurement plan for the Project, dated March 22, 2010 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
22. “Targeted Areas” means the Recipient’s districts of Adjohoun-Bonou-Dangbo, Covè-Ouinhi-Zangnanado, Kouandé-Ouassa-Péhunco-Kérou, Lokossa-Athiémè, Bohicon-Zakpota-Zogbodomey, Banikoara, Ouidah-Kpomassè-Tori-Bossito and Porto-Novo-Aguégués-Sèmè-Podji, as well as any other districts, areas, counties, sectors or regions that the Association may agree from time to time in accordance with the procedures and selection criteria set forth in the Procedures Manuel.
23. “Training” means the reasonable 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 directly related to course preparation and implementation.
24. “Trust Fund Grant Agreement” means the agreement of the same date as this Agreement between the Recipient and the Association, acting in its capacity as administrator of the Multi-Donor Trust Fund for Health Results Innovation (TF070955), providing for a grant to assist in the financing of Part A.1 of the Project.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance*

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

the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

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

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

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