

CREDIT NUMBER 6600-DJ

Financing Agreement

(Djibouti COVID-19 Response Project)

between

THE REPUBLIC OF DJIBOUTI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION



CREDIT NUMBER 6600-DJ

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the REPUBLIC OF DJIBOUTI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of assisting in financing the project described in Schedule 1 to this Agreement (“Project”). NOW THEREFORE, 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) apply to and form 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 a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to three million and seven hundred thousand, Special Drawing Rights (SDR 3,700,000) (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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are April 1 and October 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the MPA Program. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. For purposes of Section 10.05 (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 Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its ministry of finance and budget.
- 5.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

Ministry of Economy and Finance in charge of Industry
BP 13
Djibouti City
Republic of Djibouti; and

- (b) the Recipient's Electronic Address is:

Facsimile: (253) 21358135

- 5.03. For purposes of Section 11.01 of the General Conditions:

- (a) The Association's address is:

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

- (b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF DJIBOUTI

By



Authorized Representative

Name: Ilyas Moussa Dawaleh

Title: Ministre de l'économie et des Finances

Date: 03-avr.-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Marina Wes

Title: Country Director

Date: 03-Apr-2020

SCHEDULE 1

Project Description

The objectives of the Project are to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.

The Project constitutes a phase of the MPA Program and consists of the following parts:

Part 1: Emergency COVID-19 Response

Enhancing case detection, confirmation, tracing, recording contact tracing and risk assessment and mitigation; and reporting, including through: (a) strengthening disease surveillance systems, public health laboratories, and epidemiological capacity for early detection and confirmation of cases; (b) strengthening the Recipient's health management information system; (c) procurement of essential equipment and consumables for laboratory and diagnostic systems, including polymerase chain reaction machines, sample collection kits, test kits, and other equipment and supplies for COVID-19 testing and surveillance; (d) developing guidelines to establish standardized sample collection methods, channeling and transportation, and determining sites in need for introduction of point of care diagnostics; (e) strengthening of detection and reporting capacity through provision of Training of existing surveillance workers and health workers; (f) design and implementation of effective public health measures to prevent contagion, such as development of social distancing guidelines, associated communications, and implementation of risk communication and community engagement campaigns; and (g) strengthening multisectoral coordination and response.

Part 2: Strengthening Overall Healthcare Services and Clinical Capacity for Emergency COVID-19 Response

Supporting the Recipient to strengthen essential healthcare service delivery to be able to provide the best care possible, through *inter alia*: (a) strengthening selected health facilities by establishing and equipping quarantine and treatment centers for COVID-19 suspected and confirmed cases; (b) carrying out of minor civil works to repurpose isolation rooms and quarantine sites in selected health facilities, treatment centers, and warehouses; (c) Training of health personnel on treatment guidelines, and hospital infection control interventions; (d) procurement of essential inputs for treatment such as ventilators, pulse oximeters, laryngoscopes, oxygen generators, and other equipment/supplies for COVID-19 case management, medicine, vaccines, when available, as well as personal protective equipment, disinfectants and other commodities for infection prevention and control; (e) provision of support to ensure safe access to waste management, electricity, safe water and sanitation of hospitals, including the purchase, installation and maintenance of necessary incinerators; and (f) recruitment of needed medical and non-medical short-term consultants to respond to the COVID-19 in selected hospitals.

Part 3: Implementation Management and Monitoring and Evaluation

Supporting Project implementation and management including for: (i) procurement, financial management, environmental and social risk management, monitoring and evaluation, and reporting; (ii) recruitment and Training of necessary staff; (iii) Operating Costs; and (iv) financing third party monitoring arrangements.

Part 4: Contingent Emergency Response

Providing immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall carry out the Project through the Ministry of Health (“MoH”) and shall take all actions including the provision of funding, personnel and other resources necessary to enable the MoH to perform its functions.
2. In order to ensure proper oversight of the Project and coordination among the Recipient’s ministries and agencies involved in the Project, the Recipient, through the MOH, shall maintain at all times during the implementation of the Project, the Epidemic Management Committee (MoH EMC), with composition and mandate acceptable to the Association. To this end, the MoH EMC shall meet at least biannually, approve Work Plans and Budgets, oversee Project Implementation, and provide overall guidance.
3. The Recipient, through MoH, shall maintain, the Technical Committee, to be in charge of overall Project implementation, and with composition, mandate, staffing and other resources satisfactory to the Association; all in accordance with the provisions of the Project Implementation Manual.

B. Implementation Covenants

1. Project Implementation Manual
 - (a) The Recipient shall by no later than one (1) month, after the Effective Date, prepare and adopt a Project implementation manual (“Project Implementation Manual”) containing detailed guidelines and procedures for the implementation of the Project, including with respect to: administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud mitigation measures, a grievance redress mechanism, data collection and processing in accordance with the applicable WHO and national guidelines, roles and responsibilities for Project implementation, and such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Association.
 - (b) The Recipient shall carry out the Project in accordance with the Project Implementation Manual.

- (c) The Recipient shall ensure that the Project Implementation Manual is not amended, suspended, repealed or abrogated without the prior written approval of the Association.
- (d) In the event of any conflict between the provisions of the Project Implementation Manual and, this Agreement, the provisions of this Agreement shall prevail.

2. Work Plans and Budget

For purposes of implementation of the Project, the Recipient shall:

- (a) by no later than one (1) month after the Effective Date, prepare a draft work plan and budget for Project implementation, setting forth, *inter alia*: (i) a detailed description of the planned activities, including any proposed conferences and Training, under the Project for the period covered by the plan; (ii) the sources and proposed use of funds therefor; (iii) procurement and environmental and social safeguards arrangements therefor, as applicable and; (iv) responsibility for the execution of said Project activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity;
- (b) promptly furnish the draft work plan and budget to the Association for its review, and promptly thereafter finalize the draft work plan and budget, taking into account the Association's comments thereon; and
- (c) thereafter adopt and carry out such draft work plan and budget for the relevant period as shall have been agreed with the Association ("Work Plan and Budget"), as such plan may be subsequently revised or updated with the prior written agreement of the Association.

C. Contingent Emergency Response Mechanism

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

- (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 Emergency Expenditures to be financed under the CERC Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social standard 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") no later than six (6) months after the Effective Date;
 - (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 Environmental and Social Standards 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.

D. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.

2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and

appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors, and supervising entities, as applicable, to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, Training, Operating Costs, non-consulting services, and consulting services for the Project	3,700,000	100%
(2) Emergency Expenditures under Part 4 of the Project.	0	

TOTAL AMOUNT	3,700,000	
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B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) except that withdrawals up to an aggregate amount not to exceed 2,000,000 Dollars may be made for payments made on or after January 1, 2020 prior to the Signature Date for Eligible Expenditures; or
 - (b) under Category (2), 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 Environmental and Social Standards 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.C of Schedule 2 to this Agreement;
 - (iii) the Recipient's Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.C of Schedule 2 to this Agreement, for the purposes of said activities; and
 - (iv) the Recipient has adopted an 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.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 March 31, 2023.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 and October 1:	
commencing October 1, 2030 to and including April 1, 2040	1%
commencing October 1, 2040 to and including April 1, 2060	2%

* 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 3.05 (b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “CERC Part of the Project” and “CERC Part” each means Part 4 of the Project.
4. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
5. “Contingent Emergency Response Operations Manual” and “CERC Operations Manual” each means the operations manual referred to in Section I.C of this Agreement, to be adopted by the Recipient for the CERC Part of the Project in accordance with the provisions of said Section.
6. “Coordinating Authority” the entity or entities designated by the Recipient in the CERC Operations Manual and approved by the Association pursuant to Section I.C of Schedule 2 to this Agreement, to be responsible for coordinating the CERC Part of the Project.
7. “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.
8. “Emergency Expenditures” means the eligible expenditures required to finance the cost of the approved list of goods, works, and services necessary to support emergency mitigation, response and recovery, under Part 4 of the Project and set forth in the Emergency Response Operations Manual.
9. “Emergency Response Operations Manual” means the operations manual to be adopted by the Recipient for Part 4 of the Project in accordance with the provisions of Section I.C of Schedule 2 to this Agreement.
10. “Emergency Preparedness and Response Plan” and “EPRP” mean the Recipient’s emergency preparedness and response plan for COVID-19, dated March 18, 2020 and acceptable to the Association, as said document may be modified from time to time during the Emergency, and such term includes all schedules and annexes to said document.

11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March 24, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
12. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
13. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.
14. “Ministry of Health” or “MoH” means the Recipient’s Ministry of Health, or any successor thereto.
15. “MoH EMC” means the Epidemic Management Committee, created within the MoH to provide overall guidance to the Project.
16. “MPA Program” means the global emergency multiphase programmatic approach program designed to assist countries to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.
17. “Operating Costs” means the reasonable incremental expenses incurred by the Recipient on account of Project implementation, including costs related to audits, office equipment and supplies, vehicle operation and maintenance, shipping costs,

office rentals, communication and insurance costs, office administration costs, bank charges, utilities, transport costs, travel, per diem and supervision costs, and salaries of contracted employees, including reasonable hazard/indemnity pay, but excluding salaries of officials of the Recipient's civil service.

18. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.
19. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.
20. "Technical Committee" means the committee established in January 28, 2020, is headed by the Secretary General of the MOH and includes representatives of the National Public Health Institute, hospitals, and other MOH departments, to be in charge of Project implementation.
21. "Training" means the reasonable costs associated with training under the Project, based on the relevant Annual Work Plan and Budget, and attributable to study tours, training courses, seminars, workshops and other training activities, not included under service providers' contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers' fees, and other training related miscellaneous costs.
22. "WHO" means the World Health Organization.