

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5657-GN
GRANT NUMBER D069-GN

Financing Agreement

(Primary Health Services Improvement Project)

between

REPUBLIC OF GUINEA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *June 26*, 2015

**CREDIT NUMBER 5657-GN
GRANT NUMBER D069-GN**

FINANCING AGREEMENT

AGREEMENT dated June 26, 2015, entered into between the REPUBLIC OF GUINEA (“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 and a credit (collectively, “Financing”) in the following amounts to assist in financing the project described in Schedule 1 to this Agreement (“Project”):
 - (a) an amount equivalent to five million Special Drawing Rights (SDR 5,000,000) (“Grant”); and
 - (b) an amount equivalent to six million one hundred thousand Special Drawing Rights (SDR 6,100,000) (“Credit”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are 15 February and 15 August in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is United States 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 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 PCU has been established by the Recipient.
 - (b) The PIM has been adopted by the Recipient.
- 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 (20) years after the date of this Agreement.

ARTICLE V— REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is its Recipient's Minister of State in Charge of Economy and Finance.

5.02. The Recipient's Address is:

PO Box 579
Conakry
Republic of Guinea

5.03. The Association's Address is:

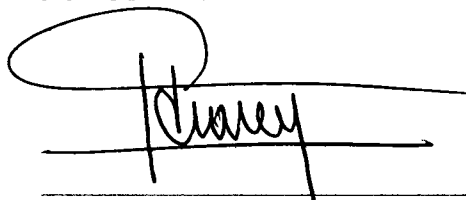
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

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

AGREED at Conakry, Republic of Guinea, as of the day and year first above written.

REPUBLIC OF GUINEA

By



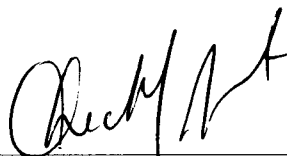
Authorized Representative

Name: Mohamed Diari

Title: Minister of State, Minister of Economy & Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Cheick Fankamady Kante

Title: Country Manager

SCHEDULE 1

Project Description

The objective of the Project is to improve the utilization of maternal, child health and nutrition services at the primary level of care in Target Regions.

The Project consists of the following parts:

Part 1. Commodities and Trained Human Resources for MCHN Services at Primary Level

- 1.1 Improvement of the availability of MCHN commodities and supplies to implement neglected MCHN programs at the health post and health center levels through financing inputs for vaccination rounds and rapid provision of essential equipment, supplies, bed nets, drugs and services.
- 1.2 Expansion in the number and competencies of Health Workers to deliver enhanced, high-impact maternal and child health services at the primary level in Target Regions through: (i) recruitment of Health Workers, in particular ATs for deployment at the health center and health post level; (ii) provision of training and continuous mentoring to ATs and other Health Workers through a distinct level training model.

Part 2. Strengthen community-level demand for MCHN services

- 2.1 Strengthening access to essential health services for indigent populations through: (i) fee waivers for essential services for Eligible Beneficiaries; and (ii) reimbursement to facilities providing services to Eligible Beneficiaries.
- 2.2 Institutionalization of training and deployment of Community Health Workers (CHW) to generate demand and deliver basic services in maternal and child health through: (i) the development and institutionalization of standardized maternal and child health training programs for CHWs; (ii) training of trainers and CHWs.

Part 3. Strengthen government capacity to plan, implement, monitor and supervise activities

- 3.1 Strengthening the capacity of the Recipient at the district level to supervise activities of health centers and health posts in Target Regions through: (i) quality checklists for supervision and mentorship; (ii) development of supportive supervision strategies; (iii) training of district health teams; and (iv) provision of all-terrain vehicles to carry out supervision.
- 3.2 Evidence generation to inform post-Ebola health system strengthening: (i) a Results Based Financing Experiment; and (ii) evidence-based on analytical studies

in health, nutrition, health financing, planning and budgeting, human resources for health as well as drugs and medical supplies to determine the status of the health system in light of the Ebola crisis; and (iii) produced evidence to inform the development of policies, medium and long term strategic plans and annual plans and budgets.

- 3.3 Strengthening capacity for Project implementation and monitoring at all levels of the MOH and the PCU to: (i) address technical gaps and capacity building, the day-to-day administration of the Project; and (ii) strengthen the M&E/HIS capacity and function of the Recipient to obtain quality community-level MCHN and nutrition information; and the financing of Operating Costs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Ministry of Health

The Recipient shall vest overall responsibility for Project implementation in the MOH.

2. Steering Committee

- (a) The Recipient shall, within three (3) months of the Effective Date establish, and throughout Project implementation maintain the Steering Committee, whose mandate, composition, and resources shall be satisfactory to the Association.
- (b) Without limitation to the provisions of paragraph (a) immediately above, the Steering Committee shall be chaired by the Secretary General of the MOH, and composed of, *inter alia*, representatives of the Ministry of Finance and Economy, the MOH department of human resources, MOH Department Directors, the heads of the following MOH programs: PCIMNE, MSR, PEV and nutrition, as well as representatives of UNICEF, UNFPA, USAID and WHO.
- (c) The Steering Committee shall be responsible for, *inter alia*, providing strategic direction to, and monitoring of, overall Project implementation, approval of Annual Work Plans and of the Project and Financial Reports.

3. Project Coordination Unit

- (a) The Recipient shall establish, at all times during Project implementation, maintain the PCU, with terms of reference and resources satisfactory to the Association, and supported by qualified and experience staff in adequate numbers to be responsible for Project coordination and management.
- (c) The PCU shall be headed by a project coordinator and shall report directly to the Secretary General. It shall be comprised of: (A) a technical unit composed of, *inter alia*: (i) a Monitoring and Evaluation Specialist; (ii) a Maternal and Child Health Care Specialist; and (iii) a Community Participation Specialist; and (B) a fiduciary unit, composed of: (i) an

Accountant; (ii) a Financial Management Specialist; and (iii) a Procurement Specialist.

- (d) The PCU shall be responsible for, *inter alia*: (i) management and coordination of Project activities; (ii) ensuring appropriate fiduciary controls and financial management of the Project; and (iii) monitoring and evaluation of the Project.

B. Project Implementation Manual

1. The Recipient shall ensure that the Project is implemented in accordance with PIM, providing for, *inter alia*, detailed administrative, procurement, financial management, safeguards, monitoring and evaluation procedures and arrangements for the Project.
2. The PIM shall include: (a) eligibility criteria, detailed rules and procedures for identification, registration and selection of Eligible CHW; (b) requirements to be fulfilled by Eligible CHW as conditions for the provision of CHW Cash Transfers under Part 2.2 of the Project; (c) the mechanisms for verification of compliance with CHW Cash Transfers; and (d) rules and procedures governing a redress mechanism for CHW Cash Transfers.
3. The Recipient shall afford the Association a reasonable opportunity to review the PIM.
4. The Recipient shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the PIM, or any provision thereof, without the prior written consent of the Association.
5. In the event of any inconsistency between this Agreement and the PIM, the provisions of this Agreement shall prevail.

C. Annual Work Plan

1. Each calendar year, the Recipient shall prepare a plan of activities (including Training and Operating Costs) proposed for inclusion in the Project during the following calendar year, including: (a) a detailed timetable for the sequencing and implementation of such activities; and (b) a proposed budget and financing plan for such activities. The Recipient shall furnish such program of activities to the Association as soon as available and in any case no later than November 30 each year, for its review and approval by the Association; except for the program of activities for the first year of Project implementation, which shall be furnished no later than one (1) month after the Effective Date.
2. The Recipient shall exchange views with the Association on each such proposed annual work program, and shall thereafter carry out such program of activities

during such following year as shall have been approved by the Association (“Annual Work Plan”).

3. Only those activities which are included in an Annual Work Plan shall be included in the Project and eligible for financing out of the proceeds of the Financing.
4. The Recipient shall ensure that in preparing any training or workshops proposed for inclusion in the Project under an Annual Work Plan it shall include in the proposed Annual Work Plan: (a) the objective and content of the training or workshop envisaged; (b) the selection method of the institutions or individuals conducting such training or workshop, and said institutions if already known; (c) the expected duration and an estimate of the cost of said training or workshops; and (d) the selection method of the personnel who will attend the training or the workshop, and said personnel if already known.
5. Annual Work Plans may be revised as needed during Project implementation subject to the Association’s prior approval.

D. Anti-Corruption

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

E. Safeguards

1. The Recipient shall, within one month of the Effective Date, adopt the National Medical Waste Management Plan (NSMWP).
2. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the NSMWP, 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.
3. Without any limitation upon its other reporting obligations under Section II.A of this Schedule, the Recipient shall take all measures 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 NSMWP, giving details of: (a) measures taken in furtherance of said plan; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of said 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

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 calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than 45 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year 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.
4. The Recipient shall, not later than five (5) months after the Effective Date, recruit the external auditor referred to in Section 4.09 of the General Conditions, in accordance with Section III of Schedule 2 of this Agreement and pursuant to terms of reference satisfactory to the Association.
5. The Recipient shall, not later than two (2) months after the Effective Date, acquire, install and thereafter maintain during the entire period of implementation, an accounting software acceptable to the Association.

Section III. Procurement

A. General

1. **Goods and Non-consulting Services.** All goods 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 and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding (NCB), subject to the following additional provisions set forth under paragraph 3 immediately below; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; (e) Direct Contracting; (f) Force Account; (g) Procurement from UNICEF and WHO; (h) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (i) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association; and (j) Community Participation procedures which have been found acceptable to the Association.
3. National Competitive Bidding may be used as set forth in paragraph 2 (b) immediately above, subject to the following provisions:
 - (a) Bidding documents acceptable to the Association shall be used.
 - (b) Eligibility to participate in a procurement process and to be awarded a contract financed by the Association shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Procurement Guidelines. Foreign bidders shall be allowed to participate in NCB

procedures, and foreign bidders shall not be obligated to partner with local bidders in order to participate in a procurement process.

- (c) Bidding shall not be restricted to pre-registered firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids.
- (d) No margins of preference of any sort (e.g., on the basis of bidder nationality, origin of goods, services or labor, and/or preferential programs) shall be applied in the bid evaluation.
- (e) Joint venture or consortium partners shall be jointly and severally liable for their obligations. Bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids shall be submitted in a single envelope.
- (f) An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the minimum period required to complete the evaluation and award a contract, but not to exceed thirty (30) days. No further extensions shall be requested without the prior written concurrence of the Association.
- (g) All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the Association's prior written concurrence.
- (h) Qualification criteria shall be applied on a pass or fail basis.
- (i) Bidders shall be given at least twenty-eight (28) days from the receipt of notification of award to submit performance securities.
- (j) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines.
- (k) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association's policy with respect to inspection and audit of accounts, records and other documents relating to the submission of bids and contract performance.

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: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (g) Selection of UNICEF and WHO; (h) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (i) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (j) Single-source procedures for the 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 Credit and of the Grant Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed out of the Credit (inclusive of Taxes)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed out of the Grant (inclusive of Taxes)
(1) Goods, non-consulting services, and consultants' services, Training and Operating Costs for the Project	5,250,000	55%	3,500,000	45%
(2) Payments made to Health Facilities under Part 2(1) of the Project	0	0%	1,470,000	100%
(3) CHW Cash Transfers	800,000	100%	0	0%
(4) Unallocated	50,000	55%	30,000	45%
TOTAL AMOUNT	6,100,000		5,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement.
 - (b) under Category 2 until the following conditions have been met: (i) a Payment Service Provider has been recruited through a competitive process; (ii) the Recipient has concluded a Service Agreement with the Payment Service Provider; and (iii) a list of Eligible Beneficiaries has been prepared in a manner satisfactory to the Association and consistent with rules and procedures established in the Project Implementation Manual.
 - (c) under Category 3 until a list of Eligible CHW has been prepared in a manner satisfactory to the Association and consistent with the applicable rules and procedures established in the Project Implementation Manual, such a list to be updated on an annual basis.
2. The Closing Date is September 30, 2020.

SCHEDULE 3

Repayment Schedule

Use the table below for IDA credits with a 38-year maturity:

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each 15 February and 15 August, commencing 15 August 2021 to and including 15 February 2053.	1.5625%

APPENDIX

Section I. Definitions

1. “Annual Work Plan” means the plan referred to in Section I.C of Schedule 2 to this Agreement, as may be updated or revised from time to time subject to the Association’s prior approval.
2. “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 and revised in January 2011.
3. “ATS” means *agent technique de santé*, or nursing assistant.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “CHW” means an informal health worker recruited at the community level.
6. “CHW Cash Transfers” means remuneration provided under part 2.1. of the Project to promote the recruitment of CHW at decentralized levels, provided according to eligibility criteria and procedures stipulated in the PIM.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
8. “Eligible Beneficiaries” means indigent families and individuals in the Target Regions identified through demand-side community mechanism and according to criteria acceptable to the Association and elaborated in the PIM, particularly pregnant women and children under five years of age.
9. “Eligible CHWs” means CHWs who are meet the criteria specified in the PIM to receive CHW Cash Transfers.
10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
11. “Health Workers” means persons employed in the health posts and health centers.
12. “HIS” means health information systems.
13. “MCHN” means maternal and child health nutrition.

14. “M&E” means monitoring and evaluation.
15. “MOH” means the Recipient’s ministry responsible for health.
16. “MSR” means *Programme Maternité Sans Risque* or the Recipient’s programs for maternity without risk.
17. “National Medical Waste Management Plan” or “NSMWP” means the plan referred to in Section I.E of Schedule 2 to this Agreement, adopted by the Recipient not later than one (1) month after the Effective Date.
18. “Operating Costs” means all costs associated with the day-to-day operation of the PCU, and the costs of office space, office supply and transportation including payments linked to the completion of supervisory visits under Part 3.1. of the Project.
19. “Payment Service Provider” means a non-governmental organization with a mandate and composition acceptable to the Association, to be recruited by the Recipient for the purposes of carrying out Part 2.1. of the Project.
20. “PCIMNE” means *Programme Prise en charge integree des maladies de Nouveau neonatale et de l’enfant* or the Recipient’s program to address new, neonatal or children’s diseases.
21. “PEV” means *Programme Elargie de Vaccination* or the Recipient’s expanded vaccination program.
22. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
23. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 14, 2015 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.
24. “PCU” means Project Coordination Unit, the entity referred to in Section I.A. 3 Schedule 2 to this Agreement.
25. “Project Implementation Manual” or “PIM” means the manual referred to in Section I.B of Schedule 2 to this Agreement to be adopted by the Recipient.
26. “Results Based Financing Experiment” means an experiment carried out through Technical Assistance under Part 3.2 of the Project.

27. "Service Agreement" means the agreement to be concluded between the Recipient and the Payment Service Provider for the purposes of carrying out Part 2(1) of the Project.
28. "Steering Committee" means the committee referred to in Section I.A. of Schedule 2 to this Agreement to be established by Ministerial action.
29. "Target Regions" means the regions of Faranah and Labe in the territory of the Recipient."
30. "USAID" means United States Agency for International Development.