

**The World Bank**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.  
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July 15, 2010

**CONFORMED COPY FOR PUBLIC DISCLOSURE**

His Excellency  
Alberto José Guevara Obregón  
Minister of Finance and Public Credit  
Ministry of Finance and Public Credit  
Frente al Edificio de la Asamblea Nacional  
Managua, Nicaragua

**Re: *MDTF AHI Facility Grant No. TF096749*  
Strengthening the Surveillance and Evaluation for an Effective  
Response to Epidemiological Emergencies Project in Nicaragua**

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Nicaragua ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by multiple donors under the Multi Donor Trust Fund for the Avian and Human Influenza Facility, proposes to extend to the Recipient a grant in an amount not to exceed three hundred thousand United States dollars (US\$ 300,000.00) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project"). This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within forty five (45) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By /s/ Laura Frigenti  
Director  
Central America Country Management Unit  
Latin America and the Caribbean Region

**AGREED:**

**REPUBLIC OF NICARAGUA**

By: /s/ Alberto José Guevara Obregón  
Authorized Representative

Date: July 22, 2010

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008
- (2) Disbursement Letter dated July 15, 2010 together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

## Article I

### Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 1, 2008 (“Standard Conditions”) constitute an integral part of this Agreement.

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

## Article II Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to strengthen the Recipient’s ability to detect and respond to the A/H1N1 human influenza through improving the communications and prevention strategy and reinforcing the epidemiological surveillance system. The Project consists of the following parts:

### **Part 1: Improving the Communication and Prevention Strategy**

Supporting the national communications strategy of the Ministry of Health (MINSA) through the preparation and dissemination of related communications materials and the carrying out of preventative and social strategies by, *inter alia*, financing the purchase of communications materials, and providing training for health promoters (*brigadistas*).

### **Part 2: Strengthening Epidemiological Surveillance**

1. Financing the purchase of basic medical equipment, instruments and supplies for fifteen (15) departmental alternative healthcare centers (“Alternative Healthcare Centers”) and the purchase of technological equipment including, *inter alia*, computers, printers, and data show projectors to develop educational materials at the General Directorate for Teaching and Investigations of the MINSA.

2. Strengthening the coordination of the Alternative Healthcare Centers set forth in Part 2.1 above with departmental laboratories and clinics to enable said Alternative Healthcare Centers to collect A/H1N1 test samples and deliver them to the National Center for Diagnosis and Reference at MINSA.

3. Supporting training of medical and community workers, and health promoters on how to strengthen the preventative system for A/H1N1 and to consolidate the existing capacity to prevent said disease in all of the Recipient’s health outfits, including the promotion of necessary hygienic and sanitary measures to prevent the outbreak of the disease.

### **Part 3: Coordination, Audit and Project Assessment**

1. Hiring a coordinator to administer and manage the activities funded out of Grant AHI No.

GFR 3094 and Grant AIF H5300-NI to combat A/H1N1.

2. Hiring a financial and technical auditor to audit the execution of the AHI Facility and IDA Grant No. Grant AHI No. GFR 3094 and Grant AIF H5300-NI.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Health (“Project Implementing Entity”) in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. ***Institutional and Other Arrangements.*** To facilitate the carrying out of the Project, the Recipient, represented by the Ministry of Health, shall maintain an implementation plan (the “Implementation Plan”) under terms and conditions acceptable to the World Bank.

2.04. ***Donor Visibility.*** The Bank will make every effort to ensure that publications, training, programs, seminars or symposia financed under the AHI Facility or its Trust Funds, and all press releases or other information materials issued by the Bank with respect to the AHI Facility or its Trust Funds, shall clearly indicate that the activities in question have received funding from various donors. A common logo will be developed that includes the flags or logos of all donors to AHI Facility or its Trust Funds.

2.05. ***Project Monitoring, Reporting and Evaluation.*** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in paragraph (b) of this Section agreed with the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

- Percentage of identified Alternative Health Centers collecting samples for epidemiological testing; and
- Percentage of Alternative Health Centers fully equipped with basic medical equipment and supplies for improved surveillance (excluding laboratory equipment).

(c) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.06. ***Financial Management.*** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than one month after the end of each semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

**2.07. Procurement**

(a) General

(i) **Goods and Non-Consultant Services.** All goods and non-consultant services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in: Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Procurement Guidelines”), and with the provisions of this Section.

(ii) **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”) in the case of consultants’ services, and with the provisions of this Section.

(iii) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines or the Consultant Guidelines, as the case may be.

(b) Particular Methods of Procurement of Goods and Non-Consultant Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consultant services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for procurement of goods and non-consultant services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b><u>Procurement Method</u></b>	<b><u>Amount</u></b>
(a) National Competitive Bidding	From US\$ 25,000.00 to US\$ 150,000.00
(b) Shopping	Up to US\$ 25,000.00

(c) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) 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.

<b>Procurement Method</b>
(a) Selection based on Consultant's Qualifications (CQS)
(b) Quality-based Selection (QBS)
(c) Least Cost Selection (LCS)
(d) Selection under a Fixed Budget (FBS)
(e) Procedures set forth in Paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants (IC)
(f) Single Source Selection (SSS)

(d) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those All other contracts shall be subject to Post Review by the World Bank.

(e) Special Provisions. In addition and without limitation to any other provisions set forth in this Section or the Procurement Guidelines, the following principles of procurement shall expressly govern all procurement of goods and non-consultant services under either International Competitive Bidding, National Competitive Bidding or Shopping:

(i) Foreign bidders shall not be required to be registered with local authorities as a prerequisite for bidding.

(ii) No bids shall be rejected, and no provisional awards shall be made at the time of bid opening.

(iii) The invitation to bid shall not establish, for purposes of acceptance of bids, minimum or maximum amounts for the contract prices.

(iv) The invitation to bid shall not publish the estimated cost of the contract.

(v) The invitation to bid shall not require mandatory attendance to a pre-bid meeting as a condition to bid.

(vi) In the case of Shopping, a minimum of three quotations shall be obtained as a condition to award the contract.

### **Article III Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("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:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods and Consultants' services to design educational materials under Part 1 of the Project	46,300.00	100%
(2) Goods for Part 2 of the Project	200,700.00	100%
3) Consultants' services for Part 3 of the Project	53,000.00	100%
<b>TOTAL AMOUNT</b>	300,000.00	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2011.

#### **Article IV Recipient's Representative; Addresses**

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Ministry of Finance and Public Credit.

4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministerio de Hacienda y Crédito Público  
Avenida Bolívar, Frente a la Asamblea Nacional  
Managua, Nicaragua

Facsímile: + (505) 2222-3033

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
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) or  
64145

1-202-477-6391

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