
GRANT NUMBER D660

Financing Agreement
(Additional Financing for the Southern Africa Tuberculosis and
Health Systems Support Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

**AFRICAN UNION DEVELOPMENT AGENCY -NEW PARTNERSHIP
FOR AFRICA'S DEVELOPMENT**

GRANT NUMBER D660

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and the AFRICAN UNION DEVELOPMENT AGENCY -NEW PARTNERSHIP FOR AFRICA’S DEVELOPMENT (AUDA-NEPAD) (“Recipient”).

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 grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to two million two hundred thousand Special Drawing Rights (SDR 2,200,000) (“Grant”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Grant 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 Grant Balance.
- 2.04. The Payment Dates are June 15 and December 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

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

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consists of the following namely that the Assembly Decision has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Project Implementation Manual has been updated and adopted by the Recipient in form and substance satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. 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 years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its Chief Executive Officer.
- 6.02. 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

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

- (a) the Recipient's address is:

Chief Executive Officer
AUDA-NEPAD
P.O. Box 218
Midrand 1685

Johannesburg
South Africa

(b) the Recipient's Electronic Address is:

E-mail:
ceo-office@nepad.org

AGREED as of the Signature Date.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Deborah L. Wetzel

Title: Director, Regional Integration

Date: 29-Jun-2020

**AFRICAN UNION DEVELOPMENT AGENCY-NEW
PARTNERSHIP FOR AFRICA'S DEVELOPMENT
(AUDA-NEPAD)**

By



Authorized Representative

Name: Dr. Ibrahim Assane Mayaki

Title: Chief Executive Officer

03-Jul-2020
Date: _____

SCHEDULE 1

Project Description

The objectives of the Project are: (i) to improve coverage and quality of TB control and occupational lung disease services in targeted geographic areas of the Participating Countries; (ii) to strengthen regional capacity to manage the burden of TB and occupational lung diseases; and (iii) to strengthen country-level and cross-border preparedness and response to disease outbreaks.

The Project consists of the following components.

Part 1: Innovative Prevention, Detection, and Treatment of TB

- 1.1 **Rolling out a Standardized Package of Occupational Health Services and Mining Safety Standards across Participating Countries.** (i) Strengthening the capacity of Participating Countries in the primary prevention of respiratory diseases in the mining sector and improvement of the quality of mining inspections; (ii) providing technical assistance to the Center of Excellence on occupational health and safety and peer support to Participating Countries in setting up their laboratories; (iii) providing technical assistance to countries to conduct risk assessment for occupational lung disease in mining and roll-out risk-based approach to occupational health surveillance; (iv) rolling out innovative respirable dust control measures in small scale mines and artisanal small-scale mines; and (v) supporting the Centers of Excellence on occupational health and safety and project countries to roll-out occupational health and safety information systems.

Part 2: Regional Capacity for Disease Surveillance, Diagnostics and Management of TB and Occupational Lung Diseases

- 2.1. **Improving Quality and Availability of Human Resources.** Supporting Participating Countries in building human resource capacity for occupational health and safety with more emphasis on practical hands-on trainings, mentorship, and twinning by: (i) providing practical hands-on training, mentorship and technical exchange for occupational hygiene practitioners and inspectors for increased availability of experts in each Participating Country to implement primary prevention interventions; (ii) implementing a stepwise practical training and an online coaching and mentorship program for occupational health practitioners in ILO chest x-ray classification for the correct diagnosis and treatment for patients with TB and other occupational lung diseases; and (iii) Training nurses on fundamental principles of occupational health to support the provision of occupational services.

- 2.2. **Strengthening Mine Health Regulation.** Strengthening mine health regulation, including through provision of technical assistance to Participating countries to: (i) accelerate the revision and development of occupational health and safety legislation and regulations for primary, secondary, and tertiary prevention of OLD; (ii) build their capacities to improve their compensation systems for miners and ex-miners; (iii) support adoption and utilization of key occupational health and safety guidelines including mine inspection, risk assessment and occupational health surveillance; (iv) support their updating and adopting key Occupational Exposure Limits in the mining sector for the control of TB and OLDs in line with international standards; and (v) support implementation of occupational health and safety information systems.
- 2.3. **Support COVID-19 response and integrated TB and OLD care.** Supporting response to COVID-19 in the workplace by: (i) supporting Participating Countries to develop and adopt workplace guidelines to respond to COVID-19 for healthcare workers, miners, and other vulnerable working populations; (ii) providing capacity building of experts in key areas to ensure an effective response to COVID-19 in the workplace; and (iii) providing technical assistance and training to Participating Countries on setting up a Personal Protective Equipment (PPE) workstream including identification of need, specifications, quality assurance/standards, procurement, warehousing and distribution, use and rationale use of PPE during COVID-19; as well as donning and doffing of PPE.

Part 3: Regional Learning and Innovations and Program Management

- 3.1. **Operational research and Knowledge sharing.** Facilitating operational research and knowledge sharing by: (i) supporting publication and dissemination of study reports; (ii) supporting Participating Countries to develop or update their public private mix action plans to integrate recommendations of findings from studies on private sector engagement on TB control; (iii) support Participating Countries to develop and implement a comprehensive need-based capacity development program for all types of private healthcare providers on TB and OLD control; (iv) providing technical assistance to Participating Countries in the engagement of private sector in the mining sector to enforce standards; (v) supporting Participating Countries review national monitoring and evaluation and referral systems for TB, which are designed for public health facilities, and adapt it to respond to the private sector needs; (vi) providing technical assistance to expand the use of existing digital technologies to facilitate case management, reporting/notifications, and TB specimen referral system to include the private sector; (vii) supporting knowledge exchange at the regional level through the community of practice on occupational health and safety and other regional platforms.
- 3.2. **Centers of Excellence in TB and occupational lung disease control.** Strengthening the capacity of Centers of Excellence in providing national and

regional services by supporting: (i) implementation of strategic plans in response to national and regional occupational health and safety needs; (ii) implementation of a risk-based medical surveillance program; (iii) establish occupational hygiene laboratories; (iv) roll out of an online mentorship programs for occupational health practitioners on diagnosis of occupational lung diseases, and (v) implementation of an occupational health and safety information system.

- 3.3. **Regional coordination, policy advocacy and harmonization.** (i) Supporting implementation of communication activities via print and electronic media; (ii) supporting advocacy at national and regional level with SADC and AU on primary prevention and legislation/policy reforms to improve occupational health and safety services and compensation systems for miners and ex-miners; (iii) strengthening engagement with the MBOD in South Africa, and the National Department of Health on compensation of miners and ex-miners in the Southern Africa region and scaling up its advocacy role and strategic communications; and (iv) supporting the Project implementation units within the Recipient.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall maintain throughout the period of Project implementation:

1. The Regional Advisory Committee (RAC) with terms of reference, resources and staffing satisfactory to the Association and in charge of providing overall strategic guidance, oversight and governance functions for the Project at the regional level, as further detailed in the PIM.
2. A Regional Secretariat with the terms of reference, resources and staffing satisfactory to the Association and responsible to provide secretariat services to the Regional Advisory Committee, consisting of two teams working together, one team housed under the Recipient and one team housed at ECSA-HC.
3. (a) the Directorate of Program Delivery and Coordination (DPDC) with the terms of reference and resources satisfactory to the Association and will be responsible for coordination, and day to day implementation and management of the Project; and (b) the Directorate of Operations (DO) with the responsibility for fiduciary (i.e. procurement and financial management) aspects of the Project. To this end, the Recipient shall at all times during the implementation of the Project, maintain within the DPDC and the DO technical experts, a procurement specialist and a financial management specialist, all with terms of reference, experience and qualifications satisfactory to the Association.

B. Project Implementation Manual

1. The Recipient shall implement the Project in accordance with the 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, personal data collection and processing in accordance with good international practice, 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 (“Project Implementation Manual”).
2. In the event that any provision of the Project Implementation Manual shall conflict with any provision of this Agreement, the provisions of this Agreement shall

prevail. The Recipient shall not amend the Project Implementation Manual without the Association's prior written approval

C. Cooperation Agreement

The Recipient shall cooperate and collaborate with ECSA-HC in accordance with the Cooperation Agreement, and shall uphold the Cooperation Agreement in the implementation of the Project.

D. Annual Work Plan and Budget

By not later than November 15 of each year until the completion of the Project, the Recipient, shall prepare and furnish to the Association for its approval, annual work plans and budgets setting forth Project activities to be undertaken in the following year, together with their implementation schedules and financing plans, and thereafter implement said annual work plans and budgets taking into account the Association's comments and views thereon.

E. Safeguards

1. The Recipient shall ensure that the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the ESMF.
2. Except as the Association shall otherwise agree, the Recipient shall ensure, and cause to ensure, that none of the provisions of the ESMF is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the ESMF and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. The Recipient shall ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable Association's Safeguards Policies and EHS Guidelines.
4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Reports and promptly in a separate report whenever the Association may require, information on the status of compliance with the ESMF. Such information shall include: (i) measures taken in furtherance of the ESMF; (ii) conditions, if any, which interfere or threaten to

interfere with the smooth implementation of the ESMF; and (iii) remedial measures taken or required to be taken to address such conditions.

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

F. Grievance Redress Mechanism

The Recipient shall maintain, throughout Project implementation, and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than 30 days after the end of each calendar semester, covering the calendar semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

Section III. Withdrawal of the Proceeds of the Grant

A. General

1. 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 Grant 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 Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, and consulting services, Training and Operating Costs under the Project	2,200,000	100%
TOTAL AMOUNT	2,200,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is December 31, 2023.

APPENDIX

Section I. Definitions

1. “AU” or “African Union” means the union established by the Constitutive Act of the African Union adopted on July 11, 2000.
2. “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.
3. “Assembly Decision” means the Decisions regarding the transformation of the New Partnership for Africa’s Development (NEPAD) into the African Union Development Agency -New Partnership for Africa’s Development (AUDA-NEPAD), the technical body of the African Union into the structures and processes of the African Union, namely Assembly/AU/Dec.691(XXXI) and Ext/Assembly/AU/Dec.1(XI).
4. “Category” means a category set forth in the table in Section III of Schedule 2 to this Agreement.
5. “Centers of Excellence” means a demonstration pilot of TB control activities and/or occupational lung diseases management in each Participating Country, to showcase best practices in TB and occupational lung diseases control, focusing on the following strategic topics: Community-based management of TB (in the Kingdom of Lesotho); community TB care and integrated disease surveillance (in the Republic of Malawi); MDR-TB and childhood TB management (in the Republic of Mozambique); and occupational health and safety (in the Republic of Zambia); or such other topics as may be agreed between the Participating Countries by mutual agreement and in agreement with the Association.
6. “Cooperation Agreement” means the agreement signed between ECSA-HC and NPCA dated August 22, 2016 setting forth the cooperation and collaboration logistics and relevant responsibilities for their activities under the Project.
7. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
8. “Directorate of Program Delivery and Coordination” means the Project implementation unit referred to in section I.A(3) of Schedule 2 to this Agreement.
9. “Directorate of Operations” means the directorate referred to in section I.A(3) of Schedule 2 to this Agreement.

10. “ECSA-HC” means East, Central and Southern Africa Health Community, a regional organization established and operating under the ECSA Convention.
11. “ECSA Convention” means the Convention of the East, Central and Southern Africa Health Community dated November 22, 2002, which entered into force and effect as of July 1, 1980, in accordance with Article 17 of the Convention, pursuant to which ECSA-HC was established and is operating.
12. “EHS Guidelines” means the World Bank Group Environmental, Health and Safety Guidelines published on www.ifc.org/ehsguidelines, as said guidelines are updated from time to time.
13. “Environmental and Social Management Framework” or “ESMF” means the framework prepared and disclosed by each of the Kingdom of Lesotho and the Republic of Malawi and adopted by the Recipient, satisfactory to the Association, setting out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including health and safety issues) of Project activities, including the risks of gender-based violence and sexual exploitation and abuse, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, procedural, budget and institutional arrangements and actions needed to implement these measures, and information on the agency or agencies responsible for addressing the Projects’ risks and impacts; as well as for the preparation of environmental and social management plans, as such framework may be amended by each of the Kingdom of Lesotho and the Republic of Malawi from time to time, with the prior written agreement of the Association.
14. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018, with the modifications set forth in Section II of this Appendix.
15. “ILO” means the International Labour Organization, a specialized agency of the United Nations.
16. “MDR-TB” means multi-drug resistant tuberculosis.
17. “MBOD” means the medical bureau of occupational diseases, an agency within the Republic of South Africa department of health or any successor thereto.
18. “Operating Costs” means recurrent costs of the Project, all based on periodic budgets acceptable to the Association: (i) operation and maintenance of vehicle, repairs, fuel and spare parts; (ii) computer maintenance, including hardware and software; (iii) communication costs and communication equipment, and shipment costs (whenever these costs are not included in the cost of goods); (iv) office

supplies; (v) rent and maintenance for office facilities; (vi) utilities and insurances; (vii) travel and per diem costs for technical staff carrying out training, supervisory and quality control activities; (viii) reasonable expenditures for community health workers involved in carrying out the Project, directly related to Project activities, including a stipend, transportation costs including local travel, per diems and accommodation costs; and (ix) salaries of support staff for the Project, but excluding salaries of the Recipient's regular staff.

19. "Participating Countries" means the Kingdom of Lesotho, Republic of Malawi, Republic of Mozambique and Republic of Zambia.
20. "Personal Data" means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
21. "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.
22. "Project Implementation Manual" or "PIM" means the manual to be adopted by the Recipient as referred to in Section 5.01 of this Agreement, for the implementation of the Project at the national and regional level.
23. "Regional Secretariat" means a secretariat established to run the day-to-day management of the Project at the regional level, and to provide secretariat services to the Regional Advisory Committee, consisting of two teams working together, one team housed at ECSA –HC and one team housed within the Recipient.
24. "Regional Advisory Committee" means the Regional Advisory Committee for the Project, in charge of providing overall strategic guidance, oversight and governance functions for the Project at the regional level, as further detailed in the PIM.
25. "SADC" means the Southern African Development Community established under the Consolidated Treaty of 2015.
26. "Safeguard Policies" means, the Operational Policies (Ops) and Bank Procedures (BPs) of the Association, namely OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.09 (Pest Management), OP/BP 4.10 (Indigenous Peoples), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12

(Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams); they can be found at <https://policies.worldbank.org>.

27. “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.
28. “TB” means tuberculosis.
29. “Training” means the training of persons involved in Project-supported activities, based on the Annual Work Program approved by the Association, such term including scholarships, seminars, workshops, and study tours, and costs associated with such activity including local and international travel and subsistence costs for training participants, per diems, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 2.06 is modified to read as follows:

“Section 2.06. *Financing Taxes*

The use of any proceeds of the Grant to pay for Taxes levied by, or in the territory of, the Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted by the Legal Agreements, is subject to the Association’s policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant.”

2. Paragraphs (b) and (c) of Section 3.18 are modified to read as follows:

“(b) All Financing Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Member Country, and without deduction for, and free from, any Taxes levied by, or in the territory of, the Member Country.

(c) The Legal Agreements shall be free from any Taxes levied by, or in the territory of the Member Country, or in connection with their execution, delivery or registration.”

3. In Section 5.11, paragraph (a) is modified to read as follows:

“Section 5.11. *Visits*

(a) The Recipient shall take all action necessary or useful to ensure that the Member Country affords all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Grant or the Project.”

4. Section 6.01 is deleted in its entirety and the remaining section in Article VI is renumbered accordingly.

5. Section 8.02 is modified as follows:

- (a) Paragraph (j) on *Membership* is modified to read as follows:

“(j) *Membership.* The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”

- (b) Paragraph (m) is renumbered as paragraph (n), and a new paragraph (m) is added to read as follows:

“(m) *Interference.* The Member Country: (i) has taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Financing Agreement; or (ii) has failed to afford a reasonable opportunity for representatives of the Association to visit any part of its territory for purposes relating to Grant or the Project.”

6. The Appendix (**Definitions**) is modified as follows:

- (a) Paragraph 79 (Member Country) is modified to read as follows:

“79. “Member Country” means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions. If such activity is carried out in the territory of more than one such member, “Member Country” refers separately to each such member.”

- (b) Paragraph 94 (Recipient) is modified to read as follows:

“94. “Recipient” means the party to the Financing Agreement to which the Grant is extended.”