

CONFORMED COPY

CREDIT NUMBER 3148 GUI

Development Credit Agreement

(Population and Reproductive Health Project)

between

REPUBLIC OF GUINEA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated January 14, 1999

CREDIT NUMBER 3148 GUI

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated January 14, 1999, between REPUBLIC OF GUINEA (the Borrower) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Association has received a letter dated March 6, 1998, from the Borrower describing a program of actions, objectives and policies designed to improve the health status and welfare of its population (the Program) and declaring the Borrower's commitment to the execution of the Program;

(B) the Borrower has requested that the Association support its execution of the Program through a series of Credits over a period of twelve years, the proceeds of such Credits to be utilized by the Borrower for implementing the Program;

(C) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, which Project forms the first phase of the Program, has requested the Association to assist in the financing of the Project;

(D) the Borrower intends to obtain or has obtained from various Donors (as hereinafter defined) loans and grants to assist in financing the Program; and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend the Credit to the Borrower in support of the first phase of the Program upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

## ARTICLE I

### General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985 (as amended through December 2, 1997), with the modifications set forth below (the General Conditions) constitute an integral part of this Agreement:

(a) A new paragraph (12) is added to Section 2.01 to read as set forth below, and the existing paragraphs (12) through (14) of said Section are accordingly renumbered as paragraphs (13) through (15):

"12. 'Participating Country' means any country that the Association determines meets the requirements set forth in Section 10 of Resolution No. 183 of the Board of Governors of the Association, adopted on June 26, 1996; and 'Participating Countries' means, collectively, all such countries."

(b) The second sentence of Section 5.01 is modified to read:

"Except as the Borrower and the Association shall otherwise agree, no withdrawals shall be made: (a) on account of expenditures in the territories of any country which is not a Participating Country or for goods produced in, or services supplied from, such territories; or (b) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Association, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations."

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "AQSS" means Quality Assurance of Care and Services;

(b) "BCPS" means Bureau de Coordination Population Santé, the Population and Health Coordination Office within MS (as hereinafter defined), the Project implementing unit;

(c) "Beneficiary" means a community or group which meets the criteria specified in the Project Implementation Manual (as hereinafter defined), to which or for whose benefit a Grant is made or proposed to be made, for a PSF Micro-project (as hereinafter defined) under the Project;

(d) "Budget" means the Borrower's budget for the Sector (as herein defined) in a particular Fiscal Year (as herein defined), which has been approved by the Borrower's Parliament;

(e) "CNPRH" means the Commission Nationale de la Population et des Ressources Humaines, established and operating pursuant to the Borrower's Décret No. D/96/206/PRG/SGG;

(f) "DAAF" means the Division des Affaires Administrative et Financière, the Administrative and Financial Department of MS (as hereinafter defined);

(g) "DIEM" means Division de l'Infrastructure, de l'Équipement et du Matériel, the Directorate of Infrastructure and Equipment in MS (as hereinafter defined);

(h) "Donors" mean any national or multilateral agency contributing, resources to, or technical assistance for, the Project;

(i) "DSR" means Division de la Santé de la Reproduction, the Division of Reproductive Health in MS (as hereafter defined);

(j) "Fiscal Year" means the twelve-month period beginning January 1 and ending December 31 of each year according to the Gregorian calendar;

(k) "Franc Guinéen" means the currency of the Borrower;

(l) "Grant" means a grant made or proposed to be made to finance a PSF Micro-project (as hereinafter defined) under Part A.3 of the Project;

(m) "HIV/AIDs" means the Human Immunodeficiency Virus/Auto-Immunodeficiency System Syndrome;

(n) "IAPSO" means the Inter-Agency Procurement Services Office of the United Nations;

(o) "IEC" means Information, Education and Communication;

(p) "Initial Deposit" means the initial amount to be deposited into the Project Account, as hereinafter defined, pursuant to Section 3.02 (b) of this Agreement;

(q) "MS" means Ministère de la Santé, the Borrower's Ministry of Health;

(r) "NGO" means one or several non-governmental organizations, established and operating in the territory of the Borrower;

(s) "Population Support Fund" or "PSF" means a fund, established by the Borrower, to provide Grants to Beneficiaries for carrying out PSF Micro-projects (as hereinafter defined);

(t) "Prefectures" means an administrative area of the territory of the Borrower;

(u) "Project Implementation Manual" or "PIM" means the Manuel d'Exécution du Projet dated April 18, 1998, a manual containing, inter alia, guidelines, timetables, procedures and other arrangements for the purpose of implementing the Project, including the PSF, and such term includes any schedules and amendments to the PIM; as the same may be amended from time to time, in consultation with and with the consent of the Association;

(v) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to a letter of agreement signed on October 9, 1997, and countersigned on October 28, 1997;

(w) "PSF Micro-project" means a specific activity in the areas referred to in Part A.3 of the Project, financed or proposed to be financed through a Grant extended under the Project;

(x) "Sector" means the sector of health and social activities of the Borrower;

(y) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement; and

(z) "STI" means Sexually Transmitted Infection.

## ARTICLE II

### The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount in various currencies equivalent to eight million five hundred thousand Special Drawing Rights (SDR 8,500,000).

Section 2.02. (a) The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for: (i) expenditures made (or, if the Association shall so agree, to be made) in respect of

the reasonable cost of works, goods and services required for the Project described in Schedule 2 to this Agreement and to be financed out of the proceeds of the Credit; and (ii) amounts paid (or if the Association shall so agree, to be paid) on the account of withdrawals made under a Grant to meet the reasonable cost of goods, works and services required for a Micro-project, and in respect of which the withdrawal from the Credit Account is requested.

(b) The Borrower may, for purposes of the Project, open and maintain in dollars a special deposit account in a commercial bank or any other bank acceptable to the Association on terms and conditions satisfactory to the Association, including, in the case of a commercial bank, appropriate protection against set off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

(c) Promptly after the Effective Date, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and pay to itself the amount required to repay the principal amount of the Project Preparation Advance withdrawn and outstanding as of such date and to pay all unpaid charges thereon. The unwithdrawn balance of the authorized amount of the Project Preparation Advance shall thereupon be canceled.

Section 2.03. The Closing Date shall be December 31, 2003, or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or canceled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on March 1 and September 1 in each year. Section 2.07. (a) Subject to paragraphs (b), (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each March 1 and September 1 commencing March 1, 2009 and ending September 1, 2038. Each installment to and including the installment payable on September 1, 2018 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever: (i) the Borrower's per capita gross national product (GNP), as determined by the Association, shall have exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association's resources; and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the repayment of installments under paragraph (a) above by: (A) requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount

of the Credit shall have been repaid; and (B) requiring the Borrower to commence repayment of the principal amount of the Credit as of the first semiannual payment date referred to in paragraph (a) above falling six months or more after the date on which the Association notifies the Borrower that the events set out in this paragraph (b) have occurred, provided, however, that there shall be a grace period of a minimum of five years on such repayment of principal.

(c) If so requested by the Borrower, the Association may revise the modification referred to in paragraph (b) above to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(d) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above. Section 2.08. The currency of the United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

### ARTICLE III

#### Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, public health, population, and environmental practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Association shall otherwise agree, the Borrower shall carry out the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

Section 3.02. Without limitation upon the provisions of paragraph (a) of Section 3.01 of this Agreement, and except as the Borrower and the Association shall otherwise agree, the Borrower shall:

(a) open an account in Francs Guinéens in a commercial bank acceptable to the Association (the Project Account), and thereafter maintain said Project Account under terms and conditions acceptable to the Association until the completion of the Project;

(b) deposit into the Project Account: (i) an initial amount of FG 80,000,000; and (ii) thereafter, at annual intervals, replenish the Project Account by the amounts required to finance the Borrower's contribution for expenditures under the Project other than those financed from the proceeds of the Credit, or grants and loans made available by Donors, as shall be agreed upon between the Borrower and the Association; and

(c) ensure that funds deposited into the Project Account in accordance with paragraph (b) of this Section shall be used exclusively to finance expenditures under the Project other than those financed from the proceeds of the Credit, or grants and loans made available by Donors.

Section 3.03. Except as the Association shall otherwise agree, procurement of the goods, works, and consultants' services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.04. For the purposes of Section 9.07 of the General Conditions and without limitation thereto, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Association and furnish to the Association not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, a plan for the future operation of the Project; and

(b) afford the Association a reasonable opportunity to exchange views with the Borrower on said plan.

#### ARTICLE IV

##### Financial Covenants

Section 4.01. (a) The Borrower shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Project of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower shall:

(i) have the records and accounts referred to in paragraph (a) of this Section, including those for the Special Accounts for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;

(ii) furnish to the Association as soon as available, but in any case not later than six months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and

(iii) furnish to the Association such other information concerning said records and accounts and the audit thereof as the Association shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of statements of expenditure, the Borrower shall:

(i) maintain, or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;

(ii) retain, until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Association's representatives to examine such records; and

(iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE V

##### Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (1) of the General Conditions, the following additional events are specified:

(a) A situation shall have arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

(b) (i) Subject to subparagraph (ii) of this paragraph:

(A) the right of the Borrower to withdraw the proceeds of any grant or loan made to the Borrower for the financing of the Project shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of the agreement providing therefore, or

(B) any such loan shall have become due and payable prior to the maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Association that: (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and (B) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 5.02. Pursuant to Section 7.01 (h) of the General Conditions, the following additional event is specified, namely that the event specified in paragraph (b) (i) (B) of Section 5.01 of this Agreement shall occur, subject to the provisions of paragraph (b) (ii) of that Section.

#### ARTICLE VI

##### Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions:

(a) the Borrower has opened the Project Account and has deposited therein the initial amount referred to in Section 3.02 (b) (i) of this Agreement; and

(b) the Borrower has appointed the auditors referred to in Section 4.01 (b) of this Agreement, under terms and conditions acceptable to the Association and in accordance with the provisions of Section II of Schedule 3 to this Agreement.

Section 6.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

#### ARTICLE VII

##### Representative of the Borrower; Addresses

Section 7.01. The Minister at the time responsible for Finance is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministre de l'Economie  
et des Finances  
Conakry, Guinea

Telex:

22399 MIFIGE

For the Association:

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

Cable address:

INDEVAS  
Washington, D.C.

Telex:

248423 (MCI) or  
64145 (MCI)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF GUINEA

By /s/ Mohammed Aly Thiam

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Mamadou Dia

Acting Regional Vice President  
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent	% of Expenditures to be Financed
(1) Civil works	1,300,000	95%
(2) Equipment, vehicles, office furniture, drugs vaccines, reagents, medical supplies and contraceptives	2,200,000	100% of foreign and 95% of local expenditures
(3) Consultants' services, including audits, and training	2,100,000	100%
(4) Grants for Micro- projects	500,000	100% of amounts disbursed
(5) Incremental operating costs	1,400,000	90%
(6) Refunding of the	500,000	Amount due pursuant



	Project Preparation Advance		to Section 2.02 (c) of this Agreement
(7)	Unallocated	500,000	
	TOTAL	8,500,000	

2. For the purposes of this Schedule:

(a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than the Borrower;

(b) the term "local expenditures" means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower; and

(c) the term "incremental operating costs" means expenditures incurred on account of Project implementation, management and monitoring including office consumables (including communication expenses), staff travel and associated subsistence allowances, salaries for incremental contractual and temporary staff, office rental, office supplies and maintenance, and fuel and maintenance for vehicles and equipment, but excluding salaries of the Borrower's civil servants.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made: (a) in respect of a Grant unless the Grant has been made in accordance with the procedures and on the terms and conditions set forth or referred to in Schedule 4 to this Agreement; and (b) in respect of payments made for expenditures prior to the date of this Agreement.

4. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures made for: (a) civil works and goods not exceeding \$100,000 equivalent, (b) for consulting firms under contracts not exceeding \$100,000 equivalent and for individual consultants' services under contracts not exceeding \$50,000 equivalent; under such terms and conditions as the Association shall specify by notice to the Borrower.

## SCHEDULE 2

### Description of the Project

The objective of the Project is to assist the Borrower in improving the health situation of its population by preventing and alleviating reproductive health risks and reducing infant, child and maternal mortality rates, through: (i) a sustainable population growth rate, (ii) safer behavior and health practices, and (iii) improved delivery of reproductive and child services.

Subject to such modifications as the Borrower and the Association may agree upon from time to time to achieve the Project's objective, the Project consists of the following Parts.

#### Part A: Population Growth and Reproductive Health Awareness

Increasing the awareness of the Borrower's population towards sustainable population growth, reproductive health issues, and HIV/AIDS, through the preparation and implementation of: (i) IEC campaigns directed towards selected segments of the Borrower's population including male heads of households, cultural, religious, and community leaders, adolescents and young adults, high level officials, and public and private sector managers; and (ii) programs designed to support advocacy activities in favor of sustainable population growth. Promoting behavioral changes for safer reproductive health practices through the preparation and implementation of IEC, training, and counseling programs directed towards in-school, and out-of-school, adolescents and young adults, in urban and rural areas, parents, community and religious leaders, health service providers, and security forces.

3. Promotion, preparation, appraisal, supervision, and evaluation of activities designed to: (i) improve reproductive health; (ii) strengthen family planning, and promote sustainable population growth; and (iii) improve the legal status of women,

and provision of Grants to finance such activities.

Part B: Reproductive Health and Maternal and Child Health Services

1. Strengthening the management of reproductive health services, through: (i) the establishment and operations of a decentralized management system designed to improve the supervision and the quality of such services; (ii) construction and equipping of health facilities; (iii) acquisition of buffer stocks of essential drugs and contraceptives; and (iv) provision of technical advisory service to improve logistics for training of trainers.

2. Improving quality of, and access to, family planning and STI/AIDS services, through: (i) construction and equipping of facilities for family planning, the prevention and treatment STI, and the prevention of HIV/AIDS; (ii) acquisition of consumables for the prevention of transmission of STI/AIDS; (iii) strengthening the supervision of services delivery at the regional and local level; and (iv) quality improvement activities at service delivery sites.

3. Improving quality of maternal and child health services through: (i) construction and equipping of health facilities; (ii) acquisition of emergency obstetrical kit and communication equipment, consumables, and equipment and furniture for maternity and obstetrical operating rooms and related facilities; and (iii) strengthening the Borrower's capacities for the supervision and planning of community-based activities.

Part C: Institutional Capacity

1. Strengthening the capacity of the Borrower to prepare and implement programs designed to achieve sustainable population growth, and to improve the delivery of reproductive health services, through the renovation and equipping of offices, the provision of technical advisory services, and training.

2. Strengthening the Borrower's capacity for the supervision, coordination, monitoring, and auditing of the Project, through the rehabilitation of office buildings, the acquisition of equipment, and furniture, the provision of technical advisory services, and training.

3. Provision of training, technical advisory services, and acquisition of equipment, furniture, material and vehicles to: (a) build the capacity of PSF to select, monitor and supervise Micro-projects; and (b) provide local community leaders, community groups, and associations with skills and knowledge required to carry out their responsibilities in Micro-projects identification, preparation, implementation, monitoring and evaluation.

\* \* \*

The Project is expected to be completed by June 30, 2003.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: General

1. Goods and works shall be procured in accordance with (a) the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996 and September 1997, subject to the modifications thereto set forth in paragraph 2 of this Part A (the Guidelines), and (b) the provisions of the following provisions of this Section I.

2. In paragraphs 1.6 and 1.8 of the Guidelines, the references to "Bank member countries" and "member country" shall be deemed to be references, respectively, to "Participating Countries" and "Participating Country."

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

2. The following provisions shall apply to goods and works to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B.

(a) Grouping of contracts

To the extent practicable, contracts for goods and works shall be grouped in bid packages estimated to cost \$100,000 and \$200,000 equivalent or more each respectively.

(b) Preference for Domestically Manufactured Goods and Domestic Contractors

The provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Borrower and works to be carried out by domestic contractors.

Part C: Other Procurement Procedures

1. Limited International Bidding

Drugs, vaccines and contraceptives estimated to cost more than \$100,000 equivalent per contract up to an aggregate amount of \$750,000 may be procured under contracts awarded in accordance with the provision of paragraph 3.2 of the Guidelines.

2. National Competitive Bidding

(a) Goods, other than drugs, vaccines and contraceptives, estimated to cost less than \$100,000 equivalent per contract, up to an aggregate amount not to exceed \$220,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

(b) Works estimated to cost less than \$200,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

3. International Shopping

Goods, other than drugs, vaccines and contraceptives, estimated to cost less than \$20,000 equivalent, per contract, up to an aggregate amount not to exceed \$100,000 equivalent, may be procured under contracts awarded on the basis of international shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

4. National Shopping

Goods, other than drugs, vaccines and contraceptives, estimated to cost less than \$20,000 equivalent per contract up to an aggregate amount not to exceed \$120,000 equivalent, may be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

5. Procurement from UN Agencies

Vehicles, vaccines, drugs and supplies estimated to cost less than \$100,000 equivalent per contract up to an aggregate amount not to exceed \$360,000 equivalent, may be procured from, IAPSO, UNIPAC or WHO, and contraceptives may be procured from UNFPA, in accordance with the provisions of paragraph 3.9 of the Guidelines.

6. Direct Contracting

Goods which are of a proprietary nature, spare parts and drugs costing less than \$5,000 equivalent per contract, up to an aggregate amount not to exceed \$50,000 equivalent, may, with the Association's prior agreement, be procured in accordance

with the provisions of paragraph 3.7 of the Guidelines.

#### 7. Procurement of Small Works

Works estimated to cost less than \$50,000 equivalent per contract, up to an amount not to exceed \$950,000 equivalent, may be procured under lump-sum, fixed-price contracts awarded on the basis of quotations obtained from three (3) qualified domestic contractors in response to a written invitation. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, a basic form of agreement acceptable to the Association, and relevant drawings, where applicable. The award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and resources to complete the contract successfully.

#### Part D: Review by the Association of Procurement Decisions

##### 1. Procurement Planning

Prior to the issuance of any invitations to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Association, and with the provisions of said paragraph 1.

##### 2. Prior Review

With respect to each contract for goods and works estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

##### 3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

#### Section II. Employment of Consultants

##### Part A: General

1. Consultants' services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 (the Consultant Guidelines) and the following provisions of Section II of this Schedule.

2. In paragraph 1.10 of the Consultant Guidelines, the references to "Bank member countries" and "member country" shall be deemed to be references, respectively, to "Participating Countries" and "Participating Country."

##### Part B: Quality- and Cost-based Selection

1. Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

2. The following provisions shall apply to consultants' services to be procured under contracts awarded in accordance with the provisions of the preceding paragraph. The short list of consultants for services estimated to cost less than \$100,000 equivalent per contract may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

##### Part C: Other Procedures for the Selection of Consultants

##### 1. Selection Based on Consultants' Qualifications

Services estimated to cost less than \$100,000 equivalent per contract may be procured under contracts awarded on the basis of consultant's qualifications in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

2. Least Cost Selection

Services for audits and design and supervision of civil works estimated to cost less than \$100,000 equivalent per contract, may be procured under contracts awarded on the basis of least cost selection in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

3. Single Source Selection

Services for: (i) training of trainers; (ii) broadcasting of messages through national, and regional mass media; and (iii) the demographic health survey to be carried out under Part C.1 of the Project, may be procured, with the Association's prior agreement, in accordance with the provisions of paragraphs 3.8 through 3.11 of the Consultants' Guidelines.

4. Individual Consultants

Services for tasks meeting the requirements of Section V of the consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

Part D: Review by the Association of the Selection of Consultants

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in accordance with such selection plan as shall have been approved by the Association, and with the provisions of said paragraph 1.

2. Prior Review

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$200,000 or more, the procedures set forth in paragraphs 1, 2 and (other than the third subparagraph of paragraph 2 (a)) 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$100,000 or more, but less than the equivalent of \$200,000, the procedures set forth in paragraphs 1, 2 (other than the second subparagraph of paragraph 2 (a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(c) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Association for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

3. Post Review

With respect to each contract not governed by paragraph 1 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.

SCHEDULE 4

Implementation Program

1. The Borrower, through MS, shall implement the Project in accordance with the

procedures, guidelines, timetables and criteria set forth in the PIM and, except as the Association shall otherwise agree, the Borrower shall not amend or waive any provision of said PIM if, in the opinion of the Association, such amendment or waiver may materially and adversely affect the implementation of the Project.

2. The Borrower shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with monitoring and performance indicators agreed upon between the Borrower and the Association, the carrying out of the Project; and

(b) furnish to the Association, for its review and comments:

(i) not later than November 30 of each year, commencing on November 30, 1999, or such later date as the Association may agree, until the completion of the Project, the draft Budget for the next Fiscal Year; and

(ii) not later than November 30 of each year, or such later date as the Association may agree, commencing on November 30, 1999, until the completion of the Project, an annual report setting forth, inter alia: (A) a summary of the results of the monitoring and evaluation activities performed pursuant to subparagraph (a) of this paragraph, and (B) progress achieved in the carrying out of the Project.

3. (a) By December 1, of each year, commencing December 1, 1999 or such later date as the Association may agree, until the completion of the Project, the Borrower and the Association shall carry out an annual review of the Project (hereinafter called the Annual Review); such Annual Review shall cover the progress achieved in the execution of the Project and, inter alia, review the information furnished in accordance with paragraph 2 (b) of this Schedule, and work programs to be carried out under the Project during the following FY.

(b) Following such Annual Review the Borrower shall carry out said work programs in accordance with modalities and procedures approved by the Association and in accordance with the PIM, and shall not make any material change to the approved programs without the prior approval of the Association.

4. (a) Not later than 24 months after the Effective Date or such other date as the Borrower and the Association shall agree upon, the Borrower and the Association shall carry out a mid-term review (hereinafter referred to as the Midterm Review). The Borrower shall take all actions it considers necessary to ensure the participation of Donors, NGOs, and Beneficiaries in such Midterm Review. Such Midterm Review shall cover the progress achieved in the implementation of the Project.

(b) Not later than one month prior to the Midterm Review, the Borrower shall furnish to the Donors including the Association, for their review and comments, a report, in such detail as the Association shall reasonably request, on the implementation of the Project.

(c) Following such Midterm Review, the Borrower shall act promptly and diligently in order to take any corrective action deemed necessary by the Association to remedy any shortcoming noted in the implementation of the Project and the Program, as the case may be, or to implement such other measures as may have been agreed upon between the Borrower and the Association in furtherance of the objectives of the Project.

5. The Borrower shall:

(a) maintain until the completion of the Project, a Project coordinator, within BCPS, with qualifications, and experience acceptable to the Association, who shall be responsible for the management and coordination of the implementation of the Project, and three specialists in: (i) demography and statistics, in charge of project monitoring and evaluation system; (ii) behavior change and communication, in charge of coordinating, monitoring and evaluation of the subset of all communication related

activities; and (iii) community organization and participation, in charge of programs decentralization, management of the FAP and support to its selection committee and collaborating NGOs;

(b) maintain the positions of accountant at DAAF, and procurement officer at DIEM, filled at all times during the implementation of the Project, with persons with qualification and experience acceptable to the Association; and

(c) maintain until the completion of the Project, computerized accounting systems acceptable to the Association, at BCPS and DAAF, for the purpose of carrying out the Project.

6. The Borrower shall:

(a) Not later than December 31, 1999, assign to the permanent secretariat of CNPRH, civil servants in adequate numbers and with qualifications acceptable to the Association;

(b) not later than December 31, 1999, nominate members of technical committees of AQSS at regional and local levels;

(c) (i) not later than December 31, 1999, complete, under terms of reference satisfactory to the Association, an exhaustive assessment of services providers' competencies, skills and training needs pertaining to reproductive and child health, (ii) not later than June 30, 2000; adopt a training program in reproductive and child health for each region, acceptable to the Association.

(d) not later than June 30, 2000, prepare, or cause to be prepared, for each region, an action plan, acceptable to the Association, designed to (i) inform women and girls on the health effects of female genital mutilations, and on their impact on maternal morbidity and mortality, and (ii) strengthen its legal framework forbidding female genital mutilations; and thereafter, implement said action plan in accordance with timetables included therein.

(e) not later than June 30, 2001, adopt an action plan, acceptable to the Association, designed to strengthen and improve the efficiency of its pharmaceutical sub-sector. Said action plan shall include a pricing policy designed to remove existing price deterrent to consistent utilization of modern contraceptives. Population Support Fund

7. Part A.3 of the Project shall be carried out in accordance with the eligibility criteria, procedures, and terms and conditions specified in detail in the PIM. The provisions of such Manual shall not be amended or waived in a manner which, in the opinion of the Association, would materially and adversely affect the execution of Part A.3 of the Project and the achievement of the objectives thereof. The PSF shall be managed by BCPS.

8. The first five Micro-projects shall be subject to prior review and approval by the Association.

9. Eligibility Criteria for Micro-projects

Micro-projects shall be for activities in the areas of reproductive health, infant and child health and nutrition in accordance with the eligibility criteria, procedures and guidelines set forth in the PIM.

10. Terms and Conditions of Grants made for Micro-Projects

For purposes of financing Micro-projects, the Borrower shall enter into appropriate arrangements with Beneficiaries, under terms and conditions satisfactory to the Association, which shall include the following:

(a) the obligation of the Beneficiary to carry out the Micro-project with due diligence and efficiency and in accordance with sound technical, financial, environmental and managerial standards and to maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Micro-project;

(b) the requirement that: (i) the goods, works and services to be financed from the proceeds of the Credit shall be procured in accordance with the procedures ensuring efficiency and economy; and (ii) such goods, works and services shall be used exclusively in the carrying out of the Micro-project; and

(c) the right of the Borrower to inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants and construction included in the Micro-project, the operations thereof and any relevant records and documents.

#### SCHEDULE 5

##### Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means categories (1) through (5) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project, as well as amounts paid or to be paid under Grants, and to be financed out of the proceeds of the Credit allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an amount equivalent to \$750,000 to be withdrawn from the Credit Account and deposited into the Special Accounts pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Association shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$500,000 until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 2,000,000.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Association has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Association a request or requests for deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of the Special Account, the Borrower shall furnish to the Association requests for deposits into the Special Account at such intervals as the Association shall specify.

(ii) Prior to, or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or replenishment is requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Association from the Credit Account under the eligible Categories, and in the equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special Account, the Borrower



shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Association shall not be required to make further deposits into any Special Account:

(a) if, at any time, the Association shall have determined that all further withdrawals should be made by the Borrower directly from the Credit Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement;

(b) if the Borrower shall have failed to furnish to the Association, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Association pursuant to said Section in respect of the audit of the records and accounts for the Special Accounts;

(c) if, at any time, the Association shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Credit Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the Credit allocated to the eligible Categories for the Special Account, minus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation. Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit allocated to the eligible Categories shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association shall have been satisfied that all such amounts remaining on deposit in the respective Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Association shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association: (A) provide such additional evidence as the Association may request; or (B) deposit into the respective Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Association shall otherwise agree, no further deposit by the Association into any Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association shall have determined at any time that any amount outstanding in any Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

(c) The Borrower may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in the Special Accounts.

(d) Refunds to the Association made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

