

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4733-UG

Financing Agreement

(East Africa Public Health Laboratory Networking Project)

between

THE REPUBLIC OF UGANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 12, 2010

Public Disclosure Authorized



CREDIT NUMBER 4733 -UG

FINANCING AGREEMENT

AGREEMENT dated August 12, 2010, entered into between THE REPUBLIC UGANDA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to six million six hundred thousand Special Drawing Rights (SDR 6,600,000) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are June and December 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (a) carry out Parts A, B and C.1 and C.2 of Project through its Ministry of Health, and (b) cause Part C.3 of the Project to be carried out by ECSA in accordance with the provisions of Article IV of the General Conditions and the Subsidiary Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Recipient has suspended its membership and/or participation in ECSA, and/or the ECSA Convention has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of ECSA to perform any of its obligations under Part C.3 of the Project.
 - (b) Either the Kenya Financing Agreement, or the Rwanda Financing Agreement, or the Tanzania Financing Agreement fails to become effective by December 31, 2010 or such later date as the Association shall establish by notice to the Recipient.
 - (c) The right to withdraw the proceeds of any financing under either the Kenya Financing Agreement, or the Rwanda Financing Agreement, or the Tanzania Financing Agreement is suspended, canceled or terminated, in whole or in part, pursuant to the terms of such agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Recipient has assigned to the MoH an accountant, with qualifications, experience and terms of reference satisfactory to the Association, to manage the Project accounts; and
 - (b) the Subsidiary Agreement has been executed and delivered on behalf of the Recipient and ECSA.
- 5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and

ECSA and is legally binding upon the Recipient and ECSA in accordance with its terms.

- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister responsible for finance.

6.02. The Recipient’s Address is:

Ministry of Finance, Planning and
Economic Development
P.O Box 8147
Kampala
Republic of Uganda

Cable:	Telex	Facsimile:
FINSEC	61170	256 41 4230163

6.03. The Association’s Address is:

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

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

AGREED at Kampala, Republic of Uganda, as of the day and year first above written.

REPUBLIC OF UGANDA

By /s/ Syda N. M. Bbumba

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Kundhavi Kadiresan

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to establish a network of efficient, high quality, accessible public health laboratories for the diagnosis and surveillance of tuberculosis and other communicable diseases.

The Project consists of the following parts:

Part A: **Regional Diagnostic and Surveillance Capacity**

Development and operationalization of a regional diagnostic network among the Project Countries through:

1. (a) The rehabilitation, expansion and/or construction of five satellite laboratories to expand diagnostic services for vulnerable groups in cross-border areas and to serve as sentinel surveillance sites to monitor hot spots for disease transmission; (b) the acquisition of laboratory equipment and materials, including waste management equipment and protective gear to ensure the safety of lab personnel; (c) the acquisition of computer equipment and software, and provision of technical support for an integrated laboratory information system; and (d) the provision of operating costs to render the laboratories functional.
2. Carrying out of a program to strengthen the capacity of the Recipient's central public health laboratory and its linkages to the central public health laboratories of the Project Countries, such program to consist of: (a) rehabilitation and/or construction of the central public health laboratory, and acquisition of the laboratory equipment and material for the central public health laboratory; (b) the acquisition of computers and videoconferencing equipment, and development of capacity in the use of such equipment, to facilitate sharing of information and link into existing telemedicine installations where appropriate; (c) the provision of technical advisory services for accreditation of satellite laboratories and standardization of procedures and protocols to ensure that diagnostic procedures are performed by appropriately trained technicians on the basis of clear regional and international proficiency and quality standards; and (d) the provision of operating costs for laboratory external quality assessment, and recruitment of necessary personnel to provide mentorship to satellite laboratories.
3. Carrying out of a program to enable the Recipient to comply with its commitments under the International Health Regulation and facilitate laboratory-based disease surveillance efforts, such program to include: (a) measures aimed at strengthening etiological confirmation of pathogens and promoting active participation of laboratory and other health personnel in disease surveillance and

disease outbreak investigations; (b) establishing and maintaining an integrated data management system; and (c) sharing of relevant data with the other Project Countries, including publication of periodic newsletters and quarterly and annual disease surveillance reports.

Part B: Joint Training and Capacity Building

1. Carrying out a program to develop the capacity of laboratory personnel, such program to include, provision of in-service and pre-service training programs and joint laboratory training programs for diagnostic laboratory personnel from all the Project Countries.
2. Carrying out of a training plan in identified areas of laboratory sciences and field epidemiology, for laboratory personnel in the Project Countries including facilitating access to relevant: (a) training courses at the national and regional levels; (b) laboratory attachments, fellowships, and regional exchanges at recognized centers of laboratory excellence; (c) selective graduate training; (d) technical assistance to review and develop standards and training curricula and generic specifications for equipment; and (e) regional workshops designed for knowledge sharing.

Part C: Joint Operational Research and Knowledge Sharing/Regional coordination and Program Management

1. Carrying out of operational research on the basis of the priorities to be identified by the Recipient, including: (a) the evaluation of the effectiveness of new tuberculosis related diagnostic technologies; (b) the assessment of drug resistance patterns for endemic diseases; and (c) ascertaining the feasibility of the use of mobile telephone technology for reporting of selected diseases, all through the provision of technical advisory services, training and operating costs.
2. Establishment and operationalization of project management and coordination teams, through the provision of operating costs, and the acquisition of goods and equipment.
3. Facilitation of knowledge sharing and learning on matters relating to diagnosis and surveillance of communicable diseases, through the carrying out by ECSA of a program to, *inter alia*: (a) convene technical experts and policy makers in order to harmonize laboratory operating procedures and quality assurance among the Project Countries; (b) coordinate the provision of capacity building training for diagnostic laboratory personnel at the regional level; (c) establish a forum for learning and knowledge sharing; and (d) collaboration with the East African Community in implementing a strategic plan for developing an East Africa integrated disease surveillance network as a model regional network, and producing a regional quarterly surveillance bulletin; (e) organize workshops and

facilitate the sharing of research and programmatic results in the region; (f) establish a team within ECSA to coordinate activities at the regional level and a focal point with the East Africa Community; (g) build the capacity for videoconferencing; and (h) develop a website to serve as a platform for sharing of information and results of research, all through the provision of operating costs, technical advisory services and the acquisition of goods and equipment needed to organize workshops.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. National Level

MoH

- (a) The Recipient shall ensure that the MoH is maintained at all times during the implementation of the Project with mandate, staffing and resources satisfactory to the Association for the purpose of ensuring the prompt and efficient Project implementation, financial management, procurement, monitoring, reporting, and evaluation and communication in respect of the Project, and efficient overall coordination, of Project activities at the national level.
- b) Without limitation on the provisions of Section I.A.1(a) of this Schedule, the Recipient shall at all times during the implementation of the Project, maintain the Technical Working Group on Communicable Disease Control with a composition, mandate and resources satisfactory to the Association, and with the responsibility for providing technical direction and oversight and review of the Annual Work Plans.
- (c) Without limitation on the provisions of Section I.A.1(a) of this Schedule, the Recipient shall at all times during the implementation of the Project, maintain: (i) a project support team with a composition, mandate and resources satisfactory to the Association, and with the responsibility for day to day management of the Project, including reviewing annual work plans and recommending them to the Permanent Secretary for review, facilitating the coordination and communication of Project activities with government ministries, departments, and agencies that have responsibility for related programs; (ii) a Project coordinator and a deputy coordinator for the Project both assigned by the Permanent Secretary to provide technical leadership; and (iii) a laboratory technical and advisory committee to provide technical support to the Technical Working Group on Communicable Disease Control.

2. **Regional Level**

ECSA

Without limitation upon the provisions of Section I.A.1 of this Schedule, the Recipient shall maintain, at all times until the completion of the Project, its membership and active participation in ECSA. To this end, ECSA shall be responsible for Part C.3 of the Project, including, *inter alia*: (a) preparing a consolidated semi-annual and annual Project status reports, and reviewing the progress made towards achieving the Project's objectives at the regional level; and (b) facilitating governmental and inter-governmental actions that may be required under the Project, including setting up a regional advisory panel.

B. Implementation Arrangements

1. National Level

1.1 Project Implementation Plan

The Recipient shall carry out the Project (or cause it to be carried out) in accordance with the arrangements, procedures and guidelines set out in the Project Implementation Plan (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Plan and the provisions of this Agreement, the provisions of this Agreement shall prevail).

2. Regional Level

2.1 Subsidiary Agreement

(a) To facilitate the carrying out of Part C.3 of the Project, the Recipient shall make available to ECSA on a grant basis the proceeds of the Financing allocated from time to time to Category (2), under a subsidiary agreement, between the Recipient and ECSA, under terms and conditions approved by the Association, which shall, *inter alia*, include the following ("Subsidiary Agreement"):

- (i) the requirement that ECSA carry out Part C.3 of the Project with due diligence and efficiency, in conformity with appropriate administrative, financial, technical, environmental and social standards acceptable to the Association, and provide, or cause to be provided, promptly as needed, the facilities, services and other resources required for the purpose;

- (ii) the obligation of ECSA to comply with the procedures for procurement of goods, and consultants' services set forth in Section III of this Schedule 2;
- (iii) the requirement that ECSA fully collaborate with the Recipient in order to permit timely compliance with the requirements set forth in Section II.A and II.B of this Schedule 2, including the requirement that ECSA (A) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of Part C.3 of the Project and the achievement of its objectives; (B) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to Part C.3 of the Project; and (B) (2) have such financial statements audited annually by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (C) enable the Recipient and the Association to inspect Part C.3 of the Project, its operation and any relevant records and documents; and (D) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing;
- (iv) the obligation of ECSA to exchange views with the Recipient and the Association with regard to the progress of Part C.3 of the Project, and the performance of its obligations under the Subsidiary Agreement;
- (v) the requirement that ECSA promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of Part C.3 of the Project, or the performance of its obligations under the Implementation Agreement;
- (vi) the requirement that ECSA carry out Part C.3 of the Project in compliance with the terms of the Anti-Corruption Guidelines; and
- (vii) rights of the Recipient adequate to protect its interests and those of the Association, including the right: (A) suspend or terminate the right of ECSA to use the proceeds of the Financing allocated

from time to time to Category (2), or (B) obtain refund of all or any part if such amount of the Financing then withdrawn, upon ECSA's failure to perform any of its obligations under the Subsidiary Agreement.

- (b) The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

3. National and Regional Levels

3.1. Annual Work Plan and Budget

- (a) The Recipient shall prepare and furnish to Association for its approval, not later than April 15, of each year during the implementation of the Project, or such later date as the Association may agree, the Annual Work Plan and Budget containing all proposed activities to be carried out in the following Fiscal Year, modified as the case may be in a manner satisfactory to the Association, taking into account the Association's comments and views on the matter.
- (b) Without limitation upon the provisions of Section I.B.3(a) of this Schedule, the Recipient shall, prior to submission of the Annual Work Plan and Budget to the Association, ensure that any proposed regional research, training, information or knowledge sharing activities which are included in the Annual Work Plan and Budget have been discussed and agreed upon at the regional level by ECSA and the other Project Countries, and shall not make or allow to be made any change to any activity included in the approved Annual Work Plan and Budget without consultation with, and the prior written approval of the Association.

C. Anti-Corruption

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

D. Environmental and Social Safeguards

1. The Recipient shall:

- (a) implement the Project in accordance with the ESMF and the Waste Management Plan;

- (b) as part of the preparation of each proposed Annual Work Plan, prepare, adopt, disclose, and implement, in form and substance satisfactory to the Association, an environmental assessment, and as needed an environmental and social mitigation plan in accordance with the ESMF, defining (i) the measures to be taken during the implementation of the relevant activities included in the Annual Work Plan to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures;
 - (c) not amend or waive, or permit to be waived, the ESMF, the Waste Management Plan, or any environmental and social mitigation plan, or any provision thereof.
- 2. Without limitation upon its other reporting obligations under this Agreement, including Section 4.08 of the General Conditions, the Recipient shall regularly collect, compile and submit to the Association, as part of the progress reports referred to in Section II.A.1 of this Schedule, reports, in form and substance satisfactory to the Association, on the status of compliance with the ESMF, the Waste Management Plan, each environmental assessment and any environmental and social management plan, giving details for the previous semester of:
 - (a) measures taken in furtherance of such ESMF, the Waste Management Plan, each such environmental assessment, and any such environmental and social management plan;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such ESMF, Waste Management Plan, and any such environmental assessment and environmental social management plan; and
 - (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such ESMF, Waste Management Plan, each environmental assessment and any environmental and social management plan.
- 3. The Recipient shall ensure that no activities that would involve involuntary resettlement are included in the Annual Work Plan, or in the Project.

Section II. Project Monitoring, Reporting and Evaluation**A. Project Reports**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of six months, and shall be furnished to the Association not later than one month after the end of the period covered by such report.
2. On or about the date thirty (30) months after the Effective Date, the Recipient shall undertake in conjunction with the Association and the ECSA a comprehensive mid-term review of the Project during which it shall exchange views generally with the Association on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by the ECSA of its respective obligations under the Subsidiary Agreement, having regard to the performance indicators referred to in paragraph A.1 of this Section.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than 45 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement**A. General**

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding (ICB).
2. **Other Methods of Procurement of Goods and Works.** The following methods of procurement, other than International Competitive Bidding, may be used for goods and works under the circumstances specified in the Procurement Plan for each such method: (a) National Competitive Bidding may be used subject to the provisions set forth in paragraph B.3 of this Section; (b) Shopping; and (c) Direct Contracting.
3. **Exceptions for the use of National Competitive Bidding referred to in paragraph B.2(a) of this Section.**

National Competitive Bidding for goods and works may be used subject to the following:

- (a) In accordance with paragraph 1.14(e) of the Procurement Guidelines, each bidding document and contract shall provide the following: (i) the bidders, suppliers, contractors and subcontractors shall, on request, permit the Association to inspect the accounts and records relating to the bid submission and performance of the contract, and shall have the said accounts and records audited by auditors appointed by the Association; and (ii) any deliberate and/or material violation of such provision by any bidder, supplier, contractor or subcontractor may amount to an obstructive practice provided for in paragraphs 1.14(a) and (v) of the Procurement Guidelines;
- (b) Common supplies like stationery and consumables will be aggregated and procured annually through framework contracts; and
- (c) There will be no: (i) negotiations with the best evaluated bidder for contracts procured using a competitive method; (ii) merit point system

for bid evaluation; (iii) prequalifying of bidders and inviting only a few on a rotational basis; (iv) domestic preference given to domestic suppliers and contractors except under the ICB; and (v) micro procurement as defined in the PPDA Act, except for contracts estimated to cost the equivalent of \$150 or less.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods of procurement, other than Quality and Cost-based Selection, may be used for consultants' services under the circumstances specified in the Procurement Plan for each such method: (a) Quality Based Selection; (b) Least Cost Selection; (c) Selection Based on Consultants' Qualifications; (d) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (e) Single Source Selection; and (f) Sole Source Procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

1. The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review.
2. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Works, Consultants' services, Training and Operating Costs for Parts A, B, C.1 and C.2 of the Project	6,180,000	100%
(2) Goods, Consultants' services, Training and Operating Costs for Part C.3 of the of the Project	420,000	100%
TOTAL AMOUNT	6,600,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is March 30, 2016.

Section V. Other Undertakings

1. The Recipient shall not later than 18 months after the effective Date, carry out and complete, in form and substance satisfactory to the Association, a joint study with other Project Countries, on public-private partnerships in laboratory and diagnostic services, including a strategy for scaling-up such partnerships, and thereafter, take such measures as shall have been agreed with the Association to implement the recommendations of said study.
2. The Recipient shall, not later than three months after the Effective Date, prepare and adopt, in form and substance satisfactory to the Association, an annual work plan for each public health laboratory supported under the Project, and thereafter, at all times during the implementation of the Project, review with the Association and thereafter update the said annual plan every 12 months, taking into account the views of the Association on the matter.
3. Without limitation upon the provisions of Section II.A.1 of this Schedule 2, the Recipient shall during the period of the Project, and under terms of reference satisfactory to the Association, regularly monitor the recurrent expenditures of all the laboratories financed out of the proceeds of the Credit, including the levels of

absorption of the personnel recruited to support such laboratories. To this end, and as part of the progress reports referred to in Section II.A.1 of this Schedule, the Recipient shall furnish reports, in form and substance satisfactory to the Association, on the status of such expenditures.

4. The Recipient shall during the period of implementation of the Project, prepare in form and substance satisfactory to the Association, and submit to the Association, six monthly internal audit reports. Each such internal audit shall cover a period of six months, and shall be furnished to the Association not later than forty-five days after the end of such period.
5. The Recipient shall, not later than three months after the Effective Date, recruit a laboratory infrastructure consultant with experience in tuberculosis and microbiology laboratory design in accordance with the provisions of Section III of this Schedule.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 15 and December 15 :	
commencing June 15, 2020 to and including December 15, 2029	1%
commencing June 15, 2030 to and including December 15, 2049	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX**Definitions**

1. “Annual Work Plan” means the work plan and budget for the Project prepared annually by the respective laboratories, and consolidated by the Health Sector Reform Secretariat (as hereinafter defined) and approved by the Association in accordance with Section I.B.3.1 of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
5. “East African Community” means the community established pursuant to the Treaty for the Establishment of the East African Community dated November 30, 1999.
6. “ECSA” means East, Central and Southern Africa Health Community established and operating pursuant to the Convention of the East, Central and Southern Africa Health Community dated November 22, 2002, (the Convention) and which entered into force and effect as at July 1, 1980, in accordance with Article 17 of the Convention.
7. “Environmental and Social Management Framework” or “ESMF” means the Environmental and Social Management Framework dated January 2010, adopted by the Recipient, giving details of a program of actions, measures and policies designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental and social impacts, or reduce such impacts to acceptable levels and including, *inter alia*, environmental guidelines for contractors, an environmental and social checklist, a generic environmental assessment, terms of reference for an environmental assessment, and an environmental and social management plan.
8. “Fiscal Year” means the fiscal year of the Recipient commencing on July 1 of each year and ending on June 30 of the following year.

9. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
10. “International Health Regulation” means the International Health Regulations 2005 (IHR 2005), adopted by the WHO member states (including the Recipient), to provide a legal framework for adoption by said member states to ensure maximum protection against the international spread of infectious diseases and to minimize restrictions on travel and trade.
11. “Kenya Financing Agreement” means the financing agreement entered into or to be entered into between the Republic of Kenya and the Association for the financing of certain activities related to the Project.
12. “MoH” means the Recipient’s Ministry of Health, and any successor thereto.
13. “Operating Costs” means the costs incurred by the MoH and ECSA on account of the implementation of the respective parts of the Project approved by the Association, and on the basis of the Annual Work Plans for such respective parts of the Project, including, rental services of office machines and equipment; operation and maintenance costs for vehicles, office supplies, consumables, travel costs, travel per diems, and accommodation, but excluding salaries of the Recipient’s officials and civil servants, and the employees of ECSA.
14. “Permanent Secretary” means the Permanent Secretary of the Ministry of Health.
15. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 25, 2010, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
17. “Project Countries” means collectively, the Recipient, the Republic of Kenya, the Republic of Rwanda, and the United Republic of Tanzania.
18. “Project Implementation Plan” means the Recipient’s plan, dated April 2010, and referred to in Section I.B.1.1 of Schedule 2 to this Agreement, containing or referring to detailed arrangements and procedures for implementation of the Project, including: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) monitoring, evaluation, and reporting; (v) procedures, measure and guidelines for environmental management and implementation of the ESMF and

the Waste Management Plan; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project , as such plan may be amended by the Recipient from time to time with the prior agreement of the Association.

19. “Rwanda Financing Agreement” means the financing agreement entered into or to be entered into between the Republic of Rwanda and the Association for the financing of certain activities related to the Project.
20. “Subsidiary Agreement” means the agreement referred to in Section 5.01(b) and to be concluded between the Recipient and ECSA pursuant to Section I.B.2.1 of Schedule 2 to this Agreement, as such agreement may be amended and/or supplemented from time to time with the prior written approval of the Association, and such terms includes all schedules to such agreement.
21. “Tanzania Financing Agreement” means the financing agreement entered into or to be entered into between the United Republic of Tanzania and the Association for the financing of certain activities related to the Project.
22. “Technical Working Group on Communicable Disease Control” means the committee referred to in Section I.A.1(b) of Schedule 2 to this Agreement.
23. “Training” means the costs associated with the training and workshops based on Annual Work Plan and Budget approved by the Association pursuant to Section I.B.3 of Schedule 2 to this Agreement, including travel and subsistence costs for training and workshops participants, costs associated with securing the services of trainers, rental of training facilities, preparation, reproduction, and acquisition of training materials, and other costs directly related to course preparation and implementation.
24. “Waste Management Plan” means the Recipient’s health waste management plan dated April 2010 adopted by the Recipient, setting forth the guidelines, procedures and measures for improvement of management of health care waste including, and disposal of such health waste.
25. “WHO” means the World Health Organization.