
LOAN NUMBER 96040-YF

Loan Agreement

(Serbia Noncommunicable Diseases Prevention and Control Project)

between

REPUBLIC OF SERBIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF SERBIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of seventy million seven hundred thousand Euro (*EUR70,700,000*), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower, through MoH, shall carry out the Project in accordance with

the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following, namely that the Borrower, through MoH, has adopted the POM in a manner satisfactory to the Bank.
- 4.02. The Effectiveness Deadline is the date one hundred eighty (180) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative who, *inter alia*, may agree to a modification of the provisions of this Agreement on behalf of the Borrower through an exchange of letters (unless otherwise determined by the Borrower and the Bank), is its Minister of Finance.

- 5.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's address is:

Ministry of Finance
20 Kneza Milosa St.
11000 Belgrade
Republic of Serbia; and

(b) the Borrower's Electronic Address is:

Facsimile:

(381-11) 3618-961

E-mail:

kabinet@mfin.gov.rs

- 5.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	npontara@worldbank.org

AGREED and signed in English as of the Signature Date.

REPUBLIC OF SERBIA

By

Siniša Mali

**Authorized
Representative**

Name: Siniša Mali

Title: First Deputy Prime Minister and Minister of Finance

Date: 06-Aug-2024

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By

Nicola Pontara

**Authorized
Representative**

Name: Nicola Pontara

Title: Country Manager

Date: 22-Jul-2024

SCHEDULE 1

Project Description

The objective of the Project is to improve the Borrower's health system effectiveness in addressing NCDs.

The Project consists of the following parts:

Part 1. Improving Provider Competence and Accountability

- 1.1 Strengthening PHC and Palliative Care capabilities for NCDs by, *inter alia*:
 - (a) providing Trainings to PHC staff for better screening, early detection, prevention and management of NCDs, as well as to address challenges related to domestic violence and mental health support;
 - (b) expanding the scope of services rendered by PHC staff;
 - (c) informing organizational changes in and between PHC facilities and regional hospitals;
 - (d) promoting the establishment of integrated teams of GPs and specialists for joint management of patients with NCDs;
 - (e) (i) establishing a national network of Prehospital Emergency Services facilities (distinct from the regular functioning of the PHC facilities); (ii) procuring equipment for said facilities; and (iii) providing Training to their staff; and
 - (f) providing Trainings to PHC staff to provide in-home Palliative Care and establishing mobile Palliative Care teams.
- 1.2 Supporting the Borrower's efforts to digitalize health care by, *inter alia*: (a) upgrading existing infrastructure in public PHC facilities to allow video calls from provider workstations; (b) establishing an online consultation system between healthcare professionals that allows for data sharing and data access services; and (c) informing revisions to the legal framework that governs the provision of public and private healthcare services.
- 1.3 Improving health financing for better accountability by, *inter alia*:
 - (a) further development of the payment model for PHC facilities and staff by:

- (i) piloting the expansion and provision of Performance-Based Payments for eligible PHC facilities (from the current model of only chosen doctors, to a model that includes the chosen doctors as well as the rest of PHC staff); and
- (ii) providing technical assistance to support the increase of the percentage of the Performance-Based Payment, from the current maximum level of eight percent of salary;
- (b) providing technical assistance to support the expansion of output-based and Performance-Based Payments for hospitals by: (i) increasing the variable part of the hospital budget; and (ii) implementing the upgraded DRGs System;
- (c) piloting and provision of Performance-Based Payments for eligible hospitals;
- (d) developing and implementing a payment model for Palliative Care; and
- (e) piloting a Global Budget as a payment model, for at least one year, and in at least seven (7) PHC centers.

Part 2. Increasing Availability of Services

- 2.1 Upgrading health infrastructure at the PHC level to enhance the capacity to screen, manage, and treat NCDs by, *inter alia*:
 - (a) Refurbishing PHC facilities, mainly located in rural and remote areas: (i) using environmentally friendly building materials; (ii) incorporating renewable energy sources; (iii) adopting energy efficiency standards; and (iv) implementing an adequate treatment of medical and communal waste and wastewater; and
 - (b) procuring equipment, *inter alia*, laboratory equipment, mobile clinics and ultrasound machines for PHC facilities.
- 2.2 Upgrading health infrastructure at the hospital level to, *inter alia*:
 - (a) strengthen the capacity to screen and treat cancer by procuring: (i) endoscopic equipment; (ii) MRI machines; and (iii) linear accelerators; and
 - (b) improve availability of services for populations typically overlooked in NCDs interventions by: (i) building and furnishing a specialized hospital, within the premises of the Bukovička banja Specialized Hospital for

Rehabilitation, for children suffering from diabetes; and (ii) converting selected health care facilities used to combat the COVID-19 pandemic into inpatient Palliative Care facilities, by investing in infrastructure, equipment, and Trainings.

- 2.3 Enhancing the MoH's capacity to effectively manage resources in real time by supporting the development and implementation of, *inter alia*: a (i) healthcare resources software system; and (ii) pharmaceutical products tracking system.

Part 3. Strengthening Quality of Public Health and Clinical Services

- 3.1 Improving the quality of NCD prevention by, *inter alia*:
- (a) supporting research using surveys, focus groups, and other means to identify key factors that influence risky behaviors and facilitate or hinder the participation of the population in preventive activities and screenings;
 - (b) conducting awareness raising campaigns to (i) promote a healthy lifestyle and prevent main risk factors of NCDs (e.g., smoking, obesity, hypertension); (ii) encourage screening examinations for the early diagnostic of cancer; (iii) inform the public about the availability of services related to gender-based violence; and (iv) strengthen health education and health literacy; and
 - (c) conducting Trainings and workshops to (i) educate representatives of local civil society organizations and the Roma health mediators regarding NCDs risk factors; and (ii) inform vulnerable population groups (e.g., persons with disabilities and victims of gender-based violence) about NCDs prevention and improve their digital skills to enable access to e-government health-related platforms.
- 3.2 Developing a comprehensive policy framework to tackle key NCDs (cancer, diabetes, and cardiovascular diseases) through (a) effective health promotion; (b) disease prevention; (c) early detection; (d) treatment; and (e) rehabilitation.
- 3.3 Developing national Good Clinical Practice Guidelines and provide training to health professionals in using said guidelines.
- 3.4 (a) Developing a software that, *inter alia*, integrates evidence-based clinical pathways into patients' electronic medical records; and (b) providing Trainings to health care professionals in using said software.
- 3.5 Supporting, at the national level, the revision and adoption (including through trainings) of a National Continuous Health Care Quality Improvement Plan.

- 3.6 Supporting, at the healthcare institutions level, the development and adoption (including through trainings) of an Integrated Plan for Quality Improvement.
- 3.7 Supporting the development of a comprehensive clinical protocol for the care and referral of gender-based violence victims to appropriate medical services.
- 3.8 Strengthening the IPHS's capacity by providing Training to its staff and enhancing the existing Quality Indicators Software System to, *inter alia*: (a) manage health data analytics; (b) perform dynamic and flexible reporting; (c) monitor health systems' performance; and (d) adopt decisions at the clinical and policy level.
- 3.9 Improving the quality of care for oncology patients by introducing the practice of centralized preparation of cytotoxic therapy based on the Good Pharmacy Practice Guidelines, though, *inter alia*: (a) procuring equipment; (b) developing software; (c) developing standard operation procedures; and (d) providing training in selected Tertiary Level Hospitals that are providing chemotherapy.

Part 4. Project Management, Monitoring and Evaluation

- 4.1 Providing support to the Project Coordination Unit ("PCU") for project management expenditures, including: (a) procurement; (b) financial management; (c) monitoring and evaluation; (d) reporting; (e) safeguards and technical oversight; (f) policy coordination; (g) Trainings; and (h) Operating Costs.
- 4.2 Conducting independent technical audits and the Project's independent financial audits.

Part 5. Contingency Emergency Response Component

Provision of support upon occurrence of an Eligible Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower, through MoH, shall:
 - (a) (i) not later than one (1) month after Effective Date, hire, within the PCU, a part time cyber/digital security specialist, a part time data protection specialist, one part-time environmental specialist and one part-time social and citizen engagement specialist; and (ii) maintain throughout Project implementation, a PCU with a structure, functions, and resources satisfactory to the Bank, and with competent staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Bank, as further set forth in the Project Operational Manual (“POM”), including: (i) PCU coordinator; (ii) financial management specialist; (iii) procurement specialist; (iv) a part time cyber/digital security specialist; (v) a part time data protection specialist; (vi) a part time environmental specialist; and (vii) a part time social and citizen engagement specialist.
 - (b) Carry out the day-to-day management and implementation of the Project, as well as overall responsibility regarding, *inter alia*, (i) fiduciary and financial management matters; (ii) procurement; (iii) environmental and social risk management; (iv) monitoring and evaluation aspects; and (v) reporting.
 - (c) Coordinate with the NHIF and the IPHS to ensure the successful implementation of Parts 1 and 3.
 - (d) Appoint, not later than one (1) month after the Effective Date, and thereafter maintain throughout the Project implementation period, an Advisory Board with composition, mandate and resources satisfactory to the Bank, to be chaired by a high-level MoH official, and comprised of representatives of the Borrower’s ministries and agencies relevant to the Project (such as MoH, NHIF, and IPHS), to be responsible for, *inter alia*, (i) implementation oversight; (ii) regular consultation among stakeholders; and (iii) prevention of and timely response to bottlenecks.
 - (e) Contract an external, independent private audit firm, acceptable to the Bank, with terms of reference acceptable to the Bank, no later than six (6) months after the Effective Date, which will be mandated to conduct an audit of the Project on an annual basis.

2. (a) Before carrying out any activities under Parts 1.3 (a) (i) and 1.3 (c) of the Project, the Borrower, through MoH, shall enter into an agreement with each eligible PHC facility and hospital (“Performance-Based Agreement”), under terms and conditions approved by the Bank, which shall include, *inter alia*, the eligible PHC facility and hospital’s obligation to carry out the activities under Parts 1.3 (a) (i) and 1.3 (c) of the Project in accordance with the provisions of this Agreement, the Project Operations Manual, the Anti-Corruption Guidelines and the ESCP.
- (b) The Borrower, through MoH, shall: (i) exercise its rights under each Performance-Based Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and (ii) shall not assign, amend, abrogate or waive the Performance-Based Agreements or any of its provisions, except as the Bank shall otherwise agree.

B. Project Operational Manual.

1. The Borrower, through MoH, shall carry out the Project in accordance with the provisions of the POM, in a manner and with contents acceptable to the Bank, including, *inter alia*:
 - (a) detailed description, sequencing and timetable of all Project activities and expenditure categories;
 - (b) roles and responsibilities of relevant actors;
 - (c) procurement and financial management procedures;
 - (d) eligibility criteria and selection procedures applicable to the PHC facilities and hospitals under Part 1.3(a) through (c) of Schedule 1 to this Agreement;
 - (e) eligibility criteria and selection procedures applicable to the health care facilities under Part 2.2.(b)(ii) of Schedule 1 to this Agreement that will be converted into inpatient Palliative Care facilities;
 - (f) eligibility criteria and selection procedures applicable to the PHC facilities under Part 1.3(e) of Schedule 1 to this Agreement, and Schedule 2, Section III.B.1.b(ii) to this Agreement;
 - (g) (i) minimum content of, and adoption mechanism for, the National Program for Prevention and Control of Diabetes and the National Program

for Prevention and Control of Cancer (including the content of the respective costed action plans); and (ii) minimum terms and conditions for successfully piloting the Global Budget as a payment model;

- (h) selection criteria and procedures, Verification Protocols and verification arrangements for the Performance-Based Payments;
 - (i) procedures for Project monitoring, supervision and evaluation, including the format and content of Project reports;
 - (j) internal control mechanisms to manage, control, and conduct oversight; and
 - (k) Personal Data protocols to be used under the Project, which shall be in accordance with international best practices.
2. Except as the Bank may otherwise agree in writing, the Borrower shall not abrogate, amend, suspend, waive, or otherwise fail to enforce the POM or any provision thereof.
3. In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

C. Environmental and Social Standards.

1. The Borrower, through MoH, shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower, through MoH, shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Borrower, through MoH, shall ensure that:
- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified

in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower, through MoH, shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Borrower, through MoH, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
6. The Borrower, through MoH, shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

D. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Contingent Emergency Response Part”), the Borrower shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part in accordance with the Borrower’s applicable legislation; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
 - (c) the Contingent Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Bank.
2. The Borrower shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Bank.
3. The Borrower shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in

accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and

- (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Emergency has occurred.

Section II. Project Monitoring Reporting and Evaluation

The Borrower shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay the Front-end Fee; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in EUR)	Percentage of Expenditures to be financed (inclusive of Taxes other than Value Added Tax and Customs Duties for works, goods and non-consulting services)
(1) Goods, works, non-consulting services, consulting services, Performance-Based Payments, Operating Costs, and Trainings for the Project (except Part 2.2(b))	60,154,000	100%

(2) Goods, works, non-consulting services, consulting services, Operating Costs, and Trainings for Part 2.2(b) of the Project	10,369,250	100%
(3) Emergency Expenditures	0	100%
(4) Front-end Fee	176,750	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
TOTAL AMOUNT	70,700,000	

For the purpose of this table, the custom duties and value added tax for the importation and supply of goods, works and non-consulting services, within the Borrower’s territory and for the purpose of the implementation of the Project, shall not be financed out of Loan proceeds. The Borrower confirms that the importation and supply of goods, works and non-consulting services, within the Borrower’s territory and for the purpose of the implementation of the Project, shall be exempted from customs duties and value added tax.

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date;
 - (b) under Category (2) unless and until the Borrower, through MoH, has:
 - (i) developed and adopted, to the Bank’s satisfaction and in accordance with the POM: (A) a National Program for Prevention and Control of Diabetes with a costed action plan; and (B) a National Program for Prevention and Control of Cancer with a costed action plan; and
 - (ii) piloted a Global Budget as a payment model, for at least one year, and in at least seven (7) PHC centers, in a manner satisfactory to the Bank and in accordance with the POM.
 - (c) under Category (3) unless and until all of the following conditions have been met in respect of said expenditures:

- (i) (A) the Borrower has determined that an Eligible Emergency has occurred, and has furnished to the Bank a request to withdraw Loan amounts under Category (3); and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
 - (ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.
- 2. The Closing Date is March 31, 2029.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each April 15 and October 15 Beginning April 15, 2027 through April 15, 2035	5.56%
On October 15, 2035	5.48%

APPENDIX

Definitions

1. “Advisory Board” means the body referred to in Schedule 2, Section I.A.1.(d) to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.
3. “Bukovička banja Specialized Hospital for Rehabilitation” means a hospital located in Bukovička banja, in Arandjelovac, that provides specialized physical medicine services, on an inpatient and outpatient basis, including, *inter alia*, (i) extended inpatient rehabilitation in the areas of rheumatology, respiratory diseases, injuries and diseases of skeletal system; and (iii) complete inpatient rehabilitation of children, including extended treatment, education and rehabilitation of children suffering from diabetes.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “CERC Manual” means the manual referred to in Section I.D.1 of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank.
6. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Emergency.
7. “DRGs system” means a statistical system that classifies any inpatient stay into groups for the purposes of hospital payments.
8. “Eligible Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.
9. “Emergency Action Plan” means the plan referred to in Section I.D.1 of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Emergency.
10. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.D.1(a) of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part, for which funds are to be allocated from other existing Categories, in the event of an Eligible Emergency, in

agreement with the Bank and subject to the requirements set forth in this Agreement and the CERC Manual.

11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated October 6, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
12. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
13. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, January 1, 2022, and July 15, 2023).
14. “Global Budget” means a funding model for the healthcare system that (i) provides a fixed amount of funding for one year for a specified population (rather than fixed rates for individual services or cases); (ii) represents a one-line budget (rather than a budget which breaks down the amount into specific line items, such as salaries, drugs, equipment, and maintenance); (iii) provides the applicable health care facility’s management with more flexibility to allocate resources without having to secure additional approvals; (iv) requires a precise method for specifying which patients are included and to which health care facility’s budget they are to be assigned; (v) limits the total amount of money spent on health care within the system; and (v) emphasizes the policy objective of cost containment.

15. “Good Clinical Practice Guidelines” means documents that provide guidance, based on the best available evidence, to support physicians, other health staff, but also patients, in making the best possible decisions related to the preservation of health, diagnostics, and treatment of diseases.
16. “Good Pharmacy Practice Guidelines” means a document with a set of standards that enable the provision of pharmaceutical services of appropriate quality to each user, with the aim of providing optimal evidence-based pharmaceutical health care.
17. “GP” means general practitioner; “GPs” means more than one general practitioner.
18. “Integrated Plan for Quality Improvement” means a document adopted at the level of each individual health care facility (for example, a PHC facility or a hospital), that lists and defines the various activities that facility undertakes, or is planning to undertake, to improve the quality of the health services it provides, such as quality indicators, patient satisfaction surveys, expert supervision, and use of Good Clinical Practice Guidelines.
19. “IPHS” means the Borrower’s Institute of Public Health of Serbia, or any legal successor thereto.
20. “MoF” means the Borrower’s Ministry of Finance, or any successor thereto.
21. “MoH” means the Borrower’s Ministry of Health, or any successor thereto.
22. “MRI” means magnetic resonance imaging.
23. “National Continuous Health Care Quality Improvement Plan” means a document setting forth objectives and activities to promote the sustainable improvement of the quality of care and patients’ safety in the Borrower’s health sector.
24. “National Program for Prevention and Control of Cancer” means a program document on prevention and control of all forms of cancer, at the national level, including the budget required to conduct the activities described therein for a defined three-year term.
25. “National Program for Prevention and Control of Diabetes” means a program document on prevention and control of diabetes at the national level, including the budget required to conduct the activities described therein for a defined three-year term.
26. “NCD” or “Noncommunicable Disease” means a chronic disease that results from a combination of genetic and behavioral factors, including cardiovascular diseases (such as heart attacks and stroke), cancer, chronic respiratory diseases (such as

chronic obstructive pulmonary disease and asthma) and diabetes; “NCDs” means more than one noncommunicable disease.

27. “NHIF” means the Borrower’s National Health Insurance Fund, or any legal successor thereto.
28. “Operating Costs” means reasonable incremental expenses, as shall have been approved by the Bank, incurred on account of implementation of the Project, including, *inter alia*, office supplies and other consumable goods, office rent, internet and communications costs, support for information systems, translation costs, bank charges, utilities, travel, transportation, per diem, accommodation costs (lodging), and other reasonable expenditures directly associated with the implementation of the Project, excluding consulting services and salaries of other officials of the Borrower’s civil service.
29. “Palliative Care” means an approach that relieves suffering and improves the quality of life of patients (adults and children) who are facing problems associated with life-threatening illness, while providing a degree of comfort to their families, by, *inter alia*, (i) early identification; (ii) correct assessment; and (iii) treatment of pain and other problems, whether physical, psychological or spiritual.
30. “PCU” means the Project Coordination Unit referred to in Section I.A.1(a) of Schedule 2 to this Agreement.
31. “Performance-Based Payment” means a temporary financial incentive to hospitals, physicians, and other health care providers for achieving performance indicators, as predefined by MoH in consultation with the Bank.
32. “Performance-Based Agreement” means the agreement referred to in Section I.A.2 of Schedule 2 to this Agreement; the “Performance-Based Agreements” means the plural thereof.
33. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.

34. “PHC” or “Primary Health Care” means provision of health services in the outpatient setting that include, *inter alia*:
- (i) protection and improvement of health, prevention and early detection of diseases (i.e., diagnostics, treatment, health care and rehabilitation of the sick and injured);
 - (ii) preventive health care of population groups exposed to an increased risk of disease and others health hazards;
 - (iii) health education and counseling for the preservation and improvement of health, including the improvement of reproductive health, as well as counseling in the field of early development and adolescence;
 - (iv) prevention, early detection and control of malignant diseases;
 - (v) prevention, detection and treatment of diseases of the mouth and teeth;
 - (vi) regular visits, treatment, health care and rehabilitation at home;
 - (vii) prevention and early detection of diseases, health care and rehabilitation for persons placed in social welfare institutions;
 - (viii) Prehospital Emergency Services;
 - (ix) pharmaceutical health care;
 - (x) rehabilitation of children with developmental disabilities and adults with disabilities;
 - (xi) protection of mental health; and
 - (xii) Palliative Care.
35. “POM” means Project Operational Manual.
36. “Prehospital Emergency Services” means emergency services, provided by the PHC level emergency teams, comprising medical doctors and nurses, prior to hospital treatment, to (i) stabilize patients suffering from serious illness and injuries; and (ii) transport patients to hospitals for treatment.
37. “Procurement Regulations” means, for purposes of paragraph 84 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
38. “QISS” or “Quality Indicators Software System” means software, managed by the IPHS, designed to collect, analyze, and present data related to the quality of health care services provided by the Borrower’s health facilities.
39. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
40. “Tertiary Level Hospitals” means hospitals that provide health services that include, *inter alia*, (i) the most complex measures and procedures of health care

and specialist-consultative and inpatient health activities; (ii) scientific research; (iii) educational activities; and (iv) hospital pharmacy.

41. “Trainings” means the reasonable costs, as shall have been approved by the Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, study tours and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants’ services).
42. “Verification Protocols” means the set of protocols agreed with the Bank, setting forth the actions and mechanisms required for verification of Performance-Based Payments, included in the POM, and as the same may be amended from time to time with the agreement of the Bank.