

CONFORMED COPY

CREDIT NUMBER 4154 ALB

Financing Agreement

(Health System Modernization Project)

between

ALBANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 22, 2006

CREDIT NUMBER 4154 ALB

FINANCING AGREEMENT

AGREEMENT dated April 22, 2006, between ALBANIA (“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 the Financing 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 ten million seven hundred thousand Special Drawing Rights (SDR 10,700,000) (“Credit”) 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 V 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 April 1 and October 1 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, through the Ministry of Health, shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.
- 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) (i) Subject to subparagraph (ii) of this paragraph, the right of the Recipient to withdraw the proceeds of the Co-financing Grant shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the Co-financing Grant Agreement.
 - (ii) Subparagraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Association that:
 - (A) such suspension, cancellation or termination is not caused by the failure of the Recipient to perform any of its obligations under the Co-financing Grant Agreement; and
 - (B) adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under the Co-financing Grant Agreement.
 - (b) The Recipient shall have failed to perform any of its obligations under the Co-financing Grant Agreement.
 - (c) The framework referenced in Section 5.01 (d) of this Agreement, or any part thereof, shall have been amended, suspended, abrogated, repealed or waived, so as to affect materially and adversely, in the opinion of the Association, the carrying out of the Project.
- 4.02. The Additional Events of Acceleration consist of the following, namely that any events specified in paragraphs (b) and (c) of Section 4.01 of this Agreement shall

occur and shall continue for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V - EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

- (a) The Co-financing Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of the Financing Agreement) have been fulfilled.
- (b) The Project Implementation Plan has been adopted by the Recipient.
- (c) The Operations Manual for the Small Grants Program has been adopted by the Recipient.
- (d) The Recipient has adopted a framework, acceptable to the Association, which facilitates: (i) the establishment of primary health care practices funded through Capitation-based contracts with the Health Insurance Institute; (ii) the registration of Beneficiaries with the Health Insurance Institute; and (iii) the enrollment of Beneficiaries with the Primary Health Care Provider of their choice.
- (e) The following departments and organizational units are in place and operational, and the following staff positions have been established and filled, with terms of reference approved by the Association: (i) the General Department for Policy and Planning for Health Services within the Ministry of Health; (ii) appropriate staff in charge of Project implementation within the Ministry of Health, including at least one staff responsible for day-to-day management of the Project, at least one staff in charge of financial management of the Project, and at least one staff responsible for procurement under the Project; (iii) a Monitoring and Evaluation Unit within the Ministry of Health with at least two staff; (iv) a Project Management and Policy Department within the Institute of Public Health with at least five staff; and (v) a Chair of Family Medicine within the Faculty of Medicine of the University of Tirana, with at least two staff.

5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI - REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Minister of Finance.

6.02. The Recipient's Address is:

Ministry of Finance
Bulevardi "Deshmoret e Kombit"
Tirana, Albania

Facsimile:

355 42 28494

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

248423 (MCI) or
64145 (MCI)

1-202-477-6391

Washington, D.C.

AGREED at Tirana, Albania, as of the day and year first above written.

ALBANIA

By /s/ Ridvan Bode

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Orsalia Kalantzopoulos

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are: (a) to improve the physical and financial access to, and use of, high quality primary health care services; (b) to improve the Recipient's capacity to formulate and implement health policies and reforms in the health sector; and (c) to improve hospital governance and management.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Association may agree upon from time to time to achieve such objectives:

Part A. Capacity Building in the Health Services Sector

Capacity building for the provision of health services within the Health Insurance Institute, the Ministry of Health, and the Institute of Public Health, including:

1. The development of payment and contracting methods and the dissemination of such methods to providers and recipients of health services, through the provision of equipment, consultants' services and training.
2. The development and monitoring of health policies and strategies for the Ministry of Health and the Project Management and Policy Department within the Institute of Public Health, through the provision of goods, consultants' services and training.
3. The establishment of health information systems and infrastructure, through the provision of goods and consultants' services.
4. The establishment of a system to monitor health care services, through the provision of goods and consultants' services.
5. The preparation of standards for licensing of health professionals and hospitals, through the provision of goods, consultants' services and training.
6. The development of capacity to conduct an assessment of medical equipment and technology, and the preparation of standards for medical equipment and for supporting hospital systems, through the provision goods, consultants' services and training.
7. The building of capacity within the Ministry of Health for Project implementation and administration, through the provision of consultants' services and training.

Part B. Improvement of Delivery of Primary Health Care Services

Implementation of institutional reforms and investments to improve the access to, and quality of, primary health care, including:

1. The facilitation of the registration and enrollment of the population to receive primary health care services, through the provision of Unit Costs as defined in Section V.A.3 (c) of Schedule 2 to this Agreement.
2. The building of practice management capacity at the primary care level, through the provision of goods, consultants' services and training.
3. The preparation and introduction of Clinical Guidelines, through the provision of goods and consultants' services.
4. The establishment of a system for continuing medical education, through the provision of consultants' services.
5. (a) The development of training programs for health practitioners, through the provision of consultants' services and training; and (b) the implementation of training programs for health practitioners, through the system of continuing medical education established under Part B.4. of this Schedule.
6. The provision of equipment for primary health care to Primary Health Care Providers.
7. The support of quality of care and continuum of care improvement initiatives through the provision of Small Grants.
8. The organization of public information campaigns to promote the registration and enrollment of Beneficiaries with Primary Health Care Providers through the provision of consultants' services and goods.

Part C. Improvement of Hospital Governance and Management

1. The strengthening of financial management, general management, and procurement capacity within hospitals, through the provision of training and consultants' services.
2. The development of a regulatory framework, including by-laws and regulations, to facilitate the change of status of hospitals to autonomous public entities, and the development of a hospital rationalization strategy, through, the provision of consultants' services.

3. The testing of a model for hospital autonomy on a pilot basis, through the provision of consultants' services and training.

SCHEDULE 2

Project Execution

Section I. Institutional Arrangements

The Recipient shall carry out the Project in accordance with the following coordination mechanisms:

1. The Deputy Minister of Health within the MoH shall be responsible for overall implementation and management of the Project, including the management of policy issues, resource mobilization, and donor coordination.
2. The Director of the Economics Department within the MoH shall be responsible for day-to-day Project management. Staff within the Economics Department of the MoH shall be responsible for financial management and procurement.
3. Three Working Groups shall oversee the technical implementation issues relating to: (i) health financing; (ii) health quality improvement; and (iii) hospital governance and management. Each Working Group shall be composed by representatives of the MoH, the Health Insurance Institute, the Institute for Public Health, and other stakeholders. The Working Groups shall be responsible for the coordination and technical management of the Project activities.
4. During implementation of the Project, the following entities shall become responsible for planning and implementation of the reforms and policies initiated by the Project: (i) the Monitoring and Evaluation Unit within the Ministry of Health; (ii) the General Department for Policy and Planning for Health Services within the Ministry of Health; (iii) the Project Management and Policy Department within the Institute of Public Health; (iv) the Department for Medical and Pharmaceutical Monitoring within the Health Insurance Institute; and (v) the Chair of Family Medicine within the Faculty of Medicine of the University of Tirana.
5. The Recipient, through the MoH, shall ensure that, during the entire life of the Project, the departments, Working Groups and the units and staff positions for the management and implementation of the Project referenced in sub-sections 1 through 4 of this Section are operational, adequately filled, and maintained, under terms of reference acceptable to the Association.

Section II. Implementation Covenants

1. The Recipient shall carry out the obligations in accordance with the Project Implementation Plan and with the Operations Manual for the Small Grants Program, and shall not amend, suspend, abrogate, repeal or waive any provision of the Project

Implementation Plan or the Operations Manual for the Small Grants Program without prior approval of the Association.

2. The Recipient, through the MoH, shall:

(a) not later than October 31 of each year during the implementation of the Project, starting October 31, 2006, submit to the Association for review and approval an Annual Work Program for the following calendar year, and shall agree with the Association on steps to be taken in the following calendar year; and

(b) not later than October 31 of each year during the implementation of the Project, starting October 31, 2006, submit to the Association for review and approval a report on the performance of the health sector in the preceding calendar year, and jointly undertake with the Association the identification of specific actions needed to address problem areas in the health sector.

Section III. Project Monitoring, Reporting, 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 agreed with the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

2. Without limitation on the provisions in paragraph 1 of this Sub-section, the Recipient shall:

(a) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about March 31, 2008, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (1) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(b) review with the Association, by April 30, 2008, or such later date as the Association shall determine, the report referred to in paragraph (a) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter, including the possibility that the Project be restructured on the basis of a Sector-Wide Approach (SWAp) for the Recipient's health sector.

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 not later than one (1) month after the end of each calendar quarter, interim un-audited 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 (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Project was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section IV. Procurement

A. General

1. **Goods.** All goods 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 Schedule.
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 Schedule.
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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods. The Procurement Plan shall specify the circumstances under which such methods may be used:

<u>Procurement Method</u>
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting

3. **National Competitive Bidding - Improvement of Bidding Procedures.** In order to ensure economy, efficiency, transparency and broad consistency with the provision of Section I of the Procurement Guidelines, the Recipient's National Competitive Bidding Procedures shall be improved as follows:

- (i) invitations to bid shall be advertised locally in regional newspapers and in at least two national newspapers with wide circulation, at least thirty (30) days prior to the deadline for the submission of bids;
- (ii) foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders in the bidding process. Government-owned enterprises in Albania shall be permitted to bid only if they are legally and financially autonomous and operate under commercial law of the Borrower;
- (iii) bidding shall not be restricted to pre-registered firms;
- (iv) procuring entities should use the bidding documents approved by the Association prior to their issue to bidders;
- (v) bids shall be opened in public in one location, immediately after the deadline for submission of bids in the presence of the representatives of the bidders;
- (vi) in case of higher bid prices compared to the official estimate, all bids may be rejected with the prior concurrence of the Association;
- (vii) in case of less than three (3) responsive bids, all bids may be rejected and new bids may be solicited without prior concurrence of the Association;

- (viii) a single-envelope procedure shall be used for the submission of bids;
- (ix) post-qualification shall be conducted only on the lowest evaluated bidder; no bid shall be rejected at the time of bid opening on qualification grounds;
- (x) bidders who contract as a joint venture shall be held jointly and severally liable;
- (xi) bidders may be required to submit bid securities in an amount appropriate to the estimated value of the contract and in a form acceptable to the Borrower;
- (xii) before rejecting all bids and soliciting new bids, the prior concurrence of the Association shall be obtained;
- (xiii) contracts shall be awarded to the lowest evaluated, substantially responsive bidder who is determined to be qualified to perform in accordance with pre-defined and pre-disclosed evaluation criteria;
- (xiv) post-bidding negotiations shall not be allowed with the lowest evaluated or any other bidders; and
- (xv) contracts of long duration (more than eighteen (18) months) shall contain appropriate price adjustment provisions.

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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Least Cost Selection
(b) Selection Based on Consultants' Qualification
(c) Individual Consultants
(d) Single Source Selection

D. Review by the Bank of Procurement Decisions

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

Section V. 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, the provisions of this Section, and such additional instructions as the Bank may specify by notice to the Recipient, 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 Credit 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
(1) Goods, other than goods under Parts A.3 and B.6 of the Project	1,120,000	85%
(2) Goods under Part A.3 of the Project	1,950,000	85%
(3) Goods under Part B.6 of the Project	2,190,000	85%

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed
(4) Consultants' services	1,700,000	100%
(5) Training	670,000	100%
(6) Unit Costs under Part B.1 of the Project	1,690,000	75%
(7) Small Grants under Part B.7 of the Project	340,000	100%
(8) Incremental Operating Costs	440,000	100%
(9) Unallocated	<u>600,000</u>	
TOTAL AMOUNT	<u>10,700,000</u>	

3. For the purpose of this Schedule:

(a) the term "Training" means expenses incurred by the Recipient in connection with carrying out training activities, study tours and workshops under the Project, including travel costs and per diem for local trainees, trainers and workshop attendees, rental of facilities and equipment and training materials and related supplies;

(b) the term "Incremental Operating Costs" means reasonable and necessary incremental expenditures, as approved by the Association, which would not have been incurred absent the project and include, *inter alia*, costs with respect to: (i) maintenance and operation of equipment procured or used for the management of the Project; (ii) salaries paid to staff hired for purposes of the Project, other than civil servants' salaries; (iii) travel costs and per diems paid to staff hired for purposes of the project; and (iv) consumable office supplies; and

(c) the term "Unit Costs" means the cost for the registration of Beneficiaries with the HII and for the subsequent enrollment of those Beneficiaries with the Primary Health Care Providers as determined and adjusted periodically by the Association.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:

(a) for payments made prior to the date of this Agreement.

(b) for Eligible Expenditures under Category (2) set forth in the table in Part A.2 of this Section until a written agreement on methods of payment of Primary Health Care Providers, satisfactory to the Association, has been reached between the MoH and the HII.

(c) for Eligible Expenditures under Category (3) set forth in the table in Part A.2 of this Section until the Clinical Guidelines have been approved by the MoH and the HII and the training programs for health practitioners referenced in Part B.5 (a) of Schedule 1 to this Agreement have been developed; and

(d) for payments under Category (6) set forth in the table in Part A.2 of this Section until the Unit Costs have been determined in a manner satisfactory to the Association.

2. The Closing Date is September 30, 2010.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 and October 1:	
commencing April 1, 2016 to and including October 1, 2025	5%

* 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 Program” means the annual plan of activities supported by the Project to be carried out in each calendar year, as prepared by the Recipient and agreed between the Recipient and the Association pursuant to Section II.2 (a) of Schedule 2 to this Agreement.
2. “Beneficiaries” means individual citizens or residents of Albania who are legally entitled to receive health care services financed by the Health Insurance Institute, as defined below.
3. “Capitation-based” means payments to family physicians and general practitioners as a fixed amount per month for each patient enrolled and adjusted in consideration of factors such as age and gender.
4. “Category” means a category set forth in the table in Section V of Schedule 2 to this Agreement.
5. “Chair of Family Medicine within the Faculty of Medicine of the University of Tirana” means the organizational unit within the Faculty of Medicine of the University of Tirana responsible for family medicine training and retraining, appointed by the Dean of the Faculty of Medicine of the University of Tirana, and any successor thereof.
6. “Clinical Guidelines” means systematically developed statements to assist practitioners and patients to take decisions about appropriate health care in specific circumstances.
7. “Co-financier” means the Government of Japan.
8. “Co-financing Grant” means an amount of \$1.61 million to be contracted between the Recipient and the Association, acting as an administrator for the Government of Japan, to assist in financing the Project.
9. “Co-financing Grant Agreement” means the agreement to be entered into between the Recipient and the Association, as an administrator of the funds provided by the Government of Japan for the Co-financing Grant.
10. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
11. “Dollars” and “\$” mean United States Dollars.

12. “Economics Department within the MoH” means the Department within the MoH responsible for the financial forecasting, budget development and expenditure monitoring in the MoH, as well as for procurement related activities.
13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
14. “General Department for Policy and Planning for Health Services” means the department within the Ministry of Health responsible for the development of health care policy and for planning of implementation of the policy, referenced in Section 5.01 (e) of this Agreement.
15. “Health Insurance Institute” or “HII” means the *Instituti I Sigurimeve Shendetesore*, established pursuant to Law No. 7870 of October 13, 1994.
16. “Institute of Public Health” means the *Instituti i Shendetit Publik*, established pursuant to the *Decision by the Council of Ministers No. 19 of April 22, 1968*.
17. “Ministry of Health” or “MoH” means the Ministry of Health of the Recipient and includes any successor thereto.
18. “Monitoring and Evaluation Unit” means the unit within the Ministry of Health responsible for the monitoring of health care activities and the evaluation of the efficiency and effectiveness of these activities to support the policy development process, established in 2003, and referenced in Section 5.01 (e) of this Agreement.
19. “Operations Manual for the Small Grants Program” means the document referred to in Section 5.01 (c) of this Agreement, satisfactory to the Association, setting out the operational and administrative procedures for the provision of Small Grants to health providers under Part B.7 of the Project, including eligibility criteria, and selection and procurement procedures, as the same may be amended from time to time by agreement between the Association and the Recipient.
20. “Primary Health Care Providers” means individual or groups of family physicians who are providing primary health care services to patients who are enrolled with them, and who have signed contracts with the Health Insurance Institute in respect of these services.
21. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
22. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 6, 2006, 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.

23. “Project Implementation Plan” or “PIP” means the document referred to in Section 5.01(b) of this Agreement, satisfactory to the Association, setting out the procedures governing the administrative, procurement, accounting, financial management and monitoring and evaluation arrangements for the Project, as the same may be amended from time to time by agreement between the Association and the Recipient.

24. “Project Management and Policy Department” means the department within the Institute of Public Health responsible for the development of policies in the area of health, including surveillance, health promotion and prevention activities for diseases, established in 2002, and referred to in Section 5.01 (e) of this Agreement.

25. “Small Grants” means the financing of quality of care and continuum of care improvement initiatives under Part B.7 of the Project in accordance with the procedures set forth in the Operations Manual for the Small Grants Program.

26. “Working Groups” means the committees appointed by the Minister of Health in each of three key subject areas -- (i) health financing, (ii) health quality, and (iii) hospital governance and management -- with broad representation from affected stakeholders, responsible for the coordination and technical management of the Project activities, especially regarding the linkages with stakeholders outside the respective Working Groups. The Working Groups shall individually be referred to as “Working Group.”