

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4721-WS

Financing Agreement

(Additional Financing for the
Health Sector Management Program Support Project)

between

INDEPENDENT STATE OF SAMOA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 20, 2010

Public Disclosure Authorized



FINANCING AGREEMENT

AGREEMENT dated May 20, 2010, entered into between INDEPENDENT STATE OF SAMOA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement). 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, in the Original Financing Agreement, 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 two million Special Drawing Rights (SDR 2,000,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 January 1 and July 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 and the Program. To this end, the Recipient shall carry out the Project through MOH 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 Event of Suspension consists of the following, namely, a situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.
- 4.02. The Additional Event of Acceleration consists of the following, namely, the event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.02. 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 (20) years 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
Private Bag
Apia, Independent State of Samoa

Cable:	Facsimile:
FINSEC	685-21312
Apia	685-24779

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)	1-202-477-6391
Washington, D.C.		

AGREED at District of Columbia, United States of America, as of the day and year first above written.

INDEPENDENT STATE OF SAMOA

By/s/ Aliioaiga Feturi Elisaia

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By/s/ Ferid Belhaj

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to improve the Recipient's effectiveness in managing and implementing the Program based on the use of results from sector performance monitoring.

The Project consists of the Original Project, subject to such modifications thereof as the Recipient and the Association may agree upon from time to time to achieve the objective of the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

1. The implementation arrangements described in Section I of Schedule 2 to the Original Financing Agreement are hereby incorporated by reference in this Section I and shall apply, *mutatis mutandis*, to the Project.
2. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

The Project monitoring, reporting and evaluation arrangements described in Section II of Schedule 2 to the Original Financing Agreement are hereby incorporated by reference in this Section II and shall apply, *mutatis mutandis*, to the Project.

Section III. Procurement

The procurement arrangements described in Section III of Schedule 2 to the Original Financing Agreement are hereby incorporated by reference in this Section III and shall apply, *mutatis mutandis*, to the Project.

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 Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (exclusive of Taxes)
(1) Goods, works, consultants' services, Sub-Grants, Training, and Incremental Operating Costs	2,000,000	100%
TOTAL AMOUNT	2,000,000	

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) under Category (1) unless such amount shall have been approved for financing of goods, works, consultants' services, Sub-Grants, Training and Incremental Operating Costs at the March Health Summit; and
 - (c) for payments made for goods, works or services supplied under a contract which any national or international financing institution or agency shall have financed or agreed to finance under any other credit or grant.
2. The Closing Date is December 31, 2013.

Section V. Other Undertakings

1. The undertakings stipulated in Section V of Schedule 2 to the Original Financing Agreement are hereby incorporated by reference in this Section V and shall apply, *mutatis mutandis*, to the Project.
2. The Recipient shall continue to engage the services of a short-term international procurement advisor during periods of heavy workload to support the SWAp Coordination Unit and shall engage the services of an implementation advisor, in accordance with the Procurement Plan.

**ANNEX
to
SCHEDULE 2**

Additional Procedures for National Competitive Bidding

The Annex to Schedule 2 to the Original Financing Agreement is hereby incorporated by reference in this Annex and shall apply, *mutatis mutandis*, to this Agreement.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each January 1 and July 1:	
commencing July 1, 2020 to and including January 1, 2030	1%
commencing July 1, 2030 to and including January 1, 2050	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. “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.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “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.
4. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
5. “Original Financing Agreement” means the financing agreement for a Health Sector Management Program Support Project between the Recipient and the Association, dated July 23, 2008, as amended to the date of this Agreement (Credit No. 4432-WS).
6. “Original Project” means the Project described in the Original Financing Agreement.
7. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
8. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 22, 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.
9. “Program” means the Recipient’s Health Sector Plan 2008-2018 which sets out the Recipient’s strategy for the health sector with the goal of regulating and providing quality, accountable and sustainable health services through people working in partnership.
10. “Program Operational Manual” means the Recipient’s operational manual prepared and adopted by the Recipient, dated September 15, 2008, setting forth the procedures governing the operation of the Project, as the same may be amended from time to time in accordance with the provisions of Section I.B.2 of

Schedule 2 to the Original Financing Agreement, and such term includes any schedules to the Program Operational Manual, provided however, that in the event of a conflict between this Agreement and the Program Operational Manual, the provisions of this Agreement shall prevail.

11. “Sub-Grants” means grants made available by the Recipient to finance the cost of goods, works, and services for Sub-Grant Activities under Part 1(i) of the Original Project.
12. “Sub-Grant Activity” means a health promotion activity consistent with priorities set out in the Program to be carried out by a community-based organization or other appropriate provider which meets the eligibility criteria set out in the Program Operational Manual to receive financing in the form of Sub-Grants under the Project.
13. “Training” means Project-related training courses, study tours, attachments, seminars, workshops and other training activities not included under goods or service providers’ contracts, including training costs, travel and per diem costs of trainees and trainers, undertaken by implementing agencies and organizations involved in the implementation of the Project.