

CONFORMED COPY

GRANT NUMBER H638-ZR

Financing Agreement

(Additional Financing For Health Sector Rehabilitation Support Project)

between

DEMOCRATIC REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated February 2, 2011

FINANCING AGREEMENT

Agreement dated February 2, 2011, entered into between DEMOCRATIC REPUBLIC OF CONGO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to Parts B, C.1, C.4, C.5 and D of 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 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 grant in an amount equivalent to fifty million nine hundred thousand Special Drawing Rights (SDR 50,900,000)¹ (“Grant” or “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 Payment Dates are April 1 and October 1 in each year.
- 2.05. The Payment Currency is Dollar.

¹ Amount equivalent to \$80 million based on the exchange rate of the last day of the month preceding negotiations.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Parts B, C.1, C.4, C.5 and D of the Project through the Ministry of Health (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 Events of Suspension consist of the following, namely, that any text governing the operations of MOH or any other entity involved in the implementation of the Project shall have been amended, suspended, abrogated, repealed or waived so as to materially and adversely affect the implementation of the Project.

ARTICLE V — EFFECTIVENESS; 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 years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Recipient's minister in charge of finance.

6.02. The Recipient's Address is:

Minister of Finance
Ministry of Finance
BP 12997
Kinshasa I
Democratic Republic of Congo

Facsimile:

243 880 23 81

6.03. The Association's Address is:

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

Cable:

INDEVAS
Washington, D.C.

Telex:

248423 (MCI)

Facsimile:

1-202-477-6391

AGREED at Kinshasa, Democratic Republic of Congo, as of the day and year first above written.

DEMOCRATIC REPUBLIC OF CONGO

By //s// Marie-Francoise Marie-Nelly

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By //s// Matata Ponyo Mapon

Authorized Representative

SCHEDULE 1

Description of the Project

The objective of the Project is to ensure that the target population in Project Health Zones has access to, and uses a well defined package of quality essential health services (EHS).

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: **Expand Access to, and Utilization, of EHS**

Support the provision of quality essential health services in Project Health Zones, through the financing of Work Plans to be implemented by Implementing Support Partners under PPC, by:

1. Making EHS available;
2. Improving usage of essential health services in (a) terms of costs by: (i) reducing financial barriers to utilization of the health system whilst ensuring that Implementing Support Partners and local health administrations use consultation fees and drug policies most appropriate to their situations; (ii) improving financial management, transparency and accountability at the facility and Health Zone levels; (iii) creating exemption programs for the poorest; and (iv) eliminating the taxation of lower levels in the system by intermediary levels; and (b) terms of the quality of the delivery of service by enhancing the competency of health personnel.
3. Developing the health system by:
 - (a) (i) providing technical support and training to Health Zone health management teams in the areas of program coordination, financial and personnel management and monitoring and evaluation; and (ii) improving the technical capacity of front-line health workers like CHWs and health facility personnel in the areas of the service packages to be offered under the Project;
 - (b) enhancing the public-private partnership of private non-profit service providers and the Recipient through PPCs that will encourage the improvement of services and the transfer of resources and technical expertise.

Part B: Malaria Control Program

Support the Recipient's National Roll Back Malaria Strategic Plan by among others:

1. (a) Financing and distribution of drugs and insecticide-treated nets; (b) carrying out rapid diagnostic tests; and (c) carrying out community communication strategies and training of health workers in the Health Zones;
2. Carrying out operational research and providing technical assistance to the MOH and the Implementing Support Partners in the implementation of the malaria related activities of the Project.

Part C: Strengthen MOH's Capacity

1. Strengthen MOH's stewardship and supervisory functions and improve its capacity to carry out monitoring and evaluation activities with the technical assistance of among others by EEA that will include the dissemination of findings, lessons and best practices in order to build a constructive relationship between the MOH and its contracting partners.
2. Strengthen the capacity of PMI and DMI in the fields of planning, coordination and supervision, monitoring and evaluation, budgeting and financial management and personnel management, all through the provision of goods, technical assistance and operating costs at the District and Provincial levels and remuneration of said PMI and DMI.
3. Strengthen the capacities of the Recipient in the fields of: (a) public health budget preparation and execution in collaboration with the Recipient's Ministries of Budget and Finance; and (b) human resources management by assisting in the development and execution of a national human resource strategy.
4. Support operational research to better inform strategic interventions in the health sector.
5. Strengthen MOH's capacity to improve the Recipient's health systems through among others, delivering training and refresher courses for health care providers and carry out the National Malaria Control Program.

Part D: Project Management

Ensure Project execution, coordination and supervision including: (a) the dissemination of results; and (b) procurement, financial management, and monitoring and evaluation activities under the Project; all through the provision of technical advisory services, the acquisition of equipment and vehicles and the financing of operating costs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall, through the MOH:
 - (a) maintain within the Office of the Secretary General of the MOH, a PCU with functions, resources and staff, including inter alia, a Project Coordinator and a small financial management team, satisfactory to the Association and in accordance with guidelines set out in the PIM; and
 - (b) ensure that the PCU carries out the procurement, accounting, financial management and disbursement activities under Parts B, C.1, C.4, C.5 and D of the Project under terms and conditions satisfactory to the Association, including: (i) support the coordination of activities between MOH, Implementing Support Partners and other agencies or stakeholders involved in implementation and workshops and training activities for Parts B, C.1, C.4, C.5 and D of the Project; (ii) carry out overall monitoring of the activities under Parts B, C.1, C.3, C.4 and D of the Project, including the implementation of PPCs and the IPPF and MWMNP by Implementing Support Partners; (iii) carry out overall implementation and supervision of all aspects of financial management, accounting and auditing of Parts B, C.1, C.4, C.5 and D of the Project, including: (A) maintaining PCU expenditure accounts, approving payments to be made to the Implementing Support Partners, the EEA and other implementing agencies; (B) collecting and consolidating all financial statements (budget, annual accounts and audit reports) under Parts B, C.1, C.4, C.5 and D of the Project; (C) carrying out overall supervision of all monitoring and evaluation activities; (D) submitting financial and audit reports, as required, to the Association; and (E) ensuring the review of all expenditures ex-post by its internal audit unit.
2. Implementing Support Partner Approval Procedures and Eligibility Criteria
 - (a) Prior to any financing of activities under Part B.1 (a) and (b), the MOH shall enter into a PPC with the selected Implementing Support Partner under terms and conditions satisfactory to the Association and defined in the Project Manuals; which shall include, *inter alia*, the following:
 - (i) (A) a description of the functions to be undertaken by such Implementing Support Partner which are eligible for financing and

within the implementation period of the Project; (B) dated objectives to be attained and performance indicators; (C) financial and procurement methods to be used to procure goods and services under the activities to be carried out under the PPC; and (D) a description of a plan for the distribution of insecticide-treated nets and implementation strategy for the MWMNP and IPPF for Parts B.1 (a) and (b) of the Project by the Implementing Support Partner;

- (ii) the obligation of the Implementing Support Partner to carry out the activities in accordance with the Project Manuals with due diligence and efficiency and in accordance with sound technical, financial, environmental, public health, managerial and the Anti-Corruption Guidelines and the MWMNP and IPPF, under the supervision of qualified and experienced management assisted by competent staff in adequate numbers; and, to maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the activities to be carried out;
- (iii) the obligation of the Implementing Support Partner to evidence that it has the legal capacity to contract under the laws of the Recipient; has proven experience in comparable activities in the territory of the Recipient and experience in carrying out the procurement of goods and services; has opened a bank account in a commercial bank and established a financial management system satisfactory to the Association;
- (iv) the obligation of the Implementing Support Partner to take out and maintain with responsible insurers insurance against such risks and in such amounts as shall be consistent with appropriate practice;
- (v) the requirement that the goods and services to be financed from the proceeds of the Grant be procured in compliance with Section III of Schedule 2 to this Agreement and be used exclusively in carrying out the activities under the PPC;
- (vi) the right of the Recipient to inspect by itself, or jointly with the Association, if the Association shall so request, the goods, sites or plants included in the PPC, the operations thereof and any relevant records and documents;
- (vii) the right of the Recipient to obtain all information as the Association shall reasonably request regarding the administration, operation and financial management of the activities under the PPC;
- (viii) the right of the Recipient, as the case may be, to suspend or terminate the right of any Implementing Support Partner to use or to benefit from the use of the proceeds of the Grant allocated to the

PPC, upon failure by the Implementing Support Partner to perform any of its obligations under the PPC;

- (ix) the right to receive from the Implementing Support Partner quarterly (or any other period agreed upon by the Association) financial and operational progress reports reflecting, *inter alia*, the PPC's performance indicators, and a final report upon completion of the PPC; and
 - (x) notwithstanding, the provisions of subparagraph (a) (v) of this paragraph 3, a bonus based on performance shall be awarded to any Implementing Support Partner that meets the criteria set forth for such an award in the Project Manuals.
- (b) Notwithstanding the above, PPCs may include activities that require the PCU to centrally purchase selected goods on behalf of the Implementing Support Partner, including drugs and medical consumables, medical equipment and furniture, all in accordance with the PIM and Section III of Schedule 2 to this Agreement.

B. Anti-Corruption

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

C. Manuals

1. Except as the Association shall otherwise agree, the Recipient shall carry out the Project in accordance with the PIM, including the PAFAM, and except as the Association shall otherwise agree, not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision of either one thereof, without the prior written agreement of the Association.
2. In the event of any conflict between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

D. Safeguards.

1. The Recipient shall carry out the Project or cause such portions to be carried out (including any activity proposed to be included in a Work Plan), in accordance with the provisions of the Indigenous Peoples Planning Framework (IPPF) and the Medical Waste Management National Plan (MWMNP), and, except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, any provision of the aforementioned.
3. In the event of any conflict between the provisions of the IPPF or the MWMNP and those of this Agreement, the provisions of this Agreement shall prevail.

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 the indicators acceptable to the Association indicated below. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than [one month] after the end of the period covered by such report.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six months after the Closing Date.

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.** 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 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

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 and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<u>Procurement Method</u>
(a) Limited International Bidding
(b) National Competitive Bidding
(c) Shopping
(d) Direct Contracting
(e) Procurement from United Nations Agencies

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.

<u>Procurement Method</u>
(a) Consultant Qualification
(b) Least Cost Selection
(c) Individual Consultant
(d) Single-Source Selection (SSS)

D. Review by the Association 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. All ToRs regardless of contract cost estimate shall be subject to Prior 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 Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
1) Goods and services under Part B of the Project	46,600,000	100%
2) Consultant Services and Training under Parts C1, C4 and C5 of the project	3,050,000	100%
3) Goods, consultant services and Operating costs under Part D of the Project	1,250,000	100%
TOTAL AMOUNT	50,900,000	

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 June 30, 2013.

Section V. Other undertakings

1. The Recipient shall ensure that by not later than one month after Effective Date, the existing PPC with Implementing Support Partners shall have been updated, under terms satisfactory to the Association, to reflect the requirements under Section I.A.2 of Schedule 2 to this Agreement.
2. The Recipient shall ensure that by not later than two months after Effective Date, the existing accounting software shall have been upgraded to a multi-projects version and the users shall have been trained in its use.
3. The Recipient shall ensure that by not later than one month after Effective Date, the PIM [and the PAPAM] including the Anti-Corruption Plan, shall be updated, under terms satisfactory to the Association.
4. The Recipient shall by not later than February 25, 2011 adopt the IPPF in form and substance satisfactory to the Association and carry out an audit on terms satisfactory to the Association on the distribution to date of insecticide-treated nets under the Project to indigenous population [as well as civil works constructions carried out under the Original Financing] and promptly take thereafter any remedial action if deemed necessary.
5. The Recipient shall ensure that by no later than one month after the Effective Date, the terms of reference and contract of the current internal auditor, shall be updated and extended to reflect the Project.
6. The Recipient shall ensure that by no later than one month after the Effective Date, the terms of reference of the external auditors, shall be updated to reflect the Project.

Section VI. Amendment to the Original Financing Agreement

1. The following provisions of the Original Financing Agreement are hereby modified to read as follows:
 - (a) The definition in Section 1.02 (e) of the Original Financing Agreement is modified to read as follows:

“(e) “EHS” means Essential Health Services, a package of essential health services defined by MOH (as hereinafter defined) which includes, *inter alia*: (i) the integrated management of childhood diseases as defined in the IMCI (as hereinafter defined); (ii) maternal interventions including emergency obstetrical assistance and family planning services; and (iii) interventions to address HIV/AIDS, tuberculosis, malaria, and other priority diseases, such as onchocerciasis in endemic areas, including through the carrying out of minor rehabilitation works;”

(b) The definition in Section 1.02 (t) of the Original Financing Agreement is modified to read as follows:

“(t) “Project Health Zones” means the Health Zones in the Provinces of Bandundu, Equateur, Maniema, Katanga, Kinshasa, North Kivu and South Kivu in the Recipient’s territory selected by the MOH in a letter dated April 14, 2005 as updated for purposes of implementation of the Project and in other area in the Recipient’s territory to be agreed between the Association and the Recipient.”

2. The following new definitions are added in Section 1.02 of the Original Financing Agreement as follows:

“(cc) “National Malaria Control Program” means _the specialized program created in July 1998 under the authority of the Ministry of Health whose main responsibilities are to implement the National Malaria Control Strategy and to coordinate the nation’s malaria control efforts among different Ministries, international and national partners.”

“(dd) “IPPF” means the document to be adopted by the Recipient and disclosed by not later than February 25, 2011, giving details of a program of actions, measures and policies designed to be implemented for indigenous minorities in order to protect them and to ensure that members of said minorities be granted equal legal, financial and organizational opportunities under the Project.”

3. The Preamble in Schedule 2 of the Original Financing Agreement is amended to read as follows:

“The objective of the Project is to ensure that the target population in Project Health Zones has access to, and use a well defined package of quality essential health services (EHS).”

4. The Closing Date in Section 2.03 of the Original Financing Agreement is extended to June 30, 2013.
5. The description of activities in Schedule 2 of the original Financing Agreement is amended to read as follows:

“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: Expand Access to, and Utilization, of EHS

Support the provision of quality essential health services in Project Health Zones, through the financing of Work Plans to be implemented by Implementing Support Partners under PPC, by:

1. Making EHS available;
2. Improving usage of essential health services in (a) terms of costs by: (i) reducing financial barriers to utilization of the health system whilst ensuring that Implementing Support Partners and local health administrations use consultation fees and drug policies most appropriate to their situations; (ii) improving financial management, transparency and accountability at the facility and Health Zone levels; (iii) creating exemption programs for the poorest; and (iv) eliminating the taxation of lower levels in the system by intermediary levels; and (b) terms of the quality of the delivery of service by enhancing the competency of health personnel.
3. Developing the health system by:
 - (a) (i) providing technical support and training to Health Zone health management teams in the areas of program coordination, financial and personnel management and monitoring and evaluation; and (ii) improving the technical capacity of front-line health workers like CHWs and health facility personnel in the areas of the service packages to be offered under the Project;
 - (b) enhancing the public-private partnership of private non-profit service providers and the Recipient through PPCs that will encourage the improvement of services and the transfer of resources and technical expertise.

Part B: Malaria Control Program

Support the Recipient's National Roll Back Malaria Strategic Plan by among others:

1. (a) Financing and distribution of drugs and insecticide-treated nets; (b) carrying out rapid diagnostic tests; and (c) carrying out community communication strategies and training of health workers in the Health Zones;
2. Carrying out operational research and providing technical assistance to the MOH and the Implementing Support Partners in the implementation of the malaria related activities of the Project.

Part C: Strengthen MOH's Capacity

1. Strengthen MOH's stewardship and supervisory functions and improve its capacity to carry out monitoring and evaluation activities with the technical assistance of among others by EEA that will include the dissemination of findings, lessons and best practices in order to build a constructive relationship between the MOH and its contracting partners.
2. Strengthen the capacity of PMI and DMI in the fields of planning, coordination and supervision, monitoring and evaluation, budgeting and financial management and personnel management, all through the provision of goods, technical assistance and operating costs at the District and Provincial levels and remuneration of said PMI and DMI.
3. Strengthen the capacities of the Recipient in the fields of: (a) public health budget preparation and execution in collaboration with the Recipient's Ministries of Budget and Finance; and (b) human resources management by assisting in the development and execution of a national human resource strategy.
4. Support operational research to better inform strategic interventions in the health sector.
5. Strengthen MOH's capacity to improve the Recipient's health systems through among others, delivering training and refresher courses for health care providers and carry out the National Malaria Control Program.

Part D: Project Management

Ensure Project execution, coordination and supervision including: (a) the dissemination of results; and (b) procurement, financial management, and monitoring and evaluation activities under the Project; all through the provision of technical advisory services, the acquisition of equipment and vehicles and the financing of operating costs.”

1. The following section is added immediately at the end of Schedule 4 of the Original Financing Agreement:

Safeguards.

- (a) The Recipient shall carry out the Project or cause such portions to be carried out (including any activity proposed to be included in a Work Plan), in accordance with the provisions of the Indigenous People Planning Framework (IPPF) and the Medical Waste Management National Plan (MWMNP), and, except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, any provision of the aforementioned.
- (b) In the event of any conflict between the provisions of the IPPF or the MWMNP and those of this Agreement, the provisions of this Agreement shall prevail.”

APPENDIX

Section I. 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 with the modifications set forth in Section II of this Appendix.
2. “Anti-Corruption Plan” means the Recipient’s anti-corruption action plan to be adopted by the Recipient, pursuant to Section V.3 of this Agreement which sets forth the measures and actions to be taken during implementation of the Project with respect to disclosure, civil society oversight, collusion mitigation, mitigation of forgery and fraud, complaints handling and sanctions and remedies.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “CHW” means Community Health Workers who assist local communities with: (i) the prevention and treatment of diarrhea, pneumonia, malaria; (ii) the promotion of family planning and key health behaviors related to hygiene and health; and (iii) the identification and referring of obstetrical complications.
5. “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 and May 2010.
6. “District” means an administrative area established pursuant to *Décret-Loi No. 081 du 2 juillet 1998 portant Organisation Territoriale et Administrative de la République Démocratique du Congo tel que modifié et complété par le Décret-Loi No. 018/2001 du 28 septembre 2001*, representing a designated area and population within the territory of the Recipient and which covers several Health Zones.
7. “DMI” means District Medical Inspector (*médécin inspecteur de district*), the authority established by the MOH in charge of coordinating and supervising the delivery of health services and managing MOH staff at the District level and which also acts as liaison between the provincial MOH authorities and the Health Zones.
8. “EHS” means Essential Health Services, a package of essential health services defined by MOH (as hereinafter defined) which includes, inter alia: (i) the integrated management of childhood diseases as defined in the IMCI (as hereinafter defined); (ii) maternal interventions including emergency obstetrical assistance and family

planning services; and (iii) interventions to address HIV/AIDS, tuberculosis, malaria, and other priority diseases, such as onchocerciasis in endemic areas.

9. “External Evaluation Agency” or “EEA” means the external firm recruited by the PCU (as hereinafter defined) to carry out monitoring and evaluation activities, including the performance of Implementing Support Partners (as hereinafter defined), under the Project.
10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
11. “Health Zone” means the Recipient’s health care organizational structure designating an area and population within the Recipient’s territory that comprises a network of health centers and a referral hospital.
12. “Implementing Support Partner” means non-governmental agencies, non-profit organizations, faith-based organizations, professional associations, or other public or private entities operating pursuant to the laws of the Recipient selected to implement activities under Part B.1 (a) and (b) of the Project pursuant to a PPC (as hereinafter defined).
13. “IMCI” means Integrated Management of Childhood Illnesses, the protocols developed by the World Health Organization for the prevention and management of childhood illnesses, including such services as treatment of acute respiratory infections, diarrhea, fever/malaria, measles and malnutrition.
14. “Indigenous People Planning Framework” or “IPPF” means the document to be adopted by the Recipient and disclosed pursuant to Section V.4 of Schedule 2 to this Agreement, giving details of a program of actions, measures and policies designed to be implemented for indigenous minorities in order to protect them and to ensure that members of said minorities be granted equal legal, financial and organizational opportunities under the Project.
15. “MWMNP” means the Medical Waste Management National Plan dated December 8, 2004 setting forth the measures and arrangements necessary for the proper management of hazardous waste under the Project, including modalities for screening and procedures for the preparation and implementation of Work Plans (as hereinafter defined).
16. “Ministry of Health” or “MOH” means the Recipient’s Ministry of Health and any agencies thereof and its successor.
17. “National Malaria Control Program” means the specialized program created in July 1998 under the authority of the Ministry of Health whose main responsibilities are to implement the National Malaria Control Strategy and to coordinate the nation’s

malaria control efforts among different Ministries, international and national partners.”

18. “National Roll Back Malaria Strategic Plan ” means ‘Programme de lutte contre le paludisme-Plan Stratégique 2009-2013’, the Recipient’s national plan dated February 2002 incorporating a strategy for the scaling up of malaria control interventions.
19. “Operating Costs” means the incremental expenses, based on annual budgets approved by the Association, incurred by the Recipient on account of Project implementation, management, and monitoring, including for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, travel and supervision, salaries and statutory contributions of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
20. “Original Financing Agreement” means the development grant agreement for a Health Sector Rehabilitation Support Project between the Recipient and the Association, dated October 18, 2005 as amended to the date of this Agreement (Credit NoH182).
21. “Original Project” means the Project described in the Original Financing Agreement.
22. “PCU” means Project Coordination Unit, the unit established within the MOH pursuant to Ministerial decree no.1250/cab/min/s/by/pt/0029/2005 dated May 13, 2005 and referred to in Section I.A.1 of Schedule 2 to this Agreement.
23. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006 and May 2010.
24. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 30, 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.
25. “PPC” means Performance-based Partnership Contract, the agreement to be entered into between the PCU and each Implementing Support Partner for the implementation of activities under Part B.1 (a) and (b) of the Project in accordance with Section I.A.2 of Schedule 2 to this Agreement.
26. “Project Accounting, Financial and Administrative Manual” or “PAFAM” means the manual dated November 2005 and revised December, 2010 outlining the administrative, financial, accounting, disbursement and procurement arrangements

for the implementation of the Project, as the same may be amended from time to time, and such term includes any schedules to the PAFAM.

27. “Project Health Zones” means the Health Zones in the Provinces of Bandundu, Equateur, Maniema, Katanga, Kinshasa, North Kivu and South Kivu in the Recipient’s territory, selected by the MOH in a letter dated April 14, 2005 as updated for purposes of implementation of the Project and in other areas in the Recipient’s territory to be agreed between the Association and the Recipient.
28. “Project Implementation Manual” or “PIM” means the manual dated July 2006 and revised April 2010 outlining, inter alia, the institutional and operational arrangements for the implementation of the Project, including, inter alia, the MWNMP, the monitoring and evaluation arrangements of the Project, and the operational arrangements for the preparation and implementation of the PPCs, as the same PIM may be amended from time to time, and such term includes any schedules to the Project Implementation Manual.
29. “Project Manuals” means the PIM and the PAFAM.
30. “Province” means an administrative area within the territory of the Recipient established pursuant to Décret-Loi No. 081 du 2 juillet 1998 portant Organisation Territoriale et Administrative de la République Démocratique du Congo tel que modifié et complété par le Décret-Loi No. 018/2001 du 28 septembre 2001, comprised of several Districts.
31. “PMI” means Provincial Medical Inspector (médecin inspecteur de province), the authority established by the MOH at the Provincial level in charge of providing stewardship and strategic planning to MOH staff and managing the delivery of health services; and
32. “Report-based Disbursements” means the Recipient’s option for withdrawal of funds from the Grant Account referred to in Part B.1 (a) and (b) of Schedule 1 to this Agreement.
33. “Training” means the training of persons involved in Project-supported activities, based on annual budgets approved by the Association, such term including seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.
34. “Work Plan” means a plan setting forth activities to be carried out by an Implementing Support Partner pursuant to a PPC, financed or to be financed from the proceeds of the Grant under Part A of the Project.

Section II. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”