

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4597 - NG

Financing Agreement

(Additional Financing for Malaria Control Booster Project)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 20, 2009

Public Disclosure Authorized



FINANCING AGREEMENT

AGREEMENT dated July 20, 2009, entered into between FEDERAL REPUBLIC OF NIGERIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for the activities related to 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 Appendix to this Agreement, or in the Appendix to the Original Financing 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 sixty seven million and two hundred thousand Special Drawing Rights (SDR 67,200,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 March 1 and September 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 shall: (a) carry out the Project at the national level through FMOH; and (b) cause the Participating States to carry out the Project within their respective jurisdictions through their respective SMOHs 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 — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date one hundred and eighty (180) days after the date of this Agreement.
- 4.02. 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 V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is the Federal Minister of Finance.

5.02. The Recipient's Address is:

The Honorable Minister
Federal Ministry of Finance
Ahmadu Bello Way
Abuja, Nigeria

Cable address:
FEDMINFIN
Abuja

Facsimile:
234-9-234 36 09

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Abuja, Federal Republic of Nigeria, as of the day and year first above written.

FEDERAL REPUBLIC OF NIGERIA

By /s/ Mansur Muhtar

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Onnu Ruhl

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to: (i) provide improved access to, and utilization of Malaria Plus Package of interventions in Participating States; and (ii) strengthen federal and state ability to manage and oversee delivery of MPP interventions.

The Project consists of the Original Project.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements**

The Recipient shall: (a) carry out the Project, and (b) cause each Participating State to carry out the Project, in accordance with the provisions of Schedule 2 to the Original Financing Agreement, which shall apply, mutatis mutandis, to the Financing, including, without limitation, the Recipient relending a portion of the proceeds of the Financing allocated to Categories (1) and (2) to the Participating States under the Subsidiary Agreements previously entered into respectively between the Recipient and each Participating State. In the event of any inconsistency between the terms and conditions of the Original Financing Agreement or of any Subsidiary Agreement with those of this Agreement, the latter shall prevail.

B. Anti-Corruption

The Recipient shall carry out the Project, and shall cause the Participating States to carry out the Project within their respective jurisdictions in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards.

1. The Recipient shall carry out the Project and cause the Participating States to carry out the Project within their respective jurisdictions in accordance with the Integrated Vector Management Plan, the Medical Waste Management Plan and the Environmental and Social Management Framework agreed upon with the Association. Except as the Recipient and the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive these documents or any provision thereof.
2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Bank on a quarterly basis consolidated reports on the status of compliance with the Integrated Vector Management Plan, the Medical Waste Management Plan, the Environmental and Social Management Framework giving details of:
 - (a) measures taken in furtherance of such Integrated Vector Management Plan, Medical Waste Management Plan, Environmental and Social Management Framework;

- (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Integrated Vector Management Plan, Medical Waste Management Plan, Environmental and Social Management Framework; and
- (c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate, and cause each Participating State to 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 set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) the percentage of service delivery points providing regular information needed to update logistics management information systems on drug use, balances and orders has increased from nil to 90% of the target set out in the operational plan;
 - (ii) the percentage of health facilities using laboratory confirmation as the basis for treatment of fever in children above 5 years and adults has increased from 5% to 90%;
 - (iii) the percentage of sites monitoring artemisin-based combination therapy drug resistance and insecticide resistance that are producing annual status reports has increased from nil to 100%;
 - (iv) the percentage of households using two or more long lasting insecticide treated nets the previous night in communities piloting community directed interventions has increased from 0.9% to 80%;
 - (iv) the percentage of patent medicine vendors established in the targeted peri-urban and urban areas providing authorized and effective anti-malarial drugs has increased from nil to 80%;

- (v) the percentage of mothers of children under five years of age aware of behavior change communication to increase use of artemisin-based combination therapy, long lasting impregnated nets and intermittent preventive therapy in communities piloting community driven interventions has increased from nil to 80%.
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 6 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 report 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. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) Limited International Bidding
(b) National Competitive Bidding
(c) Shopping
(d) Direct Contracting

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) Selection Based on Consultant’s Qualifications
(b) Selection of Individual Consultants
(c) Selection Based on Least Cost
(d) Single Source Selection
(e) Selection based on Fixed-Budget

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.

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 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 (inclusive of Taxes]
(1) Goods, consultants’ services, workshops, training and audit	42,360,000	100%
(2) Operating Costs	11,340,000	100%
Unallocated	13,500,000	
TOTAL AMOUNT	67,200,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is March 31, 2012.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 1 and September 1	
commencing September 1, 2019 to and including March 1, 2029	1%
commencing September 1, 2029 to and including March 1, 2049	2%

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

APPENDIX**Definitions**

1. “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. “ESMF” means the Environmental and Social Management Framework prepared and adopted by the Recipient, dated March 6, 2009, defining the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental and social impacts, offset them, reduce them to acceptable levels, or to enhance positive impacts of the Project activities, including any schedules to such Framework, as such Framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.
5. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
6. “Original Financing Agreement” means the financing agreement for the Malaria Control Booster Project between the Recipient and the Association, dated February 19, 2007, as amended to the date of this Agreement (Credit No 4250 UNI).
7. “Original Project” means the Project described in the Original Financing Agreement.
8. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
9. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 30, 2009 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.

