

**OFFICIAL  
DOCUMENTS**

---

---

**LOAN NUMBER 8531-TR**

**Loan Agreement**

**(Health System Strengthening and Support Project)**

**between**

**REPUBLIC OF TURKEY**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

Dated *September 30*, 2015

---

---

**LOAN AGREEMENT**

Agreement dated *September 30*, 2015, between the REPUBLIC OF TURKEY (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 — LOAN**

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred twenty million EUROS (€120,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. The Borrower shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are February 15 and August 15 in each year.

- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management:
- (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency;
  - (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and
  - (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

### **ARTICLE III — PROJECT**

- 3.01. The Borrower, through MoH, agrees with the objectives of the Project. To this end, the Borrower shall carry out the Project through MoH in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower, through MoH, shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

### **ARTICLE IV — TERMINATION**

- 4.01. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

5.01. The Borrower's Representative is the Undersecretary of Treasury.

5.02. The Borrower's Address is:

Basbakanlik  
Hazine Mustesarligi  
Inonu Bulvari  
Emek – Ankara  
Turkey

Facsimile:  
(312) 204-7366

5.03. The Bank's Address is:

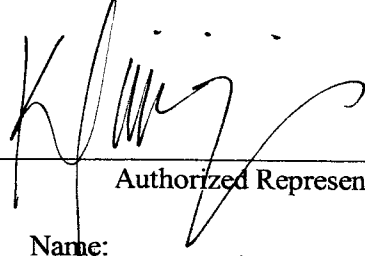
International Bank for  
Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Ankara, Republic of Turkey , as of the day and year first above written.

REPUBLIC OF TURKEY

By



Authorized Representative

Name:

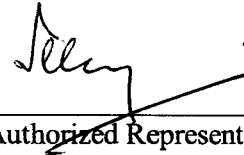
**K.Çagatay IIRGI**

Title:

**Acting Deputy Director General**

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name:

*Illangovan Patchamether*

Title:

*Acting Country Director*

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to improve primary and secondary prevention of selected NCDs, increase the efficiency of public hospital management, and enhance the evidence-based policy-making capacity of the MoH.

The Project consists of the following parts:

#### **Part I: Primary and Secondary Prevention**

Raising awareness (both of the population in general and among health care providers) on risk factors related to NCDs and promoting healthy life styles and behavior changes, through the following activities:

- (A) (i) developing public outreach materials, methodologies and targeting to raise population awareness about NCDs and the importance of healthy living; (ii) promoting physical activity in Healthy Living Centers, including rehabilitating community health centers to reconfigure for physical activity; and (iii) implementing a nationwide campaign on substance addiction and strengthening the infrastructure of the treatment and research centers for adults and children suffering from alcoholism and substance addiction.
- (B) (i) improving the capacity of post-screening diagnosis centers; (ii) introducing and maintaining national cancer registry software and provision of Training to health workers on said software; and (iii) developing guidelines, standards and training modules for palliative care.
- (C) (i) strengthening the Family Physician Training Program, including through expanding the infrastructure and hardware of the distance learning system to nationwide coverage; (ii) improving service delivery and quality of care by family physicians through the analysis of current workload practices and procedures.

#### **Part II: Increasing Efficiency of Public Hospital Management**

- (A) Strengthening public hospital management and clinical operations in: (i) clinical engineering; (ii) drug and medical supply management; (iii) clinical care processes; and (iv) administrative and financial information systems, by (a) providing Training to public hospital staff; (b) developing national guidelines and classifications; (c) supporting public hospital teams to implement guidelines and standards; and (d) strengthening information systems.
- (B) developing and implementing architectural and technical standards for health facilities; and
- (C) strengthening the capacity of the General Directorate of Health Investments in managing public-private partnership (“PPP”) contracts and administering PPP

investments in engagement with the relevant stakeholders, including the Undersecretariat of Treasury and the Ministry of Development, and in developing in-house capacity in legal, financial, operational, and structural aspects of contract management.

Part III: Improving the Effectiveness of Overall Health Sector Administration

- (A) (i) Institutionalizing health sector performance assessments and harmonizing health sector data; (ii) developing and adopting national e-health standards and reviewing applicable legislation to improve quality of health data; (iii) developing and implementing a health management information system; and (iv) enhancing the technical audit capacity of MoH and widening the use of evidence-based medical practice to improve the quality of health services;
- (B) (i) developing a model for raising awareness about the Borrower's health sector; and (ii) developing pre-hospital trauma care systems for disasters;
- (C) strengthening capacity for the health technology assessment; and
- (D) supporting the PMSU in Project implementation, including in the areas of financial management, procurement, disbursement, and monitoring and evaluation.

## SCHEDULE 2

### Project Execution

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements.**

1. The Borrower shall, through MoH, maintain the POM in form and content satisfactory to the Bank, shall duly perform all of its obligations under the POM, and shall not assign, amend, abrogate or waive the POM, without the prior approval of the Bank.
2. At all times during Project implementation, the Borrower, through MoH, shall operate and maintain the PMSU with functions and responsibilities, qualified staff in sufficient numbers, adequate funds, facilities, services and other resources for the Project implementation (including financial management, procurement, disbursement and safeguards aspects), all satisfactory to the Bank.
3. The Borrower, through MoH, shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

##### **C. Safeguards**

The Recipient shall not undertake any Project activities that involve Resettlement.

#### **Section II. Project Monitoring Reporting and Evaluation**

##### **A. Project Reports**

The Borrower, through MoH, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators acceptable to the Bank. Each Project Report shall cover the period of one (1) calendar year of the Borrower, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

##### **B. Financial Management, Financial Reports and Audits**

1. The Borrower, through MoH, shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower, through MoH, shall prepare and furnish to the Bank, not later than forty-five (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 Bank.
3. The Borrower, through MoH, shall have its Financial Statements audited in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one calendar year of the Borrower. The



audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan 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 Loan 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 Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services (including logistical and organization services for Training) for those contracts specified in the Procurement Plan:
  - (a) National Competitive Bidding, subject to the following additional provisions set forth in the Annex to this Schedule 2;
  - (b) Shopping; and
  - (c) 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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan:
  - (a) Quality-based Selection (QBS);
  - (b) Selection under a Fixed Budget (FBS);
  - (c) Least Cost Selection (LCS);
  - (d) Selection based on Consultants' Qualifications (CQS);
  - (e) Single-source Selection of consulting firms; and
  - (f) Procedures set forth in Section V of the Consultant Guidelines for the Selection of Individual Consultants.

**D. Review by the Bank of Procurement Decisions**

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

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank 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 Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in EURO)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for the Project	120,000,000	100%
<b>TOTAL AMOUNT</b>	<u>120,000,000</u>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) from the Loan Account until the Bank has received payment in full of the Front-end Fee; or
  - (b) for payments made prior to the date of this Agreement.
2. The Closing Date is May 31, 2020.

**Annex to  
SCHEDULE 2**

**Mandatory Provisions for Procurement under Bank-Financed Contracts  
Subject to National Competitive Bidding**

The procedures to be followed for National Competitive Bidding shall be those set forth in the Public Procurement Law of the Borrower (Law No. 4734) as amended as of September 10, 2014 (the "PPL"), notwithstanding anything to the contrary in the Borrower's Law on Public Procurement Contracts (Law No. 4735), as amended as of September 10, 2014, and subject to the following provisions:

A. Eligibility

The eligibility of bidders shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Bank for reasons other than those provided in Section I of the Procurement Guidelines.

Bidding shall not be restricted to domestic bidders. No restrictions in respect of eligibility to participate in bidding for contracts shall be placed on the basis of nationality of the bidder and/or the origin of goods other than those set forth in paragraph 1.10 of the Procurement Guidelines. No restriction of any kind shall be applied to foreign bidders who wish to submit a bid.

Bidding shall not be restricted to pre-registered firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids.

B. Procedures

- (i) Invitations to bid shall be advertised in the Borrower's official gazette, or in at least one widely circulated national daily newspaper, or in an electronic portal of free access allowing a minimum of thirty (30) days for the preparation and submission of bids.
- (ii) The sale and/or issuance of bidding documents shall not be restricted only to entities invited by the procuring entity.
- (iii) Prequalification procedures acceptable to the Bank shall be used for large, complex and/or specialized projects.

C. Assessment of Bidders' Qualifications

In the procurement of goods, works and non-consulting services, where pre-qualification is not used, the qualifications of the bidder who is recommended for award of contract shall be assessed by post-qualification, applying minimum experience, technical and financial requirements which shall be explicitly stated in the bidding documents and which shall be determined by a 'pass/fail' method, not through use of a merit point system.

D. Participation by Government-owned Enterprises

Government-owned enterprises in the Republic of Turkey shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the Borrower. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

E. Participation by Joint Ventures

Participation shall be allowed from joint ventures on the condition that such joint venture partners will be jointly and severally liable under the contract.

F. Bidding Documents

Procuring entities shall use the Bank's sample National Competitive Bidding documents for Europe and Central Asia Region for goods and works in a manner acceptable to the Bank, and shall draft prequalification documents (where applicable), contracts and conditions of contract, acceptable to the Bank.

G. Bid Evaluation

- (i) Evaluation criteria other than price shall be quantified in monetary terms.
- (ii) Evaluation of bids shall be made in strict adherence to the monetarily-quantifiable criteria declared in the bidding documents and a merit point system shall not be used.
- (iii) An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the bid validity expiration date and shall be allowed once only for the minimum period required to complete the evaluation or award a contract, but not more than thirty (30) days. No further extensions shall be requested without the prior approval of the Bank.
- (iv) Contracts shall be awarded to qualified bidders having submitted the lowest evaluated substantially responsive bid, and no negotiation as to the price or substance of the bid shall take place.
- (v) No preference shall apply under National Competitive Bidding.

H. Price Adjustment

Civil works contracts of long duration (i.e. more than eighteen (18) months) shall contain an appropriate price adjustment clause, acceptable to the Bank.

I. Rejection of All Bids

All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the Bank's prior written concurrence. No bids shall be rejected solely because they fall below or exceed the estimated or reference price.

J. Securities

Bid securities should not exceed 3% (three percent) of the estimated cost of the contract; performance securities should not exceed more than 10% (ten percent) of the cost of the contract. No advance payments shall be made to the suppliers without a suitable advance payment security. The wording of all such securities shall be included in the bidding documents and shall be acceptable to the Bank. Bidders shall be given at least twenty-eight (28) days from the receipt of notification of contract award to submit performance securities, and bid securities shall remain valid for such period.

K. Fraud and Corruption

Each bidding document and contract financed out of the proceeds of the Loan shall include provisions on matters pertaining to fraud and corruption set forth in paragraph 1.16 of the Procurement Guidelines. The Bank will sanction a firm or an individual, at any time, in accordance with prevailing Bank sanctions procedures.

L. Audit Rights

In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Loan shall provide that: (i) the bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Bank; and (ii) acts intended to materially impede the exercise of the Bank's audit rights may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

M. Debarment

The Bank may recognize, if requested by the Borrower, exclusion from participation as a result of debarment under the national system, provided that the debarment is for offenses involving fraud, corruption or similar misconduct, and further provided that the Bank confirms that the particular debarment procedure afforded due process and the debarment decision is final.

**SCHEDULE 3**

**Amortization Schedule**

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<b>Principal Payment Date</b>	<b>Installment Share (Expressed as a Percentage)</b>
On each February 15 and August 15 Beginning February 15, 2021 through August 15, 2025	9.09%
February 15, 2026	9.1%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
- (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
  - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall

be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
- 4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
- 5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.



## 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 and revised in January 2011.
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 under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
4. “Family Physician Training Program” means a distance learning program aiming to increase efficiency and coverage of preventive and primary health care services and to standardize training processes and content, under the responsibility of MoH.
5. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
6. “General Directorate of Health Investments” means the unit within MoH, with responsibility for managing health facility investments under conventional and public-private partnership schemes, or any legal successor thereto.
7. “Healthy Living Center” means a center, established by MoH, aiming to improve healthy living practices among the population of the Borrower by providing necessary services such as training, counselling, diagnosis/treatment and practical/physical sessions.
8. “MoH” means the Borrower’s Ministry of Health, or any legal successor thereto.
9. “NCDs” means non-communicable diseases.
10. “Operating Costs” means reasonable incremental expenses incurred on account of Project implementation, management and monitoring, including office supplies, office rental including rehabilitation centers, publication of procurement notices, vehicle operation, office and equipment maintenance and repair, communication, translation and interpretation, travel and supervision costs, subscription to publications and databases, publication fees, and ownership of intellectual property rights, but excluding salaries of officials and employees of the MoH.
11. “POM” means the Project operational manual for the Project, satisfactory to the Bank, describing and setting forth procedures for implementation of the Project and related institutional arrangements, and including, *inter alia*, timetables of actions required to be carried out under the Project, the respective roles and responsibilities of the agencies involved in the implementation of the Project, staffing, the fiduciary, technical and operational aspects and procedures for implementation of the Project, including the

financial management procedures (budgeting, accounting and internal control, disbursement and flow of funds, financial reporting, annual reports, internal and external audit arrangements procedures and including the Project specific chart of accounts), procurement procedures, monitoring and evaluation arrangements, and other fiduciary and administrative arrangements and necessary terms of reference, as the same may be amended from time to time by agreement with the Bank.

12. "PMSU" means the Project Management and Support Unit established within MoH, or any legal successor thereto.
13. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
14. "Procurement Plan" means the Borrower's procurement plan for the Project, dated May 27, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
15. "Public Hospitals Institution" means the Borrower's government institution affiliated with MoH supervising the compliance of public hospitals with financial and administrative regulations and carrying out the monitoring and assessment of public hospital unions, or any legal successor thereto.
16. "Resettlement" means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their (a) standard of living adversely affected; (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.
17. "Training" means expenditures (other than those for consultants' services and non-consulting services) incurred by the Borrower in connection with the carrying out of seminars, workshops, including the reasonable travel costs (i.e. accommodation, transportation and *per-diem, inter alia*) of trainees and trainers (if applicable), training registration fees, catering, rental of training facilities and equipment, and printing services, as well as training materials for the purposes of, and directly related to, the activities described in the Project.

**Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:  
  
“Section 3.01. *Front-end Fee; Commitment Charge*  
  
(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).  
  
(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty (60) days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”
3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:  
  
“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”
5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:  
  
“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”
7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.