

Public Disclosure Authorized

CONFORMED COPY

GRANT NUMBER H304 - LBR

Financing Agreement

(Health System Reconstruction Project)

between

REPUBLIC OF LIBERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 15, 2007

Public Disclosure Authorized

GRANT NUMBER H304 - LBR

FINANCING AGREEMENT

AGREEMENT dated June 15, 2007, entered into between REPUBLIC OF LIBERIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in 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 five million six hundred thousand Special Drawing Rights (SDR5,600,000) (variously, “Grant” 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. The Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is its Minister of Health and Social Welfare.
- 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 June 1 and December 1 in each year.
- 2.05. 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 carry out the Project through MOHSW and in accordance with the provisions of: (a) Article IV of the General Conditions; (b) this Agreement; (c) the ESMF; and (d) the MSMWMP.

- 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 ninety (90) 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 fifteen (15) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is the Minister of Finance.

- 5.02. The Recipient's Address is:

Ministry of Finance
P.O. Box 10-9016
1000 Monrovia 10
Liberia

Facsimile:

(231) 22-60-75

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

REPUBLIC OF LIBERIA

By /s/ Antoniette M. Sayeh

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Irene S. Xenakis

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient in its post-war efforts to reconstruct its health sector, through: (a) strengthening of policy making and management functions at MOHSW; and (b) providing critical inputs to sustain the referral system needed to support essential health services.

The Project consists of the following parts:

Part A: Support Systems

1. Supporting the operational capacity of MOHSW to effectively manage the Project by, *inter alia*, strengthening its management capacity, and expanding its monitoring and evaluation mechanisms, all through the provision of technical advisory services, training and Incremental Operating Costs.
2. Provision of technical assistance and training to MOHSW staff to:
 - (a) develop policy in the following areas: (i) health financing; (ii) contracting with health providers; (iii) health labor market dynamics; and (iv) decentralization of health services; and
 - (b) strengthen their administrative and technical capacities to manage and implement the Recipient's National Health Plan and related policies.
3. Provision of information communication technology to MOHSW staff to support a health management information system.

Part B: Human Resources

1. Hiring of clinical teachers, including medical doctors, nurses, midwives and allied health workers for purposes of training and supervision of Recipient's clinical care staff.
2. Hiring of medical officers, laboratory technicians and radiographers to fill in critical staffing needs in the Recipient's health clinics and hospitals.

3. Providing technical assistance and training to Recipient's public education institutions to reform their curriculum to enhance the education level of medical doctors, nurses and allied health workers.
4. Providing training, technical advisory services and equipment to enhance the technical and managerial capacity of key staff in the Recipient's health sector including, *inter alia*: (a) transportation costs of trainers and trainees; (b) per-diem of trainers and trainees; (c) workshops; (d) seminars and courses; (e) rental of training facilities and equipment; (f) acquisition of training equipment and teaching material; (g) internet access to online learning; and (h) study tours.

Part C: Infrastructure and Equipment

1. Rehabilitation of Recipient's essential medical facilities and medical teaching institutions, including the maternal and child wards at the John F. Kennedy Hospital and the A.M. Dogliotti College of Medicine.
2. Acquisition of basic medical supplies, medical emergency equipment, radiology and laboratory equipment, communications equipment, energy generating equipment, internet connection equipment, ambulances for MOHSW clinics and health centers, county hospitals and the John F. Kennedy Hospital.

SCHEDULE 2

Project Execution

Section I. Implementation and Other Arrangements

1. The Steering Committee

The Recipient shall maintain the Steering Committee throughout the period of implementation of the Project, with structure, functions and responsibilities, acceptable to the Association, for purposes of overseeing the execution of the Project. The Steering Committee shall be chaired by the Minister of Health and Social Welfare and comprise of the heads of the following MOHSW units: (a) service delivery; (b) policy and planning; and (c) administration.

2. The PCT

- (a) The Recipient shall maintain within MOHSW, at all times during Project implementation, a Program Coordination Team (the PCT), with a structure, functions and responsibilities acceptable to the Association, including, *inter alia*, the responsibility of the PCT to assist the Recipient, the Steering Committee, the PFMU and the OFM in the coordination, implementation, monitoring, evaluation and supervision of the Project.
- (b) The Recipient shall ensure that the PCT: (i) has, at all times during Project implementation, a Project coordinator; and (ii) is adequately staffed with professionals under terms of reference, in numbers, with qualifications and experience acceptable to the Association.
- (c) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not introduce changes in the number of positions of the PCT or in the professional skills required for occupying such positions, unless said changes have been previously agreed with the Association in writing.

3. The OFM

- (a) The Recipient shall maintain within MOHSW, at all times during Project implementation, an Office of Financial Management (the OFM), with a structure, functions and responsibilities acceptable to the Association, including, *inter alia*, the responsibility of the OFM to assist the

Recipient, the Steering Committee, and the PCT in the financial management of the Project.

- (b) The Recipient shall ensure that the OFM is, at all times during Project implementation, headed by a financial management specialist and adequately staffed with professionals under terms of reference, in numbers, with qualifications, and experience acceptable to the Association.
- (c) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not introduce changes in the number of positions of the OFM or in the professional skills required for occupying such positions, unless said changes have been previously agreed with the Association in writing.

4. **Annual Work Plans**

The Recipient shall:

- (a) not later than January 31 of each year during Project implementation, starting in 2008, furnish to the Association, for its approval, an annual work plan (the Annual Work Plan), each said plan to include, *inter alia*: (i) the Project activities to be carried out by MOHSW during the twelve months immediately following the presentation of each said plan; (ii) the mitigation measures to avoid potential environmental and social impacts of proposed Project activities; (iii) the annual budget for the Incremental Operating Costs; (iv) the annual budget for Training; and (v) the Procurement Plan, disbursement schedule and chart of accounts for each said twelve month period.
- (b) thereafter implement each said Annual Work Plan, approved by the Association, in accordance with its terms, and
- (c) carry out the Annual Work Plan for the year 2008, as previously approved by the Association.

5. **The Operational Manual**

- (a) The Recipient shall carry out the Project in accordance with, a manual (the Operational Manual), acceptable to the Association, said manual to include, *inter alia*:
 - (i) an institutional implementation plan of MOHSW for the management of the Project (including, *inter alia*, allocation of responsibilities among staff, yearly planning of activities and budget and time allocation for those activities);
 - (ii) detailed arrangements for the overall carrying out of the Project (including, *inter alia*, the environmental, and social guidelines to be followed during Project implementation by the Recipient);
 - (iii) the guidelines for the preparation of the Annual Work Plans;
 - (iv) the criteria and procedures for training and technical assistance, environmental assessments, social assessments, and corresponding mitigation measures;
 - (v) the guidelines for the implementation of the ESMF and the MSMWMP in connection with the carrying out of the Project;
 - (vi) a procurement manual for the implementation of the Project; and
 - (vii) a financial management and accounting procedures manual for the implementation of the Project.
- (b) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.
- (c) In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

6. **Anti-Corruption**

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

7. **Environmental and Social Assessment and Mitigation Measures**

- (a) The Recipient shall, not later than five (5) months following the Effective Date, carry out a comprehensive environmental and social assessment of the activities carried out or to be carried out under the Project, in form and substance acceptable to the Association, and shall furnish said assessment for review and comments to the Association no later than five (5) months following the Effective Date.
- (b) The Recipient shall, not later than (6) months following the Effective Date, adopt and thereafter maintain, in form and substance satisfactory to the Association, an environmental and social mitigation system, for the implementation of the Project, comprising: (i) the ESMF; and (ii) the MSMWMP; all based on a plan recommended in the assessment referred to in Paragraph 7 (a) of Section I of Schedule 2 to this Agreement and the views of the Association thereon.
- (c) The Recipient shall, thereafter implement the Project in compliance with the provisions of the ESMF and the MSMWMP referred to in Paragraph 7 (b) of Section I of Schedule 2 to this Agreement.
- (d) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the ESMF and the MSMWMP referred to in Paragraph 7 (b) of Section I of Schedule 2 to this Agreement or any provision thereof.

8. **The PFMU**

- (a) During the Interim Period, the Recipient shall carry out the financial management of the Project through the Project Financial Management Unit (PFMU) at the MOF, with a structure, functions and responsibilities acceptable to the Association, including, *inter alia*, the responsibility of the PFMU to assist the Recipient, the MOHSW, the Steering Committee, the OFM and the PCT in the coordination, implementation, monitoring, evaluation and supervision of the Project.
- (b) The Recipient shall ensure that the PFMU is, at all times during the Interim Period, adequately staffed with professionals and administrative personnel, all hired under terms of reference, in numbers, with qualifications, and experience acceptable to the Association, including: (i) a unit manager; (ii) a Project accountant; and (iii) an internal auditor.

- (c) The Recipient shall ensure that the PFMU has, at all times during the Interim Period, an integrated accounting/financial management software system, acceptable to the Association.
- (d) The Recipient shall ensure that the PFMU, during the Interim Period:
 - (i) provides training, technical assistance and capacity building in financial management matters to the OFM to enable said OFM to carry out all the financial management responsibilities of the Project;
 - (ii) maintains the accounting records and prepares the financial statements of the Project;
 - (iii) prepares the financial aspects of the Interim Un-audited Financial Reports;
 - (iv) process payments of Project Eligible Expenditures; and
 - (v) facilitates the financial audits of the Project, pursuant to the provisions of paragraph B.3 of Section II of Schedule 2 to this Agreement.
- (e) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not introduce changes in the number of positions of the PFMU or in the professional skills required for occupying such positions, unless said changes have been previously agreed with the Association in writing.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. (a) 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 set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar year commencing from the Effective Date and shall be furnished to the Association not later than one (1) month 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) Semi-annual reviews of: (1) progress made to implement the Recipient's National Health Plan; and (2) forward looking action plans to address problems identified at the time of these reviews. There will be 2 reviews per year, six in total during Project implementation.

- (ii) 1 functional secondary referral center per county in at least 60% of the Recipient's counties duly established and functioning by October 1, 2010.
 - (iii) Design and implementation of monitoring and evaluation systems to track implementation progress of the Recipient's National Health Plan by July 1, 2008.
 - (iv) Design and implementation of new procedures in contract management by July 1, 2009.
 - (v) Drafting of new policies in the areas of health labor markets, health financing, contracting and decentralization by October 1, 2010.
 - (vi) 50 clinical teachers and staff recruited in areas of critical shortage (doctors, nurses, midwives and other allied health workers) by October 1, 2010.
 - (vii) Revision of training curriculum for nurses, allied health workers and doctors completed by October 1, 2010.
 - (viii) 200 targeted clinics restored to functionality through the provision of new equipment and staff, to treat mothers and children by October 1, 2010.
 - (ix) 15 targeted referral centers with maternity and child wards restored to functionality through the provision of new equipment by October 1, 2010.
 - (x) 2 new targeted equipped and renovated maternity and child wards at the John F. Kennedy Hospital by October 1, 2010.
- (c) The Recipient shall:
- (i) carry out jointly with the Association, on or about the date fifteen (15) months after the Effective Date, a comprehensive mid-term review to assess the status of Project implementation. Such review shall be aimed at: (1) documenting progress towards the Project objectives; (2) monitoring the implementation of the environmental and social measures set

forth in the ESMF and in the MSMWMP; (3) identifying and resolving obstacles to Project implementation; and (4) adjusting, in agreement with the Association, targets and corresponding activities to reflect progress achieved in Project implementation as of the date of review;

- (ii) not later than one (1) month before such review, prepare and furnish to the Association a report, in scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph A (1) (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of the said report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
 - (iii) review, jointly with the Association, the report referred to in paragraph A.1 (c) (ii) of this Section and promptly thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.
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 June 30, 2011.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall:
- (a) maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
 - (b) maintain an independent auditor to carry out financial audits pursuant to Section 4.09 (b) of the General Conditions.
2. Without limitation on the provisions of paragraph B.1 of Section II of Schedule 2 to this Agreement, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each semester, Interim Un-audited

Financial Reports for the Project covering the semester, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) Fiscal Year of the Recipient, commencing with the Fiscal Year in which the first withdrawal under the Financing was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works 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 and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following list 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:

Procurement Methods:
(a) National Competitive Bidding.
(b) Shopping.
(c) Procurement from United Nations Agencies (including the Inter-Agency Procurement Services Office).
(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 list 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 Methods:
(a) Least-cost Selection.
(b) Selection Based on Consultants' Qualifications.
(c) Single Source Selection.
(d) Individual Consultants.

D. Review by the Association of Procurement Decisions

1. Except as the Association shall otherwise determine by notice to the Recipient, the following shall be subject to Prior Review by the Association:
 - (a) each contract for goods estimated to cost the equivalent of \$200,000 or more;

- (b) the first three (3) contracts for goods procured on the basis of National Competitive Bidding;
 - (c) each contract for goods procured on the basis of Direct Contracting;
 - (d) each contract for works estimated to cost the equivalent of \$500,000 or more;
 - (e) the first three (3) contracts for works procured on the basis of National Competitive Bidding;
 - (f) each contract for works procured on the basis of Direct Contracting;
 - (g) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more;
 - (h) each contract for the employment of individual consultants, regardless of the amount. With respect to each contract for the employment of individual consultants, the report on the qualifications and experience of all evaluated candidates, the terms of reference and the terms of employment of the consultants shall be subject to prior approval by the Association. The contract shall be awarded only after the said approval have been given by the Association;
 - (i) each contract for the employment of consultants' services procured on the basis of Single Source Selection;
 - (j) qualification of proposed pool of consultants for consulting firms and /or individual consultants with its terms of reference and terms of employment; and
 - (k) all contracts for the employment of key professional staff, regardless of the amount, including: (1) program manager; (2) Project coordinator; (3) Project monitoring and evaluation specialists; and (4) Project auditors.
2. 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 Grant 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
Goods, Works and Consultants’ services for the Project	5,600,000	100%
TOTAL	5,600,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made in respect of payments for expenditures prior to the date of this Agreement.
2. The Closing Date is October 1, 2010.

Section V. Other Undertakings

A. Appointment of Financial Auditors

The Recipient shall, not later than six (6) months following the Effective Date, appoint the independent auditors referred to in Section 4.09 (b) of the General Conditions, in accordance with the provisions of paragraph C of Section III, of Schedule 2 to this Agreement.

B. Accounting-Financial Management Software for the OFM

The Recipient shall, at the end of the Interim Period, install at the OFM an integrated accounting-financial management software system, including data testing capabilities, acceptable to the Association, for Project implementation purposes.

APPENDIX

Definitions

1. “Annual Work Plans” means any of the plans referred to in paragraph 4 of Section I of Schedule 2 to this Agreement.
2. “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.
3. “Category” means a category set forth in the table in paragraph 2 of Section IV of Schedule 2 to this Agreement.
4. “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.
5. “Environmental and Social Management Framework” and “ESMF” mean the plans of action, satisfactory to the Association, prepared by MOHSW which set out the objectives, policies, monitoring procedures, time schedules and other environmental protection provisions to prevent and mitigate potential environmental effects in the carrying out of the Project, and referred to in paragraph 7 (b) (i) of Section I of Schedule 2 this Agreement.
6. “Fiscal Year” and “FY” mean the Recipient’s fiscal year which runs from July 1 through June 30 of the following year.
7. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
8. “Incremental Operating Costs” means reasonable incremental expenses, based on an annual budget previously approved by the Association, and incurred by MOHSW on account of Project implementation, management and monitoring, including office space rental, utilities and supplies, bank charges, communications, vehicle operation, maintenance and insurance, building and equipment maintenance costs, travel and supervision costs, and salaries of supporting staff, but excluding salaries of officials of the Recipient’s civil service, all financed with the proceeds of the Grant.

9. “Interim Period” means the period of Project implementation starting the Effective Date and ending the date the Association determines, after a full fledged financial management assessment of the OFM, (as hereinafter defined) that the OFM is in full technical, administrative and financial management capacity to handle all the financial management obligations under the Project.
10. “Interim Un-audited Financial Report” means the reports referred to in paragraph B.2 of Section II of Schedule 2 to this Agreement, and which: (a) sets forth the sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing funds provided under the Designated Account, and explains variances between the actual and planned uses of such funds; (b) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; and (c) sets forth the status of procurement under the Project, as at the end of the period covered by the said report.
11. “Medical Supplies and Medical Waste Management Plan” and “MSMWMP” mean the plans of action, satisfactory to the Association, prepared by MOHSW which set out the objectives, policies, monitoring procedures, time schedules and other environmental protection provisions to prevent and mitigate potential environmental effects as a result of the handling and disposal of medical waste in the carrying out of the Project, and referred to in paragraph 7 (b) (ii) of Section I of Schedule 2 to this Agreement.
12. “MOF” means the Recipient’s Ministry of Finance.
13. “MOHSW” means the Recipient’s Ministry of Health and Social Welfare.
14. “National Health Plan” means the plans of actions and strategies dated February 6, 2007, elaborated by MOHSW, setting forth the Recipient’s objectives, policies, and resources to reform its health sector, as the same may be amended from time to time.
15. “Office of Financial Management” and “OFM” mean the office established in MOHSW, acceptable to the Association, for purposes of carrying out the financial management of the Project and referred to in paragraph 3 of Section I of Schedule 2 to this Agreement.
16. “Operational Manual” means the manual with Project implementation arrangements referred to in paragraph 5 of Section I of Schedule 2 to this Agreement.

17. “Project Financial Management Unit” and “PFMU” mean the Project Financial Management Unit established within MOF for purposes of financial management of the Association’s financed Projects under implementation in the Recipient’s territory and referred to in paragraph 8 of Section I of Schedule 2 to this Agreement.
18. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
19. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 23, 2007 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.
20. “Program Coordination Team” and “PCT” mean the team established in MOHSW, acceptable to the Association, for purposes of Project coordination, implementation, monitoring and evaluation and referred to in paragraph 2 of Section I of Schedule 2 to this Agreement.
21. “Steering Committee” means the committee referred to in paragraph 1 of Section I of Schedule 2 to this Agreement.
22. “Training” means reasonable non- consultant expenditures, based on an annual budget previously approved by the Association, and incurred by the Recipient to finance training activities including: (a) transportation costs of trainers and trainees; (b) per diem for trainers and trainees; (c) workshops; (d) seminars and courses; (e) rental of training facilities and equipment; (f) acquisition of training equipment and teaching material; (g) internet access to online learning; and (h) study tours, all financed with the proceeds of the Grant.