

CONFORMED COPY

CREDIT NUMBER 2827-SL
(Amendment)

Agreement Amending
Development Credit Agreement

(Integrated Health Sector Investment Project)

between

REPUBLIC OF SIERRA LEONE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 6, 2000

CREDIT NUMBER 2827-SL
(Amendment)

AGREEMENT AMENDING
DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated October 6, 2000 between REPUBLIC OF SIERRA LEONE (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS: (A) the Borrower and the Association have entered into a Development Credit Agreement (Integrated Health Sector Investment Project) dated March 21, 1996 (the Development Credit Agreement) for the purpose of assisting in the financing of the program referred to in Recital (B) of the Preamble to the Development Credit Agreement (the Program);

(B) the Borrower has requested the Association to assist in the restructuring of the Project so as to: (i) provide financial support for emergency relief operations; (ii) facilitate the rehabilitation of priority infrastructure in the health sector; and (iii) facilitate the achievement by the Borrower of the objectives of the Program; and

WHEREAS the Association has agreed on the basis, inter alia, of the foregoing, to facilitate the restructuring of the Project upon the terms and conditions set forth in this Agreement (hereinafter referred to as this Amending Agreement);

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Amendments to the Development Credit Agreement

Section 1.01. The Preamble to the Development Credit Agreement is deleted and replaced by the following new Preamble:

"WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of the Project;

(B) the Association has received a letter from the Borrower dated February 5, 1996 (the Policy Letter), describing a program of actions, objectives and policies designed to reform its health sector (the Program), and declaring the Borrower's commitment to the execution of the Program;

(C) Part B of the Project will be carried out with the Borrower's assistance by the National Power Authority (NPA), a statutory corporation established and operating under the laws of the Borrower;

(D) the Borrower, as part of such assistance, will make part of the proceeds of the Credit available to NPA as set forth in this Agreement; and

(E) the Association has agreed, on the basis, inter alia, of the foregoing, to extend the Credit to the Borrower upon the terms and conditions set forth in this Agreement and in an agreement of even date herewith between the Association and NPA;

NOW THEREFORE the parties hereto hereby agree as follows:"

Section 1.02. Section 1.02 of the Development Credit Agreement is deleted and replaced by the following new Section 1.02:

"Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "MOHS" means the Borrower's Ministry of Health and Sanitation;

(b) "MOHS Management Team" means the MOHS Management Team established by the Borrower in 1995 and referred to in paragraphs 3 (a) (i) and 3 (b) of Schedule 4 to this Agreement;

(c) "NGOs" means non-governmental organizations;

(d) "HIV" means Human Immuno-Deficiency Virus;

(e) "AIDS" means Acquired Immune Deficiency Syndrome;

(f) "STD" means Sexually Transmitted Disease;

(g) "NGO and Donor Relations Office" means the Donor Relations Office established by the Borrower in 1995 and referred to in paragraphs 3 (a) (ii) and 3 (c) of Schedule 4 to this Agreement;

(h) "Financial Management Team" means the Financial Management Team established by the Borrower in 1995 and referred to in paragraphs 3 (a) (iii) and 3 (d) of Schedule 4 to this Agreement;

(i) "Procurement Unit" means the Procurement Unit established by the Borrower in 1995 and referred to in paragraphs 3 (a) (iv) and 3 (e) of Schedule 4 to this Agreement;

(j) "PMS" means the Planning, Management and Statistics Unit established by the Borrower in 1985 and referred to in paragraphs 3 (a) (v) and 3 (f) of Schedule 4 to this Agreement;

(k) "District Health Management Teams" means the District Health Management Teams established by the Borrower in 1995;

(l) "Project Executing Units" means collectively the MOHS Management Team, the NGO and Donor Relations Office, the Financial Management Team, the Procurement Unit, PMS, the District Health Management Teams and such other organizational unit or units as the Borrower shall, with the prior agreement of the Association, include for the purposes of the Project;

(m) "National Health Action Plan" means the Borrower's National Health Action Plan adopted by the Borrower in February 1994;

(n) "Operational Manual" means the operational manual adopted by the Borrower in accordance with Section 6.01 (d) of this Agreement, which, inter alia, describes the arrangements and procedures for the carrying out of the Project, with any amendments thereto as may be agreed upon from time to time by the Borrower and the Association;

(o) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement;

(p) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters dated September 21, 1995 and November 2, 1995;

(q) "leone" means currency of the Borrower;

(r) "Project Agreement" means the agreement between the Association and NPA dated October 6, 2000, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Project Agreement;

(s) "Subsidiary Loan Agreement" means the agreement to be entered into between the Borrower and NPA pursuant to Section 3.01 (c) of this Agreement, as the same may be amended from time to time; and such term includes all schedules to the Subsidiary Loan Agreement;

(t) "UNICEF" means the United Nations Children's Fund;

(u) "IAPSO" means the Inter-Agency Procurement Services Office of the United Nations Development Programme;

(v) "UNFPA" means the United Nations Fund for Population Activities; and

(w) "WHO" means the World Health Organization."

Section 1.03. Section 2.03 of the Development Credit Agreement is deleted and replaced by the following new Section 2.03:

"Section 2.03. The Closing Date shall be June 30, 2003 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date."

Section 1.04. Section 3.01 of the Development Credit Agreement is deleted and replaced by the following new Section 3.01:

"Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and, to this end, shall carry out Parts A and C of the Project through MOHS with due diligence and efficiency and in conformity with appropriate administrative, financial and health sector practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the said Parts of the Project.

(b) Without any limitation or restriction upon any of its other obligations under the Development Credit Agreement, the Borrower shall cause NPA to perform in accordance with the provisions of the Project Agreement all the obligations of NPA therein set forth, shall take and cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable NPA to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(c) The Borrower shall relend to NPA the proceeds of the Credit allocated to Category (2) (b) in Schedule 1 to this Agreement under a subsidiary loan agreement to be entered into between the Borrower and NPA, under terms and conditions which shall have been approved by the Association including terms and conditions requiring: (i) repayment of principal in 20 years (including a grace period of 5 years); (ii) annual interest at 7.5%; and (iii) the assumption by NPA of any foreign exchange risks on proceeds of the Credit made available to NPA under the Subsidiary Loan Agreement.

(d) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Association and to accomplish the purposes of the Credit, and, except as the Association shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Loan Agreement or any provision thereof.

(e) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Association shall otherwise agree, the Borrower shall carry out Parts A and C of the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement."

Section 1.05. Sections 5.01 and 5.02 of the Development Credit Agreement are deleted and replaced by the following new Sections 5.01 and 5.02:

"Section 5.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional events are specified:

(a) a situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out;

(b) NPA shall have failed to perform any of its obligations under the Project Agreement;

(c) as a result of events which have occurred after the date of the Development Credit Agreement, an extraordinary situation shall have arisen which shall make it improbable that NPA will be able to perform its obligations under the Project Agreement; and

(d) (i) Subject to subparagraph (ii) of this paragraph:

(A) the right of the Borrower to withdraw the proceeds of any loan or grant made to the Borrower for the financing of the Project shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of the agreement providing therefor; or (B) any such loan shall have become due and payable prior to the agreed maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Association that: (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and (B) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement."

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional events are specified:

(a) the event specified in paragraph (b) of Section 5.01 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower; and

(b) the event specified in paragraph (d) (i) (B) of Section 5.01 of this Agreement shall occur, subject to the proviso of paragraph (b) (ii) of that Section."

Section 1.06. Schedule 1 to the Development Credit Agreement is deleted and replaced by the new Schedule 1 set forth in Annex I to this Amending Agreement.

Section 1.07. Schedule 2 to the Development Credit Agreement is deleted and replaced by the new Schedule 2 set forth in Annex II to this Amending Agreement.

Section 1.08. Schedule 3 to the Development Credit Agreement is deleted and replaced by the new Schedule 3 set forth in Annex III to this Amending Agreement.

Section 1.09. Schedule 4 to the Development Credit Agreement is deleted and replaced by the new Schedule 4 set forth in Annex IV to this Amending Agreement.

Section 1.10. Paragraph 1 (c) of Schedule 5 to the Development Credit Agreement is deleted and replaced by the following new paragraph 1 (c):

"(c) the term "Authorized Allocation" means: (i) an amount equivalent to \$1,000,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule

ARTICLE II

Effective Date; Termination

Section 2.01. This Amending Agreement shall not become effective until evidence satisfactory to the Association shall have been furnished to the Association that the execution and delivery of this Amending Agreement on behalf of the Borrower have been duly authorized or ratified

by all necessary governmental action.

Section 2.02. As part of the evidence to be furnished pursuant to Section 2.01 of this Amending Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association showing, on behalf of the Borrower, that this Amending Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms.

Section 2.03. This Amending Agreement shall come into force and effect on the date upon which the Association shall dispatch to the Borrower notice of its acceptance of the evidence required by Section 2.01 of this Amending Agreement.

Section 2.04. If this Amending Agreement shall not have come into force and effect by a date ninety (90) days after the date of this Amending Agreement, this Amending Agreement and all obligations of the parties thereunder shall terminate unless the Association establishes a later date for the purposes of this Section. If this Amending Agreement shall terminate under the provisions of this Section, the Development Credit Agreement shall continue in full force and effect as if this Amending Agreement had not been executed.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Amending Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF SIERRA LEONE

By /s/ John Leigh

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Callisto Madavo

Regional Vice President
Africa

ANNEX I

"SCHEDULE 1

Withdrawal of the Proceeds of the Credit

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Civil Works	1,600,000	100% up to December 31, 2002 and thereafter 100% of foreign expenditures

			and 90% of local expenditures
(2)	(a) Drugs, contraceptives consumables, reagents HIV test kits, furniture, medical equipment, vehicles, and other goods under Parts A and C of the Project	5,200,000	100% up to December 31, 2002 and thereafter 100% of foreign expenditures and 90% of local expenditures
	(b) Electric generators and spare parts under Part B of the Project	2,600,000	100%
(3)	Technical assistance, training and studies	2,600,000	100%
(4)	Incremental Operating	1,100,000	100% up to December 31, 2002 and thereafter 100% of foreign expenditures and 90% of local expenditures
(5)	Refunding of Project Preparation Advance	200,000	Amount due pursuant Section 2.02 (c) of this Agreement
(6)	Unallocated	300,000	
	TOTAL	13,600,000	

2. For the purposes of this Schedule:

(a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than that of the Borrower;

(b) the term "local expenditures" means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower; and

(c) the term "Incremental Operating Costs" means the Project-related administrative and running costs of the Project Executing Units, comprising:

- (i) salaries for incremental positions, per diem allowances and travel costs of Project staff, excluding salaries of civil servants;
- (ii) general supplies for offices;
- (iii) fuel, vehicle and equipment maintenance costs; and
- (iv) other Project related administrative expenses.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) payments made for expenditures prior to the date of this Agreement; and

(b) expenditures under Category (2) (b) unless the Subsidiary Loan Agreement has been duly executed, in form and substance satisfactory to the Association, and a copy thereof furnished to the Association.

4. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures under contracts for: (i) goods and works not exceeding \$100,000 equivalent; (ii) services of (A) consulting firms not exceeding \$100,000 equivalent, and (B) individual consultants not exceeding \$50,000 equivalent, under such terms and conditions as the Association shall specify by notice to the Borrower; and (iii) Incremental Operating Costs."

ANNEX II

"SCHEDULE 2

Description of the Project

The objectives of the Project are to assist the Borrower, during the post-conflict period, to address the priority health needs of its population including the taking of appropriate and urgent measures to: (i) deal with major public health issues such as sexually transmitted diseases, HIV/AIDs, malaria, onchocerciasis, and other infectious diseases; and (ii) provide care for amputees and psychologically traumatized women and children; and (iii) reform the health system and ultimately improve the health status of the population.

The Project consists of the following Parts, subject to such modifications thereof as the Borrower and the Association may agree upon from time to time to achieve such objectives:

Part A: Health Emergency Package

1. The acquisition of drugs, vaccines, contraceptives, consumables, bio-medical equipment, furniture, water pumps and electricity generators for health facilities, as well as ambulances and other logistic means to resume the delivery of health care in public health facilities.
2. Treatment of major ailments in hospitals and clinics, including: (i) the treatment and referral of amputees, and other physical and psychological trauma cases; (ii) the assessment, advice and care to alleviate pain, psychological suffering and disability; and (iii) the provision of good quality and affordable primary and referral services with emphasis on reducing maternal mortality.
3. Development of a nationwide STD/HIV/AIDS prevention program by MOHS, local communities and all concerned sectors.
4. Control of communicable diseases including: (i) provision of preventive services to reduce current epidemics and prevent new outbreaks; (ii) improved case management; and (iii) epidemic surveillance.
5. Rehabilitation of essential health services such as district hospitals, chiefdom health centers, and provision of equipment, drugs and furniture to such health facilities as the Borrower and the Association shall determine.
6. Strengthening of mental health services at central level and in districts to provide counseling, support and treatment to war victims and other mentally ill persons with focus on women, children, and amputees.
7. The carrying out of a maternal and child health program designed to reduce maternal and child health problems through safe motherhood, family planning, school health services, and the follow-up of health care provided for infants and under-five year old children, including immunization.
8. The carrying out of a nutrition and food supplementation program to

reduce childhood malnutrition including: (i) the provision of nutrition education and rehabilitation services; (ii) the provision of iodine and other micro-nutrients; and (iii) training, equipping and assignment of staff to provide counseling, supplements and support services.

9. Improving sanitation and access to safe water.

Part B: Provision of Electricity

The provision by NPA of electricity to key health facilities in Freetown and the districts to be rehabilitated under the Project with particular focus on the emergency wards and surgical theaters, including: (i) the acquisition and installation by NPA of three units of 1.2 to 1.5 MW high speed electricity generators to be utilized first in Freetown, on a temporary basis, and later, when higher capacity generators are installed in Freetown, in district capital cities where hospitals are to be equipped, and reconstruction or rehabilitation works are to be carried out, under the Project; and (ii) the acquisition of spare parts for the rehabilitated or new generating units.

Part C: The Reform Package

1. The carrying out of a health sector reform package including the adoption of the most cost-effective interventions and the carrying out of prevention, family planning and nutrition programs, and of a health care delivery system based on primary health care and sound referral services.

2. Increasing the accessibility to services in remote areas and affordability of care to the poor.

3. The establishment of a revitalized drug, vaccines and contraceptive procurement, storage and distribution system.

4. Improvement of decentralizing to districts, supervision at district level and effective participation of communities in health facility management.

5. The setting up, on a gradual basis, of an efficient cost recovery system adequate to protect the access of the poor to health services and drugs.

6. The carrying out of a comprehensive rehabilitation work program, including: (i) the renovation of health facilities and, where necessary, an expansion of services; and (ii) the strengthening of the organization, management and staffing of maintenance and repair units.

7. The establishment of a comprehensive human resource management function in the health sector to manage the staffing and development of personnel, and the employment relations in the said sector, including: (i) the preparation of a long-term manpower plan; and (ii) the establishment of effective mechanisms for coordinating training.

8. The strengthening of the donor and NGO coordination functions of the MOHS.

9. The development of planning, monitoring and evaluation capacities in the districts, including the collection of epidemiological data and financial management.

10. the provision of efficient central administrative support services, including: (i) accounting and financial management; (ii) procurement; and (iii) planning, management and statistics services.

* * *

The Project is expected to be completed by December 31, 2002."

ANNEX III

"SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: General

Goods and works shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996, September 1997 and January 1999 (the Guidelines), and the following provisions of this Section, as applicable.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

2. The following provisions shall apply to goods and works to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B:

(a) Grouping of Contracts.

To the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost \$250,000 equivalent or more each.

(b) Preshipment Price Inspection.

Goods shall be exempted from preshipment price inspection by a third party inspection firm.

Part C: Other Procurement Procedures

1. Limited International Bidding

The following items may be procured under contracts awarded in accordance with the provisions of paragraph 3.2 of the Guidelines, namely: (i) drugs, contraceptives, reagents, consumables, medical equipment, vehicles and other goods estimated to cost \$100,000 equivalent or less per contract, up to an aggregate amount not to exceed \$600,000 equivalent; and (ii) electric generators and spare parts to be procured by NPA under the Subsidiary Loan Agreement, up to an aggregate amount not to exceed \$3,500,000 equivalent.

2. National Competitive Bidding

(a) Works for the construction of health centers and rehabilitation of clinics and all other works estimated to cost \$700,000 equivalent or less per contract, up to an aggregate amount not to exceed \$1,300,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

(b) Goods estimated to cost \$250,000 equivalent or less per contract, up to an aggregate amount not to exceed \$500,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

3. Community Participation

Minor rehabilitation and repair works estimated to cost less than

\$25,000 equivalent per contract, up to an aggregate amount not to exceed \$700,000 equivalent, may be procured in accordance with procedures acceptable to the Association..

4. International Shopping

(a) Drugs, contraceptives, consumables, reagents and HIV test kits estimated to cost less than \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$350,000 equivalent may, with the Association's prior agreement, be procured under contracts awarded on the basis of international shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

(b) Goods (other than drugs, contraceptives, consumables, reagents and HIV test kits) estimated to cost \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$800,000 equivalent may, with the Association's prior agreement, be procured under contracts awarded on the basis of international shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

5. National Shopping:

The following items may, with the Association's prior agreement, be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines: (i) drugs, contraceptives, consumables, reagents, HIV test kits estimated to cost less than \$25,000 equivalent per contract, up to an aggregate amount not to exceed \$400,000 equivalent; and (ii) goods (other than drugs, contraceptives, consumables, reagents, HIV test kits estimated to cost less than \$25,000 equivalent per contract, up to an aggregate amount not to exceed \$450,000 equivalent.

6. Procurement from UN Agencies

Drugs, contraceptives, reagents, medical equipment and vehicles estimated to cost up to an aggregate amount not exceeding \$2,500,000 equivalent, may be procured from UNICEF, IAPSO and UNFPA in accordance with the provisions of paragraph 3.9 of the Guidelines.

Part D: Review by the Association of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to prequalify for bidding or to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Association, and with the provisions of said paragraph.

2. Prior Review

With respect to each contract for goods and works estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II: Employment of Consultants

1. Consultants' services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines:

Selection and Employment of Consultants by World Bank Borrowers" published by the Association in January 1997 and revised in September 1997 and January 1999, subject to the modifications thereto set forth in paragraph 2 of this Part A (the Consultant Guidelines), and the following provisions of Section II of this Section.

2. In paragraph 1.10 of the Consultant Guidelines, the references to "Bank member countries" and "member country" shall be deemed to be references, respectively, to "Participating Countries" and "Participating Country".

3. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultant Guidelines requiring prior Association review or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts, shall not apply to: (a) contracts for the employment of consulting firms estimated to cost less than \$100,000 equivalent each; or (b) contracts for the employment of individual consultants estimated to cost less than \$50,000 equivalent each. However, said exceptions to prior Association review shall not apply to: (i) the terms of reference for such contracts; (ii) single-source selection of consulting firms; (iii) assignments of a critical nature, as reasonably determined by the Association; (iv) amendments to contracts for the employment of consulting firms raising the contract value to \$100,000 equivalent or above; or (v) amendments to contracts for the employment of individual consultants raising the contract value to \$50,000 equivalent or above.

4. Services estimated to cost up to an aggregate amount not to exceed \$1,000,000 equivalent, may be procured from WHO and NGOs in accordance with procedures satisfactory to the Association."

ANNEX IV

"SCHEDULE 4

Implementation Program

1. (a) The Borrower shall carry out, or cause the Project Executing Units to carry out, the Project in accordance with the Operational Manual.

(b) Except as the Association shall otherwise agree, the Borrower shall not amend, abrogate or waive any provision of the Operational Manual or any provision thereof which, in the opinion of the Association, may materially and adversely affect the carrying out of the Project.

2. The Borrower shall, with respect to the Project, cause MOHS to carry out the following functions:

(a) the rapid assessment of health needs and planning to respond to emergency needs during the period of post-conflict transition to peace;

(b) the monitoring of the health services response to the health needs of the population;

(c) donor coordination for the mobilization, and appropriate use, of resources;

(d) the provision of technical support in public health matters, and in clinical services including advice and support to health care providers of public, private for profit and non-for profit facilities;

(e) the provision of administrative support including support in the procurement and distribution of goods to be procured under the Project; and

(f) the provision of budgeting, accounting and audit support.

3. (a) The Borrower shall continue to maintain in MOHS the following organizational teams and units with organizations, functions and staffing satisfactory to the Association: (i) MOHS Management Team; (ii) NGO and Donor Relations Unit; (iii) Financial Management Team; (iv) Procurement Unit; and (v) Planning, Management and Statistics Unit. The said teams and units shall: (A) provide efficient management and planning support to the Project Executing Units; and (B) be concerned with the integration of NGOs and donors' activities into the annual budget of the Borrower and the activity plan of the health sector.

(b) The MOHS Management Team shall consist of: (i) the Minister of Health and Sanitation; (ii) the Secretary of State for Health (who shall head the MOHS Management Team); (iii) the Director General of health services; (iv) the Director General for management services; and (v) the heads of the other organizational units referred to in sub-paragraph (a) of this paragraph. The MOHS Management Team shall be responsible for overall coordination of Project implementation.

(c) The NGO and Donor Relations Unit shall be responsible for: (i) collecting information on donor and NGO activities, including liaising with the Association; and (ii) organizing donor and NGOs participation in any annual review required under this Agreement; and (iii) collaborating with Planning, Management and Statistics Unit to coordinate donor and NGOs activities in the health sector, required under this Agreement.

(d) The Financial Management Team shall be responsible for overseeing the preparation of budgets and for accounting and auditing matters.

(e) The Procurement Unit shall be responsible for handling all procurement matters, including the preparation of bidding documents.

(f) The Planning, Management and Statistics Unit shall be responsible for: (i) providing support to district level planning and monitoring; (ii) the development of the health information system required for monitoring performance and quality improvements in the health services; and (iii) providing management support to MOHS and the districts.

4. The heads of the organizational units referred to in paragraph 3 (a) of this Schedule shall have responsibility for:

(i) assessing technical and support programs improvements and the need for research;

(ii) ensuring that national standards and quality services are developed and maintained; and

(iii) coordinating activities of Project participants to ensure the availability to communities of information, technical assistance and physical resources regarding district health services for maternal child health, family planning, communicable diseases (including STD/HIV/AIDS), other health conditions, good nutrition and improved sanitation and access to safe water. environmental health.

5. The Borrower shall each year: (i) cause to be prepared, no later than October 15 district health plans which shall form part of the sector annual plan to be discussed at the annual NGO and donor meeting to be held that year; and (ii) make budgetary provisions adequate to meet the full costs of preparing and implementing the said plan.

6. The Borrower shall each year:

(a) no later than October 1 furnish to the Association, for its review and comments, an annual draft budget and work plan for the next following fiscal year (annual budget and activity plans), all in form and substance satisfactory to the Association;

(b) no later than November 1:

(i) review jointly with the Association and other donors:
(A) the implementation of the annual budget and activity plan; and (B) the progress made in meeting the existing performance indicators;

(ii) identify any issues arising from Project execution and propose required solutions; and

(iii) revise and update the annual budget and activity plans, to the satisfaction of the Association, on the basis of such understandings as shall have been reached by the participants in the joint review referred to in subparagraph (b) (i) above;

(c) no later than December 15 furnish to the Association and other donors the annual budget and activity plan, as so revised and updated; and

(d) carry out the Project on the basis of the revised annual implementation plans.

7. The Borrower shall prepare annually and furnish to the Association, for its review and comments, no later than December 31, a procurement and a disbursement plan in form and substance satisfactory to the Association. The said plans shall include all activities of the agreed annual budget and activity plans proposed to be executed during the following year utilizing the proceeds of the Credit.

8. The electric generators to be purchased under Part B of the Project utilizing the proceeds of the Credit shall first be installed in Freetown (as a temporary solution to the capital city's increased needs). As soon as higher capacity generators shall be installed in Freetown, the said generators shall be installed in the district capital cities in which reconstruction or rehabilitation works and equipping of district hospitals shall be carried out."

