

CONFORMED COPY

CREDIT NUMBER 2255 SE

(Human Resources Development Project)

between

REPUBLIC OF SENEGAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 22, 1991

CREDIT NUMBER 2255 SE

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated July 22, 1991, between REPUBLIC OF SENEGAL (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS: (A) the Borrower has evaluated a five-year program of actions in support of development of the health and population sectors at an estimated cost equivalent to \$52.8 million;

(B) 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;

WHEREAS 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;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985, with the last sentence of Section 3.02 deleted (the General Conditions) constitute an integral part of this Agreement.

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

(a) "MEFP" means the Borrower's Ministry of Economy, Finance and Planning;

(b) "MOHSA" means the Borrower's Ministry of Health and Social Affairs;

(c) "MOE" means the Borrower's Ministry of Education;

(d) "MOI" means the Borrower's Ministry of the Interior;

(e) "MCWC" means the Borrower's Ministry in charge of the Condition of Women and Children;

(f) "MYS" means the Borrower's Ministry of Youth and Sports;

(g) "HEU" means the Health Education Unit within MOHSA;

(h) "PNA" means the Pharmacie Nationale d'Approvisionnement;

(i) "IC" means the Interministerial Committee, to be maintained in accordance with the provisions of paragraph 1 of Schedule 4 to this Agreement;

(j) "PCU" means the project coordination unit to be maintained in accordance with the provisions of paragraph 2 of Schedule 4 to this Agreement;

(k) "CSU" means each of the component support units to be maintained within MOHSA, MOI and MYS and MCWC in accordance with the provisions of paragraph 3 of Schedule 4 to this Agreement;

(l) "DSA" means the Directorate of Social Affairs within MOHSA;

(m) "CHO" means community health organizations (Comite de Sante, Association pour la Sante);

(n) "FP" means family planning;

(o) "MCH" means maternal and child health;

(p) "IEC" means information, education and communication;

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

(r) "Project Preparation Advances" means the project preparation advance granted by the Association to the Borrower pursuant to exchanges of letters dated September 25, 1987 and November 25, 1987, and April 24, 1989 and June 12, 1989 between the Borrower and the Association;

(s) "Special Account A", "Special Account B" and "Special Accounts" mean the accounts referred to in Section 2.02 (b) of this Agreement; and

(t) "FY" means the Borrower's fiscal year (i) commencing on July 1, 1991 and ending on December 31, 1992 in the case of FY 1991-1992, and (ii) commencing on January 1 and ending on December 31 of each year in the case of the subsequent fiscal years.

## ARTICLE II

### The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to twenty-five million four hundred thousand Special Drawing Rights (SDR 25,400,000).

Section 2.02. (a) The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Agreement and to be financed out of the proceeds of the Credit.

(b) The Borrower shall, for the purposes of the Project, open and maintain in CFAF two special deposit accounts (Special Account A and Special Account B) in a commercial bank on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of, the Special Accounts shall be made in accordance with the provisions of Schedule 5 to this Agreement.

(c) Promptly after the Effective Date, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and pay to the Association the amount required to repay the principal amount of the Project Preparation Advance withdrawn and outstanding as of such date and to pay all unpaid charges thereon. The unwithdrawn balance of the authorized amount of the Project Preparation Advance shall thereupon be cancelled.

Section 2.03. The Closing Date shall be December 31, 1995 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or cancelled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date or at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next payment date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on May 1 and November 1 in each year.

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the

Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each May 1 and November 1, commencing November 1, 2001 and ending May 1, 2031. Each installment to and including the installment payable on May 1, 2011 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever (i) the Borrower's gross national product per capita, as determined by the Association, shall have exceeded \$790 in constant 1985 dollars for five consecutive years and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the terms of repayment of installments under paragraph (a) above by requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid. If so requested by the Borrower, the Association may revise such modification to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(c) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

### ARTICLE III

#### Execution of the Project

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 the Project with due diligence and efficiency and in conformity with appropriate administrative, financial and engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) 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 the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

Section 3.02. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to this Agreement.

### ARTICLE IV

#### Financial Covenants

Section 4.01. (a) The Borrower shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Project of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section including those for the Special Accounts for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;
- (ii) furnish to the Association, as soon as available, but in any case not later than 6 months after the end of each such year, a certified copy of the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and
- (iii) furnish to the Association such other information concerning said records, accounts and the audit thereof as the Association shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of statements of expenditure, the Borrower shall:

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account or payment out of the Special Accounts was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Association's representatives to examine such records; and
- (iv) ensure that every six months said auditors furnish to the Association an opinion as to whether the statements of expenditure submitted during such period, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. The Borrower shall take all necessary measures:

- (i) to increase MOHSA's percentage share of the government's recurrent budget to 5.25% during FY 91-92, to 5.75% during FY 93, to 6.25% during FY 94, to 6.75% during FY 95, and to 7.25% during FY 96;
- (ii) to revise the presentational form of MOHSA's budget to clearly delineate drug and material allocations for the 45 districts of Senegal starting with the budget law for FY 91-92; and
- (iii) to ensure that total drugs and material allocations to the 45 districts shall be at least 1.5 billion CFAF in FY 91-92, 1.1 billion CFAF during FY 93 subsequently, such allocation shall increase annually by at least 10% in real terms through FY 96.

#### ARTICLE V

##### Effective Date; Termination

Section 5.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement

within the meaning of Section 12.01 (b) of the General Conditions:

(a) issue regulations, acceptable to the Association, governing the organization and management of CHOs, detailing procedures for transformation of existing CHOs to conform with the new regulations and requiring that only CHOs which conform with the new regulations are permitted to operate in public health facilities;

(b) PNA has opened a separate bank account in a commercial bank and the Borrower has made an initial deposit of at least 350 million CFAF in such bank account;

(c) the Borrower has implemented, in a manner satisfactory to the Association, the staff redeployment and recruitment measures of MOHSA defined in the emergency plan for FY 90-91;

(d) the Borrower has adopted its national family planning program;

(e) the Borrower has published the decree defining MCH services which include FP services as part of the basic MCH package; and

(f) the Borrower has adequately staffed the PCU and CSUs.

Section 5.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

#### ARTICLE VI

##### Representatives of the Borrower; Addresses

Section 6.01. The Minister responsible for finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 6.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministcre de l'Economie, des Finances et du Plan  
Rue Charles Laine  
B.P. 4017  
Dakar, Senegal

Cable address:                      Telex:  
  
                    MINIFINANCES                      3235 GS  
                    Dakar

For the Association:

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

Cable address:                      Telex:  
  
                    INDEVAS                      248423 (RCA)  
                    Washington, D.C.                      82987 (FTCC)  
    64145 (WUI) or  
    197688 (TRT)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this 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 SENEGAL

By /s/ Ibra Degucne KA  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Callisto Madavo  
Acting Regional Vice President  
Africa

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:		
(a) Parts E and F.1 of the Project	5,800,000	85%
(b) Parts B.2 and C of the Project	1,100,000	85%
(2) Vehicles, equipment and materials:		
(a) Parts A, E, F and G of the Project	3,200,000	100%
(b) Parts B, C and D of the Project	1,900,000	100%
(3) Furniture under:		
(a) Parts A, E and F of the Project	500,000	100%
(b) Part B of the Project	75,000	100%
Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(4) Drugs and contra- ceptives under Parts A and F.2 of the Project	2,000,000	100%
(5) Consultants'		

services  
under:

(a) Parts A, E, F and G of the Project	1,900,000	100%
(b) Parts B, C and D of the Project	1,300,000	100%
(6) Training under:		
(a) Parts A, E, F and G of the Project	650,000	100%
(b) Parts B, C and D of the Project	950,000	100%
(7) Incremental operating costs under:		
(a) Parts A, E, F and G of the Project	1,200,000	75%
(b) Parts B.5, C and D of the Project	725,000	75%

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(8) Refunding of Project Prepara- tion Advances	600,000 suant to Section 2.02 (c) of this Agreement	Amounts due pur-
(9) Unallocated	3,500,000	
TOTAL	25,400,000	

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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; provided, however, that if the currency of the Borrower is also that of another country from the territory of which the goods and services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures"; and

(c) the term "incremental operating costs" means all costs arising on account of salaries of staff under contract, maintenance of vehicles and equipment, fuel, office rent, supplies and services under the Project.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.



## SCHEDULE 2

### Description of the Project

The objectives of the Project are to support the Borrower's efforts to control fertility and reduce the rate of population growth and to restructure the health sector to enable it to provide improved basic health services.

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:

#### Component I Implementation of the National Population Policy

##### Part A: Strengthening of the National Family Planning Program

1. Expansion of FP services to the health post level within the public health system through training of around 360 health post nurses and instructors in schools of public health, equipping for MCH-FP services of health posts in about 26 districts, provision and distribution of contraceptives, and carrying out of nutritional experiments in support of MCH care services.
2. Expansion of FP services provided by the private sector through the creation of a FP clinic in Kolda, training of private sector doctors, nurses, pharmacists (and their assistants), and staff of non-governmental organizations and volunteers, distribution of contraceptives and provision of MCH/FP services through private enterprises, provision of equipment for FP-IEC programs and provision of support for the operations of non-governmental organizations acceptable to the Association.
3. Promotion of FP through information, education and communication (IEC), including development of improved operational approaches for face-to-face communication, development of FP-IEC programs for mass media, training of HEU staff and MOI and DSA field personnel, and provision of equipment for HEU and for MOI and DSA field personnel, and carrying out of market research studies.

##### Part B: Promotion of the Status of Women

1. Promotion of functional literacy for women through training of monitors and village literacy agents, functional literacy training for women groups and development and production of literacy materials.
2. Extension of the network of centers for women's group activities ("cases-foyer") through construction and equipping of 30 centers.
3. Provision of labor saving equipment for household work for up to 225 women's groups and spare parts therefor.
4. Training of millers and repair mechanics.
5. Strengthening of MCWC through training in monitoring and evaluation, information awareness campaigns, production and dissemination of mass media materials, and provision of equipment and furniture.

##### Part C: Promotion of Youth through Family Life Education

1. Rehabilitation and equipping of 12 departmental youth centers and 26 training centers;
2. Training of MYS agents and leaders of youth organizations in family life education;
3. Provision of vehicles for 4 regional offices; and

4. Production of mass media materials.

Part D: Institutional Support for the Promotion of the National Population Program

1. Carrying out of studies on key determinants of population growth in Senegal, and channelling of research results to sector planners and policy makers.

2. Monitoring and evaluation of the national population program and provision of computer equipment therefor.

Component II Implementation of National Health Policy

Part E: Development of the District Health System

1. Establishment of training programs for health district personnel and development of training materials and operational guidelines, provision of vehicles for supervision of on the job training; and carrying out of minor rehabilitation works and provision of equipment for health centers in the training zones of Nabil Choucair and Tambacounda.

2. Establishment of financial management systems for the districts and training of administrators in accounting.

3. Promotion of community health organizations through seminars for local leaders, production of radio and television spots and posters and printing of guidelines on the management of CHOs.

4. Implementation of district health development plans in 19 districts in the regions of Dakar, Thicks and Diourbel through:

- (i) Establishment of the network of district health facilities through construction of 60 new health posts, transformation of 4 MCH centers into health posts, equipping of around 190 existing health posts and rehabilitation and equipping of 5 health centers and 7 district pharmacies;
- (ii) Rehabilitation of regional health offices;
- (iii) Training of regional medical officers in public health; and
- (iv) Establishment of regional documentation centers.

Part F: Promotion of Essential Drugs

1. Strengthening of the organization and management of PNA through training of PNA personnel in drug management and distribution, and rehabilitation of facilities.

2. Provision of an initial stock of drugs for PNA, the health centers and health posts.

3. Carrying out of information campaigns on television and radio and printing and dissemination of essential drugs lists and prescription guidelines.

4. Carrying out of studies on the long term financial viability of PNA and alternative market structures for the supply of essential drugs.

Part G: Institutional strengthening of MOHSA through training of its staff in management systems and computer utilization, carrying out of studies to define staffing norms for regional hospitals and specialized structures of MOHSA, further development of a computerized personnel information system, and preparation of a program for the restructuring of the education and training system in the health sector and provision of a vehicle and office equipment.

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The Project is expected to be completed by June 30, 1995.

### SCHEDULE 3

#### Procurement and Consultants' Services

##### Section I. Procurement of Goods and Works

###### Part A: International Competitive Bidding

1. Except as provided in Part C hereof, goods and works shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1985 (the Guidelines).

2. To the extent practicable, contracts for goods shall be grouped into bid packages estimated to cost the equivalent of \$100,000 or more.

3. Bidders for supply of drugs required under the Project shall be prequalified as described in paragraph 2.10 of the Guidelines and drugs will be specified in the bidding documents under the international non-proprietary name.

###### Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A.1 hereof, goods manufactured in Senegal may be granted a margin of preference in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraphs 1 through 4 of Appendix 2 thereto.

###### Part C: Other Procurement Procedures

1. Items or groups of items for goods other than drugs estimated to cost the equivalent of \$100,000 or less per contract, up to an aggregate amount equivalent to \$3.1 million, and contracts for works estimated to cost the equivalent of \$1,000,000 or less per contract up to an aggregate amount of \$2.7 million, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association, which shall include advertising in a local paper, public bid opening, clarity of evaluation criteria, award to the lowest evaluated bidder and which shall be open to foreign bidders.

2. Drugs required in health emergencies duly declared by the Borrower estimated to cost the equivalent of less than \$60,000 up to an aggregate amount not to exceed the equivalent of \$500,000 may be procured under contracts awarded on the basis of comparison of price quotations solicited from a list of at least three local or international suppliers eligible under the Guidelines in accordance with procedures acceptable to the Association.

###### Part D: Review by the Association of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to each contract estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to said paragraph 2 (d) shall be furnished to the Association prior to the making of the first payment out of the Special Account in respect of such contract.

(b) With respect to each contract not governed by the

preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract together with the other information required to be furnished to the Association pursuant to said paragraph 3 shall be furnished to the Association as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 5 to this Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which the Association has authorized withdrawals on the basis of statements of expenditure.

2. The figure of 15% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

## Section II. Employment of Consultants

In order to assist the Borrower in carrying out the Project, the Borrower shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Association. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Association on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981.

### SCHEDULE 4

#### Implementation Program

##### Overall Management and Coordination of the Project

1. The Borrower shall maintain the Interministerial Committee (IC) for the purpose of provision of overall guidance, policy decision and resolution of major implementation problems regarding Project execution. The IC shall be chaired by the Minister of MEFP and shall include the ministers responsible for MOI, MYS, MOHSA, MCWC and MOE. The IC shall approve annual work programs and budgets for each component of the Project, review progress reports, evaluate results and initiate any corrective action that may be necessary.

2. The Borrower shall maintain a Project Coordinating Unit (PCU) to be headed by a project manager and to include higher level staff, whose qualifications and experience shall be satisfactory to the Association. The PCU shall serve as a secretariat to the IC, procure goods and services for Parts B, C and D of the Project, prepare the documentation necessary for withdrawal from the Credit Account, manage the Special Account A, consolidate progress reports, budgets and annual work programs for the Project, and supervise and coordinate monitoring and evaluation activities for the Project.

3. The Borrower shall maintain component support units (CSU) within MOHSA, MOI, MYS and MCWC to provide logistical support to the planning and executing divisions of MOHSA, MOI, MYS and MCWC. Each CSU shall be headed by an individual and include higher level staff, whose experience and qualifications are acceptable to the Association.

4. The Borrower shall execute the Project through the following entities:

Parts A.1 and A.2:	MOHSA, MCH-FP Division
Part A.3:	HEU
Parts B.1 through B.4:	MOI
Part B.5:	MCWC
Part C:	MYS
Part D:	MEFP, Division of Human Resources
Part E:	MOHSA, Directorate for Public Health
Parts F.1 and F.2:	PNA
Part F.3:	MOHSA
Part F.4:	CSU within MOHSA

Annual Work Programs and Progress Review

5. By October 31 of each year, the Borrower shall organize a review meeting to be attended by the heads of PCU and of the CSUs, and representatives of the Association in order to review: (a) the draft annual work program and budget for the Project activities to be undertaken during the next fiscal year, as such work program and budget have been consolidated by PCU; (b) the draft recurrent budget for health for the next fiscal year; and (c) a draft investment budget for the health sector for the coming three years. The final version of the annual work program and budget for the Project and the investment budget for the health sector shall reflect the comments made by the Association.

6. Mid-term Review

By June 30, 1994, the Borrower shall undertake a mid-term review of the Project execution, including an assessment as to whether the strategies being followed are producing the expected results and whether those strategies need to be modified in the light of changing circumstances, furnish the Association a report on such mid-term review, exchange views with the Association on such report and take all necessary measures to remedy any problem that has been identified during such mid-term review.

Pharmacie Nationale d'Approvisionnement (PNA)

7. The Borrower shall take all necessary measures to ensure that PNA stocks are kept in conformity with the official list of essential drugs, agreed upon with the Association, and revise such list only upon prior approval by the Association.

8. PNA shall be headed, at all times, by a manager, with adequate qualifications and experience.

9. The Borrower shall take all necessary measures to ensure that (i) PNA shall submit its requests for replenishment of the bank account referred to in Section 5.01 (b) of this Agreement on the basis of supporting documents at least at the end of each three month period; and (ii) the replenishment of such account will be made within one month of any such replenishment request.

Staffing

10. The position of Director of Public Health, within MOHSA, shall be held, at all times, by an individual, with adequate qualifications and experience.

11. The Borrower shall implement its medium-term plan (FY 1991-1996) for staff redeployment.

12. By June 30, 1993, the Borrower shall complete the studies on staffing norms for regional hospitals and specialized structures of MOHSA and exchange views on the findings of such studies and their recommendations with the Association.

Labor Saving Equipment for Household:

13. For the purposes of carrying out Part B.3 of the Project, by December 31, 1991, the Borrower shall, through the CSU within MOI, enter into an agreement with a banking institution; such agreement, to specify the terms and conditions of withdrawals of funds to be made available to women groups for use in income earning or social welfare projects, to be acceptable to the Association.

Provision of an initial stock of drugs for Health Districts:

14. The Borrower shall allocate the initial stocks of drugs provided under the Project only to those health centers and health posts that meet the eligibility criteria, agreed upon by the

Borrower and the Association.

#### SCHEDULE 5

##### Special Accounts

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) (b), (2) (b), (3) (b), (5) (b), (6) (b) and (7) (b) set forth in the table in paragraph 1 of Schedule 1 to this Agreement in the case of Special Account (A) and Categories (1) (a), (2) (a), (3) (a), (4), (5) (a), (6) (a) and (7) (a) of such table in the case of Special Account (B);

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Credit allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an amount of CFAF 75,000,000 in the case of Special Account A and an amount of CFAF 175,000,000 in the case of Special Account B. Such amount to be withdrawn from the Credit Account and deposited into the respective Special Account pursuant to paragraph 3 (a) of this Schedule.

2. Payments out of the respective Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Association has received evidence satisfactory to it that the respective Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the respective Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Association a request or requests for a deposit or deposits which do not exceed the aggregate amount of the respective Authorized Allocation. On the basis of such request or requests, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the respective Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of the Special Accounts, the Borrower shall furnish to the Association requests for deposits into the Special Accounts at such intervals as the Association shall specify.

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Accounts such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Accounts for eligible expenditures.

All such deposits shall be withdrawn by the Association from the Credit Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special

Accounts, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Association shall not be required to make further deposits into the Special Accounts:

(a) if, at any time, the Association shall have determined that all further withdrawals should be made by the Borrower directly from the Credit Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement; or

(b) once the total unwithdrawn amount of the Credit allocated to the eligible Categories, less the amount of any outstanding special commitment entered into by the Association pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocations.

Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit allocated to the eligible Categories shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association shall have been satisfied that all such amounts remaining on deposit in the Special Accounts as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Association shall have determined at any time that any payment out of any Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; (ii) was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association: (A) provide such additional evidence as the Association may request; or (B) deposit into the respective Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association shall have determined at any time that any amount outstanding in any Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

(c) The Borrower may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in the respective Special Account.

(d) Refunds to the Association made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

