

CONFORMED COPY

CREDIT NUMBER 2893 IVC

Development Credit Agreement

(Integrated Health Services Development Project)

between

REPUBLIC OF COTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 11, 1996

CREDIT NUMBER 2893 IVC

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated July 11, 1996, between REPUBLIC OF COTE D'IVOIRE (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

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 dated May 28, 1996 from the Borrower, describing a program of actions, objectives and policies designed to improve the Borrower's health sector (hereinafter called the Program), and declaring the Borrower's commitment to the execution of the Program; and

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 modifications set

forth below (the General Conditions) constitute an integral part of this Agreement:

- (a) The last sentence of Section 3.02 is deleted.
- (b) The second sentence of Section 5.01 is modified to read:

"Except as the Borrower and the Association shall otherwise agree, no withdrawals shall be made: (a) on account of expenditures in the territories of any country which is not a member of the Bank or for goods produced in, or services supplied from, such territories; or (b) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Association, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations."

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) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters dated March 31, 1995 and April 4, 1995 between the Borrower and the Association;
- (b) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement;
- (c) "Project Account" means the account referred to in Section 3.02 of this Agreement;
- (d) "PNDS" means Plan National de Developpement Sanitaire, the Borrower's national health development plan, including an integrated health services development program;
- (e) "MSP" means Ministere de la Sante Publique, the Borrower's ministry responsible for public health;
- (f) "Coordinator" means the Project coordinator referred to in Section II (a) 3 of Schedule 4 to this Agreement;
- (g) "Monitoring Committee" means the Project monitoring committee referred to in Section II (a) 1 and 2 of Schedule 4 to this Agreement;
- (h) "DSC" means Direction de la Sante Communautaire, the directorate of MSP responsible for community health;
- (i) "DEMM" means Direction de l'Equipement, du Materiel et de la Maintenance, the directorate of MSP responsible for equipment, furniture and maintenance;
- (j) "DRH" means Direction des Ressources Humaines, the directorate of MSP responsible for human resources;
- (k) "DR" means Direction Regionale, any directorate of MSP at the regional level;
- (l) "DD" means Direction Departementale or District Sanitaire, any directorate of MSP at the department level;
- (m) "PSP" means Pharmacie de la Sante Publique, an etablissement public a caractere industriel et commercial, established and operating under the laws of the Borrower;
- (n) "PMA" means paquet minimum d'activites, a minimum package of health services;
- (o) "FP" means family planning;
- (p) "STD" means sexually transmitted diseases;

(q) "DE-SR/PF" means the executive directorate for reproductive health and family planning (except STD), within MSP;

(r) "DE-VIH/MST/TUB" means the executive directorate for acquired immune deficiency syndrome, sexually transmitted diseases and tuberculosis, within MSP;

(s) "NGO" means a non-profit non-governmental organization operating within the Borrower's territories;

(t) "AIBEF" means Association Ivoirienne pour le Bien-Etre Familial, a non-governmental organization registered in the Borrower's territories, providing family planning services;

(u) "Project Implementation Manual" means the manual outlining the procurement, disbursement and other arrangements for the implementation of the Project adopted pursuant to Section 6.01 (f) of this Agreement;

(v) "CAA" means Caisse Autonome d'Amortissement, a public financial institution of the Borrower; and

(w) "CFAF" or "CFA Francs" means the currency of the Borrower.

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-seven million seven hundred thousand Special Drawing Rights (SDR 27,700,000).

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 may, for the purposes of the Project, open and maintain in CFA Francs a special deposit account in CAA on terms and conditions satisfactory to the Association. Deposits into, and payments out of, the Special Account 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 itself 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 September 30, 2000 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 per cent ($3/4$ 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 January 15 and July 15 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 January 15 and July 15 commencing January 15, 2006 and ending January 15, 2036. Each installment to and including the installment payable on January 15, 2016 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 through MSP with due diligence and efficiency and in conformity with appropriate administrative, financial and health practices, and in accordance with the Project Implementation Manual, 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. Without any limitation upon the provisions of Section 3.01 of this Agreement, the Borrower shall, for the purposes of making available its counterpart contribution to the financing of the Project:

(a) open and thereafter maintain an account in CFAF (the Project Account) in CAA on terms and conditions satisfactory to the Association;

(b) deposit into the Project Account an initial contribution of CFAF three hundred fifteen million (CFAF 315,000,000);

(c) thereafter, not later than March 31, 1997, replenish said account at least on a quarterly basis, or whenever its balance shall be less than the equivalent of CFAF two hundred million (CFAF 200,000,000); and

(d) ensure that amounts deposited into the Project Account shall be used exclusively to make payments to meet expenditures made or to be made in respect of the reasonable cost of goods and services for the Project.

Section 3.03. 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.

Section 3.04. For the purposes of Section 9.07 of the General Conditions and without limitation thereto, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Association, and furnish to the Association not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, a plan for the future operation of the Project; and

(b) afford the Association a reasonable opportunity to exchange views with the Borrower on said plan.

Section 3.05. The Borrower shall:

(a) not later than December 31, 1997, furnish to the Association for its review and approval, an action plan, prepared on the basis of criteria satisfactory to the Association, defining the specific actions to be taken to substantially increase the accounting autonomy and financial management capacity of local public sector health care providers; and

(b) thereafter, carry out said action plan with due diligence and efficiency and in accordance with appropriate financial management practices.

Section 3.06. Taking into account its review and validation of treatment algorithms for diseases other than STD, the Borrower shall, not later than June 30, 1997, adopt and publish national guidelines for syndromic diagnosis and treatment of sexually transmitted diseases.

ARTICLE IV

Financial and Other 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 Account 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 six 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:

(a) of this (i) maintain or cause to be maintained, in accordance with paragraph 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 Account 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 such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) The Borrower shall update its three-year public investment program in the health sector on the basis of the policy priorities and strategies of the Program and, not later than December 31, 1996, furnish said updated public investment program to the Association for its review and comments; and

(b) until the completion of the Project, the Borrower shall: (i) each year update said public investment program for the following calendar year; (ii) by October 1 of each year, furnish said program to the Association for its review; and (iii) promptly thereafter, adopt and carry out said program, taking due account of the Association's comments thereon.

ARTICLE V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional event is specified, namely, that a situation shall have arisen which shall make it improbable that the Program or a significant part thereof will be carried out.

ARTICLE VI

Effective Date; Termination

Section 6.01. 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) the Project Account has been opened and the initial contribution referred to in Section 3.02 (b) of this Agreement has been deposited therein;

(b) the Borrower has adopted and published in the Borrower's Journal Officiel: (i) an Arrete portant organisation et fonctionnement of the DD; and (ii) an Arrete portant creation, organisation et fonctionnement of the Project management services; both satisfactory to the Association;

(c) the Borrower has issued and communicated a Circulaire, satisfactory to the Association, to the MSP's Cabinet and Central Directorates, to the DRs and DDs, as well as to other Borrower's ministries concerned, outlining the format, contents,

procedures and eligibility criteria of the health district development plans included under Part A.1 of the Project;

(d) the following staff have been appointed and have assumed their functions: (i) the two public health specialists and the health economist referred to in Section II (a) 4 of Schedule 4 of this Agreement; and (ii) the accountant referred to in Section II (a) 3 of Schedule 4 to this Agreement;

(e) the Borrower has employed the independent auditors referred to in Section 4.01 (b) of this Agreement, in accordance with the provisions of Section II of Schedule 3 to this Agreement; and

(f) the Borrower has adopted the Project Implementation Manual, in form and substance acceptable to the Association.

Section 6.02. 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 VII

Representative of the Borrower; Addresses

Section 7.01. The Minister of the Borrower responsible for finance is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministry of Economy and Finance
B.P. V 125
Abidjan
Republic of Côte d'Ivoire

Cable address:

MINFIN
Abidjan

Telex:

23747 MINFIN

For the Association:

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

Cable address:

INDEVAS
Washington, D.C.

Telex:

248423 (RCA)
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 COTE D'IVOIRE

By /s/ Moise Koumoue Koffi

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Jean-Louis Sarbib

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	3,500,000	90%
(2) Vehicles, furniture and medical and other equipment	7,600,000	100% of foreign expenditures and 80% of local expenditures
(3) Drugs and medical consumables	1,400,000	100% of foreign expenditures and 80% of local ex- penditures
(4) Consultants' services and training:		100%
(a) for all Parts of the Project (except Part A.3 (b) thereof)	7,600,000	
(b) for Part A.3 (b) of the Project	1,400,000	
(5) Operating costs	2,100,000	70%
(6) Refunding of Project Preparation Advance	500,000	Amounts due pursuant to Section 2.02 (c) of this Agreement
(7) Unallocated	3,600,000	
TOTAL	<u>27,700,000</u> =====	

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 "operating costs" means recurrent expenditures related to mission travel and subsistence allowances for local staff involved in the Project execution, contractual staff salaries, operation and maintenance of Project vehicles and equipment, and office supplies.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made: (a) in respect of payments made for expenditures prior to the date of this Agreement; and (b) in respect of payments made for expenditures under Category (4) (b), unless the counselor, referred to in Section II (a) 6 of Schedule 4 to this Agreement, has been appointed by the MSP and has assumed his/her functions, and the MSP has adopted the policies and procedures, referred to in Part A.3 (a) of the Project, satisfactory 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 (a) under contracts for works and goods not exceeding \$200,000 equivalent, (b) under contracts for employment of consulting firms not exceeding \$100,000 equivalent, and (c) under contracts for employment of individual consultants not exceeding \$50,000 equivalent, under terms and conditions as the Association shall specify by notice to the Borrower.

SCHEDULE 2

Description of the Project

The objectives of the Project are, within the framework of PNDS, to: (i) expand access to health services and improve the utilization thereof; (ii) make said services available on a sustainable basis; and (iii) improve MSP's ability to analyze health problems and to formulate, monitor and evaluate policies, strategies and programs.

Part A: PMA

1. Preparation and implementation of health district development plans in about 14 DDs, consisting of construction or renovation, equipment, operation and maintenance of DDs' headquarters, general hospitals and health centers, the acquisition of medicines and medical consumables, the provision of technical advisory services, staffing, training of general hospital and health center staff, and supervision of health care services.

2. Strengthening of the DSC responsible for providing assistance to the DDs in the preparation, review and execution of the plans included in Part A.1 of the Project, through the acquisition of vehicles, furniture, equipment and office supplies, the provision of training in health planning and management, and the provision of technical advisory services.

3. (a) Establishment and application of policies and procedures concerning cooperation between the MSP, local communities, community associations and NGOs for services in the delivery of the PMA program; and (b) provision of services by local communities, community associations and NGOs in the delivery of the PMA program.

Part B: Reproductive Health

1. Establishment and operation of FP services in about 100 public sector health centers of DDs, through rehabilitation and maintenance of buildings, the acquisition of office equipment and supplies, medical equipment, and supplies and consumables, the

provision of training of doctors, mid-wives, social workers and nurses, and technical advisory services.

2. (a) Constructing and equipping of six specialized FP AIBEF clinics in Man, San Pedro, Yamoussoukro, Odiene, Abengourou, and Bondoukou; (b) rehabilitation and equipping of three AIBEF regional facilities in Bouake, Daloa and Korhogo; (c) the acquisition of motorbikes, medical equipment, supplies and consumables, communications and office equipment and supplies, and the provision of technical advisory services for the above-mentioned clinics and facilities.

3. Improving the Borrower's national reproduction health/family planning program (PN-SR/PF) through the acquisition of vehicles and office and audio-visual equipment, the provision of training of health care providers and managers in communication and FP program management, and technical advisory services.

4. Strengthening the Borrower's national STD control program (PNLS) through training of DE-VIH/MST/TUB personnel and health care providers and managers in STD treatment, control and program management, the provision of information, education and communication services and technical advisory services, and the acquisition of medical supplies.

Part C: Planning and Management

1. Institutional capacity assessment of the MSP and support to the MSP organizational development program (including computer skills upgrading and the establishment of computer standards), through the provision of training of MSP headquarters staff, the acquisition of computers and office equipment and supplies, and the provision of technical advisory services.

2. Carrying out of the MSP action-research and studies program and introduction into said program of the results of the 1995 review of health sector public expenditures, through the provision of training, the acquisition of equipment and office supplies, and the provision of technical advisory services.

3. Strengthening decentralized financial management of MSP services through the acquisition of equipment and office supplies, supervisory visits to the DRs and DDs, the provision of training in accounting and financial management, and the provision of technical advisory services.

4. Strengthening MSP partnerships with local communities, community associations and NGOs, through workshops and seminars, and the provision of training and technical advisory services.

5. Strengthening the supervision and trainer capacity of seven DRs in Bondoukou, Bouake, Yamoussoukro, Odiene, Korhogo, Sud I and Sud II outside Abidjan, through the acquisition of vehicles, office equipment and supplies, the provision of training in management and supervision of health services, and the provision of technical advisory services.

6. Revision of national treatment algorithms and strengthening of information services of the MSP Direction de la Pharmacie et du Medicament (DPM), including the publication of a catalogue of medicinal equivalents and a newsletter for prescribers and pharmacists, through the acquisition of office equipment and supplies, and the provision of training and technical advisory services.

7. Introduction of revised and improved prescription practices through the provision of training of doctors, nurses, pharmacists and private drug sellers, the acquisition of office equipment and supplies, and the provision of technical advisory services.

8. Strengthening quality control of medicines, through the acquisition of laboratory equipment and supplies for the National Public Health Laboratory responsible for pharmaceuticals quality control and the Pharmaceuticals Faculty at the University, office equipment and supplies, the provision of training of MSP personnel and the provision of technical advisory services.

9. Preparation and introduction of a reform of the curriculum for medical and paramedical studies, through the provision of training and technical advisory services, and the preparation, printing and distribution of pedagogical materials.

10. Strengthening the DRH and updating its personnel data base and strategies for planning of recruitment and of staff and career development in public sector health services, through the provision of training at the national and regional levels, building repairs, the acquisition of office equipment and supplies, and the provision of technical advisory services.

11. (a) Carrying out studies on primary care mutual insurance and on expansion of complementary private insurance, and strengthening MSP capacity in health insurance through the provision of training and technical advisory services; and (b) establishment, on a pilot basis, of primary care mutual insurance in two DDs, through the acquisition of equipment and office supplies, and the provision of technical advisory services.

Part D: Information and Health

1. Establishment of a national system for epidemiological surveillance, through the acquisition of computers and office supplies, and the provision of technical advisory services for reviewing individual endemic and epidemic disease control programs, evaluating the feasibility of a computer network, setting up a data base, and for economic evaluation of said system.

2. Establishment of a system for periodic quantitative and qualitative assessment of health services by the beneficiaries thereof (Observatoire des Beneficiaires), through the acquisition of equipment and office supplies, and the provision of training in beneficiary assessment methodology, and technical advisory services.

3. Development and application of a national policy for information, education and communication to promote healthy behavior, through rehabilitation of office facilities, the acquisition of vehicles, motorbikes, office supplies and communications equipment (including cameras, production equipment, printers, photocopiers, projection equipment, television equipment and screens), the provision of training and technical advisory services, the production and distribution of communications materials, and supervisory visits to the DRs and DDs.

4. Improved functioning of the MSP management information system and increased use thereof in decision-making, through the acquisition of computers, equipment and office supplies and the provision of training and technical advisory services.

5. Development and use of a health mapping (carte sanitaire) tool, through surveys at different levels of the health care system, the acquisition of equipment, computers, materials and office supplies and the provision of training and technical advisory services.

* * *

The Project is expected to be completed by March 31, 2000.

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 1996 (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 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 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 into bid packages estimated to cost the equivalent of \$200,000 or more each.

(b) Preference for domestically manufactured goods

The provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Borrower.

Part C: Other Procurement Procedures

1. National Competitive Bidding

Works estimated to cost less than \$1,500,000 equivalent per contract, up to an aggregate amount not to exceed \$7,800,000 equivalent, and goods (other than drugs and medical consumables) estimated to cost \$30,000 or more but less than \$200,000 per contract, up to an aggregate amount of \$3,600,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines. Drugs and medical consumables produced locally estimated to cost \$30,000 or more but less than \$100,000 equivalent per contract, up to an aggregate amount not to exceed \$400,000 equivalent, may be procured through PSP under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. National Shopping

Goods (other than drugs and medical consumables) estimated to cost less than \$30,000 equivalent per contract, up to an aggregate amount not to exceed \$1,000,000 equivalent, may 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.

3. Community Participation

Goods and works required for Part A.3 (b) of the Project estimated to cost less than \$30,000 equivalent per contract, up to an aggregate amount not to exceed \$900,000 equivalent, may be procured in accordance with procedures satisfactory to the Association, and in accordance with the provisions of paragraph 3.15 of the Guidelines.

4. Direct Contracting

Equipment of a proprietary nature under the Project estimated to cost less than \$30,000 equivalent per contract, up to an aggregate amount not to exceed \$500,000 equivalent, may be contracted directly without competition in accordance with the provisions of paragraph 3.7 of the Guidelines.

5. Procurement from UN Agencies

(a) Vehicles required at the initial stage of Project execution, up to an aggregate amount not to exceed \$200,000 equivalent, may be procured from UNDP's Inter-Agency Procurement Services Office (IAPSO) in accordance with the provisions of paragraph 3.9 of the Guidelines, if not procured on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

(b) Contraceptives, up to an aggregate amount not to exceed \$2,100,000 equivalent, may be procured from United Nations Population Fund (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 1.

2. Prior Review

With respect to each contract estimated to cost the equivalent of \$200,000 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 under contracts awarded in accordance with the provisions 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 (the Consultant Guidelines). For complex, time-based assignments, such contracts shall be based on the standard form of contract for consultants' services issued by the Bank, with such modifications as shall have been agreed by the Association. Where no relevant standard contract documents have been issued by the Bank, other standard forms acceptable to the Association shall be used.

2. 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 individuals estimated to cost less than \$50,000 equivalent each. However, said exceptions to prior Association review shall not apply to: (a) the terms of reference for such contracts; (b) single-source selection of consulting firms; (c) assignments of a critical nature, as reasonably determined by the Association; (d) amendments to contracts for the employment of consulting firms raising the contract value to \$100,000 equivalent or above; or (e) amendments to contracts for the employment of individual consultants raising the contract value to \$50,000 equivalent or above.

SCHEDULE 4

Implementation Program

Section I: General

1. For the purposes of carrying out the Project, the Borrower shall apply the policies, procedures and arrangements specified in the Project Implementation Manual and, except as otherwise agreed with the Association, shall not amend the Project Implementation Manual in a manner which, in the opinion of the Association, would materially affect the implementation of the Project.

(a) The Borrower shall, through MSP, beginning October 1, 1996, and thereafter not later than October 1 of each year, carry out jointly with the Association: (i) a review of MSP budget plans in respect of the forthcoming calendar year and a review of MSP budget execution in respect of the current calendar year, including the provision of counterpart funds for the Project and of investment and recurrent funds required for the health district development plans under Part A.1 of

the Project; and (ii) a review of Project work plans for institutional strengthening and service delivery to be prepared by MSP in respect of the forthcoming calendar year.

(b) Not later than December 31, 1996, the Borrower shall: (i) establish a calendar and process on an annual basis for internal review of Project activities undertaken during the previous year and to be undertaken during the forthcoming year, including in particular PMA, FP, and STD prevention and control activities; and (ii) establish a work program defining the overall technical support required for the FP program under Part B of the Project, and furnish said program to the Association for its review and approval. Promptly thereafter, the Borrower shall carry out said program with due diligence and efficiency.

(c) Not later than December 31, 1998, the Borrower shall carry out, jointly with the Association, a comprehensive review to assess the progress achieved in the execution of the Project. Said review shall cover, inter alia:

- (i) the extent to which the institutional objectives of the Project are being achieved;
- (ii) an assessment of the impact achieved by the Project so far and the sustainability of its achievements;
- (iii) compliance with the audit and other obligations of the Borrower included in this Agreement;
- (iv) timely availability of counterpart funding and disbursement performance under the Project;
- (v) the performance of technical advisory services under the Project;
- (vi) procurement under the Project;
- (vii) performance as against key indicators, referred to in paragraph (e) of this Section, agreed upon with the Association; and
- (viii) the Borrower's plan for the future operation of the Project and for related investments.

(e) The Borrower shall:

(i) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators satisfactory to the Association, the carrying out of the Project and the achievement of the objectives thereof;

(ii) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about September 1 of each year, a report integrating the results of the monitoring and evaluation activities performed pursuant to sub-paragraph (i) of this paragraph, on the progress achieved in the carrying out of the Project during the period preceding the date of 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 with the Association, by October 1 of each year, or such later date as the Association shall request, the report referred to in sub-paragraph (ii) of this paragraph, and 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.

Section II: Project Management

(a) At the national level

(i) The Borrower shall maintain the Project Monitoring Committee with, inter alia, the following responsibilities: (i) review and approval of annual work plans and budgets for the Project; (ii) review and approval of study proposals under the MSP action-research program included in Part C.2 of the Project; (iii) review and approval of the health district development plans included in Part A.1 of the Project; and (iv) facilitation and problem solving on issues affecting the execution of the Project.

(ii) The Monitoring Committee shall be chaired by the MSP Minister or his representative. Its membership shall include: (i) within MSP, the directors of its 8 central directorates, of DE-SR/PF, of DE-VIH/MST/TUB and of Service National de l'Information-Education-Communication, a representative of the PMA unit referred to in paragraph (a) 4 of this Section and the counselor referred to in paragraph (a) 6 of this Section; (ii) a representative of the Prime Minister's Office; (iii) representatives of other relevant ministries involved in the health sector; and (iv) other members, as appropriate. The Coordinator and the financial administrator referred to in paragraph (a) 3 of this Section may attend the Committee's meetings with a consultative vote.

(iii) The Borrower shall maintain a Project coordination unit responsible for administrative and financial matters concerning the Project, reporting directly to the Cabinet of the MSP Minister and under the supervision of the Monitoring Committee. Said unit shall be chaired by a Coordinator and shall include a financial administrator, a health economist and an accountant, all on a full-time basis and with terms of reference, qualifications and experience satisfactory to the Association.

(iv) of the MSP Minister, responsible for the monitoring, analysis and guidance of the PMA program and to provide support and advice to the DSC and DDs. The PMA unit shall include two public health specialists, one of whom shall chair the PMA unit, and a health economist, all with terms of reference, qualifications and experience, satisfactory to the Association.

(v) The DSC shall support the DDs, in cooperation with the DRs, in the preparation, assessment and implementation of the health district development plans included in Part A.1 of the Project. The DSC shall also be responsible for the execution of Parts A.2 and D.1 of the Project.

(vi) The Cabinet of the MSP Minister shall be responsible for the execution of Parts A.3 and C.1, 4, 5 and 11 of the Project and for supervision of execution of Part B.2 of the Project. A counselor of the Cabinet shall be responsible for relations with the local communities, the community associations and the NGOs. He shall be assisted by specialists, including a sociologist with terms of reference, qualifications and experience satisfactory to the Association, and a specialist, coming from the community movement, employed in accordance with the provisions of Section II of Schedule 3 to this Agreement.

(vii) The DE-SR/PF shall be responsible for the execution of Part B.1 and 3 of the Project in coordination with the DSC. The DE-SR/PF shall employ, at all times, a financial administrator with terms of reference, qualifications and experience satisfactory to the Association.

(viii) The DE-VIH/MST/TUB shall be responsible for the execution of Part B.4 of the Project in coordination with the DSC. The DE-VIH/MST/TUB shall employ, at all times, a financial administrator with terms of reference, qualifications and experience satisfactory to the Association.

- Sanitaire and 4 of the
- (ix) The MSP Direction du Controle, de l'Evaluation et de l'Information shall be responsible for the execution of Parts C.2 and D.2 Project.
- for the
- (x) The MSP Direction des Affaires Financieres shall be responsible execution of Part C.3 of the Project.
- responsible for
- (xi) The MSP Direction de la Pharmacie et du Medicament shall be the execution of Part C.6, 7 and 8 of the Project.
- shall be
- (xii) The MSP Direction des Etablissements et des Professions Sanitaires responsible for the execution of Part C.9 of the Project.
- Project.
- (xiii) The DRH shall be responsible for the execution of Part C.10 of the Project.
- shall be Project.
- (xiv) The MSP Service National de l'Information-Education-Communication responsible for the execution of Part D.3 of the Project.
- Sanitaire shall Project.
- (xv) The MSP Direction de la Planification et de la Programmation be responsible for the execution of Part D.5 of the Project.
- goods under shall be procured
- (xvi) The DEMM shall be responsible for overall procurement of works and the Project, except for drugs and medical consumables which by the PSP.
- DEM and PSP coordination unit Section.
- (xvii) In the carrying out of the above-mentioned responsibilities, the shall cooperate with the financial administrator of the referred to in paragraph (a) 3 of this Section.

(b) At the service delivery level

1. For the purposes of the health district development plans included in Part A.1 of the Project, the DDs shall apply the provisions of the Circulaire referred to in Section 6.01 (c) of this Agreement. Said plans shall be prepared by the DDs with the support of the relevant DR and the DSC, in cooperation with other partners including beneficiaries of health services, private sector health care providers and local communities. A DD shall furnish its draft health development plan, including cost estimates and financing plan, through the DSC, to the Coordinator for review and approval by the Monitoring Committee. Upon approval, the DD shall carry out its plan with due diligence and efficiency and in accordance with appropriate public health and management practices with the same support and cooperation as outlined above.
2. Reproductive health services concerning FP and STD included in Part B.1, 3 and 4 of the Project shall be carried out by the DE-SR/PF and DE-VIH/MST/TUB in cooperation with the DRs and DDs concerned.
3. For the purposes of carrying out Part B.2 of the Project, the MSP shall, not later than December 31, 1996, enter into an agreement with AIBEF under terms and conditions satisfactory to the Association.
4. Local communities, community associations and NGOs shall provide services for delivering the PMA program under Part A.3 (b) of the Project in accordance with the policies and procedures adopted pursuant to paragraph 3 (b) of Schedule 1 to this Agreement.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (5) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(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 equivalent to CFAF 1,000,000,000 to be withdrawn from the Credit Account and deposited in the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Association shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to CFAF 500,000,000 until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 14,000,000.

2. Payments out of the 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 Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the 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 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 Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of the Special Account, the Borrower shall furnish to the Association requests for deposits into the Special Account 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 Account 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 Account 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 Account, 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 Account:

(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;

(b) if the Borrower shall have failed to furnish to the Association, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Association pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Association shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Credit Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) 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 Allocation.

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 Account 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 the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (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 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 the 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 Special Account.

(d) Refunds to the Association made pursuant to paragraph 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.

