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**LOAN NUMBER 8663-BY**

# **Loan Agreement**

**(Belarus Health System Modernization Project)**

**between**

**REPUBLIC OF BELARUS**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**Dated** *November 25, 2016*

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**LOAN NUMBER 8663-BY**

**LOAN AGREEMENT**

Agreement dated November 25, 2016, between REPUBLIC OF BELARUS (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II — LOAN**

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred twenty five million Dollars (US\$125,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. The Borrower’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is its Minister of Health.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any

amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

- 2.06. The Payment Dates are March 15 and September 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.08.
  - (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
  - (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
  - (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

### **ARTICLE III — PROJECT**

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower, through the MoH, shall cause the Republican Scientific and Practical Center for Medical Technologies, Informatization, Administration and Management of Health (RSPC MT) to carry out the Project, in accordance with the provisions of Article V of the General Conditions and the MoH ministerial order referred to in Section I.B of Schedule 2 to this Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

### **ARTICLE IV — REMEDIES OF THE BANK**

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The MoH ministerial order referred to in Section I.B of Schedule 2 to this Agreement has been amended, suspended, abrogated, repealed, waived or not enforced, in such a manner so as to affect materially and adversely, in the opinion of the Bank, the ability of RSPC MT to carry out the Project.
  - (b) The RSPC MT's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially or adversely, in the opinion of the Bank, RSPC MT's ability to carry out the Project pursuant to the Ministerial Order.
- 4.02. The Additional Events of Acceleration consists of the following, namely that any event specified in Section 4.01 (a) and (b) of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Ministerial Order has been issued and is in full force and effect.
  - (b) The Project Operational Manual has been adopted by MoH.
  - (c) The financial management and procurement specialists referred to in Part 4 (c) of the Project have been selected and hired in a manner acceptable to the Bank.

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

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. Except as provided in Section 2.02 of this Agreement, the Borrower's Representative is the Borrower's Deputy Prime Minister.

- 6.02. The Borrower's Address is:

Council of Ministers of the Republic of Belarus  
House of Government  
Minsk, 220010  
Sovetskaya Str. 11  
Republic of Belarus

Facsimile:

375 17 2226665

- 6.03. The Bank's Address is:

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

Telex:

Facsimile:

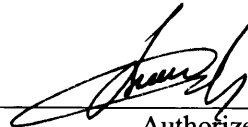
248423(MCI) or  
64145(MCI)

1-202-477-6391

AGREED at Minsk, Republic of Belarus, as of the day and year first above written.


REPUBLIC OF BELARUS

By:

  
\_\_\_\_\_  
Authorized Representative  
Name: Vasily J. Zharko  
Title: Minister of Health  
of the Republic of Belarus

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By:

  
\_\_\_\_\_  
Authorized Representative  
Name: Young Chul Kim  
Title: Country Manager  
for Belarus

## SCHEDULE 1

### Project Description

The objective of the Project is to contribute to improving selected aspects of the quality of the health care delivery in the Republic of Belarus.

The Project consists of the following parts:

#### **Part 1. Establishment of e-Health and Clinical Decision-support Systems**

##### 1.1. Integrated Health Management Information System:

Carrying out the following activities, *inter alia*:

- (a) the rehabilitation of selected Borrower's regional offices for housing IT-related infrastructure, including the preparation of the technical designs and the purchase of required equipment;
- (b) (i) the design and implementation of a centralized e-health system for medical data exchange, including document registry and archive; (ii) the establishment of a medical information exchange procedures and governance with responsibilities of each healthcare institution clearly described; and (iii) the standardization of health care digital data and data exchange protocols;
- (c) the update and implementation of electronic medical records in selected hospitals and PHC facilities, through the acquisition and installation of hardware and software;
- (d) the review of the Borrower's legal and institutional framework on, *inter alia*, patient health data protection;
- (e) the carrying out of training activities on the e-health system referred to in Part 1.1 (b)(i) above; and
- (f) the design and implementation of patient satisfaction survey(s).

##### 1.2. Clinical Decision Support System for Quality Improvement:

Design and implementation of a clinical decision support IT system, including the provision of relevant training and purchase of required software and hardware.

**Part 2. Improvement of Clinical Competencies of Health Care Providers in Non-communicable Disease Management**

Carrying out the following activities, *inter alia*:

- (a) the review of the curriculum and development of unified training standards of selected health providers;
- (b) the development of a certification program of students/trainees' skills;
- (c) the preparation of the technical designs for the works to be carried out under Part 2 (d) below;
- (d) (i) the construction of a high-tech simulation center in BelMAPO; and (ii) the rehabilitation/upgrading of skill laboratories in selected Borrower's medical universities and colleges; and (iii) the purchase of required equipment;
- (e) acquisition and installation of training software;
- (f) the design and implementation of technical assessment and satisfaction surveys for training beneficiaries; and
- (g) the carrying out of training activities.

**Part 3. Modernization of Neonatal care at the Republican Center of Mother and Child**

Modernization of the neonatal department at the RCMC through, *inter alia*:

- (a) the preparation of the technical designs for the works to be carried out under Part 3(b) below;
- (b) (i) the carrying out of the rehabilitation works, including the construction of a room dedicated to nursing and breast milk pumping; and (ii) the purchase of required equipment;
- (c) the provision of training to RCMC's medical staff; and
- (d) the development of quality improvement tools and procedures.

**Part 4. Project Management, Monitoring and Evaluation**

Carrying out the implementation, monitoring and evaluation of the Project, including:(a) the carrying out of the Project audits; (b) the carrying out of training



activities; (c) the selection and hiring of financial management, procurement, disbursement/accounting and safeguards specialists and a civil construction engineer; (d) the financing of Operating Costs; and (e) the carrying out of households and medical facility feedback surveys.

## **SCHEDULE 2**

### **Project Execution**

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

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

1. The Borrower shall vest the overall responsibility for the implementation of the project in MoH and to this end, though MoH shall:
  - (a) cause RSPC MT to:
    - (i) operate and maintain, throughout Project implementation, the Project Management Unit (PMU) with qualified staff in sufficient numbers (including financial management, procurement, disbursement/accounting and safeguards specialists and a civil construction engineer) , as well as adequate funds, facilities, services and other resources for Project implementation, monitoring and evaluation, all acceptable to the Bank;
    - (ii) ensure that any staff of the PMU financed out of the proceeds of the Loan is selected and hired in accordance with Section III of this Schedule;
    - (iii) no later than ninety (90) days after the Effective Date, select and hire a safeguards specialist, an additional procurement specialist, an accounting/disbursement specialist and a civil construction engineer, all under terms of reference and in a manner acceptable to the Bank; and
    - (iv) no later than ninety (90) days after the Effective Date, to install and adapt the accounting software for Project accounting, budgeting and reporting under terms and in a manner acceptable to the Bank; and
  - (b) ensure, throughout Project implementation, the coordination between RSPC MT and other MoH's subordinated agencies (including BelMAPO and RCMC) and regional health departments participating in the implementation of the technical aspects of the Project, all with appropriate powers, functions, capacity, staffing and resources to fulfill their respective responsibilities under the Project as set forth in the POM.
2. The Borrower, through MoH, shall cause RSPC MT to: (a) carry out the Project in accordance with the requirements set forth in the POM; and (b) not assign, amend,

abrogate, or waive the POM or any of its provisions, except with the prior written approval of the Bank. In case of any conflict between the terms of the POM and those of this Agreement, the terms and conditions of this Agreement shall prevail.

3. The Borrower shall operate and maintain, throughout Project implementation, a committee (Steering Committee) vested with the responsibility to oversee and coordinate Project implementation, with terms of reference acceptable to the Bank, as described in the POM.

**B. Ministerial Order**

To facilitate the carrying out of the Project, the Borrower, through MoH, shall issue a ministerial order, under terms and conditions acceptable to the Bank (Ministerial Order) which shall include, *inter alia*:

- (a) the obligation of RSPC MT to:
  - (i) implement the Project in accordance with the pertinent provisions of this Agreement (including compliance with the pertinent provisions set forth in the Safeguards, Procurement and Financial Management sections and the provisions of Article V of the General Conditions), the Anti-Corruption Guidelines and the POM;
  - (ii) promptly inform the Borrower and the Bank of any condition which interferes, or threatens to interfere, with the performance of its obligations under the Ministerial Order; and
  - (iii) take or permit to be taken all actions to enable the Borrower to comply with the obligations referred to in this Agreement as applicable to RSPC MT; and
- (b) the obligation of BelMAPO and the RCMC, each to assist the MoH and RSPC MT in the implementation of the technical aspects of the Project and in compliance with the pertinent provisions of this Agreement.

**C. Anti-Corruption**

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

**D. Safeguards**

1. The Borrower, through MoH, shall cause RSPC MT to carry out the Project in accordance with the EMF. Except as the Bank shall otherwise agree, the Borrower

shall ensure that the EMF or any of its provisions are not assigned, amended, abrogated or waived.

2. The Borrower, through MoH, shall ensure that no activities that involve Involuntary Resettlement will be carried out under the Project.
3. The Borrower shall ensure, that the terms of reference for any consultancy in respect of the activities under Parts 1.1(a), 2(c) and 3(a) of the Project shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank's Safeguards Policies and Procedures then in force, as applied to the advice conveyed through such technical assistance.

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

### **A. Project Reports**

1. The Borrower, through MoH, shall cause RSPC MT to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.

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

1. The Borrower shall maintain, or cause to be maintained, a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Borrower, through MoH, shall cause RSPC MT to prepare and furnish to the Bank not later than forty five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower, through MoH, shall cause RSPC MT to have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section (including Annex A to this Schedule).
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule; (b) Shopping; (c) Direct Contracting; and (d) Force Account.

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed

Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

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

1. The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.
2. The Borrower, through MoH, shall cause RSPC MT to:
  - (a) no later than February 15 (or any other date as shall be agreed by the Bank) of every year during the implementation of the Project, beginning on February 15, 2018 (or any other date as shall be agreed by the Bank), to prepare and furnish to the Bank a procurement progress report (Procurement Report), in form and substance acceptable to the Bank, which shall include, *inter alia*:
    - (i) a description of the issues which arose during the full procurement cycle under the Project during the twelve (12) months preceding the date of presenting each Procurement Report, from design through planning, bidding, contract implementation and completion;
    - (ii) a list of proposed measures and actions to be taken to resolve the issues identified under (i) above; and
    - (iii) a proposed timeline for the implementation of the said measures and actions; and
  - (b) thereafter implement the proposed measures and actions under each Procurement Report in accordance with its terms and in a manner acceptable to the Bank.

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised

from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for the Project	124,687,500	100%
(2) Front-end Fee	312,500	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(3) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
<b>TOTAL AMOUNT</b>	<b><u>125,000,000</u></b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is May 31, 2022.

**ANNEX  
to  
SCHEDULE 2**

**Additional Provisions Relating to Procurement of Goods, Works and Non-Consulting Services under Bank-Financed Contracts Subject to National Competitive Bidding**

Without limitation upon the provisions of Section III of Schedule 2 to this Agreement or the Procurement Guidelines, the procurement procedure to be followed for National Competitive Bidding shall be the Open Tender procedure set forth in the Public Procurement Law of the Borrower (Law No. 419-3 on Public Procurement of Goods (Works, Services), dated 13 July 2012) (the "PPL"), and subject to the following provisions:

A. Eligibility

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

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

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

B. Procedures

- (a) Invitations to bid shall be advertised in the Borrower's Official Gazette or in at least one widely circulated national daily newspaper or in an electronic portal of free access allowing a minimum of thirty (30) calendar days for the preparation and submission of bids, from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later.
- (b) The sale and/or issuance of bidding documents shall not be restricted only to entities invited by the procuring entity.



- (c) Bids shall be submitted as paper documents and subsequent procurement process (bid opening, bid evaluation, the contract finalization) shall be conducted using conventional paper formats. The Borrower shall be able to use an electronic system permitting bidders to submit bids by electronic means, provided the Bank is satisfied with the adequacy of the system, including *inter alia*, that the system is secure, maintains the integrity, confidentiality, and authenticity of bids submitted, and uses an electronic signature system or equivalent to keep bidders bound to their bids.
- (d) Prequalification procedures acceptable to the Bank shall be used for large, complex and/or specialized contracts.

C. Assessment of Bidders' Qualifications

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

D. Participation by Government-owned Enterprises

Government-owned enterprises shall be eligible to participate in bidding only if they meet the requirement set forth in paragraph 1.10 (b) of the Procurement Guidelines. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

E. Participation by Joint Ventures

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

F. Bidding Documents

The procuring entities shall use the appropriate bidding documents, including contractual conditions, acceptable to the Bank, which shall be prepared so as to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines.

G. Bid Evaluation

- (a) Evaluation criteria, other than price, shall be quantified in monetary terms in a manner acceptable to the Bank.

- (b) Evaluation of bids shall be made in strict adherence to the monetarily-quantifiable criteria declared in the bidding documents and a merit point system shall not be used.
- (c) An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the bid validity expiration date and shall be allowed once only for the minimum period required to complete the evaluation or award a contract, but not more than thirty (30) calendar days from the date of the decision to extend the bid validity. No further extensions shall be requested without the prior approval of the Bank.
- (d) Bids containing material deviations from the bidding document requirements shall be rejected. Non-material documentary deviations or quantifiable minor deviations may not be the reason for the rejection of bids.
- (e) Bids may not be rejected where they differ substantially from the estimated prices calculated by the procuring entity, except where the bid prices exceed the available budget.
- (f) Contracts shall be awarded to qualified bidders having submitted the lowest evaluated substantially responsive bid, and no negotiation as to the price or substance of the bid shall take place.
- (g) No domestic preference shall apply under National Competitive Bidding.
- (h) Bid evaluation shall be confidential and no information shall be disclosed until the notification of the award.

H. Price Adjustment

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

I. Rejection of All Bids

All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited, without the Bank's prior written concurrence.

J. Securities

Performance securities should not exceed ten percent (10%) of the contract price. No advance payments shall be made to the suppliers/contractors without a suitable advance

payment security. The wording of all such securities shall be included in the bidding documents and shall be acceptable to the Bank. Bidders shall be given at least twenty-eight (28) calendar days from the receipt of notification of contract award to submit Performance securities, and Bid securities shall remain valid for such period.

K. Contract Modification and Termination

With respect to contracts subject to the Bank's prior review, the Borrower shall obtain the Bank's no objection before agreeing to: (a) a material extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; (c) any variation order or amendment which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than fifteen percent (15%); or (d) the proposed termination of the contract. A copy of all contract amendments shall be provided to the Bank.

L. Fraud and Corruption

Each bidding document and contract financed out of the proceeds of the Loan shall include provisions stating the Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption, as defined in paragraph 1.16(a) of the Procurement Guidelines.

M. Audit Rights

In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Loan shall provide that: (i) bidders, suppliers, contractors and subcontractors shall permit the Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Bank; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

**SCHEDULE 3**

**Amortization Schedule**

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

<b>Principal Payment Date</b>	<b>Installment Share (Expressed as a Percentage)</b>
On each March 15 and September 15  Beginning March 15, 2022 Through September 15, 2031	5%

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

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

## APPENDIX

### **Section I. Definitions**

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
2. “Bank’s Safeguards Policies and Procedures” means the operational policies and procedures of the Bank (as the same may be amended from time to time by the Bank) set forth in the Bank’s Operational Manual and identified as Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36), Pest Management (OP/BP 4.09), Indigenous Peoples (OP/BP 4.10), Physical Cultural Resources (OP/BP 4.11), Involuntary Resettlement (OP/BP 4.12), Forestry (OP/BP 4.36), Safety of Dams (OP/BP 4.37), Projects on International Waterways (OP/BP 7.50), and Projects in Disputed Areas (OP/BP 7.60), as said manual is published under [www.worldbank.org](http://www.worldbank.org).
3. “BelMAPO” means *Белорусская медицинская академия последипломного образования*, the Borrower’s Medical Academy of Postdiploma Education established pursuant to the MoH’s Order No. 174, dated July 17, 2000 (as revised pursuant to the MoH’s Order No. 957, dated September 18, 2014).
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
6. “EMF” means the Borrower’s Environmental Management Framework publicly disclosed on May 23, 2016, in form and substance acceptable to the Bank which contains, *inter alia*: (a) guidelines for the carrying out of environmental assessments and the preparation of environmental management plans/checklists, when applicable; (b) environmental mitigation measures anticipated for activities under the Project; and (c) the Borrower’s agencies responsible for monitoring of construction and operational impacts, as said framework may be amended from time to time with the prior written agreement of the Bank.
7. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
8. “Involuntary Resettlement” means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (a) standard

of living adversely affected; or (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

9. "IT" means Information Technology.
10. "Ministerial Order" means MoH Ministerial Order designating responsibility to RSPC MT for the implementation of the Project, as referred to in Section I.B of Schedule 2 to this Agreement.
11. "MoH" means the Borrower's Ministry of Health, or any successor thereto.
12. "Operating Costs" means the reasonable operational costs (which would not have been incurred absent the Project), incurred by RSPC MT related to Project implementation, including *inter alia*, the costs of bank charges, salaries of staff working for the Project (including associated taxes and charges for insurance, as determined by the Bank, but excluding salaries of the Borrower's civil servants), and such other expenditures as may be agreed upon by the Bank, all based on semi-annual budgets acceptable to the Bank.
13. "PHC" means Primary Health Care.
14. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
15. "Procurement Plan" means the Borrower's procurement plan for the Project, dated October 20, 2016 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
16. "Procurement Report" means any of the reports referred to in Section III.D.2 of Schedule 2 to this Agreement.
17. "Project Management Unit" or "PMU" means the unit within RSPC MT referred to in Section I.A.1 (a) (i) of Schedule 2 to this Agreement.
18. "Project Operational Manual" or "POM" means the Borrower's manual referred to in Section I.A.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with the agreement of the Bank.

19. “RSMC” means *Государственное учреждение «Республиканский научно-практический центр «Мать и дитя» Министерства здравоохранения Республики Беларусь*, the Borrower’s National Scientific Practical Center “Mother and Child”, established pursuant to the MoH’s Order No. 203, dated August 27, 2004.
20. “RSPC MT” means the Borrower’s Republican Scientific and Practical Center for Medical Technologies, Informatization, Administration and Management of Health established pursuant to RSPC MT’s Legislation, or any successor thereto acceptable to the Bank.
21. “RSPC MT’s Legislation” means the Borrower’s Resolution of the Council of Ministers No. 109 of February 28, 1992 “On Establishment of the Ministry of Health Center for Medical Technology, Public Health Informatics and Economy”; the MoH’s Order No. 46 of March 13, 1992 “On Establishment of the Belarusian Center for Public Health Informatics, Management and Economy; the MoH’s Order No. 470 of June 4, 2007 “On Renaming the State Establishment “Belarusian Center for Medical Technology, Public Health Informatics, Management and Economy and Approval of the Articles of Association” (as revised by the MoH’s Order No. 1297, dated 2015).
22. “Training” means the expenses (other than those for consultants’ services) incurred by the Borrower to finance the reasonable travel costs (i.e. accommodation, transportation, travel insurance and *per diem, inter alia*) of trainees and trainers (if applicable), training registration fees, catering, rental of training facilities and equipment, logistics and printing services, as well as training materials, all for the purposes of, and directly related to, the training activities (including study tours) described in the Project, all based on semi-annual budgets acceptable to the Bank.

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

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:
  - “Section 3.01. *Front-end Fee; Commitment Charge*
    - (a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).



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

**Supplemental Letter No. 1**

**REPUBLIC OF BELARUS**

Date November 25, 2016

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

Re: Loan No. 8663-BY  
(Health System Modernization Project)  
Article VI of the General Conditions  
Financial and Economic Data

Dear Sirs and Mesdames:

In connection with the Loan Agreement of this date between the Republic of Belarus (Member Country) and International Bank for Reconstruction and Development (Bank) providing a loan (Loan) for the above-captioned Project and the General Conditions (General Conditions) made applicable to the Loan Agreement, I am writing on behalf of the Member Country to set forth the following:

1. We understand and agree that, for purposes of Section 6.01 of the General Conditions, the Member Country is required by the Bank to report "long-term external debt" (as defined in the World Bank's Debtor Reporting System Manual, dated January 2000 (DRSM)), in accordance with the DRSM, and in particular, to notify the Bank of new "loan commitments" (as defined in the DRSM) not later than 30 days after the end of the quarter during which the debt is incurred, and to notify the Bank of "transactions under loans" (as defined in the DRSM) once a year, not later than March 31 of the year following the year covered by the report.
2. We represent that no Liens (as defined in the General Conditions), other than those excluded pursuant to paragraph (c) of Section 6.02 of the General Conditions, exist on any Public Assets (as defined in the General Conditions), as security for any External Debt (as defined in the General Conditions). No defaults exist in respect of any external public debt (as defined in the DRSM). It is our understanding that, in making the Loan, the Bank may rely on the representations set forth or referred to in this letter.

3. Please confirm your agreement to the foregoing by having a duly authorized representative of the Bank sign in the space provided below.


Very truly yours,

**REPUBLIC OF BELARUS**

By:   
Authorized Representative

AGREED:

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

By:   
Authorized Representative

**REPUBLIC OF BELARUS**

Date \_\_\_\_\_

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

Re: Loan No. 8663-BY  
(Health System Modernization Project)  
Performance Monitoring Indicators

Dear Sirs and Mesdames:

This refers to paragraph A.1 of Section II of Schedule 2 to the Loan Agreement of even date herewith between the Republic of Belarus (the Borrower) and the International Bank for Reconstruction and Development (the Bank). The Borrower hereby confirms to the Bank that the indicators set out in the attachment to this letter shall serve as a basis for the Borrower to monitor and evaluate the progress of the Project and the achievement of the objectives

Very truly yours,

**REPUBLIC OF BELARUS**

By  \_\_\_\_\_  
Authorized Representative

**Loan No. 8663-BY**  
**Belarus: Health System Modernization Project**

**Project Development Objectives**

## PDO Statement

The project development objective is to contribute to improving selected aspects of the quality of health care delivery in the Republic of Belarus.

**These results are at**

Project Level

**Project Development Objective Indicators**

Indicator Name	Baseline	Cumulative Target Values				
		YR1	YR2	YR3	YR4	End Target
1. Percentage of selected health facilities (PHC centers/ambulatories, polyclinics, hospitals, and diagnostic centers) that can electronically exchange patient summaries	0%		20%	40%	80%	100%
2. Number of oblasts using e-prescription (cumulative)	1	1	1	3	4	7
3. Percentage of trained PHC doctors in clinical skills at BelMapo Simulation Training Center and at Medical Universities skills labs according to standards (emergency services among others)-cumulative	0%	0%	0%	10%	30%	50%
4. Percentage increase in survival rate of newborns at the Intensive Neonatal Department of the RCMC	78%			82%		86%
5. Percentage of diabetes patients who received A1C blood sugar test once a year	30%			50%		80%

**Intermediate Results Indicators**

Indicator Name	Baseline (2016)	Cumulative Target Values				
		YR1	YR2	YR3	YR4	End Target (2021)
1. Establishment of CHIS implementation unit at the RSPC MT and fully functional	0		1	1	1	1

2. Percentage of PHC doctors in selected health facilities using clinical decision making tools	0	0	0%	20%	60%	100%
3. Percentage of PHC doctors in selected health facilities receiving patients' summaries from specialists after hospital discharge (report on all relevant health information sent from specialists to PHC)	0	0	20%	40%	80%	100%
4. Central database operational	0			1		1
5. Increase in patients' satisfaction with e-prescription	1%			20%		70%
6. Number of health care specialists trained in emergency medical care at BelMapo, including using simulation equipment (cumulative) (disaggregated by gender)	0	1500	3000	4500	6000	7500
7. BelMapo Simulation Center constructed and equipped	0	0	0	0	1	1
8. Clinical skill labs at (a) Medical Universities; and (b) Colleges rehabilitated and equipped			a)2; b)7	a)2; b)10		a)4; b)17
9. Training modules for core specialties at BelMapo new Simulation Center developed and approved by MoH (GP, ER, surgery, obstetrics-gynecology, dentistry, anesthesiology, neonatal)	0	3 developed	3 approved 4 developed	7 developed and approved		7 approved and implemented
10. Reduction in average length of stay of infants at the Intensive Neonatal Department (days)	11.5			11		10
11. Neonatal department constructed and equipped	0			1		1
12. Clinical decision making tool on quality of neonatal care developed and used	0		1 developed	1 approved and used		1
13. Percentage of training participants in training institutions: BelMapo new Simulation Center, medical universities, and medical colleges satisfied with the technical effectiveness and quality of the training	0 (on the three types of institutions)	0	0	60% of all participants		80% of all participants
14. Construction of a nursing and breast milk pumping room in the new neonatal department (y/n);	No			Yes	Yes	Yes
15. Number of departments in each of training institutions (BelMapo, medical universities and medical colleges) offering trainings on sexual and reproductive health	2			20		All departments
16. Grievances registered related to delivery of project benefits addressed (%)	0.00	0.00	0.00	100	100	100

## Indicator Description

### Project Development Objective Indicators

Indicator Name	Description (indicator definition and so on)	Frequency	Data Source / Methodology	Responsibility for Data Collection
1. Percentage of selected health facilities (PHC centers/ambulatories, polyclinics, hospitals, and diagnostic centers) that can electronically exchange patient summaries	Numerator: number of selected health facilities in project areas able to transmit and retrieve patient summaries (medical reports with results of lab. tests, images, and so on) to and from CHIS (central database); denominator: number of selected health facilities in oblasts and Rayons, and Minsk City covered by Project interventions under Component 1	Annually	Progress report from RSPC MT	PMU
2. Number of oblasts using e-prescription	Number of oblasts and Minsk City. E-prescription central service is established for health care institutions and pharmacies in the oblast. (Baseline refers to Minsk City)	Annually	Progress report from RSPC MT on connected facilities to e-prescription central service; also validated on a sample size based on field visits of the Bank and PMU of facilities	PMU
3. Percentage of trained PHC doctors in clinical skills at BelMapo Simulation Training Center and at Medical Universities skills labs according to standards (emergency services among others) (cumulative)	Numerator: number of PHC doctors who received clinical skills training at BelMapo Simulation Training Center and at Medical Universities skills labs according to standardized curriculum approved by MoH Denominator: total number of PHC doctors, who should pass training at BelMapo and Medical Universities to become a GP during the reporting year	Semi-Annually	Progress report from RSPC MT and training institutions	PMU, BelMapo, medical universities
4. Percentage increase in survival rate of newborns at the Intensive Neonatal Department of the RCMC	Numerator: Number of newborns with low birth weight (between 500 and 1500 grams) surviving (within first 28 days) Denominator: Total number of newborns with low birth weight (between 500 and 1500 grams) hospitalized at the Department	Annually	Progress Report from RCMC	PMU, RCMC
5. Percentage of diabetes patients who received A1C blood sugar test once a year	Numerator: Number of diabetes patients who received a A1C blood sugar test once a year Denominator: Total number of diabetes patients	Annually	Diabetes Registry Reports	MoH

### Intermediate Results Indicators

Indicator Name	Description (indicator definition and so on)	Frequency	Data Source / Methodology	Responsibility for Data Collection
1. Establishment of CHIS implementation unit at the RSPC MT and fully functional	MoH Order to define mandate and staffing of Department on e-Health at the RSPC MT	Once	MoH Order	MoH
2. Percentage of PHC doctors in selected health facilities using clinical decision making tools	Numerator: Number of PHC doctors using clinical decision making tools Denominator: Total number of PHC doctors in selected health facilities	Annually	Progress report	PMU
3. Percentage of PHC doctors in selected health facilities receiving patients' summaries from specialists after hospital discharge (report on all relevant health information sent from specialists to PHC)	Numerator: Number of PHC doctors receiving patients' summaries from specialists Denominator: Total number of PHC doctors in selected health facilities	Annually	Progress report	PMU
4. Central database operational	Central database functional	Once	Progress report	PMU
5. Increase in patients' satisfaction with e-prescription	Numerator: Percentage of satisfied patients Denominator: Total number of respondents	Mid-term review and end of Project	Survey (2)	PMU
6. Number of health care specialists trained in emergency medical care at BelMapo, including using simulation equipment (cumulative) (disaggregated by gender)	Number of male and female health care specialists trained at BelMapo in emergency medical care	Annually	Progress report	BelMapo
7. BelMapo Simulation Center constructed and equipped	Construction and equipping of BelMapo Simulation Center	Annually	Progress report	PMU
8. Clinical skill labs in (a) Medical Universities; and (b) Colleges rehabilitated and equipped	Number of medical universities and colleges rehabilitated and equipped	Annually	Progress report	PMU
9. Training modules for core specialties at BelMapo new Simulation Center developed	Number of training modules for core specialties at BelMapo new Simulation Center developed and approved by MoH	Annually	Progress report	MoH



and approved by MoH (GP, ER, surgery, obstetric-gynecology, dentistry, neonatal, anesthesiology)				
10. Reduction in average length of stay of infants at the Intensive Neonatal Department (days)	Average length of stay of infants	Annually	Progress report	MoH
11. Neonatal department constructed and equipped		Annually	Progress report	PMU
12. Clinical decision making tool on quality of neonatal care developed and used	Number of clinical decision making tool on quality of neonatal care developed and used	Annually	Progress report	PMU
13. Percentage of training participants in training institutions: BelMapo new Simulation Center, medical universities and medical colleges satisfied with the technical effectiveness and quality of the training	Numerator: Percentage of satisfied participants Denominator: Total number of respondents	Annually	Survey	BelMapo
14. Construction of a nursing and breast milk pumping room in the new neonatal department (y/n);		Once	Progress report	PMU
15. Number of departments in each training institution (BelMapo, medical universities, medical colleges) offering trainings on sexual and reproductive health		Annually	Progress report	BelMapo
16. Grievances registered related to delivery of project benefits addressed (%)	This indicator measures the transparency and accountability mechanisms established by the project so the target beneficiaries have trust in the process and are willing to participate, and feel that their grievances are attended to promptly by MoH and subordinate institutions related to Project activities.	Annual	Progress report from PMU	MoH/BelMapo/Intensive Neonatal Department of RCMC/medical universities and medical colleges

Date: November 25, 2016

H.E. Vasily Ivanovich Zharko  
Minister of Health  
Ministry of Health  
Minsk  
Republic of Belarus

Excellency:

**Re: IBRD Loan No. 8663-BY  
(Health System Modernization Project)  
Additional Instructions: Disbursement Letter**

I refer to the Loan Agreement ("Agreement") between the International Bank for Reconstruction and Development (the "Bank") and the Republic of Belarus (the "Borrower") for the above-referenced project, dated November 25, 2016. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan IBRD 8663-BY ("Loan"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

The attached *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

**I. Disbursement Arrangements**

**(i) Disbursement Methods (section 2).** The following Disbursement Methods may be used under the Loan:

- Direct Payments
- Reimbursement
- Advances
- Special Commitment

**(ii) Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the Bank.

**(iii) Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) in the Agreement.

**II. Withdrawal of Loan Proceeds**

**(i) Authorized Signatures (subsection 3.1).**

An authorized signatory letter (ASL) in the form attached (Attachment 2) should be furnished to the Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank  
1 Dniproviskiy Uzviz  
Kyiv, 01010  
Ukraine  
Attention: Satu Kristiina Kahkonen, Country Director, ECCU2

**(ii) Applications (subsections 3.2 - 3.3).** Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank  
Radnicka cesta 80, 9th floor  
Zagreb, HR - 10 000  
Croatia  
Attention: Loan Operations

**(iii) Electronic Delivery (subsection 3.4)** The Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank's Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials ("SIDC") from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (<https://clientconnection.worldbank.org>). The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.

**(iv) Terms and Conditions of Use of SIDC to Process Applications.** By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of Secure Identification Credentials") provided in Attachment [3]; and (b) to cause such official to abide by those terms and conditions.

**(v) Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications excluding advances method is USD 200,000.

**(vi) Advances (sections 5 and 6) to Loan**

- **Type of Designated Account (subsection 5.3):** Segregated Managed by RSPC MT/PMU.
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** BELINVESTBANK
- **Ceiling (subsection 6.1):** USD 15,000,000

### III. Reporting on Use of Loan Proceeds

**(i) Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

• ***For requests for Reimbursement & for reporting eligible expenditures paid from the Designated Account:***

• Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts valued more than prior review threshold.

Statement of Expenditure in the form attached for contracts not subject to prior review (Attachment 4);

• List of payments against contracts that are subject to the Banks prior review, in the form attached (Attachment 4)

• ***For requests for Direct Payment:*** Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

***(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):***  
Monthly

#### **IV. Other Important Information**


For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Bank's public website at <https://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. Print copies are available upon request.

From the Client Connection website, you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information.

If you have not already done so, the Bank recommends that you register as a user of the Client Connection website (<https://clientconnection.worldbank.org>). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. All Borrower officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the Bank by email at <[clientconnection@worldbank.org](mailto:clientconnection@worldbank.org)>.

If you have any queries in relation to the above, please contact the country Finance Officer at [wfaldeca@worldbank.org](mailto:wfaldeca@worldbank.org) using the above reference.

Yours sincerely,

  
Young Chul Kim  
Country Manager for Belarus

Attachments

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006
2. Form for Authorized Signatures
3. *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated March 1, 2013
4. Form of “Statement of Expenditure including payments against contracts subject to the Bank’s Prior Review”

Prepared by: Luis Schwarz - WFALA

Cleared with and cc: Elena Segura, Country Lawyer  
Susanna Hayrapetyan-TTL

Cc with copies: H.E. Mr. Vladimir V. Amarin  
Minister  
Ministry of Finance

H.E. Ms. Natalia I. Kochanova  
Deputy Prime Minister

**Form of Authorized Signatory Letter**  
**[Letterhead]**  
**Ministry of Finance**  
**[Street address]**  
**[City] [Country]**

[DATE]

The World Bank  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Attention: [Country Director]

**Re: Loan No. 8663-BY (Health System Modernization Project)**

I refer to the Loan Agreement (“Agreement”) between the International Bank for Reconstruction and Development (the “Bank”) and [name of borrower] (the “Borrower”), dated \_\_\_\_\_, providing the above Loan. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any <sup>1</sup>[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign applications for withdrawal [and applications for a special commitment] under this Loan.

For the purpose of delivering Applications to the Bank, <sup>2</sup>[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting <sup>3</sup>[individually] <sup>4</sup>[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Bank.

<sup>5</sup>[This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. In full recognition that the Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* (“Terms and Conditions of Use of SIDC”), the Borrower represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.]

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<sup>1</sup> Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>2</sup> Instruction to the Borrower: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>3</sup> Instruction to the Borrower: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>4</sup> Instruction to the Borrower: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>5</sup> Instruction to the Borrower: Add this paragraph if the Borrower wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the Bank.*

This Authorization replaces and supersedes any Authorization currently in the Bank records with respect to this Agreement.

[Name], [position] Specimen Signature: \_\_\_\_\_

[Name], [position] Specimen Signature: \_\_\_\_\_

[Name], [position] Specimen Signature: \_\_\_\_\_

Yours truly,

/ signed /

\_\_\_\_\_  
[Position]

**Terms and Conditions of Use of Secure Identification Credentials  
in connection with Use of Electronic Means  
to Process Applications  
and Supporting Documentation**

March 1, 2013

The World Bank (Bank)<sup>6</sup> will provide secure identification credentials (SIDC) to permit the Borrower<sup>7</sup> to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

**A. Identification of Users.**

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.
2. Each Signatory must register as a user on the Bank's Client Connection (CC) website (<https://clientconnection.worldbank.org>) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

**B. Initialization of SIDC.**

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.
2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a "SIDC User". The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.

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<sup>6</sup> "Bank" includes IBRD and IDA.

<sup>7</sup> "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.



3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

**C. Use of SIDC.**

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.
2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.
3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

**4. *Security***

- 4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.
- 4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.
- 4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.
- 4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify [clientconnection@worldbank.org](mailto:clientconnection@worldbank.org).
- 4.5. The Borrower shall immediately notify the Bank at [clientconnection@worldbank.org](mailto:clientconnection@worldbank.org) of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

**5. *Reservation of Right to Disable SIDC***

- 5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.
- 5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User's Account or both.

**6. *Care of Physical Tokens***

- 6.1. Physical Tokens will remain the property of the Bank.
- 6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.
- 6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures,

crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at <http://www.rsa.com>.

## 7. ***Replacement***

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User's Account.

Revised SOE Model Template (incl. listing of prior review payments)

**IBRD- International Bank for Reconstruction and Development**

**Statement of Expenditures**

Payment made during the period from  to

The following expenditures have been incurred during the retroactive financing period (please tick) 

Yes	No
-----	----

The following expenditures have been incurred before the closing date of the loan/credit/grant (please tick) 

Yes	No
-----	----

Financier	
Loan/Credit/Grant #	
Application #	
Category #	
Page #	

											ONLY for the Designated Account		
1	2	3	4	5	6	7	8	9	10	11	13	14	15
Item No	Supplier's Name	Brief Description of the expenditure	Prior Review Contract? (YES or NO)	Contract # (Client Connection # for Prior Review contracts)	Contract currency and amount (original + amendment)	Invoice number	Date of payment	Total amount of invoice covered by Application (net of retention)	% Financed by the Bank	Eligible Amount (Col 9 X 10)	Exchange rate	Date of Withdrawal from the Designated Account	Amount Withdrawn from the Designated Account (Col 11 / 12)
								0.00		0.00		TOTAL	0.00

Supporting documents for this SOE are retained at \_\_\_\_\_  
(insert location)

A separate form should be used for each category



**THE WORLD BANK**  
IBRD • IDA | WORLD BANK GROUP

*November 25, 2016*

H.E. Vasily Ivanovich Zharko  
Minister of Health  
Ministry of Health  
Republic of Belarus

**Re: Loan No. 8663-BY  
(Health System Modernization Project)**

Excellency:

Enclosed are the following documents regarding the above-mentioned Loan, which are delivered to you as the authorized representative of the Republic of Belarus:

1. One signed original Loan Agreement between the Republic of Belarus (Borrower) and International Bank for Reconstruction and Development (the Bank).
2. One signed original Supplemental Letter No. 1 Re: Financial and Economic Data.
3. One signed original Supplemental Letter No. 2 Re: Performance Monitoring Indicators
4. One signed original Disbursement Letter.
5. One copy of the International Bank for Reconstruction and Development General Conditions for Loans, dated March 12, 2012.
6. One copy of the Guidelines for Procurement under World Bank IBRD Loans and IDA Credits and Grants by World Bank Borrowers, dated January 2011 and revised July 2014.
7. One copy of the Guidelines for the Selection and Employment of Consultants by World Bank Borrowers, dated January 2011 and revised July 2014.
8. One copy of the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006; and revised on January 2011.

Pursuant to the provisions of Section 5.02 of the Loan Agreement, 120 days is the terminal date for the effectiveness of the Loan Agreement.

Please confirm on behalf of the Borrower receipt of the documents listed above by signing the enclosed copy of this letter.

Sincerely yours,

Cristian D'Amelj  
Senior Counsel

Received by: 