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CREDIT NUMBER 7142-HN

# Financing Agreement

(Restoring Essential Services for Health and  
Advancing Preparedness for Emergencies Project)

between

REPUBLIC OF HONDURAS

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

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**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF HONDURAS ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS the Recipient and the International Bank of Reconstruction and Development, acting as administrator of the Global Financing Facility have entered into a grant agreement ("Grant Agreement") dated as of the Signature Date for the purpose of providing a grant in the amount of fifteen million Dollars (\$15,000,000) to assist in financing the project described in Schedule 1 to this Agreement ("the Project"), on terms and conditions set forth in the Grant Agreement.

The Recipient and the Association hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

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

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of sixty million Dollars (\$60,000,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.
- 2.05. The Interest Charge is the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum; on the Withdrawn Credit Balance.

- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is Dollar.

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient, through SESAL, shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Conditions of Effectiveness consists of the following:
- (a) the Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.
  - (b) the Additional Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.
  - (c) the Project Operational Manual has been prepared and adopted in a manner satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.
- 4.03. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

### **ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is its Minister of Finance (*Secretario* of SEFIN).
- 5.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:

Secretaría de Estado en el Despacho de Finanzas



Dirección General de Crédito Público  
Avenida Cervantes, Barrio El Jazmín  
Tegucigalpa, M.D.C.  
Honduras, C.A.; and

- (b) the Recipient's Electronic Address is:

Facsimile:	E-mail:
(504) 2237-4142	dgcp@sefin.gob.hn

5.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

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

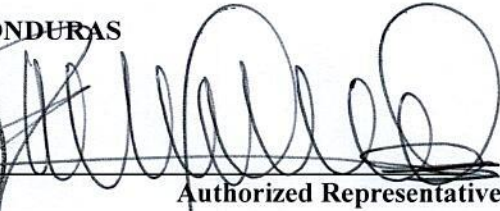
- (b) the Association's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423 (MCI)	1-202-477-6391	<u><a href="mailto:mkerf@worldbank.org">mkerf@worldbank.org</a></u>

AGREED as of the Signature Date.

REPUBLIC OF HONDURAS



  
Authorized Representative

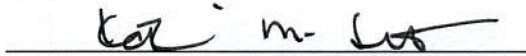
Name: RIXI MONCADA

Title: MINISTER OF FINANCE

Date: OCTOBER 20, 2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

  
Authorized Representative

Name: KATHERINE M. SCOTT

Title: RESIDENT REPRESENTATIVE

Date: OCTOBER 20, 2023

## SCHEDULE 1

### Project Description

The objectives of the Project are to: (i) improve utilization of reproductive and child health services in priority regions, (ii) strengthen public health capacities for emergency preparedness, and (iii) in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the following parts:

#### **Part 1. Strengthening of adolescent, maternal, and child health services**

(a) Immunization activities to support the Recipient's efforts to reach Partially Vaccinated Children and Zero-dose Children

Fostering increased coverage of complete vaccination schemes among young children, particularly those that are highly vulnerable Partially Vaccinated Children and Zero-dose Children, including:

- (i) Facilitating the planning and implementation of: (A) mass vaccination days and deployment of mobile vaccination teams to isolated regions to conduct "door-to-door" vaccination; (B) local/municipal and national communication strategies; (C) operational research and studies to identify and address bottlenecks or inefficiencies within the vaccination system; and (D) Promoting Honduras' vaccination agenda and programs at the departmental, municipal and community level through cross-sectoral collaborations.
- (ii) Based on the Recipient's national-level needs assessment and prioritization of underserved regions to be carried out under the Project: (A) designing and carrying out of climate-friendly construction and rehabilitation of sub-national warehouses, and (B) procurement of equipment, including energy solutions such as solar-powered energy systems for warehouses and/or solar fridges.
- (iii) Carrying out of community mobilization and communication activities to increase the demand for vaccines including *inter alia*: (A) the promotion of routine child vaccination in maternity wards, intersectoral committees, educational centers, schools for parents and health volunteers; (B) the dissemination of multimedia promotional communication materials; and (C) enabling the use of mobile/text reminders and home visits by Family Health Teams.
- (iv) Strengthening the implementation of *SINOVA* across the primary and secondary health care systems through the digital automation of data collection, storage, and analysis to improve the tracking and reaching of

Partially Vaccinated Children and Zero-dose Children at the community level.

- (b) Investments to improve the quality of and increase the demand for maternal and neonatal services in Selected Areas
- (i) Based on the National Standard and SESAL's needs assessment of the provision of maternal and newborn health services in the Recipient's Selected Areas: (A) carrying out climate-friendly rehabilitation and/or expansion of Selected Health Facilities that provide maternal care for mothers and newborns, including the use of solar powered and energy efficient systems compliant with international climate-friendly energy standards; (B) providing equipment needed to improve the quality of maternal and newborn service delivery including those needed to manage obstetric and neonatal complications ; and (C) the provision of technical assistance to review and update the National Standard for maternal and newborn health service provision.
  - (ii) Developing communication materials and technological innovations (e.g., automatic reminders through voice or mobile/text messaging including for upcoming medical appointments) to increase the demand for maternal and neonatal health services.
  - (iii) Strengthening the capacity of maternal and neonatal health workers through Training on best practices for the provision of high quality care including on, *inter alia*: (A) identifying, treating, and referring obstetric and neonatal emergencies; (B) immediate contraception post-obstetric events, including for adolescents; (C) proper use of new maternal and newborn equipment; (D) hygiene practices during labor and delivery; (E) safe disposal of biomedical waste; (F) best practices on supervision of maternal and neonatal health personnel; (G) assertive communication, culturally sensitive human-centered care that responds to the needs of vulnerable groups, and management of emotional crises as they arise; and (H) implementation of the National Standard.
  - (iv) Supporting health referral networks to improve the timely referral of women with high-risk pregnancies and reduce maternal and neonatal morbidity and mortality including: (A) providing technical assistance to review and reorganize Regional Coordination Mechanisms to optimize health planning, performance, and decision-making related to the management of maternal and neonatal emergencies; (B) establishing or strengthening emergency dispatch systems to facilitate the timely transport of women to centers that offer the appropriate level of care; and (C) improving the perinatal information system in the capture, analysis, and dissemination of data, and its integration with Honduras' health information system (*Sistema Integrado de Informacion en Salud*, SIIS).



(c) Enhancement of the quality and increased access of adolescents to Sexual and Reproductive Health (SRH) services in Selected Areas

- (i) Provision of equipment and climate-friendly rehabilitation of facilities to expand the coverage and availability of SRH services appropriate for adolescents, as part of an integrated package of services directly linked to and integrated with health facilities.
- (ii) Design and implementation of communication strategies to normalize SRH service-seeking behavior and boost demand for adolescent SRH services through the use of mass media and social networks, in order to increase the reach of messages to vulnerable adolescent populations.
- (iii) Technical assistance and support to regional health authorities and local coordination mechanisms to strengthen linkages between educational centers, community organizations and local authorities to carry out actions to raise awareness of sexual education content, and to promote adolescent services available in their respective communities.
- (iv) Training for health workers to provide culturally appropriate and age-sensitive integrated health services that best respond to the needs of adolescents seeking services, such as SRH services and GBV identification, treatment, and/or referral of victims, including on how to analyze the social, behavioral, organizational challenges or bottlenecks identified in providing SRH care and how to tailor services accordingly to address them.

**Part 2. Public health preparedness, response, and stewardship capacity**

(a) Strengthening the capacity of the Recipient's health system to prevent, detect and respond to public health emergencies

Provide support, through investments and technical assistance, to strengthen: (i) the surveillance and response system at the central and regional levels; (ii) the testing capacity of the laboratory network managed by SESAL; and (iii) the efficiency and integration of SIIS, through the application of international best practices and lessons learned during the COVID-19 pandemic and other ongoing disease outbreaks.

(b) Support efforts to strengthen the Recipient's preparedness and response capacities

- (i) Provide technical support to improve the surveillance and response system through: (A) a systematic review, preparation and updating of Standard Operating Procedures (SOPs) to improve quality and capacity for detection of COVID-19, dengue and Zika to address weaknesses in the governance and stewardship of surveillance and response functions, including protocols for coordination and efficiency, with a focus on intersectionality and transborder surveillance; (B) the development of (i) a risk communication strategy and support its implementation, and (ii) a communication Training

for SESAL's staff; (C) the strengthening of analytical capacity for surveillance through Training and provision of equipment; (D) the development of emergency response plans at national and regional levels across units of SESAL; (E) strengthening the capacity of SESAL to prevent, detect and respond to zoonotic diseases through the development of SOPs for coordination with other institutions; and (F) Training of staff involved in surveillance and response to implement improved protocols and international best practices.

- (ii) Provide support to enhance the public laboratory system by: (A) strengthening the supply chain system and transport infrastructure for supplies and samples; (B) boosting the capacity of the laboratory network to process samples of greater complexity and in less time through the procurement of equipment, civil works and Training; and (C) designing and implementing an accreditation system for laboratory quality assurance within SESAL.
- (iii) Provide support to the integration of the health information system through, *inter alia*: (A) the development of protocols and SOPs for the capture, analysis, interoperability, and dissemination of data; (B) procurement of information technology equipment and solutions to promote the digitalization of the health information system ; (C) the strengthening of the governance and stewardship of the SIIS, including SOPs, protocols and Regional Coordination Mechanisms within SESAL, other relevant Government institutions and development partners; and (D) the development of integrated modules across activity areas to feed into the SIIS.
- (iv) Provide support to strengthen the capacity of SESAL's management staff to carry out core health system functions as well as timely, evidence-based, decision-making processes through: (A) Training activities on *inter alia*: strengthening organizational, leadership and managerial skills; development of management tools; cross-country and regional knowledge-sharing events with countries that have similar experiences relevant to Honduras' health system challenges; and (B) the development of tailored curriculum for key functions of the SESAL.

### **Part 3. Project Management**

Support the strengthening of SESAL's central units' and regional health authorities' capacity to coordinate, manage and oversee Project implementation including fiduciary functions, reporting of Project activities and results, monitoring and evaluation of the Project's objectives and outcomes, as well as its ability to comply with environmental and social requirements and standards, and the carrying out of Project audits.

### **Part 4. Contingent Emergency Response Component (CERC)**

Provision of immediate response to an Eligible Crisis or Emergency, as needed.



## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. Without limitation to the provisions of Section 2.01 of this Agreement, the Recipient, through SESAL, shall carry out the Project, assume management (including financial management, procurement, environmental and social management) and other activities inherent to the implementation of the said Parts of the Project.
2. The Recipient, through SESAL, shall operate and maintain throughout the implementation of the Project, a Project Implementing Unit ("PIU") within SESAL, with functions, responsibilities, resources and composition satisfactory to the Association, including, *inter alia*: a Project coordinator, a procurement specialist, a financial management specialist, an environmental specialist, and a social specialist, with qualifications satisfactory to the Association, as set forth in the Project Operational Manual.
3. The PIU shall be responsible for the day-to-day management of Project activities as further set forth in the Project Operational Manual, including *inter alia*: (a) preparing annual operational and procurement plans; (b) overseeing fiduciary processes in conformity with the Association's procedures (i.e., budgeting, accounting, funds of flow and disbursements); (c) ensuring the timely implementation of the operational and procurement plans; (d) providing all necessary technical inputs to Project activities; (e) ensuring efficient use of Project funds and resources; (f) preparing semi-annual technical and financial progress reports; (g) monitoring and evaluation of Project results; (h) periodic training of finance management staff in the PIU; (i) external audit arrangements; and (j) supervising compliance with the Project's ESCP and the environmental and social instruments referred to therein.
4. No later than three (3) months after the Effective Date, the Recipient, through SESAL, shall hire an external audit firm acceptable to the Association.

##### B. Project Operational Manual

1. The Recipient, through SESAL, shall carry out the Project, in accordance with the provisions of a manual (the "Project Operational Manual" or "POM"), which shall include, *inter alia*:
  - (a) (i) the detailed description of Project activities, their sequencing and the prospective timetable and benchmarks in relation thereto; and (ii) the detailed institutional arrangements in respect thereof;

- (b) the administrative, budgeting, accounting, flow of funds, internal controls, financial reporting (including audits), reporting, environmental and social management, procurement and disbursement procedures, including all pertinent standard documents and model contracts in relation thereto;
  - (c) the plan for the monitoring and supervision of the Project activities, including all environmental and social aspects in relation thereto;
  - (d) explicit provisions for consolidation of financial information and Project activities Regional Coordination Mechanisms between the PIU and sub-national entities involved in Project activities;
  - (e) the performance monitoring indicators for the Project;
  - (f) the internal controls including procedures to manage and control fixed assets acquired with Credit proceeds; and
  - (g) the Project's chart of accounts and internal controls.
2. Except as the Recipient and the Association may otherwise agree in writing, the Recipient, through SESAL, shall not, abrogate, amend, suspend, waive, or otherwise fail to enforce the Project Operational Manual or any provision thereof without the prior written agreement of the Association.
  3. In case of any conflict between the terms of this Agreement and the Project Operational Manual, the provisions of this Agreement shall prevail.

**C. Environmental and Social Standards.**

1. The Recipient, through SESAL, shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient, through SESAL, shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient, through SESAL, shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and



- (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Recipient, through SESAL, shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Recipient, through SESAL, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 6. The Recipient, through SESAL, shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors and subcontractors to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.
- 7. In case the Recipient's armed forces and/or any other security personnel are used for the implementation of any of the activities under the Project or to provide security to any Project sites or assets, the Recipient shall, through SESAL, in

coordination with other government authorities, ensure that such personnel are deployed in accordance with the relevant requirements of ESSs and the ESCP.

**D. Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project ("Contingent Emergency Response Component"), the Recipient, through SESAL, shall ensure that:
  - (a) a manual ("CERC Manual") is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Component, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Component; (ii) specific activities which may be included in the Contingent Emergency Response Component, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Component; (iv) procurement methods and procedures for the Contingent Emergency Response Component; (v) documentation required for withdrawals of financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Component; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
  - (c) the Contingent Emergency Response Component is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient, through SESAL, shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Component, with adequate staff and resources satisfactory to the Association.



3. The Recipient, through SESAL, shall ensure that:
  - (a) the environmental and social instruments required for the Contingent Emergency Response Component are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
  - (b) the Contingent Emergency Response Component is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Component shall be undertaken only after an Eligible Crisis or Emergency has occurred.

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

The Recipient, through SESAL, shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

**Section III. Withdrawal of the Proceeds of the Financing**

**A. General**

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Parts 1(a), 2 and 3 of the Project	22,500,000	100% after Category (1) under the Withdrawal table in Section III.A.1 of Schedule 2 to the Additional Financing Agreement has been depleted
(2) Goods, works, non-consulting services, consulting services, Training and Operating	37,500,000	100% after Category (2) under the Withdrawal table in Section III.A.1 of

Costs under Parts 1(b) and 1(c) of the Project		Schedule 2 to the Grant Agreement has been depleted
(3) Emergency Expenditures	0	100%
<b>TOTAL AMOUNT</b>	<b>60,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date; or
  - (b) for Emergency Expenditures under Category (3), unless and until all of the following conditions have been met in respect of said expenditures:
    - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Credit amounts under Category (3); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
    - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
2. The Closing Date is November 30, 2028.



### SCHEDULE 3

#### Repayment Schedule

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each April 15 and October 15:	
commencing October 15, 2027 to and including April 15, 2047	<b>1.65%</b>
commencing October 15, 2047 to and including April 15, 2052	<b>3.40%</b>

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05(b) of the General Conditions.

## APPENDIX

### Definitions

1. “Additional Financing Agreement” means the additional financing agreement for the Project between the Recipient and the Association, acting as administrator of Honduras Restoring Essential Services for Health and Advancing Preparedness in Emergencies (RESHAPE) Project Single-Donor Trust Fund (Grant No. TF0C1861).
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
3. “Basis Adjustment to the Interest Charge” means the Association’s standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
4. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “CERC Manual” means the manual referred to in Section I.C of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Operational Manual.
7. “Concessional Financing” means, without limitation to the definition of said term in paragraph 19 of the Appendix to the General Conditions, the Credit extended by the Association to the Recipient on the terms referred to in Article II of this Agreement and in the General Conditions.
8. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
9. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.



10. “Emergency Action Plan” means the plan referred to in Section I.C of Schedule 2, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
11. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.C of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
12. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated June 12, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
13. “Environmental and Social Standards” or “ESSs” means, collectively:  
(i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
14. “Family Health Teams” means a multi-disciplinary team of health professionals at the primary level of care who are responsible for regular health contacts with a determined number of families and individuals in a defined geographical area.
15. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
16. “Grant Agreement” means the grant agreement for the Project between the Recipient and the Association, acting as administrator of the Global Financing Facility have entered into a grant agreement referred to in the whereas clause to this Agreement, as amended.

17. "National Standard" means the Recipient's National Standard for Comprehensive Emergency Obstetric and Newborn Care (*CEmONC*), or *CONE (Norma para el Cuidado Obstetrico Neonatal Esencial)* approved by SESAL dated 2007, as amended.
18. "Operating Costs" means the reasonable incremental operating expenditures incurred by the PIU, which would not exist absent the Project, required for an efficient Project implementation and monitoring, including costs for office rent, operation and maintenance of vehicles, Project transportation costs, office equipment and supplies, communication costs, support for information systems, translations, bank charges, utilities, document duplication/printing, consumables, Project related travel, and per diem costs, office administration costs, and other reasonable expenditures directly associated with the carrying out of the Project, all based on annual budgets acceptable to the Association.
19. "Partially Vaccinated Children" means children under 5 years of age who have received one or two doses of the Pentavalent Vaccine.
20. "Pentavalent Vaccine" means a vaccine that is a combination of five individual vaccines formulated to protect against five major diseases, namely: diphtheria, tetanus, pertussis, hepatitis B, and haemophilus influenza type B.
21. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
22. "Project Implementing Unit" or "PIU" means the unit established within SESAL and referred to in Section I.A.1 of Schedule 2 to this Agreement, or any successor thereto acceptable to the Association.
23. "Project Operational Manual" or "POM" means the manual referred to in Section I.B of Schedule 2 to this Agreement, as such POM may be amended from time to time.
24. "Regional Coordination Mechanisms" means the Recipient sub-national coordination bodies, such as regional committees, intersectoral round tables, and *mancomunidades*.
25. "Selected Areas" means the following areas within the Recipient's territory: Gracias a Dios, Comayagua, El Paraiso, Olancho, Yoro, Santa Bárbara, Colón, Intibucá, Copán, Choluteca, Atlántida, Francisco Morazán, Islas de la Bahía, Valle, Lempira, and/or any other area as agreed by the Association.
26. "Selected Health Facilities" means the facilities to be rehabilitated or expanded under Part 1(b)(i)(A) of the Project, selected based on National Standards and SESAL's needs assessment, and as further detailed in the Project Operations Manual.



27. "SEFIN" or "*Secretaría de Estado en el Despacho de Finanzas*" means the Recipient's Ministry of Finance, or its successor acceptable to the Association.
28. "SESAL" or "*Secretaría de Estado en el Despacho de Salud*" means the Recipient's Ministry of Health, established pursuant to Decree No. 08, dated December 24, 1954, and referred to in Section I.A.1 of Schedule 2 to this Agreement, or any successor thereto acceptable to the Association.
29. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.
30. "SIIS" or "*Sistema Integrado de Informacion en Salud*" means the Recipient's health Information system.
31. "SINOVA" or "*Sistema Nominal de Vacunación*" means the Recipient's nominal immunization registry which compiles information on the provision of vaccinations in accordance with its national vaccination scheme.
32. "Training" means expenditures (other than those for consulting services) incurred by the Recipient in connection with the carrying out of training activities (such as seminars, workshops, study tours, training courses, including the reasonable travel costs (i.e. accommodation, transportation 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 activities of Parts 1 through 4 of the Project.
33. "Zero-dose Children" means children under 5 years of age who have not received the Pentavalent Vaccine.