

Loan Contract No. 5296/OC-BH
Amendment No.2

AMENDATORY AGREEMENT

AMENDATORY AGREEMENT entered into between THE COMMONWEALTH OF THE BAHAMAS (the "Borrower") and the INTER-AMERICAN DEVELOPMENT BANK (the "Bank", and together with the Borrower, the "Parties").

WHEREAS:

(a) A loan contract was entered into between the Parties on September 15, 2021 (the "Contract") to finance the "Programme to Support the Health System Strengthening of The Bahamas" (the "Project");

(b) The Bank's Board of Executive Directors authorized a supplementary non-reimbursable investment financing for the amount of five million two hundred ten thousand nine hundred Euros (€5,210,900) to be granted by the European Union ("EU"), which includes the Bank's fees of three hundred forty thousand nine hundred Euros (€340,900), to cooperate in the execution of the Project (the "EU-CIF Supplementary Grant"), and to amend the Project and the Contract accordingly;

(c) The Bank, acting as administrator under the Financial Framework Partnership Agreement between the EU and the Bank dated September 29, 2020, entered into a specific EU Contribution Agreement for purposes of supplementing the Project on March 14, 2023; and

(d) The Parties have agreed to execute on or about the date of the Agreement the Non-Reimbursable Investment Financing Agreement No. GRT/ER-19507-BH to document the EU-CIF Supplementary Grant ("EU-CIF Grant Agreement").

ARTICLE ONE

The Parties agree to amend the Contract in the manner and to the extent set forth below. Capitalised terms used but not otherwise defined herein have the meaning set out in the Contract.

SPECIAL CONDITIONS

1. All references to the "Ministry of Health" shall be amended to read "Ministry of Health and Wellness".

2. Section 5.01 of the Special Conditions of the Contract is amended in its entirety to read as follows:

SECTION 5.01. Supervision of Project Execution. (a) For purposes of Article 7.02 of the General Conditions, the documents that, as of the date of signature of this Contract, have been identified as necessary to supervise progress in the execution of the Project are the Results Matrix ("RM"), the Pluriannual Execution Plan ("PEP"), the Annual Operating Plans ("AOP") and the Monitoring Report ("PMR").

(b) The Borrower, directly or through the Executing Agency, as the case may be, shall submit the following reports:

- (i) PEP, which specifies the available resources and time frame for the implementation of each Project's activities and associated products and identifies critical milestones to be monitored for the achievement of products. An updated PEP will be part of each semi-annual progress report. The PEP has to be submitted to the Bank within sixty (60) days after entry into effect of this Contract.
- (ii) AOP, which includes physical and financial progress from the previous period, the updated RM, planning for the next period, disbursement projections, and the updated RM, among others. The updated AOP will be part of each semi-annual progress report. The AOP has to be submitted to the Bank within sixty (60) days after entry into effect of this Contract.
- (iii) Semiannual progress reports that shall be presented by the Executing Agency to the Bank within (30) days after the end of the corresponding semester and should include a description of the physical and financial execution of activities in the corresponding period, as well as the relevant issues relating to implementation, risks, mitigation measures, and environmental and social safeguards. The Borrower agrees to participate, through the Executing Agency, in joint evaluation meetings with the Bank, to be held within thirty (30) days following the receipt of the aforementioned reports.
- (iv) A final report, which will cover the entire implementation period of the Project and include information on the issues mentioned in (iii) above, submitted not later than ninety (90) days following the end of the implementation period. This report shall comply with the requirements included in Section 4.06 of Annex I.

3. The Parties agree to substitute the Annex with Annex I attached herein.

ARTICLE TWO

The Parties agree that this Agreement shall enter into force from the date of signature by the representative of the Borrower.

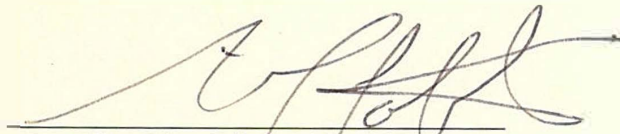

ARTICLE THREE

The Parties hereby agree that all other provisions of the Contract remain in full force and effect.

IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorized representative, have signed this Amendatory Contract in Nassau, N.P., The Bahamas.

THE COMMONWEALTH OF THE
BAHAMAS

INTER-AMERICAN DEVELOPMENT
BANK


The Hon. Michael Halkitis
Minister of Economic Affairs
Daniela Carrera-Marquis
Representative of the Bank
in The Bahamas

Date: 5th April, 2023

Date: April 5th, 2023

ANNEX I

THE PROJECT

Programme to Support the Health System Strengthening of The Bahamas

I. Objective

- 1.01** The main objective of the Project is to support the strengthening of The Bahamas Health System to meet the population's health needs.
- 1.02** The specific objectives are to (i) integrate primary and secondary care services that the Department of Public Health ("DPH"), Public Hospitals Authority ("PHA"), and National Health Insurance Authority ("NHIA") deliver; (ii) improve access, coverage, and quality of community and ambulatory services through a person and community-centered model of care; and (iii) increase the efficiency of health services.

II. Description

- 2.01** To achieve the objectives indicated in Section I above, the Project comprises the following components:

Component 1. Improvement of the delivery of healthcare model

- 2.02** This Component will finance the activities to: (i) reorganize the provision of primary and hospital care; (ii) implement a person and community-centered model of care, which also will include specific actions to provide health services to Gender-Based Violence ("GBV") victims; and (iii) standardize the quality of care that the DPH, PHA, and NHIA provide.

Subcomponent 1.1

- 2.03** This Subcomponent will finance the reorganization of the DPH and PHA's provision of primary care and hospital care to Chronic Non-Communicable Diseases ("NCDs") patients by: (i) designing and renewing evidence-based clinical protocols and care pathways; (ii) implementing training courses through digital technology to update health personnel; (iii) improving preventive and curative care processes to provide coordinated and continuous care through introducing clinical decision support tools, and promoting the creation of interprofessional care teams; and (iv) implementing healthcare management systems to ensure that health personnel, healthcare supplies, and health information are administered properly.

Subcomponent 1.2

- 2.04** This Subcomponent will finance: (i) the design and implementation of a person-and-community-centered care model to enhance the community's involvement in health promotion, prevention, and self-care; (ii) the strengthening of health services for victims of GBV by modernizing care pathways and enhancing tele-mental health services; and (iii) the training of health personnel to recognize, competently screen, or query suspected cases and comprehensively respond to GBV through the development of protocols.

Subcomponent 1.3

- 2.05** This Subcomponent will finance activities to standardize and increase the quality of care that DPH, PHA, and NHIA provide to NCDS, and the implementation of homogeneous mechanisms to improve and evaluate the quality of care through the use of evidence-based guidelines and health data stored in the electronic health record.

Component 2. Enhancement of the capacity for provision of primary care

- 2.06** This Component will improve the infrastructure to provide primary care services in seven (7) islands. The Executing Agency prioritized aged Primary Health Care ("PHC") clinics vulnerable to environmental hazards, lacking maintenance, and outdated medical equipment.

Subcomponent 2.1

- 2.07** This Subcomponent will finance the construction of nine (9) PHC clinics, the retrofitting of nine (9) PHC clinics, and the upgrade of the building where the Executing Agency will relocate the National Reference Laboratory. The physical works required for the infrastructure improvement will fulfill three (3) attributes: (i) resiliency to disaster and climate change risks mostly related to storms (i.e., flooding and strong winds); (ii) sustainability and energy-efficient design to comply with the Excellence in Design for Greater Efficiencies (EDGE) "green building" certification; and (iii) sound design to care for and contain the spread of transmissible diseases, such as COVID-19, and handle other infectious disease outbreaks that might occur. This subcomponent will also finance the furniture needed for the clinics, as well as the EDGE certification for the clinics and a maintenance plan that will enhance all three (3) attributes of infrastructure.

Subcomponent 2.2

- 2.08** This Subcomponent will finance the upgrading of medical equipment, which includes (i) essential medical devices, such as stethoscopes and sphygmomanometers; (ii) equipment for diagnoses such as ultrasound, electrocardiogram, portable X-ray machines; (iii) equipment for laboratory tests, and emergency care such as defibrillators; and (iv) equipment for dental services and preventive care. It also will finance the procurement of six (6) ambulances.

Component 3. Modernization of Health Information System

- 2.09** This Component will finance the digitalization of the health information and management system of the Executing Agency.

Subcomponent 3.1

- 2.10** This Subcomponent will finance the Information Systems for Health ("IS4H") implementation team and an implementation plan for the Electronic Health Record ("EHR") that will address the integration of existing and new applications and equipment, such as laboratory, pharmacy, and diagnostic imaging applications into the new EHR system and the Health Information Exchange that will be implemented in eighty-five (85) PHC clinics of the DPH.

Subcomponent 3.2

- 2.11** This Subcomponent will finance the activities needed to implement a Health Information Exchange, the development of a cybersecurity framework, and a data governance framework. It will also document and modernize the flow and use of information for managerial, clinical, and public health functions following IS4H management and governance principles.

Subcomponent 3.3

- 2.12** This Subcomponent will finance the activities to develop and implement norms and regulations, change management, digital technology procurement (connectivity equipment and laptops, tablets, etc.), deployment of electronic health records, and telemedicine in alignment with IS4H digital technology standards in eighty-five (85) PHC clinics.

Subcomponent 3.4

- 2.13** This Subcomponent will finance a functional assessment of the health system to identify essential IS4H functions that must be performed in The Bahamas. The assessment will provide the basis for an updated organizational structure and functional roles. The component will also fund a human resource development strategy and a knowledge management roadmap for the country.

Administration and other costs

- 2.14** This Component will finance the activities to strengthen the Executing Agency's institutional project management, and fiduciary and procurement capabilities for project implementation. It will support the Programme Executing Unit (PEU)'s consultants, specialized technical services, independent auditing, and studies to underpin the implementation of the Project and its impact evaluation, and the implementation of the Environmental and Social Management Plan.

III. Financing Plan

3.01 The distribution of the resources of the Project, including those financed by the Loan and those financed by the Non-Reimbursable Investment Financing Agreement No. GRT/ER-19507-BH ("EU-CIF Grant Agreement"), is set forth in the following table:

Cost and Financing
(US\$)

Components	Loan	EU-CIF Grant Agreement	Total	%
Component 1: Improvement of the Delivery of Healthcare Model	4,410,000	0	4,410,000	9.7
Subcomponent 1.1 Reorganization of primary and hospital care	1,750,000	0	1,750,000	3.9
Subcomponent 1.2. Implementation of a person and community-centered care model	1,800,000	0	1,800,000	3.9
Subcomponent 1.3. Standardization of the quality of care	860,000	0	860,000	1.9
Component 2: Enhancement of the Capacity for Provision of Primary Care	25,862,000	5,029,227	30,891,227	68.3
Subcomponent 2.1. Strengthening of the physical infrastructure	23,182,000	4,011,652	27,193,652	60.1
Subcomponent 2.2. Upgrading of medical equipment	2,680,000	1,017,575	3,697,575	8.2
Component 3: Modernization of the Health Information System	6,978,000	0	6,978,000	15.3
Subcomponent 3.1. Integration of digital health information initiatives	3,703,000	0	3,703,000	8.1
Subcomponent 3.2 Modernization of the flow of information	1,620,000	0	1,620,000	3.6
Subcomponent 3.3 Implementation of IS4H	1,285,000	0	1,285,000	2.8
Subcomponent 3.4. Training needs and recruitment requirements	370,000	0	370,000	0.8
Administration and other costs	2,750,000	228,623	2,978,623	6.6
Project auditing	180,000	0	180,000	0.4
Project executing unit	2,300,000	101,320	2,401,320	5.3
Impact evaluation	270,000	0	270,000	0.6
Communication and visibility plan	0	127,000	127,000	0.3
Subtotal EU-CIF	0	5,257,850	5,257,850	11.7
Bank Administrative Fee	0	368,050	368,050	0.8
TOTAL	40,000,000	5,625,900	45,625,900	100

IV. Execution

4.01 The PEU will administer the Project. The PEU's responsibilities include (i) serving as the Project's liaison with the Bank; (ii) preparing, submitting, and implementing the AOP and financial plans; (iii) drawing up budgets and disbursement requests; (iv) preparing and updating the Procurement Plan (PP), Risk Matrix (RM), Project Monitoring Report (PMR), PEP, and the AOP; (v) financial administration of the Project according to accepted accounting principles and presenting audited financial statements; (vi) carrying out

procurement processes that result in the timely acquisition of high-quality products and that comply with both the policies of the Contract; (vii) ensuring the consistent alignment of Project activities with expected results as well as periodic data collection to enable the monitoring of the indicators included in the RM; and (viii) presenting all applicable reports in accordance with the Contract.

- 4.03** The PEU will contract specialized external consultancies, individuals, and firms to prepare the plans to retrofit existing PHC clinics, build new ones, supervise construction, and define the technical specifications and procurement for new medical equipment and digital health information system.
- 4.04** The Executing Agency's technical, procurement, and the fiduciary team will work closely with the PEU staff to benefit from knowledge transfer and capacity building.
- 4.05** A Project Steering Committee ("PSC") with representatives from the Executing Agency, the DPH, the NHIA, the PHA, and Ministry of Finance will oversee the coordination mechanisms to facilitate the Project's implementation. The Committee's specific responsibilities are the provision of the required inter-institutional coordination and collaboration and the general oversight of the Project to ensure coherence and coordination in the implementation among the different stakeholders. The PEU will operationalize the decisions from the PSC.
- 4.06** For purposes of Section 5.01(b)(iv) the final report should include at least the following information in relation to the Project, including the activities funded by the EU-CIF Grant Agreement:
- (i) A summary and context of the Project;
 - (ii) Actual results: an updated table based on the RM, including reporting of results achieved by the Project as measured by their corresponding indicators, agreed baselines and targets, and relevant data sources;
 - (iii) Information on the activities directly related to the Project and carried out during the implementation period;
 - (iv) Information on the difficulties encountered and measures taken to overcome problems and eventual changes introduced;
 - (v) The Project activities carried out during the period covered by the report;
 - (vi) Information on the implementation of the Visibility and Communication Plan and any additional measures taken to identify the European Union as a source of financing for the EU-CIF Grant Agreement;
 - (vii) A breakdown of the total costs incurred from the beginning of the Project as well as the legal commitments entered into by the Executing Agency;

- (viii) A summary of controls carried out and available final audit reports in line with the Executing Agency's policy on disclosure of such controls and audit reports. Where errors and weaknesses in systems were identified, an analysis of their nature and extent, as well as information on corrective measures taken or planned, shall also be provided;
- (ix) A summary of the receipts, payments received, and eligible costs incurred or acceptable expenditures of the Project;
- (x) Where applicable, an overview of any funds unduly paid or incorrectly used, that the Borrower, directly or through the Executing Agency, as the case may be, could have or could have not recovered by itself;
- (xi) The exact link to the web page where information about the beneficiaries and the contractors is available; and
- (xii) A confirmation that the Borrower complied with the terms of the EU-CIF Grant Agreement in the context of the Project.