H. E. Ch. Khurelbaatar  
Minister of Finance  
Ministry of Finance  
Government Building 2- D  
S. Danzan Street 5/1  
Ulaanbaatar 15160  
Mongolia

Re: Mongolia: E-health Project – Credit No. 5489-MN  
Amendment to the Financing Agreement

Excellency:

I refer to the financing agreement (“Financing Agreement”), dated June 18, 2015, between Mongolia (the “Recipient”) and the International Development Association (the “Association”) for the E-health Project (the “Project”).

I refer also to your letter, dated June 14, 2018, requesting amendments to the Financing Agreement. After due consideration, the Association concurs with your request, and accordingly the Association proposes to amend the Financing Agreement as set out below.

1. Article 3.01 is amended as follows:

“3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Health in accordance with the provisions of Article IV of the General Conditions.”

2. The Project description in Schedule 1 is amended as follows:

“The Project consists of the following parts:

Part 1. Building the E-health Integration System

(a) Adopting of a national enterprise architecture framework and development of a domain specific enterprise architecture adapted to the health sector, including analysis of the current business processes at health facilities and subsequent development of required elements of the enterprise information system.

(b) Establishment of a suite of health data standards to form the common language required for the diverse computer systems in the Recipient’s health sector to interoperate, including subscription to use of major health data exchange standards.
(c) Development, testing and implementation of a health information exchange platform (HIEP), which forms the basis for data integration across different levels of care and management, including the electronic health record, electronic medical record, electronic referral service, an identification and authentication tool, network services for primary health care providers connection, statistical reporting based on data accessible through HIEP, and security, privacy, quality and information technology management protocols.

(d) Provision of investments in e-health hardware and software capacities to support the primary health care system.

**Part 2. Institutional Strengthening and Capacity Building**

Carrying out training and capacity building activities as follows:

(a) establishment of a training center and setting up of the building blocks for an e-health system;

(b) provision of user training to improve the computer and HIEP literacy of health service providers;

(c) provision of network administration and information security management training for information technology specialists;

(d) provision of advanced training in enterprise architecture and health information interoperability to enable select professionals to manage the changes in business processes and health information flows in the health sector;

(e) provision of capacity building to ensure the sustainability of the HIEP system; and

(f) provision of support for connectivity and high-speed network for an interconnected health information system.

**Part 3. Project Management**

Provision of support for Project implementation, supervision, monitoring and evaluation, including provision of technical assistance and training.”

3. Section I.A of Schedule 2 is amended as follows:

“A. Institutional Arrangements.

1. For purposes of Project implementation, the Recipient shall establish within the Ministry of Health, and thereafter maintain for the duration of the Project, a Project Implementation Unit, having adequate resources, including sufficient staff hired in accordance with Section III of this Schedule 2, including but not limited to a Project coordinator, a procurement specialist, a clinician, and a change management
specialist. The PIU shall be responsible for Project implementation, including overall Project management, financial management, monitoring and evaluation and Project reporting.

2. For purposes of providing oversight and strategic policy advice and guidance to the Project, the Recipient shall establish and thereafter maintain for the duration of the Project, a Project steering committee, chaired by the Minister of Health, and having composition, including representatives from the central public administration organizations in charge of economic development and of finance, acceptable to the Association. The Project steering committee shall be responsible, among other things, for ensuring synergies between the Project and other related Recipient activities and projects.”

4. Section III of Schedule 2 is amended as follows:

“Section III. Procurement

All goods, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Credit shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations, and the provisions of the Procurement Plan.”

5. The disbursement table in Section IV.A.2 of Schedule 2 is amended as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants services and Incremental Operating Costs for Part 5 of the Project <em>(pro-memoria)</em></td>
<td>118,007.88</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services and consultants services for Parts 1, 2, 3 and 4 of the Project <em>(pro-memoria)</em></td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, non-consulting services, and consulting services for Parts 1 and 2 of the Project</td>
<td>11,909,570</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, non-consulting services, consulting services, and Incremental Operating Costs for Part 3 of the Project</td>
<td>672,422.12</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>12,700,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
6. Section I of the Appendix is amended as follows:

**"Section I. Definitions"**


2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

3. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

4. "HIEP" means the health information exchange platform to be developed under Part I(a) of the Project.

5. "Incremental Operating Costs" means reasonable expenditures directly related to the Project (which expenditures would not have been incurred absent the Project), based on an annual budget for such costs approved ex-ante in writing by the Association, including expenditures for consumable materials, office supplies, communications services (including postage handling, telephone and internet costs), publication services, translation services, office space rental and utilities, maintenance of office equipment and operation, but excluding salaries, bonuses, fees and honoraria of members of the Recipient’s civil service.

6. "Ministry of Finance" means the Recipient’s ministry of finance, or any successor thereto.

7. "Ministry of Health" means the Recipient’s ministry of health, or any successor thereto.


9. "Procurement Plan" means the Recipient’s procurement plan for the Project, as last updated on August 31, 2018, provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.

10. "Project Implementation Manual" and the acronym “PIM” mean the Recipient’s manual, as last updated on August 31, 2018, as provided for in Schedule 2, Section I, Part B.1 to this Agreement, setting out the PIU’s division of responsibilities, operational systems and procedures, including the PIU’s organizational structure, office operations and procedures, finance and accounting procedures (including funds flow and disbursement arrangements), and procurement procedures.
11. "Project Implementation Unit" means the unit to be established and maintained by the Recipient for purposes of Project implementation and management, as provided for in Schedule 2, Section I, Part A.1 to this Agreement."

Except as specifically set out in this letter, all terms and conditions in the Financing Agreement remain unchanged.

The Association will disclose this letter agreement and related information on this Credit in accordance with the World Bank Policy on Access to Information. By entering into this agreement, the Recipient consents to disclosure of this agreement and related information on this Credit.

Please confirm your agreement to the foregoing by signing and dating both enclosed copies of this letter in the space provided and returning one signed copy to us. The above amendment will become effective as of the date of the later date of countersignature of this letter by the Recipient.

Sincerely yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Harold L. Bedoya
Acting Country Director, Mongolia
East Asia and Pacific Region

AGREED:
MONGOLIA

By:  
Authorized Representative

Name:  Khurelbaatar Chimed
Title:  Minister for Finance
Date:  October 1, 2018
cc:
Ms. L. Byambasuren, Deputy Minister of Health
Mr. E. Sodnomjamts, Acting State Secretary, MOH
Mrs. Oyunkhand, Director, Policy Planning Department, MOH
Mr. I. Batkhuu, Director-General, Development Financing Department, MOF
Mr. B. Bayart, Director, Monitoring and Internal Auditing Department, MOH
Mr. Uuganbayar, Head, Foreign Relations Division, MOH
Mr. B. Chinbat, Chairman, Communications and IT Authority (CITA)
Mr. B. Batjargal, Director, National Data Center
Mr. Bilegdemberel, Head, Policy Planning Division, CITA
Mr. S. Diorditsa, WHO Representative
Ms. G. Ulziijargal, Senior Specialist, Development Financing Department, MOF
Mr. S. Enkhbold, e-Health Project Coordinator