His Excellency Seth Terkper
Minister of Finance
Ministry of Finance
Accra
Republic of Ghana

28 May, 2014

Ghana: HRITF Grant Agreement to support the Ghana Maternal and Child Health and Nutrition Improvement Project
(Trust Fund No. TF017159)

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Ghana ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("IBRD") International Development Association ("IDA") (collectively the "World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Multi-donor Trust Fund for Health Results Innovation ("Trust Fund"), proposes to extend to the Recipient, a grant in an amount not to exceed four hundred thousand United States Dollars (U.S.$400,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project"). The Grant is provided to facilitate the preparation and implementation of pre-pilot activities related to the community performance based financing component of IDA supported Ghana Maternal and Child Health and Nutrition Improvement Project ("IDA Supported Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor(s) under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.
Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Yusupha B. Crookes
Country Director for Ghana
Africa Region

AGREED:

REPUBLIC OF GHANA

By

Authorized Representative

Title: MINISTER

Date: 21st June, 2014

Enclosures:

2. Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions"), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to facilitate the preparation and implementation of IDA Supported Project, in particular facilitate the implementation of pre-pilot activities under the Community Based Performance Based Financing (CPBF) component of such project.

The Project consists of the following parts:

(a) Support to prepare for the implementation of CPBF component of the IDA Supported Project through financing the work planning meetings at the national, regional, district, and community levels, including training of selected staff, data collection, and hiring of consultants, all through the provision of goods, consultant services, Operating Costs, and Training and Workshops.

(b) Carrying out pre-pilot activities of the CPBF component of the IDA Supported Project, including, *inter alia*: establishment of baseline information and mapping of health facilities; staff training on such facilities to be included under the IDA Supported Project; pre-testing of the performance base financing in selected health facilities; and recruitment of technical staff, all through the provision of consultant services, Operating Costs, and Training and Workshops.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through Ghana Health Service (an agency of the Ministry of Health of the Recipient), in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. Without limitations upon the provision of Section 2.02 above, the Recipient shall maintain, a core Project team, with composition, mandate, terms of reference, and resources satisfactory to the World Bank, to be responsible for management, coordination, and reporting on the implementation of the Project.
2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.

2.05. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than (6) six months after the end of such period.

2.07. **Procurement**

(a) **General.** All goods, non-consulting services, and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of 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 (“Procurement Guidelines”), in the case of goods, works and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and
(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World 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.

(c) Particular Methods of Procurement of Goods and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts which are specified in the Procurement Plan: (A) Limited International Bidding; (B) National Competitive Bidding, subject to the following additional provisions: (i) foreign bidders shall be allowed to participate in NCB procedures without any restrictions; (ii) bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later; (iii) no domestic preference shall be given for domestic bidders; and (iv) in accordance with paragraph 1.14(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Grant shall provide that: (1) the bidders, suppliers, contractors and subcontractors shall permit the Association, 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 Association; (2) in line of Bank policy on Fraud and Corruption as defined in the Bank’s Procurement Guidelines; and (C) Shopping;

(d) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Least Cost Selection; (C) Selection based on Consultants’ Qualifications; (D) Single-source Selection of consulting firms; (E) Selection of Individual Consultants; and (F) Single-source procedures for the Selection of Individual Consultants.
Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of goods, non-consulting services, consultant services, Operating Costs, and Training and Workshops (inclusive of Taxes).

For the purpose of this paragraph, the term:

(a) “Operating Costs” means the reasonable incremental expenses incurred in connection with Project implementation, including: (i) consumable materials and supplies, communications, mass media and printing services, vehicle rental, operation and maintenance; and (ii) charges for the opening and operation of bank accounts required for the Project, travel, lodging and per diems, but excluding salaries of officials of the Recipient’s civil service.

(b) “Training and Workshops” includes services for the organization of the workshops, training materials and rental of training facilities and equipment, local travel and per diem for participants, tuition fees, travel, accommodation and per diem of trainers and trainees, printing of documents, communications, and various supplies needed for the workshops.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2015.

Article IV
Recipient’s Representative; Addresses

4.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the minister at the time responsible for Finance.

4.02. Recipient’s Address. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Minister of Finance
Ministry of Finance, P. O. Box MB 40
Accra, Republic of Ghana

Facsimile: 233-30-2667069
4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD
Telex: INDEVAS 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391