Multi-donor Trust Fund for Global Financing Facility (formerly Multi-donor Trust Fund for Health Results Innovation)

Grant Agreement

(Amending and Restating Grant Agreement)
(Additional Financing III for Health Sector Development Support Project)

between

THE REPUBLIC OF ZIMBABWE

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

(both acting as administrator of the Multi-donor Trust Fund for Global Financing Facility)

Dated 26th July, 2017
MDTF - HRI GRANT NUMBER TF010748, TF015111, TF0A1598 & TF0A5311

MULTI-DONOR TRUST FUND FOR GLOBAL FINANCING FACILITY

GRANT AGREEMENT

AGREEMENT dated 26th July, 2017, entered into between REPUBLIC OF ZIMBABWE ("Recipient"), on the one hand, and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION (collectively, "World Bank"), acting as administrator of the Multi-donor Trust Fund for Global Financing Facility (formerly, Multi-donor Trust Fund for Health Results Innovation), on the other hand.

WHEREAS:

(A) under an agreement, dated September 27, 2011, between the Recipient and the World Bank ("Original Grant Agreement"), the World Bank agreed to provide the Recipient with a grant ("Original Grant") in an amount equal to fifteen million United States Dollars ($15,000,000) to assist in financing the project described in Schedule 1 to the Original Grant Agreement ("Original Project");

(B) under a grant agreement, dated July 30, 2013, between the Recipient and the World Bank, which agreement amended and restated Original Grant Agreement ("Additional Grant Agreement") the World Bank agreed to provide the Recipient with additional financial assistance in support of additional activities related to the Original Project, by making available to the Recipient an additional grant ("Additional Grant") in an amount equal to twenty million United States Dollars ($20,000,000);

(C) under a grant agreement, dated January 12, 2016, between the Recipient and the World Bank, which agreement amended and restated Additional Grant Agreement ("Additional Grant II Agreement") the World Bank agreed to provide the Recipient with additional financial assistance in support of additional activities related to the Original Project, by making available to the Recipient a second additional grant ("Additional Grant II") in an amount equal to ten million United States Dollars ($10,000,000);

(D) the Recipient has requested the World Bank to provide additional financial assistance in support of additional activities related to the Original Project, as described in Schedule 1 to this Agreement, by making available to the Recipient a third additional grant ("Additional Grant III") in an amount equal to five million United States Dollars ($5,000,000); and

(E) the World Bank has agreed, on the basis, inter alia, of the foregoing to extend such additional assistance to the Recipient upon the terms and conditions set forth in this Agreement, as this Agreement amends and restates the Additional Grant II Agreement.
NOW THEREFORE the Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012, ("Standard Conditions"), with the modifications set forth in Section II of 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 Standard Conditions or in this Agreement, including Section I of the Appendix to this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall cause the Project Implementing Entity to carry out the Project in accordance with the provisions of Article II of the Standard Conditions, this Agreement and the Project Agreement.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement:

(a) the Recipient shall, except as the World Bank may otherwise agree, ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement; and

(b) the Recipient and the World Bank hereby agree that except as otherwise provided in Schedule 2 to this Agreement, the Recipient’s obligations set forth in said Schedule and Sections 2.02 (Insurance), 2.04 (Use of Goods, Works and Services; Maintenance of Facilities), 2.05 (Documents; Records), 2.06(a) and (b)(i) (Project Monitoring, Reporting and Evaluation), 2.07 (Financial Management; Financial Statements; Audits), and 2.09(b) and (c) (Visits) of the Standard Conditions shall be carried out by the Project Implementing Entity pursuant to the Project Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to fifty million United States Dollars ($50,000,000) ("Grant"), which consists of: (a) the Original Grant in an amount equal to fifteen million United States Dollars ($15,000,000); (b) the Additional Grant in an amount equal to twenty million United States Dollars.
($20,000,000); (c) the Additional Grant II in an amount equal to ten million United States Dollars ($10,000,000); and (d) the Additional Grant III in an amount equal to five million United States Dollars ($5,000,000), to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement. The Recipient's Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Project Implementing Entity's Representative. To this end, the Recipient and the World Bank hereby agree that except as otherwise specifically provided in Schedule 2 to this Agreement, the Recipient's obligations set forth in Article III (Withdrawal of Grant Proceeds) of the Standard Conditions shall be carried out by the Project Implementing Entity pursuant to the Project Agreement.

3.03. The Grant is funded out of the above-mentioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Grant proceeds may be withdrawn subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02(k) of the Standard Conditions consist of the following:

(a) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement.

(b) The Project Implementing Entity has failed to perform any of its obligations under the Project Agreement.

(c) IBRD or IDA has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent,
corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

(d) IBRD or IDA has suspended in whole or in part the right of the Project Implementing Entity to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Project Implementing Entity to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.

(e) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Project Implementing Entity will be able to perform its obligations under the Project Agreement.

(f) The Public Health Law or the PIE Documentation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

(g) The World Bank has determined after the Effective Date that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

(h) A representation made by the Project Implementing Entity in or pursuant to the Project Agreement, or any representation or statement furnished by the Project Implementing Entity and intended to be relied upon by the World Bank in making the Grant, was incorrect in any material respect.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) The execution and delivery of this Agreement on behalf of the Recipient and of the Project Agreement on behalf of the Project Implementing Entity have been duly authorized or ratified by all necessary governmental and corporate action.

(b) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.
If the World Bank so requests, the condition of the Project Implementing Entity, as represented or warranted to the World Bank at the date of the Project Agreement, has undergone no material adverse change after such date.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 of this Agreement, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matters:

(a) on behalf of the Recipient, that each of this Agreement and the Subsidiary Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and

(b) on behalf of the Project Implementing Entity, that each of the Project Agreement and the Subsidiary Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 of this Agreement ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient and Project Implementing Entity of such later date.
Article VI
Recipient's Representative; Addresses

6.01. Subject to the provisions of Section 3.02 of this Agreement and Section IV of Schedule 2 to this Agreement, the Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister at the time responsible for finance.

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

Minister of Finance and Economic Development
Ministry of Finance and Economic Development
6th Floor, Block B, New Government Composite Building
Cnr. Samora Machel Avenue/4th Street
P/B 7705
Causeway
Harare
Republic of Zimbabwe

Facsimile: 263-4-792750
Telephone: 263-4-250967

6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD 248423 (MCI) or 1-202-477-6391
Telex: 64145 (MCI) Telephone:
AGREED at HARARE, ZIMBABWE, as of the day and year first above written.

THE REPUBLIC OF ZIMBABWE

By

[Signature]
Authorized Representative

[Name: Chinamasa]
[Title: Minister of Finance and Economic Development]

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
and
INTERNATIONAL DEVELOPMENT ASSOCIATION
(both acting as administrator of the Multi-donor Trust Fund for Global Financing Facility)

By

[Signature]
Authorized Representative

[Name: Paul Noumba Um]
[Title: Country Director]
SCHEDULE 1
Project Description

The objective of the Project is to increase coverage of key maternal and child health interventions in targeted rural and urban districts of the Recipient’s territory, consistent with the Recipient’s ongoing health initiatives.

The Project consists of the following parts:

Part A: Delivery of Packages of Key Maternal, Child and Other Related Health Services

Delivery of:

I. (1) packages of basic health services in the Targeted Rural Districts with a focus on maternal and child health, through the engagement of Health Service Providers under results-based service delivery contracts; and (2) packages of services for the supervision of the delivery of such health services, through the engagement of Health Supervision Providers under results-based service delivery contracts, including a supervision contract by a national level management team; and

II. (1) Vouchers for access to packages of basic health services in the Targeted Urban Districts with a focus on maternal and child health, through the engagement of Health Service Providers under results-based service delivery contracts; (2) packages of basic health services in the Targeted Urban Districts with a focus on maternal and child health, through the engagement of Health Service Providers under results-based service delivery contracts; (3) packages of services for the supervision of the delivery of such health services, through the engagement of Health Supervision Providers in accordance with eligibility criteria set forth or referred to in the Project Implementation Manual; (4) Performance-based Grants to CBOs under a Performance-based Grant Agreement, for the delivery of community-based monitoring and verification of services under Parts A.II(1) and (2) above, in accordance with eligibility criteria and procedures set forth or referred to in the Project Implementation Manual; and (5) further acceleration of improvements in quality of care and development impact, by strengthening the link between performance incentives and clinical quality of care, through: (a) the use of a revamped quality checklist (such checklist to include further streamlined clinical indicators and improved measurement criteria of indicators to minimize subjective interpretations) to form the basis for pay-for-quality at rural health centers and hospitals; and (b) strengthening quality of care through targeted capacity building and technical support to strengthen the National Quality Assurance Directorate and the Family and Child Health Directorate of the MOHCC to: (i) implement the National Quality Improvement Strategy; (ii) roll-out and supervise a Continuous Quality Improvement (CQI) in a subset of RBF facilities at primary level of care (Rural Health Centers) and secondary level of care (hospitals) in at least total of five (5) Targeted Rural Districts and/or Targeted Urban Districts; and (iii) incorporate measures of clinical care into the national HMIS System.
Part B: Management and Capacity Building

Carrying out of a program to strengthen the capacity of Health Service Providers and Health Supervision Providers to provide and oversee health services, through the provision of: (1) basic medical equipment and other related goods; (2) training and technical assistance to improve capacity to manage results-based financing by the MOHCC, MOF, and MOPSLSW including, quality of data, financing, management, monitoring, reporting and evaluation and financial management of health services, including of the services provided under Part A of the Project; and (3) support for: (i) governance and strategic RBF management capacity at national level, including the establishment of a RBF purchasing team; (ii) HMIS improvements with a focus on clinical indicators including use of portable electronic smart devices for strengthening of recording and reporting of supervision results at district level; (iii) institutionalization of RBF and health financing; (iv) roll-out of CQI innovations to improve quality of care outcomes, including improvement of verification and the use of portable electronic smart devices to enhance real-time feedback; (v) mentoring and peer learning among national and district management teams to strengthen learning from implementation; and (vi) finalization and roll out of a national RBF institutionalization plan by MOHCC in collaboration with other key development partners.

Part C: Project Monitoring and Evaluation

Supervision, monitoring, documentation, reporting, evaluation, and verification of results under performance-based contracts for the Project, including strengthening of data management deficiencies within the MOHCC and the PIE through: integration of component quality indicators; improvement in data analysis; and quality control by and within both the PIE and the Policy and Planning Directorate of the MOHCC.
SCHEDULE 2
Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements: National Steering Committee; District Level Committees

1. The Recipient shall maintain, throughout the Project period, with composition, mandate and resources satisfactory to the World Bank, a national level steering committee, to be chaired by the Permanent Secretary of MOHCC (or his or her designee), and to be responsible for providing overall guidance and strategic support to the Project, including, inter alia, approving the proposed Annual Work Program and budget for the Project.

2. Prior to the conclusion of any Results-based Contract for services to be provided in a Targeted Rural District or a Targeted Urban District, the Recipient shall establish and thereafter maintain, throughout the Project period, with composition, mandate and resources satisfactory to the World Bank, a district-level steering committee to provide supervisory support to the Project at the level of such Targeted Rural or Targeted Urban District ("District Health Steering Committee").

B. Subsidiary Agreement

1. For purposes of carrying out the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity on a non-reimbursable grant basis under a subsidiary agreement ("Subsidiary Agreement") between the Recipient and the Project Implementing Entity, under terms and conditions approved by the World Bank, which shall include those set forth or referred to in Articles II and III of this Agreement.

2. The Recipient shall perform its obligations and exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Project Implementation Manual

1. The Recipient shall: (a) approve, in accordance with terms of reference acceptable to the World Bank, the revised implementation manual for the Project as shall have been prepared and furnished to it by the Project Implementing Entity in accordance with the provisions of Section I.B of the Schedule to the Project Agreement; and (b) furnish to the World Bank for approval such revised implementation manual by July 15, 2017.
2. The Recipient shall exchange views with the World Bank and the Project Implementing Entity on such implementation manual; and thereafter shall ensure that the Project is carried out in accordance with such Project implementation manual as shall have been approved by the World Bank, as the same may be updated in accordance with the provisions of paragraph 3 of this Section ("Project Implementation Manual"). The Recipient shall not otherwise revise or waive or permit to be revised or waived any provision of the Project Implementing Manual without the prior written agreement of the World Bank.

3. Promptly upon receipt from the Project Implementing Entity of any enhancements recommended to the Project Implementation Manual pursuant to Section I.B.4(a) of the Schedule to the Project Agreement, the Recipient shall review and approve the same and furnish to the World Bank not later than fourteen (14) days, for approval, such enhancements as shall have been approved by the Recipient. Thereafter, the Recipient shall ensure that the Project is carried out in accordance with such recommended enhancements to the Project Implementation Manual as shall have been approved by the World Bank.

4. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Project Implementation Manual and those of this Agreement or Project Agreement, the provisions of this Agreement and Project Agreement shall prevail.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of (i) the Anti-Corruption Guidelines, with respect to the Original Grant, Additional Grant and Additional Grant II; and (ii) the New Anti-Corruption Guidelines, with respect to the Additional Grant III.

E. Annual Work Programs

1. The Recipient shall, not later than December 1 in each calendar year, and with respect to Additional Grant III, no later than July 15, 2017, furnish to the World Bank, such program of activities prepared and furnished to the Recipient by the Project Implementing Entity and proposed for inclusion in the Project during the following calendar year, and with respect to Additional Grant III, for inclusion in the Project during the period from July 15, 2017 through the Closing Date, pursuant to Section I.D of the Schedule to the Project Agreement, as shall have been endorsed by the Recipient.

2. The Recipient shall exchange views with the World Bank on such proposed work program, and shall thereafter take all measures required on its part to enable the Project Implementing Entity to carry out such program of activities during the
following year as shall have been approved by the Recipient and the World Bank ("Annual Work Program").

3. Only those activities which are included in an Annual Work Program shall be included in the Project and eligible for financing out of the proceeds of the Grant.

F. Donors

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.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall ensure that the Project Implementing Entity 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 indicators acceptable to the World Bank. Each Project Report shall cover the period of six (6) calendar months, and shall be furnished to the Recipient and the World Bank not later than one (1) month after the end of the period covered by such report.

2. The Recipient with input from the Project Implementing Entity 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 three (3) months after the Closing Date.

B. Financial Management

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall, upon the World Bank’s or Project Implementing Entity’s request, provide all such information as the Project Implementing Entity may require in order to enable the Project Implementing Entity to comply with its obligations under Section II.B of the Schedule to the Project Agreement.

C. Safeguards

The Recipient shall take all measures necessary to ensure that the Project Implementing Entity carries out the Project in accordance with the provisions of the Health Care Waste Management Plan.
D. External Verification of Results

1. The Recipient through the MOFED shall maintain throughout Project implementation an external firm acceptable to the World Bank with terms of reference, qualifications and experience satisfactory to the World Bank to undertake external verification of the Project in accordance with the requirements set forth or referred to in the Project Implementation Manual.

2. **Verification of Health Service Package delivery.** Prior to each payment to a Health Service Provider under a Results-based Contract, the Recipient, through the Project Implementing Entity, shall, in accordance with the requirements elaborated in the Project Implementation Manual:

   (a) verify the number of Health Service Packages delivered; and

   (b) ensure that the relevant DHE (or PHE, as the case may be) verifies the quality of the Health Service Packages so delivered.

3. **External verification of Health Service Package delivery.** The Recipient shall maintain an independent expert whose terms of reference, qualifications and experience shall be satisfactory to the World Bank, to conduct verifications of the delivery of Health Service Packages by each Health Service Provider and of Health Supervision Packages by each Health Supervision Provider, including through interviews with consumers of such packages and inspections of the Health Service Provider’s and the Health Supervision Provider’s documentation and facilities.

E. Annual Review of Project Implementation and Management

The Recipient shall, through the MOFED and the MOHCC under the leadership of the Secretaries of MOFED and MOHCC or designee respectively, carry out annual reviews, of the Project Implementing Entity’s technical, management and fiduciary performance, in accordance with terms of reference, satisfactory to the World Bank, prepared by the MOHCC in consultation with the Project Implementing Entity, of the technical and implementation progress of the Project.

Section III. **Procurement with respect to Original Grant, Additional Grant and Additional Grant II**

A. General

1. **Procurement and Consultant Guidelines.** All goods, non-consulting-services and consultants' services required for the Project and to be financed out of the proceeds of the Original Grant, Additional Grant and Additional Grant II shall be procured in accordance with the requirements set forth or referred to in:
(a) Section I of the Procurement Guidelines in the case of goods and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and

(b) the provisions of this Section III, as the same shall be elaborated in the Procurement Plan.

2. Definitions. The capitalized terms used below in 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.

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

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 of this Section B, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) Shopping; (b) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; (c) Direct Contracting; (d) Procurement from UNOPS; (e) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; and (f) Community Participation procedures which have been found acceptable to the World Bank.

C. Particular Methods of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 of this Section C, 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 assignments 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) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (g) Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.
D. Review by the World Bank of Procurement Decisions

1. Except as the World Bank shall otherwise determine by notice to the Recipient, the first three Results-based Contracts shall be subject to Prior Review by the World Bank.

2. Except as provided in paragraph 1 of this Section D, 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.

Section III-A. Procurement with respect to Additional Grant III

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

Section IV. Withdrawal of Grant Proceeds

A. General

1. 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, with respect to Original Grant, Additional Grant and Additional Grant II, and the “Disbursement Guidelines for Investment Project Financing” dated February 2017, with respect to Additional Grant III, each, as revised from time to time by the World 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 Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

With respect to Original Grant, Additional Grant and Additional Grant II:
<table>
<thead>
<tr>
<th>Category Original Grant</th>
<th>Amount of the Original Grant Allocated (expressed in USD)</th>
<th>Category Additional Grant</th>
<th>Amount of the Additional Grant Allocated (expressed in USD)</th>
<th>Category Additional Grant II</th>
<th>Amount of the Second Additional Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Payments under Results-based Contracts under Part A of the Project</td>
<td>7,101,497</td>
<td>(1) Payments under Results-based Contracts under Part A(I) of the Project</td>
<td>12,923,798</td>
<td>(1) Payments under Results-based Contracts under Part A(I) of the Project</td>
<td>6,500,000</td>
<td>100% of amounts paid by the Project Implementing Entity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) Payments under Results-based Contracts, Vouchers, and Operating Costs under Part A(II) of the Project</td>
<td>1,474,960</td>
<td>(2) Payments under Results-based Contracts, Vouchers, and Operating Costs under Part A(II) of the Project</td>
<td>700,000</td>
<td>100% of amounts paid by the Project Implementing Entity</td>
</tr>
<tr>
<td>(2) Goods, services, Training and Workshops, and Operating Costs under Parts B and C of the Project</td>
<td>7,898,503</td>
<td>(3) Goods, services, Training and Workshops, and Operating Costs under Parts B and C of the Project</td>
<td>4,362,342</td>
<td>(3) Goods, services, Training and Workshops, and Operating Costs under Parts B and C of the Project</td>
<td>2,300,000</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4) Monitoring, Documentation, and Verification of Results under Performance-based Contracts under Part C of the Project</td>
<td>1,238,900</td>
<td>(4) Monitoring, Documentation and Verification of Results under Performance-based Contracts under Part C of the Project</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>15,000,000</td>
<td></td>
<td>20,000,000</td>
<td></td>
<td>10,000,000</td>
<td></td>
</tr>
</tbody>
</table>
With respect to Additional Grant III:

<table>
<thead>
<tr>
<th>Category Additional Grant III</th>
<th>Amount of the Additional Grant III Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Payments under Results-based Contracts under Part A(I) of the Project</td>
<td>3,000,000</td>
<td>100% of amounts paid by the Project Implementing Entity</td>
</tr>
<tr>
<td>(2) Payments under Results-based Contracts, Vouchers, and Operating Costs under Part A(II) of the Project</td>
<td>500,000</td>
<td>100% of amounts paid by the Project Implementing Entity</td>
</tr>
<tr>
<td>(3) Goods, non-consulting services, consulting services, Training and Workshops, and Operating Costs under Parts B and C of the Project</td>
<td>1,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Monitoring, Documentation and Verification of Results under Performance-based Contracts under Part C of the Project</td>
<td>300,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>5,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made: (a) prior to the date of the Original Grant Agreement, with respect to amounts of the Original Grant; (b) prior to the date of the Additional Grant Agreement, with respect to amounts of the Additional Grant; (c) prior to the date of the Additional Grant II Agreement, with respect to amounts of the Additional Grant II; and (d) prior to the date of this Agreement, with respect to amounts of the Additional Grant III, except that withdrawals of proceeds of the Additional Grant III up to an aggregate amount not to exceed United States Dollars five hundred thousand ($500,000) equivalent may be made for payments made prior to this date but on or after January 1, 2017.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is June 30, 2018.
C. **Other Undertakings**

1. The Recipient's MOHCC and MOFED shall develop and adopt within six months of the Effective Date of the Additional Grant II Agreement a national plan clearly laying out a medium-term vision of RBF within the Recipient's broader health financing context.

2. The Recipient shall, for the purposes of making available its counterpart contribution to the financing of the Project:

   (a) maintain in (local currency) a Project Account in a commercial bank in terms and conditions satisfactory to the World Bank;

   (b) with respect to Additional Grant II, following an initial deposit of an amount equivalent to United States Dollars one million two hundred and fifty thousand ($1,250,000) by March 31, 2016, thereafter replenish the Project Account by depositing additional amounts equivalent to: (i) United States Dollars one million two hundred and fifty thousand ($1,250,000) by June 30, 2016; (ii) United States Dollars one million two hundred and fifty thousand ($1,250,000) by September 30, 2016; and (iii) United States Dollars one million two hundred and fifty thousand ($1,250,000) by December 30, 2016; and

   (c) with respect to Additional Grant III, following an initial deposit of an amount equivalent to United States Dollars one million two hundred and fifty thousand ($1,250,000) by March 31, 2017, thereafter replenish the Project Account by depositing additional amounts equivalent to: (i) United States Dollars one million two hundred and fifty thousand ($1,250,000) by June 30, 2017; (ii) United States Dollars one million two hundred and fifty thousand ($1,250,000) by September 30, 2017; and (iii) United States Dollars one million two hundred and fifty thousand ($1,250,000) by February 28, 2018; and

   (d) ensure that amounts deposited into the Project Account shall be used exclusively to make payments to meet expenditures made or to be made in respect of the reasonable cost of goods and services required for the Project.

3. The Recipient shall take all action necessary to ensure within three months of the Effective Date of Additional Grant II Agreement that the PIE shall engage with MOHCC two locally recruited quality improvement specialists to bring in expertise to deepen MOHCC's capacity to supervise the Project and roll-out the quality improvement innovation.

4. The Recipient shall take all action necessary to ensure within three months of the
Effective Date of this Agreement that the PIE shall engage with MOHCC one locally recruited quality improvement specialists to bring in expertise to deepen MOHCC’s capacity to supervise the Project and roll-out the quality improvement innovation.

5. The Recipient shall take all action necessary to ensure that:

(a) MOHCC approves a national RBF institutionalization plan satisfactory to the World Bank by August 1, 2017; and

(b) the staffing of the MOHCC national quality improvement team is strengthened through qualified technical staff to support national, provincial, and district-level implementation of the quality aspects of the RBF, with emphasis on quality improvement innovation, including appointment of a staff on a senior management position at national level and of a technical consultant to support the data management.
APPENDIX
Definitions; Modifications to the Standard Conditions

I. Definitions

1. "Annual Work Program" means each annual work program approved by the Recipient and the World Bank and referred to in Section I.D.2 of the Schedule to the Project Agreement and Section I.E.2 of Schedule 2 to this Agreement.


3. "CBO" means a Community Based Organization which meets the eligibility criteria set forth or referred to in the Project Implementation Manual for receiving a Performance-based Grant.


5. "Continuous Quality Improvement" or "CQI" pilot means activities rolled-out to select districts to improve quality of care indicators based on the Plan-Do-Study-Act Model.

6. "Donors" mean all donors to the Multi-donor Trust Fund for Global Financing Facility (formerly known as Multi-donor Trust Fund for Health Results Innovation); and "Donor" means any of the Donors.

7. "District Health Executive" and "DHE" each means for each of the Recipient’s districts, the unit within the MOHCC’s district health system responsible for the supervision of the delivery of health services by RHCs within such district, and referred to in the Public Health Law.

8. "District Health Steering Committee" and "DHSC" each means each committee established pursuant to Section I.A.2 of Schedule 2 to this Agreement.

9. "Effective Date" means the date referred to in Section 5.03 of this Agreement, upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 of this Agreement.

10. "Family and Child Health Directorate" means the Family and Child Health Directorate within the MOHCC and any successor thereto.

11. "Fees" has the meaning ascribed to this term in Section I.B.2 of the Schedule to the Project Agreement.
12. "Grant" has a meaning ascribed to it in Section 3.01 of this Agreement.


14. "Health Center Committee" means a health committee referred to in Section 15 of the Public Health Act which supports the operations of a Rural Health Center.

15. "HMIS System" means the Recipient's Health Management Information System.

16. "Health Service Package" means a specific package of health services elaborated in the Project Implementation Manual, to be delivered by a Health Service Provider in a Targeted Rural or a Targeted Urban District under Part A of the Project.

17. "Health Service Provider" means a: (a) Rural Health Center, represented by its Health Center Committee; or (b) hospital, in either case contracted by the Project Implementing Entity under a Results-based Contract to provide Health Service Packages in a Targeted Rural or a Targeted Urban District.

18. "Health Supervision Package" means: (a) in the case of a District Health Executive, a specific package of services to be delivered by the District Health Executive to monitor and verify the delivery of Health Service Packages by Rural Health Centers in a Targeted Rural or in a Targeted Urban District under Part A of the Project; and (b) in the case of a Provincial Health Executive, a specific package of services to be delivered by the Provincial Health Executive to monitor and verify the delivery of: (i) Health Supervision Packages by one or more District Health Executive(s) and/or (ii) Health Service Packages by District Hospitals, in one or more Targeted Rural or Targeted Urban District(s) under Part A of the Project.

19. "Health Supervision Provider" means a: (a) District Health Executive; or (b) Provincial Health Executive; or (c) National Health Management Team, in either case, contracted by the Project Implementing Entity under a Results-based Contract to provide Health Supervision Packages in one or more Targeted Rural or Targeted Urban District(s).

20. "Ministry of Finance and Economic Development" or "MOFED" (previously Ministry of Finance or MOF) each means the Recipient's Ministry of Finance and Economic Development, and any successor thereto.

21. "Ministry of Health and Child Care" or "MOHCC" (previously Ministry of Health and Child Welfare or MOHCW) each means the Recipient's Ministry of Health and Child Care, and any successor thereto.
22. "MOPLSW" means the Recipient's Ministry of Public Service, Labor and Social Welfare (previously MOLSS or Ministry of Labor and Social Services), and any successor thereto.

23. "Monitoring, Documentation, and Verification of Results under Results-based Contracts" means the reasonable expenses incurred on account of monitoring, documentation, and verification of results under Results-based Contracts under Part C of the Project.

24. "National Quality Assurance Directorate" means the National Quality Assurance Directorate within the MOHCC and any successor thereto.

25. "National Health Management Team" means, inter alia, the permanent secretary, principal directors, directors and program managers in MOHCC.

26. "National Quality Improvement Strategy" means a strategy document which lays out the vision and technical approach to improve the quality of health care in the Recipient's territory.


28. "New Procurement Plan" means the Recipient's procurement plan for Additional Grant III, dated June 26, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

29. "Operating Costs" means the reasonable costs of the following incremental expenditures incurred in carrying out the Project, which shall have been agreed with the World Bank: (a) vehicle operation and maintenance; (b) office administration costs; (c) communications charges, insurance costs and banking, utility and rental charges; (d) travel and per diem for Project Implementing Entity staff for travel linked to the implementation of the Project; and (e) salaries of selected staff of the PIE directly involved in the implementation of the Project.

30. "Performance-based Grant" means a grant made or proposed to be made by the Project Implementing Entity to an eligible CBO under a Performance-based Grant Agreement, for the delivery of community-based monitoring and verification of services under Parts A.II (1) and (2) of the Project, in accordance with eligibility criteria and procedures set forth or referred to in the Project Implementation Manual.
31. "Performance-based Grant Agreement" means in respect of each Performance-based Grant, the agreement between the Project Implementing Entity and each CBO providing for said Performance-based Grant.

32. "PIE Documentation" means the Articles of Association of the Project Implementing Entity (as amended through June 18, 2009), pursuant to which the Project Implementing Entity has been established under the laws of the Kingdom of the Netherlands and is operating, as the same may be amended from time to time.

33. "Plan-Do-Study-Act Model" means a systematic series of steps for gaining valuable learning and knowledge for continued improvement of quality in a health facility setting.

34. "Policy and Planning Directorate" means the Policy and Planning Directorate within the Recipient’s MOHCC and any successor thereto.

35. "Preparation Grant(s)" means: (a) Grant No. MDTF-HRI TF98886, provided to the Recipient under the letter agreement dated March 24, 2011, from the World Bank, acting as administrator of the Multi-donor Trust Fund for Health Results Innovation to the Recipient, and countersigned by the Recipient on March 25, 2011; (b) Grant No. MDTF-HRI TF014585 provided to the Recipient under the letter agreement dated June 3, 2013 from the World Bank, acting as administrator of the Multi-donor Trust Fund for Health Results Innovation to the Recipient, and countersigned by the Recipient on June 17, 2013; and (c) Grant No. MDTF-HRI TF0A0939 provided to the Recipient under the letter agreement dated October 29, 2015, from the World Bank, acting as administrator of the Multi-donor Trust Fund for Health Results Innovation to the Recipient, and countersigned by the Recipient on the same date.


37. "Procurement Plan" means the procurement plan for Original Grant, Additional Grant and Additional Grant II dated November 10, 2015, as updated from time to time for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines.


39. "Project Agreement" means the agreement related to the Project, dated the same date as this Agreement, between the World Bank and the Project Implementing Entity, as such agreement may be amended from time to time.
40. “Project Implementing Entity” and “PIE” each means the legal entity known as “Stichting Cordaid” established pursuant to the PIE Documentation, with offices in the territory of the Recipient, and operating under the laws of the Kingdom of the Netherlands.

41. “Project Implementing Entity’s Representative” means the person designated by the Project Implementing Entity for purposes of Section 3.01 of the Project Agreement.

42. “Project Implementation Manual” and “PIM” each means the implementation manual for the Project approved by the World Bank and referred to in Sections I.B.3 and 4 of the Schedule to the Project Agreement and Sections I.C.2 and 3 of Schedule 2 to this Agreement, as said manual may be updated from time to time in accordance with the provisions of said Sections.

43. “Provincial Health Executive” and “PHE” each means, for each of the Recipient’s provinces, the unit within the MOHCC’s medical directorate responsible for the supervision of the delivery of health services by hospitals within such province, and referred to in the Public Health Law.

44. “Public Health Law” means the Recipient’s: (a) Public Health Act (Chapter 15:09) as amended through 1996 (“Public Health Act”); and (b) Health Service Act (Chapter 15:16); as said acts may be amended from time to time.

45. “Results-based Contract” means a contract, to be concluded between the Project Implementing Entity and (a) a Health Service Provider for the provision of Health Service Packages or (b) a Health Supervision Provider for the provision of Health Supervision Packages, in both cases under Part A of the Project and in accordance with the provisions of Section I.E of the Schedule to the Project Agreement.

46. “RBF” means results based financing.

47. “Rural Health Center” and “RHC” each means a center providing health services in rural areas of the Targeted Rural Districts.

48. “Standard Conditions” has the meaning ascribed to the term in Section 1.01 of this Agreement.

49. “Subsidiary Agreement” means the agreement to be concluded between the Recipient and the Project Implementing Entity in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.

50. “Targeted Rural District” means any of the rural districts of the Recipient which meet the criteria set forth in the Project Implementation Manual for inclusion in the Project; and “Targeted Rural Districts” means collectively all of said districts.
51. "Targeted Urban District" means any of the urban districts of the Recipient which meet the criteria set forth in the Project Implementation Manual for inclusion in the Project; and "Targeted Urban Districts" means collectively all of said districts.

52. "Training and Workshops" means the reasonable costs, which shall have been agreed by the World Bank, associated with the training and workshop participation of personnel involved in carrying out the Project, including travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation; but excluding goods and consulting services.

53. "Voucher" and "Vouchers" means the mechanism targeted at the poorest 20% of households in the Recipient's Targeted Urban Districts for free access to a package of maternal, new born and family planning services, allowing them to access subsidized care from designated public and private health care facilities in accordance with the requirements set forth or referred to in the Project Implementation Manual.

II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. A new definition is added in alphabetical order to the Appendix as follows (and the subsequent definitions are renumbered accordingly):

   "Legal Agreement" means either of the Grant Agreement or the agreement between the World Bank and the entity designated to be responsible for implementing the Project; and "Legal Agreements" means, collectively, both said agreements."

2. The term "Grant Agreement", whenever used in Sections 4.06, 5.01, 6.02, 7.04 and 7.05 of the Standard Conditions, is modified to read "Legal Agreements".

3. The term "Grant Agreement", whenever used in Section 5.02 of the Standard Conditions, is modified to read "any Legal Agreement".