Global Partnership on Output-based Aid
Grant Agreement

(Scale Up – Uganda Reproductive Health Voucher Project)

between

REPUBLIC OF UGANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

(acting as Administrator of the Global Partnership on Output-based Aid)

Dated December 18, 2014

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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.

Article II
The Project

2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through the Ministry of Health in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this 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 thirteen million three hundred thousand United States Dollars ($13,300,000) (“Grant”) 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.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, 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 under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is 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 World Bank has determined after the Effective Date referred to in Section 5.02 of this Agreement 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;

   (b) the Recipient has: (i) amended the Operations Manual so as to affect materially and adversely the carrying out of the Project; or (ii) change the output-based approach of the Project design without prior agreement of the World Bank;

   (c) the World Bank has declared the Voucher Management Agency ineligible to receive proceeds of any financing made by the World Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the World Bank, as a result of: (i) a determination by the World Bank that the Voucher Management Agency has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the World Bank; and/or (ii) a declaration by another financier that the Voucher Management Agency is ineligible to receive proceeds of any financing 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 Voucher Management Agency has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by such financier; and
in the opinion of the World Bank, the legal character, ownership or control of the Voucher Management Agency (or of any other entity responsible for implementing any part of the Project) has changed from that prevailing as of the date of the Grant Agreement so as to materially and adversely affect the ability of the Voucher Management Agency (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement, or to achieve the objectives of the Project.

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 Recipient has appointed the Voucher Management Agency in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement; and

(b) the Recipient has adopted the Operations Manual in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.

5.02. 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 ("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.

5.03. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 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 of such later date.

Article VI
Recipient's Representative; Addresses

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister responsible for finance.
6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance, Planning and Economic Development  
P.O. Box 8147  
Kampala  
Republic of Uganda  

Telephone  Facsimile  
256-414-707000  256-414-230163  

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

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

Cable:  Telex:  Facsimile:  
INDEVAS  248423 (MCI) or  1-202-477-6391  
Washington, D.C.  64145 (MCI)
AGREED at Kampala, Republic of Uganda, as of the day and year first above written.

REPUBLIC OF UGANDA

By __________________________
Authorized Representative

Name: Maria Kisseka Muka

Title: Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Global Partnership on Output-based Aid)

By __________________________
Authorized Representative

Name: Ahmadou Moussa Diagne

Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to increase access to skilled care among poor women living in rural and disadvantaged areas during pregnancy and delivery.

The Project consists of the following parts:

Part 1: Package of Safe Delivery Services to Poor Pregnant Women

Provision of Voucher Subsidies to poor pregnant women so as to enhance their access to a Package of Safe Delivery Services from Health Service Providers.

Part 2: Capacity Building and Project Management

(a) Provision of technical advisory services for program management, day to day implementation (including procurement, financial management, safeguards, monitoring and evaluation, and reporting aspects) of Project activities.

(b) Provision of services for independent verification of outputs under Part 1 of the Project.

(c) Provision of service-related activities, including strengthening the capacity of: (i) the Ministry of Health for, inter alia, prompt and efficient oversight of implementation of activities under the Project; and (ii) Health Service Providers and sector institutions for implementation of Project activities, all through provision of Training and Operating Costs for the purpose.
SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

Ministry of Health

The Recipient shall designate, at all times during the implementation of the Project, the Ministry of Health to be responsible for prompt and efficient oversight of the implementation of activities under the Project, and shall take all actions, including, the provision of funding, personnel and other resources necessary, to enable the Ministry of Health to perform said functions. To this end:

1. The Recipient shall, through the Ministry of Health, appoint a Voucher Management Agency, in accordance with the provisions of Section III of this Schedule 2. The Voucher Management Agency shall be responsible for implementing activities under Part I of the Project, as elaborated in the Operations Manual.

2. The Recipient shall, through the Ministry of Health, appoint an Independent Verification Evaluation Agency, in accordance with the provisions of Section III of this Schedule 2. The Independent Verification Evaluation Agency shall be responsible for, inter alia, verification of outputs achieved under Part I of the Project, as elaborated in the Operations Manual.

B. Implementation Arrangements


(a) The Recipient shall, through the Ministry of Health, update and thereafter adopt a manual, in form and substance satisfactory to the World Bank, outlining: (i) implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation (including guidelines for assessing environmental and social impacts of Project activities and designing appropriate mitigation, management, and monitoring measures in respect of said impacts, including, safe management of medical waste), financial management (including, inter alia, procedures for the preparation, review and approval of reports and audits), disbursement, and procurement arrangements (including, inter alia, selection of:
(A) Voucher Management Agency; (B) Independent Verification Evaluation Agency; and (C) service providers and community-based distributors, for purposes of overall implementation of the Project; and (ii) provision of Voucher Subsidies, which shall include a detailed elaboration of, *inter alia*, the following: (A) Package of Safe Delivery Services to be delivered under Part 1 of the Project; (B) the approach for establishing and revising the reimbursement rates to be paid for the Package of Safe Delivery Services to be delivered under Part 1 of the Project, which rates shall be calculated on the basis of a methodology acceptable to the World Bank ("Unit Price"); (C) the procedures for the evaluation and updating of the Unit Price for each Package of Safe Delivery Services; (D) procedures for the verification and certification of outputs under Part 1 of the Project; (E) eligibility criteria and procedures for provision of, and terms and conditions for receipt of Voucher Subsidies under Part 1 of the Project; (F) eligibility criteria and procedures for selection, appointment and termination of Health Service Providers ("Operations Manual").

(b) The Recipient: (i) shall ensure that the Project is carried out in accordance with the Operations Manual; and (ii) except as the World Bank shall otherwise agree, shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, said Operations Manual, or any provision thereof.

(c) In the event of any conflict between the provisions of the Operations Manual on one hand, and those of this Agreement on the other hand, the latter shall prevail.

2. **Annual Work Plan and Budget**

(a) The Recipient shall prepare and furnish to the World Bank for its approval, not later than June 30 of each year during the implementation of the Project, a proposed work plan (including a budget) containing all activities proposed to be carried out under the Project during the following Fiscal Year, and specifying the source or sources of financing for said activities and the percentage of financing for such activities from each such source.

(b) Each such proposed work plan (including said budget) shall specify any Training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the training; and (vi) the cost of the Training.
(c) The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on each such proposed work plan (including said budget), and shall thereafter adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the World Bank, as such work plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the World Bank ("Annual Work Plan and Budget").

C. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The Recipient shall, through the Ministry of Health, ensure that the Project is carried out in accordance with the National Health Care Waste Management Plan and in accordance with the Health Care Waste Guidance Note (collectively, Safeguard Instruments).

2. The Recipient shall, through the Ministry of Health, ensure that all measures for carrying out the recommendations of the said National Health Care Waste Management Plan are taken in a timely manner.

3. Without limitation upon its other reporting obligations under this Agreement and under Section 2.06 of the Standard Conditions, the Recipient shall, through the Ministry of Health, include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of the Safeguard Instruments, giving details of: (a) measures taken in furtherance of the Safeguard Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Instruments; and (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the Safeguard Instruments.

E. Verification

The Recipient shall, through the Independent Verification Evaluation Agency, and in accordance with terms of reference satisfactory to the Association, conduct independent verification and certification of outputs under Part 1 of the Project, all in accordance with the provisions of the Operations Manual.
F. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor's support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donor 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 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 three (3) months, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. 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.

B. Financial Management; Financial Reports; Audits

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 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 said quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project 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 six (6) months after the end of such period.
Section III. **Procurement**

A. **General**

1. **Consultant Guidelines.** All 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:

   (a) 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 prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.25 of the Consultant Guidelines ("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, III, IV and V of the Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, 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) Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

C. **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.
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, 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Voucher Subsidies under Part 1 of the Project</td>
<td>9,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ services under Part 2(a) of the Project</td>
<td>2,050,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ services under Part 2(b) of the Project</td>
<td>400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Training and Operating Costs under Part 2(c) of the Project</td>
<td>1,350,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>13,300,000</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 prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is December 29, 2017.
APPENDIX

1. “Annual Work Plan and Budget” means the work plan and budget prepared annually by the Recipient in accordance with the provisions of Section I.B.2 of Schedule 2 to this Agreement.


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


6. “Fiscal Year” means the Recipient’s twelve month period starting July 1 and ending June 30 of the following year.

7. “Health Care Waste Guidance Note” means the guidelines prepared and issued by the Recipient for the implementation of the National Health Care Waste Management Plan and forming part of the Operations Manual, as the same may be amended from time to time with the written agreement of the World Bank.

8. “Health Service Provider” means a public or private entity established and operating as a health service provider in the Recipient’s territory, pursuant to the Recipient’s laws; and “Health Service Providers” or “HSPs” means, collectively, two or more such entities.

9. “Independent Verification Evaluation Agency” means the agency to be appointed by the Recipient pursuant to the provisions of Section I.A.2 of Schedule 2 to this Agreement.

10. “Ministry of Health” means the Recipient’s ministry responsible for health, and any successor thereto.

11. “National Health Care Waste Management Plan” means the Recipient’s plan for the period 2009/2010 – 2011/2012 setting out, *inter alia*, the assessment of environmental and social impacts of health care waste produced under the Project and measures to mitigate adverse impacts identified in the assessment, as the same may be amended from time to time with the written agreement of the World Bank.
12. "Operating Costs" means the operating costs incurred on account of the implementation of the Project, including maintenance of vehicles and equipment, fuel, office supplies, utilities, consumables, bank charges, advertising expenses, travel, per diems, and accommodation, but excluding salaries of the Recipient's civil servants.

13. "Operations Manual" means the Recipient's manual dated January 9, 2009 referred to in Section I.B of Schedule 2 to this Agreement, as the same may be amended from time to time with the agreement of the World Bank.

14. "Package of Safe Delivery Services" means a specific package of safe delivery services elaborated in the Operations Manual, to be delivered by a Health Service Provider under Part 1 of the Project in accordance with the provisions of Section I.B.1 of Schedule 2 to this Agreement, and "Packages of Safe Delivery Services" means collectively, two or more such specific packages.

15. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 20, 2013 and referred to in paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraph.


17. "Training" means the costs associated with the training and workshop participation of personnel involved in Project supported activities, 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.

18. "Unit Price" means for each Package of Safe Delivery Services, the unit price thereof determined in accordance with the provisions of Section I.B.1 (a) of Schedule 2 to this Agreement.

19. "Voucher Management Agency" means the agency to be appointed by the Recipient pursuant to the provisions of Section I.A.1 of Schedule 2 to this Agreement.

20. "Voucher Subsidies" means vouchers for poor pregnant women to enhance their access to Packages of Safe Delivery Services from Health Service Providers, pursuant to Part 1 of Schedule 1 to this Agreement.