The World Bank  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION  
1818 H Street N.W.  
Washington, D.C. 20433  
U.S.A.  
(202) 473-1000  
Cable Address: INTBAFRAD  
Cable Address: INDEVAS  

Date: February 14, 2014

Hon. Dr. Kaifala Marah  
Minister of Finance and Economic Development  
Ministry of Finance and Economic Development  
Treasury Building  
George Street  
Freetown, Sierra Leone

Re: HRITF Grant Agreement for the Preparation of  
Reproductive and Child Health Project Phase 2 TF015055

Honorable Dr. Marah:

In response to the request for financial assistance made on behalf of Republic of Sierra Leone ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("IBRD") and International Development Association ("IDA") (collectively, the "World Bank"), acting as administrator of 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 eight hundred fifty thousand United States Dollars (U.S.$ 850,000.00) ("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").

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 Donors 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 return 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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.
Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Yusupha B. Crookes
Country Director, Sierra Leone
Africa Region

AGREED:
REPUBLIC OF SIERRA LEONE

By: ________________
Authorized Representative

Name: KAI FALA MAIZAH (DR)
Title: Minister of Finance & Economic Development
Date: 26th February 2014

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
HRITF Grant No: TF015055

ANNEX

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, and the following additional terms have the following meanings:

(a) "Integrated Project Administration Unit" and "IPAU" each means the unit referred to in Section 2.03 of the Annex to this Agreement.

(b) "MoFED" means the Recipient’s Ministry of Finance and Economic Development, or any successor thereto.

(c) "PBF" means performance based financing.

(d) "PHU" means the Recipient’s peripheral health unit.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to support the Recipient’s preparatory and pre-pilot activities for the expansion of the performance-based financing to additional private sector Peripheral Health Units (PHUs). The Project consists of the following parts:

   (a) Assisting the Recipient in the project design and preparation activities, including revision of the Operational Manual, service delivery implementation in the additional PHUs and hospitals, monitoring and evaluation, and designing the impact evaluation.

   (b) Carrying-out of pre-pilot activities, including: (i) the establishment of baseline information for the expansion of additional facilities; (ii) the mapping of health facilities; (iii) staff training in new health facilities; (iv) the pre-testing of the PBF in some of the new health facilities; and (v) the recruitment of technical staff for the PBF implementation.

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 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. **Institutional and Other Arrangements.** Without limitations upon the provisions of Section 2.02 above the Recipient shall maintain, throughout the Project preparation, the Integrated Project Administration Unit within the MoFED, with composition, mandate, terms of reference and resources satisfactory to the World Bank, to be responsible for management 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, take all measures required on its part to 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 calendar quarter, 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.

(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 six (6) months after the end of such period.

2.07. *Procurement*

(a) *General.* All goods 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 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

(i) Except as otherwise provided in sub-paragraph (ii) below, goods shall be procured under contracts awarded on the basis of National Competitive Bidding, subject to the following additional provisions in sub-paragraph (iii) below:

(ii) The following methods, other than National Competitive Bidding, may be used for procurement of goods for those contracts which are specified in the Procurement Plan: (A) Shopping; and (B) Direct Contracting.

(iii) National Competitive Bidding shall be subject to the following:

A. Negotiating with the lowest evaluated responsive bidder shall not be permitted;

B. The use of a merit point system for bid evaluation shall not be permitted except for procurement of: (i) complex information and technology systems; and (ii) design and build contracts;

C. Domestic preferences shall not apply under NCB;

D. The charging of fees for dealing with bidder complaints at procuring entity level shall not be permitted;

E. In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract shall provide for the following: (i) the bidders, suppliers, contractors and subcontractors shall, on request, permit the World Bank to inspect the accounts and records relating to the bid submission and performance of the contract, and shall have the accounts and records audited by auditors appointed by the World Bank; and (ii) any deliberate and/or material violation of such provision by any bidder, supplier, contractor or subcontractor may amount to an obstructive practice provided for in paragraphs 1.16(a) and (v) of the Procurement Guidelines;

F. Disqualification of bidders for not purchasing bidding documents from the Recipient shall not apply; and

G. Firms or individuals debarred or suspended by the World Bank shall not be eligible (in addition to firms or individuals suspended by PPDA).

(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) 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 consultants under Indefinite Delivery Contract or Price Agreement; (G) Selection of Individual Consultants; and (H) Single-source procedures for the Selection of Individual Consultants.

(e) 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, consultant services, and Operating Costs inclusive of Taxes.

For the purposes of this paragraph, the term “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project (but excluding salaries of officials of the Recipient’s civil service).

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 November 30, 2014.

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 its Minister in charge of Finance.

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

Ministry of Finance and Economic Development
Ministry of Finance and Economic Development
Treasury Building
George Street
Freetown, Sierra Leone

Facsimile: 232 22 228 472
4.03. *World Bank’s Address.* 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

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