OFFICIAL DOCUMENTS

GRANT NUMBER TF018845

GRANT AGREEMENT

(Emergency Primary Healthcare Restoration Project)

between

LEBANESE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as Administrator of the Lebanon Syrian Crisis Trust Fund (LSCTF)

Dated July 22, 2015
AGREEMENT dated July 22, 2015, entered into between:

LEBANESE REPUBLIC ("Recipient"); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as administrator of the Lebanon Syrian Crisis Trust Fund (TF072143).

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 I to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through MoPH 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 fifteen million United States Dollars (US$15,000,000) ("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 donors 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 donors 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
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank showing that the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

4.02. There shall be furnished to the World Bank an opinion satisfactory to the World Bank of counsel acceptable to the World Bank, showing that this Agreement has been duly authorized by, and executed and delivered on behalf of the Recipient and is legally binding upon the Recipient in accordance with its terms.

4.03. 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 4.01 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.

4.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred eighty (180) 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 V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

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

Ministry of Finance  
Riad El-Solh Square, Beirut  
Lebanese Republic

Facsimile: +961 1 642 762

5.03. 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  
Telex: INDEVAS  
Facsimile: 248423 (MCI) or 1-202-477-6391

Washington, D.C. 64145 (MCI)
AGREED at July 22, 2015, as of the day and year first above written.

LEBANESE REPUBLIC

By

Minister of Finance
Authorized Representative

Name: Ali Hasan El-Khalil

Title: [Signature]

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
acting as administrator of the Lebanon Syrian Crisis Trust Fund

By

[Signature]

Authorized Representative

Name: [Name]

Title: [Title]
SCHEDULE 1

Project Description

The objective of the Project is to restore access to essential healthcare services for poor Lebanese affected by the influx of Syrian refugees.

The Project consists of the following parts:

Part 1: Provision of the Essential Healthcare Services Package: Provision of Essential Healthcare Services Packages to about 150,000 Beneficiaries.

Part 2: Readiness and Capacity Building of Primary Health Care Centers: Strengthening the capabilities of selected PHCCs for the implementation of the Project, including: (i) providing technical assistance and training for upgrading the skills of personnel of selected PHCC through short refresher courses to help them cope with additional load and immediate needs of Beneficiaries; (ii) building their capacity through training in the essential healthcare services guidelines, monitoring and evaluation, reporting and accounting requirements; and (iii) upgrading and expanding the health information system and training of staff in the use of software.

Part 3: Project Outreach, Management and Monitoring: Strengthening the capacity of MoPH in ensuring an effective and efficient administration and implementation of the Project; improving the effectiveness of MoPH in contracting with selected PHCCs; and monitoring and performance assessment of the Project, including, inter alia:

(i) Providing technical support to the Project Management Unit (PMU) in the MoPH.

(ii) Providing technical assistance in the development and management of contracts between MoPH and selected PHCCs and in the verification and validation of the PHCCs' financial and technical reports as well as the Essential Healthcare Services packages’ payment process.

(iii) Updating and maintaining health information system (HIS) (including provision of IT hardware and software) at MoPH with links to other related agencies involved in the implementation of the Project.

(iv) Initiating monitoring and assessment of the Project through setting the baseline, collecting the data and setting the parameters for evaluation.

(v) Improving the grievance and redress mechanism for improved efficiency and transparency.

(vi) Launching outreach campaign and communication activities to inform Beneficiaries about their health rights and services provided at the PHCCs in their areas.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. General

1. The Recipient shall not later than two (2) months after the Effective Date of this Agreement establish within MoPH, and thereafter maintain throughout the implementation of the Project, a PMU with qualified staff and adequate resources, including, but not limited to, a Project coordinator, a financial and accounting manager, and a procurement officer.

2. Without limitation to the provisions of paragraph 1 of this Part A, the PMU shall be responsible for managing the day-to-day implementation of the Project, including to oversee: (i) planning, execution and oversight of the Project activities; (ii) financial management aspect of the Project, including validation of payments to PHCCs; (iii) monitoring and reporting on Project activities and outcomes; and (iv) procurement planning and management.

3. The Recipient shall not later than six (6) months after the Effective Date of this Agreement hire an independent external auditor with qualifications and experience and under terms of reference acceptable to the World Bank to be responsible for, inter alia, auditing compliance with the financial management requirements and covenants under the Project and reviewing the effectiveness of the internal controls system of MoPH.

B. Implementation Arrangements

1. In carrying out the Project, the Recipient shall, not later than one (1) month from the Effective Date of this Agreement, prepare, adopt and thereafter implement a Project Operations Manual, in form and substance satisfactory to the World Bank and such manual shall include, inter alia, the description of:

(i) project implementation arrangements;

(ii) procurement procedures and standard procurement documentation;

(iii) reporting requirements, financial management manual and audit procedures;

(iv) monitoring and evaluation arrangements;

(v) criteria and procedures for the selection of PHCCs and Beneficiaries; and
(vi) detailed operating procedures for the provision of Essential Healthcare Services Packages, such as, the services to be provided by contracted PHCCs, contract value, payment modality, disbursement and verification mechanisms, reporting, monitoring, and auditing requirements.

2. The Recipient shall not assign, amend, abrogate or waive the Project Operations Manual or any provisions thereof if, in the opinion of the World Bank, such assignment, amendment, abrogation or waiver will materially and adversely affect the implementation of the Project. Any amendments to the said manual shall be made with the prior agreement of the World Bank. In case of any conflict between the provisions of the Project Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall govern.

3. The Recipient shall ensure that no PHCC shall be eligible for financing out of an Essential Health Services Package, unless and until MoPH and a selected PHCC have entered into a contract under terms and conditions acceptable to the World Bank, including, *inter alia*, responsibilities and obligations of each respective party, services to be provided by the PHCC under the contract, payment amounts of the Essential Health Services Package, disbursement requirements, payment modality, and financial and clinical reports to be provided by the PHCC to support the fulfillment of disbursement requirements, and arrangements for PHCC to secure the services not available at the PHCC.

C. **Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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”).

D. **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 donors’ 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 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 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 set forth in the Project Operations Manual, acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month 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 four 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 45 days after the end of each calendar quarter, covering the 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 months after the end of such period.

Section III.  **Procurement**

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 Grant shall be procured in accordance with the requirements set forth or referred to in:

   (a) 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 (revised July 2014) (“Procurement Guidelines”), in the case of goods, works and non-
consulting services, and 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 (revised July 2014) (“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 1.18 of the Procurement Guidelines and 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 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 below, 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: (i) National Competitive Bidding subject to the World Bank’s procurement procedures and using the World Bank’s standard bidding documents, acceptable to -and cleared by- the World Bank; (ii) Shopping; (iii) Framework agreements; and (iv) Direct contract.

C. 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: (i) Selection under a Fixed Budget (FBS); (ii) Least-Cost-Selection (LCS); (iii) Selection based on Consultants’ Qualifications (CQS); (iv) Single Source Selection (SSS); (v) Use of Nongovernmental Organizations; and (vi) Selection of Individual Consultants.
D. 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>Eligible Expenditures of Essential Healthcare Services Packages, goods, non-consulting services, consultants' services, Training and Workshops, and Operating Costs</td>
<td>15,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>15,000,000</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 30, 2018.
APPENDIX

(a) "Anti-Corruption Guidelines" means 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.

(b) “Beneficiary” means a poor Lebanese individual affected by the influx of Syrian refugees who meets the poverty threshold set by the Recipient and the selection criteria set out in the Project Operations Manual; and the term “Beneficiaries” means the plural thereof.

(c) “Eligible Expenditures of Essential Healthcare Services Package” means the eligible expenditures incurred or to be incurred by a contracted PHCC for delivery of Essential Healthcare Services Packages to Beneficiaries as further elaborated in the Project Operations Manual.

(d) “Essential Healthcare Services Package” means a package of essential healthcare services to be provided to the Beneficiaries in accordance with the requirements set out in the Project Operations Manual; and the term “Essential Healthcare Services Packages” means the plural thereof.

(e) “MoPH” means the Recipient’s Ministry of Public Health or any successor thereto.

(f) “Operating Costs” means the incremental operating costs under the Project incurred by the Recipient for purposes of Project management and implementation, on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance, and insurance, building and equipment maintenance, domestic travel, lodging, subsistence allowances, and salaries of contractual and temporary staff, but excluding salaries and any salary supplements of members of the Recipient’s civil service.

(g) “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 5, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
(h) "Project Operations Manual" means the manual as referred to in Section I.B.1 of Schedule 2 to this Agreement.

(i) "PHCC" means a primary health care center selected in accordance with the requirements of the Project Operations Manual to deliver Essential Healthcare Services Package to Beneficiaries under a contract to be entered into between MoPH and the PHCC; and the term of "PHCCs" means the plural thereof.

(j) "Project Management Unit" or "PMU" means the Project management unit established within MoPH as referred to in Section I.A.1 of Schedule 2 to this Agreement.


(l) "Training and Workshops" means the costs associated with training and workshop participation of personnel involved in the implementation of 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 courses and workshop preparation and implementation.