USAID Trust Fund Grant Agreement

(Strengthening Primary Health Care for Results Program)

between

THE UNITED REPUBLIC OF TANZANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

(acting as an administrator of a Trust Fund Provided by USAID)

Dated May 23, 2016
USAID GRANT NUMBER TF0A1567

TRUST FUND GRANT AGREEMENT

AGREEMENT dated ______________, 2016, entered into between THE UNITED REPUBLIC OF TANZANIA ("Recipient"); and INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as an administrator of a grant provided by USAID for the purpose of financing activities related to the Program (as defined in the Appendix to this Agreement).

WHEREAS:

(A) Pursuant to a financing agreement between the Recipient and the International Development Association for Strengthening Primary Health Care for Results Program (the "IDA Financing Agreement") ("Credit No. 5643-TZ"), the International Development Association extended to the Recipient a credit in an amount equivalent to one hundred forty five million Special Drawing Rights (SDR 145,000,000) to assist in co-financing the Program described in Schedule 1 to IDA Financing Agreement ("IDA Financing").

(B) Pursuant to an ANIS Grant Agreement between the Recipient and the International Development Association/International Bank for Reconstruction and Development, the Recipient intends to receive from the World Bank a grant in an amount equivalent to twenty million United States Dollars (US$20,000,000) for Strengthening Primary Health Care for Results Program (the "ANIS Grant Agreement") ("TF No. 0A0261"), to assist in co-financing the Program described in Schedule 1 to ANIS Grant Agreement ("ANIS Grant").

(C) Pursuant to a GFF Grant Agreement between the Recipient and the International Development Association/International Bank for Reconstruction and Development, the Recipient intends to receive from the World Bank a grant in an amount equivalent to forty million United States Dollars (US$40,000,000) for Strengthening Primary Health Care for Results Program (the "GFF Grant Agreement") ("TF No. 0A0270"), to assist in co-financing the Program described in Schedule 1 to GFF Grant Agreement ("GFF Grant").

(D) the World Bank, acting as administrator of a trust fund provided by USAID has agreed to make the grant ("Grant") referred to in Section 3.01 of this Agreement.
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.

Article II
The Program

2.01. The Recipient declares its commitment to the objective of the Program. To this end, the Recipient shall carry out the Program - or cause the Program to be carried out - through its MOHCDGEC and PORALG 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 Program 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 four million five hundred thousand United States Dollars ($4,500,000) (“Grant”) to assist in financing the Program.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Grant Account shall be deposited by the World Bank into an account specified by the Recipient and acceptable to the World Bank.

3.03. The Grant is funded out of the abovementioned trust fund provided by USAID for which the World Bank receives periodic contributions from the donor. 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 are subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following, namely, that an action has been taken or a policy has been adopted which results in any significant reversal of Program activities and/or any activity implemented pursuant to the Program Action Plan.

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 has been duly authorized or ratified by all necessary governmental action; and

(b) the IDA Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) has been fulfilled.

5.02. As part of the evidence to be furnished pursuant to Section 5.01(a), 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, namely, on behalf of the Recipient, that this 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 (“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. 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 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 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 the minister responsible for finance.

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

Ministry of Finance and Planning
1 Madaraka Street
P.O. Box 9111
11468 Dar es Salaam
The United Republic of Tanzania

Facsimile: (255) 222 11 0326

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: INDEVAS
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Dar es Salaam, United Republic of Tanzania, as of the day and year first above written.

THE UNITED REPUBLIC OF TANZANIA

By

[Signature]

Authorized Representative
Name: [Signature]
Title: [Signature]

INTERNATIONAL DEVELOPMENT ASSOCIATION (acting as an administrator of a Trust Fund Provided by USAID)

By

[Signature]

Authorized Representative
Name: [Signature]
Title: [Signature]
SCHEDULE 1
Program Description

The objective of the Program is to improve the quality of primary health care (PHC) services nation-wide in the Recipient’s territory with a focus on maternal, neonatal and child health (MNCH) services.

The Program supports the Recipient’s PHC program under the Health Sector Strategic Plan IV, including BRN in Health, and consists of, inter alia, the following activities:

1. Carrying out of activities designed to improve health workers’ performance including: (i) a stepwise accreditation scheme for all PHC facilities in the Recipient’s territory (“Star Rating” initiative) which has both nation-wide assessment and a subsequent facility improvement program (including incentives) to help facilities improve their performances and star ratings; (ii) implementation of the Decentralization by Devolution Policy by empowering Health Facilities to plan, budget and manage revenue in line with the Health-Cost Sharing Guidelines; (iii) performance contracts and targets at individual health worker levels; and (iv) social accountability mechanisms.

2. Carrying out of activities designed to improve the distribution of skilled PHC workers especially in Targeted Regions of the Recipient’s territory including: (i) increasing PHC employment permits for such regions; (ii) engaging the private sector to provide skilled HRH for public health facilities through PPPs; (iii) redistributing health care workers within regions; and (iv) optimizing the pool of new recruits through “bonding” policy or compulsory attachments.

3. Carrying out of activities designed to improve the availability of essential medicines in PHC facilities including: (i) introducing new governance and accountability mechanisms; (ii) developing new finance and business model for Medical Stores Department (MSD); (iii) engaging private sector in procurement and distribution, (iv) implementing quality improvement initiatives for inventory management; and (v) using innovative information and communication technology to report stock-outs.

4. Carrying out of activities designed to improve the coverage and quality of MNCH along the continuum of care, with Selected Regions of the Recipient’s territory receiving priority focus, including: (i) ensuring dispensaries and health centers meet Basic Emergency Obstetric and Neonatal Care (BEmONC) requirements; (ii) expanding Comprehensive Emergency Obstetric and Neonatal Care (CEmONC) to selected hospitals and health centers; (iii) strengthening the corresponding satellite blood banks which serve facilities with CEmONC; and (iv) extending MNCH services to communities through the use of community health workers (CHWs) and awareness campaigns.
SCHEDULE 2
Program Execution

Section I. Institutional and Other Arrangements

A. Program Fiduciary, Environmental and Social Systems

Without limitation on the provisions of Article II of the Standard Conditions: the Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with financial management, procurement and environmental and social management systems acceptable to the World Bank including those set forth in the ESSA and the Program Action Plan ("Program Fiduciary, Environmental and Social Systems") which are designed to ensure that:

(a) the Grant proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and

(b) the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

B. Anti-Corruption

Without limitation on the provisions of Part A of this Section, the Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with the provisions of the Anti-Corruption Guidelines.

C. 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 support by donors for the Project.

2. 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 participate in World Bank supervision missions for purposes related to the Project.

D. On-financing Arrangements

1. To facilitate the carrying out of the Program, the Recipient shall make the proceeds of the Grant available to institutions and entities involved in Program implementation in accordance with the Recipient’s standard arrangements for health sector financing.
2. Notwithstanding paragraph 1 above, in the event that any provision of this Agreement, including the instructions that the World Bank shall have specified by notice to the Recipient pursuant to Section IV.A.1 of this Schedule, were to be found inconsistent with the Recipient’s standard arrangements for health sector financing, the provisions of this Agreement and related instructions shall govern.

3. The Recipient shall protect its own interests and the interests of the World Bank while implementing the on-financing arrangements, in order to accomplish the purposes of the Grant.

E. Program Institutions

Without limitation upon Part A of this Section, the Recipient shall maintain at all times during Program implementation adequate institutional arrangements - satisfactory to the World Bank as necessary to achieve the objectives of the Program - as further detailed in the Program Operational Manual, including the following Program Institutions:

MOHCDGEC

(a) The Recipient through its MOHCDGEC shall be responsible for the overall implementation of Program activities at all times during the implementation of the Program and the Recipient shall take or cause to be taken, all actions including the provision of funds, personnel and other resources to enable the MOHCDGEC to perform its respective functions under the Program.

PORALG

(b) The Recipient shall ensure that the MOHCDGEC works in close collaboration with the PORALG to implement Program activities, through the Regional Administrations (RAs) and LGAs, at the local level and that said PORALG is maintained at all times during the implementation of the Program with mandate, staffing and resources satisfactory to the World Bank.

RAs

(c) To facilitate the carrying out of activities under the Program at the Regional Level, the Recipient shall maintain at all times during the implementation of the Program each Regional Administration with a composition, mandate and resources satisfactory to the World Bank to provide through the Regional Secretariats (RSs) technical support to LGAs for the implementation of the Program, identify capacity building
needs and monitor, supervise, and evaluate health services and conduct data quality audits.

LGs

(d) To facilitate the carrying out of activities under the Program, the Recipient shall maintain at all times during the implementation of the Program each Local Government Authority (LGA) with a composition, mandate and resources satisfactory to the World Bank.

(e) Without limitation upon the provision of sub-paragraph (d) immediately above, the Recipient shall ensure that each LGA shall: (i) carry out its activities under the Program with due diligence and efficiency and in accordance with the Program Fiduciary, Environmental and Social Management Systems, the Anti-corruption Guidelines, and the Program Operational Manual; (ii) maintain policies and procedures adequate to enable it to monitor and evaluate the progress of its activities under the Program and the achievement of the Program's objective; (iii) enable the Recipient (and the World Bank, if the World Bank shall so request) to inspect the activities within said Program LG's jurisdiction, its operation and any relevant records and documents; (iv) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank may reasonably request relating to the foregoing; (v) monitor implementation activities to be carried out by the Health Facilities annually; and (vi) ensure that procurement is carried out in a timely fashion, in accordance with the Program Operational Manual and this Agreement, as applicable.

F. Program Operational Manual

1. No later than three (3) months after the Effective Date, the Recipient shall adopt a Program Operational Manual consisting of the RBF Operations Manual and the HBF Memorandum of Understanding both in form and substance satisfactory to the World Bank, containing detailed arrangements and procedures for implementation of the Program including inter alia: (a) disbursement and flow of funds arrangements; (b) institutional arrangements; (c) financial management, governance and procurement systems; (d) environmental and social management systems including the ESSA and grievance redress mechanism; (e) monitoring and evaluation, reporting and communication, including Program indicators; (f) Program Action Plan; (g) detailed arrangements for verification of achievement of DLRs (including the Verification Protocol); and (h) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Program.
2. The Recipient shall: (a) furnish to and exchange views with the World Bank on such manual promptly upon its preparation; and (b) thereafter adopt such manual as shall have been approved by the World Bank.

3. The Recipient shall ensure that the Program is carried out in accordance with the arrangements and procedures set out in the Program Operational Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Program Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail), and shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the POM or any of its provisions without prior approval in writing by the World Bank. Notwithstanding the foregoing, if any provision of said Program Operational Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

G. DLR Verification Arrangements

1. The Recipient shall appoint and thereafter maintain, at all times during the implementation of the Program, the IAG, under terms of reference acceptable to the World Bank (Independent Verification Agent), to verify the data and other evidence supporting the achievement of one or more Disbursement Linked Results (DLRs) as set forth in the table in Section IV.A.2. of this Schedule 2 and recommend corresponding payments to be made, as applicable.

2. The Recipient shall: (a) ensure that the Independent Verification Agent carry out verification process(es) in accordance with the Verification Protocol agreed with the World Bank; (b) submit to the World Bank the corresponding verification reports in a timely manner and in form and substance satisfactory to the World Bank.

3. In the event there is a need for verification services prior to the appointment of the IAG in accordance with paragraph 1 above, the Recipient shall put in place adequate interim arrangement satisfactory to the World Bank and approved in writing by the World Bank for verification of the DLRs.

H. Program Action Plan

Without limitation to the provision of Section I.D of this Schedule the Recipient shall carry out the Program Action Plan, or cause the Program Action Plan to be carried out, in a manner satisfactory to the World Bank.
Section II. Excluded Activities

The Recipient shall ensure that the Program excludes any activities which:

A. in the opinion of the World Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or

B. involve the procurement of: (1) works, estimated to cost three million US Dollars (US$3,000,000) equivalent or more per contract; (2) goods, estimated to cost two million US Dollars (US$2,000,000) equivalent or more per contract; (3) non-consulting services, estimated to cost one million five hundred thousand US Dollars (US$1,500,000) equivalent or more per contract; or (4) consultants’ services, estimated to cost one million US Dollars (US$1,000,000) equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation; Audits

A. Program Reports

1. The Recipient shall monitor and evaluate the progress of the Program and prepare Program Reports in accordance with the provisions of Section 2.06 of the Standard Conditions. Each Program Report shall cover the period of one Fiscal Year, and shall be furnished to the World Bank not later than six (6) months after the end of the period covered by such report.

2. The Recipient shall: (a) on or about the date twenty four (24) months after the Effective Date (or such earlier or later date as agreed with the World Bank), prepare and furnish to the World Bank a mid-term report, in such detail as the World Bank shall reasonably request, documenting progress achieved in the carrying out of the Program during the period preceding the date of the mid-term report, taking into account the monitoring and evaluation activities performed pursuant to paragraph 1 of this Part A, and setting out the measures recommended to ensure the continued efficient carrying out of the Program and the achievement of its objectives during the period following such date; (b) undertake in conjunction with all Program Institutions a comprehensive mid-term review of the Program during which it shall exchange views with the World Bank and Program Institutions (including LGs) on all matters relating to the progress of the Program and the mid-term report, on or about the date one month after its submission; and (c) following the mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Program and shall take all measures required to ensure the continued efficient implementation of the Program and the achievement
of its objectives, based on the conclusions and recommendations of the mid-term report and the World Bank's views on the matter.

B. Program Financial 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 have its Financial Statements for the Program audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one (1) 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.

C. Procurement Audit and Value for Money Audit

Without limitation upon the provisions of Part B of this Section III, the Recipient shall carry out under terms of reference satisfactory to the World Bank: (a) in each Fiscal Year ("FY") beginning FY2016 an audit of contracts procured in the preceding FY and furnish said audit to the World Bank not later than six (6) months after the end of the FY to which said audit relates; and (b) a Value for Money Audit, such audit to be undertaken: (i) during the mid-term review referred to in paragraph A.2 above of this Section III; and (ii) not later than six (6) months prior to the Closing Date referred to in Section IV.B.4 of this Schedule 2. To this end, the Recipient shall take all actions including the provision of funding, personnel and other resources to carry out said audits.

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.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of Article III of the Standard Conditions, this Section, and such additional instructions as the World Bank may specify from time to time by notice to the Recipient to finance the Program Expenditures, on the basis of the results ("Disbursement Linked Results" or "DLRs") achieved by the Recipient, as measured against specific indicators ("Disbursement Linked Indicators" or "DLIs"); all as set forth in the table in paragraph 2 of this Part A.
2. The following table specifies each category of withdrawal of the proceeds of the Grant (including the Disbursement Linked Indicators as applicable) ("Category"), the Disbursement Linked Results for each Category (as applicable), the allocation of the amounts of the Grant to each Category, and the disbursement calculation formula for each Category (as applicable):

<table>
<thead>
<tr>
<th>Category (including Disbursement Linked Indicator as applicable)</th>
<th>Disbursement Linked Result (as applicable)</th>
<th>Amount of the Grant Allocated (expressed in US$)</th>
<th>Disbursement Calculation Formula</th>
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<tbody>
<tr>
<td>(1) <strong>DLI #1</strong>: The Recipient has completed all Foundational Activities</td>
<td><strong>DLR #1</strong>: The Recipient has: (a) prepared a 5-year Capacity Building Plan for the Program; (b) prepared Data Quality Audit (DQA) tools; (c) prepared and disseminated to all LGs Financial Instructions for Health Facility accounts; (d) verified Baseline Data (for 2014) and targets for Performance Indicators; (e) prepared a list of operational Health Facilities and GPS locations; and (f): (i) completed the BEmONC and CEmONC assessment in the Five BRN RMNCH Regions; (ii) selected eight health centers in the Five BRN RMNCH Regions meeting CEmONC standards; and, (iii) ensured that at least 70 percent of health centers in the Five BRN RMNCH Regions have met BEmONC standards FY15/16, FY16/17</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>(2) <strong>DLI 2</strong>: The Recipient has achieved all of the Program annual results in Institutional Strengthening at all levels (National, Regional, LG, and Health Facilities)</td>
<td><strong>DLR 2</strong>: The Recipient has achieved all Program annual results in Institutional Strengthening in each of: FY15/16, FY16/17, FY17/18, FY18/19, and FY19/20</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>DLI 3: PHC facilities have improved MNCH service delivery and quality as per verified results and received payments on that basis each quarter</td>
<td>DLR 3: PHC facilities have achieved MNCH service performance as per verified results and received payments on that basis each quarter</td>
<td>Quarterly disbursement amount = (sum of actual RBF payments in the past quarter) * 1.15</td>
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<td>(3)</td>
<td>$4,500,000</td>
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<th></th>
<th>DLI 4: LGs have improved annual MNCH service delivery and quality as measured by the LG balance score card (BSC)</th>
<th>DLR 4: Each LG has achieved the MNCH service performance as measured by the LGA BSC in each of: FY16/17, FY17/18, FY18/19, FY19/20</th>
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<td>(4)</td>
<td></td>
<td>0</td>
<td>n/a</td>
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<tr>
<th></th>
<th>DLI 5: Regions have improved annual performance in supporting PHC services as measured by Regional BSC</th>
<th>DLR 5: The extent to which each Region has improved performance in supporting PHC service as measured by the Regional BSC in each of: FY16/17, FY17/18, FY18/19, FY19/20</th>
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<td>(5)</td>
<td></td>
<td>0</td>
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<th></th>
<th>DLI 6: MOHCDGEC and PORALG have improved annual PHC service performance as measured by the National BSC</th>
<th>DLR 6: The extent to which MOHCDGEC and PORALG have improved PHC performance as measured by the National BSC in each of: FY16/17, FY17/18, FY18/19, FY19/20</th>
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<td>(6)</td>
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<td>n/a</td>
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<th>DLI 7: The Recipient has completed the annual Capacity Building Activities at all levels</th>
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<td>(7)</td>
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<th>TOTAL AMOUNT</th>
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<td>4,500,000</td>
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B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for payments for Program Expenditures made prior to the date of this Agreement; and

   (b) for any DLR unless and until the Recipient has furnished evidence satisfactory to the World Bank that said DLR has been achieved and verified, all in accordance with the Verification Protocol.

2. Notwithstanding the provisions of Part B.1(b) of this Section, if the World Bank is not satisfied that any of the DLR(s) has/have been achieved by end of each Fiscal Year or of the date by which the said DLR(s) is/are set to be achieved and/or the allocated Grant of such DLR(s) has/have not been fully withdrawn, the World Bank may, at any time, by notice to the Recipient, decide, in its sole discretion, to:

   (a) authorize the withdrawal of such lesser amount of respective allocated Grant allocated to any of DLR(s) which in the opinion of the World Bank, corresponds to the extent of achievement of said DLR(s);

   (b) withhold all or a portion of the proceeds of the Grant then allocated to said DLR(s) until such DLR(s) is/are satisfactorily met;

   (c) reallocate all or a portion of the proceeds of the Grant then allocated to said DLR(s) to any other DLR(s); and/or

   (d) cancel all or a portion of the proceeds of the Grant then allocated to said DLR(s).

3. Notwithstanding the provision of Part B.1(b) of this Section, the Recipient may, at any point in time, withdraw the proceeds of the Grant up to an aggregate amount not to exceed 25% (net of any cancellations) of the total Grant amount provided in Section 3.01 of this Agreement, as an advance for purposes of achieving one or more DLRs for which the Recipient shall subsequently furnish the evidence referred to in Part B.1(b) of this Section; provided, however, that if by the end of the acceptable period for the verification of DLR(s) the Recipient has withdrawn amounts in excess of the allocated Grant authorized for disbursement in respect of achieved and verified DLRs, the World Bank shall require the Recipient to refund the amount of such excess to the World Bank promptly upon notice thereof by the World Bank, in order for the World Bank to proceed with its cancellation. Notwithstanding the foregoing, the World Bank may, at any time, in its own discretion, exercise any of the actions set forth in paragraphs (a) and/or (b) of Part B.2 of this Section in respect of any such amounts.
4. The Closing Date is June 30, 2020.

5. Notwithstanding the foregoing provisions of this Section IV, if at any time after the Closing Date the Recipient has failed to provide evidence satisfactory to the World Bank that the Withdrawn Grant Balance does not exceed the total amount of Program Expenditures paid by the Recipient, exclusive of any such expenditures financed by any other financier or by the World Bank under any other loan, credit or grant, the Recipient shall, promptly upon notice from the World Bank, refund to the World Bank such excess amount of the Withdrawn Grant Balance. The World Bank shall cancel the refunded amount of the Withdrawn Grant Balance.
APPENDIX

Section I. Definitions

(1) "ANIS Grant" means an amount of $20,000,000 intended to be provided by the World Bank to the Recipient through the ANIS Grant Agreement.

(2) "ANIS Grant Agreement" means the agreement to be entered between the Recipient and the World Bank, acting as administrator of funds provided by the ANIS MDTF, providing a grant (ANIS Grant) to the Recipient to assist in financing the Program; as such agreement may be amended from time to time. The term "ANIS Grant Agreement" includes all appendices, schedules and agreements supplemental to the ANIS Grant Agreement.

(3) "ANIS MDTF" means the Achieving Nutrition Impact at Scale Multi-Donor Trust Fund.


(5) "Balance Score Card" or "BSC" means a multi-dimensional framework for scoring performance by Program implementers at all levels of the health system.

(6) "Baseline Data" means the initial collection of data which serves as a basis for comparison with the subsequently acquired data.

(7) "BEmONC" means Basic Emergency Obstetric and Neonatal Care.

(8) "Big Results Now in Health Program" or "BRN in Health" means the Recipient’s 2015-2018 BRN in Health program which aims to accelerate the reduction of maternal and neonatal mortality through improving performance, governance and accountability in PHC.

(9) "BRN RMNCH" means Big Results Now Reproductive, Maternal, Neonatal and Child Health work stream.

(10) "Capacity Building Activities" means the set of activities required to build capacity for the Program outlined in the five year Capacity Building Plan.

(11) "Capacity Building Plan" means the five year plan of activities required to build capacity for the Program.

(12) "Category" means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
(13) "CEmONC" means Comprehensive Emergency Obstetric and Neonatal Care.

(14) "CHWs" means community health workers.

(15) "Data Quality Audit" or "DQA" means the mechanism to improve the completeness and quality of DHIS2 data.

(16) "DHIS2 data" means District health information system version 2 database that is used to capture, store, and retrieve Health Data analysis and report generation.

(17) "Decentralization by Devolution Policy" means the Recipient’s policy regarding decentralization by devolution.

(18) "Disbursement Linked Indicator" or "DLI" mean in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.

(19) "Disbursement Linked Result" or "DLR" mean in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Grant allocated to said result may be withdrawn in accordance with the provisions of said Section IV.

(20) "ESSA" means the Environmental and Social System Assessment dated April 13, 2015, and applicable to the Program which assesses the Recipient’s environmental and social management systems, detailing the Program’s environmental and social benefits, risks and impacts and recommending remedial measures to strengthen the social and environmental systems performance.

(21) "Financial Instructions" means the manual for Health Facilities accounts.

(22) "Fiscal Year" or "FY" mean the Recipient’s fiscal year commencing July 1 and ending June 30 in each calendar year.

(23) "Foundational Activities" means the set of basic activities required to establish a robust system-level framework for the Program.

(24) "Five BRN RMNCH Regions" means the Recipient’s five administrative regions selected for implementation of BRN in Health program with a focus on RMNCH.

(25) "GPS" means Global Positioning System.

(26) "Health Basket Fund" or "HBF" mean the pooled funding mechanism in support of the achievement of the targets of the Recipient’s health sector strategic plans.
“HBF Memorandum of Understanding” means the agreement between the Recipient and the development partners contributing through the Health Basket Fund, acceptable to the World Bank, setting forth the rules, methods, guidelines, specific development plans, standard documents and procedures to be maintained for the purpose of carrying out of the Program, and such term includes all annexes to said memorandum and its amendments, provided that they have been previously approved by the World Bank.


“Health Facility” or “Health Facilities” means any public or selected private health facility or facilities in the Recipient’s territory participating in the Program, as defined in the POM.

“Health Sector Strategic Plan IV” means the Recipient’s program for the 2015/16 - 2019/20 period, with a strong focus on the Big Results Now in Health (BRN in Health) Program.

“HRH” means Human Resources for Health.

“IAG” means the Recipient’s Internal Auditor General referred to in Section I.F of Schedule 2 to this Agreement.

“Independent Verification Agent” means the verification agent referred to in Section I.F.1 of Schedule 2 to this Agreement.

“Institutional Strengthening” means the minimum institutional, financial, planning and budgeting, audit, reporting and accountability standards that must be attained by the Program implementing institutions, including Health Facilities, at the National, Regional, and LG level in each FY to be eligible to receive funds under the Program, as said standards and the methodology for determining their achievement shall be defined in the POM.

“Local Government Authorities” or “LGAs” means any local government authority established and operating in the territory of the Recipient pursuant to the laws of the Recipient.

“LGAs Level” means the LGAs participating in the Program.

“LGA BSC” means the LGA balance score card.

“Medical Stores Department” or “MSD” means the semi-autonomous national institution responsible for managing the health commodities supply chain.
(39) "Ministry of Finance and Planning" or "MOF&P" mean the Recipient's ministry responsible for finance and planning or any successor thereto.

(40) "Ministry of Health, Community Development, Gender, Elderly and Children" or "MOHCDGEC" means the Recipient's ministry responsible for health and social welfare or any successor thereto.

(41) "MNCH" means maternal, neonatal and child health services.

(42) "National BSC" means the national balance score card.

(43) "National Level" means the PORALG and MOHCDGEC.

(44) "Performance Indicators" means the performance indicators for the Program as defined in the POM.

(45) "PHC" means primary health care services nation-wide in the Recipient's territory with a focus on maternal, neonatal and child health (MNCH) services.

(46) "PORALG" means President's Office Regional Administration and Local Government PORALG or any successor thereto.

(47) "PPPs" means Private Public Partnerships.

(48) "Program Action Plan" means the set of priority actions agreed by the World Bank and the Recipient for the strengthening of the Recipient's sectoral and institutional framework referred to in Section I.G of Schedule 2 to this Agreement, as the same may be amended from time to time with prior written approval of the World Bank.

(49) "Program Fiduciary, Environmental and Social Systems" means the Recipient's systems for the Program referred to in Section I.A of Schedule 2 to this Agreement.

(50) "Program Institutions" means the institutions referred to in Section I.D of Schedule 2 to this Agreement.

(51) "Program Operational Manual" or "POM" mean the manual for the Program referred to in Section I.E. of Schedule 2 to this Agreement, adopted by the Recipient to facilitate the fiduciary and coordination mechanisms under the Program, as the same may be amended from time with the prior written approval of the World Bank.

(52) "Region" means an administrative region of the Recipient established and operating pursuant to the laws of the Recipient.
"Regional Administration" means the Recipient’s local arm of the central government governing the administrative regions of the Recipient.

"Regional BSC" means the regional balance score card.

"RBF" means Results Based Financing.

"RBF Operations Manual" means the RBF operations manual, acceptable to the World Bank, setting forth the rules, methods, guidelines, specific development plans, standard documents and procedures to be maintained for the purpose of carrying out the Program, and such term includes all annexes to said manual and its amendments, provided that they have been previously approved by the World Bank.

"Regional Level" means the administrative regions of the Recipient participating in the Program.

"Regional Secretariats" or "RSs" means the Recipient’s local arm of the Regional Administration with oversight function on local budgets and monitoring responsibilities regarding LGs.

"Selected Regions" means five regions of the Recipient’s territory that are poorly performing on maternal and neonatal mortality indicators as defined in the POM, as the same may be amended from time to time with the prior written approval of the World Bank.

"Star Rating" means the Recipient’s health facility accreditation scheme.

"Targeted Regions" means nine regions in the Recipient’s territory with critical shortages in human resources for health as defined in the POM, as the same may be amended from time to time with the prior written approval of the World Bank.

"USAID" means the United States Agency for International Development.

"Value for Money Audit" means the independent audit referred to in Section III.C(b) of Schedule 2 to this Agreement to be carried out to assess the economy, effectiveness and efficiency of utilization of funds.

"Verification Protocol" means the protocol set forth in the POM as agreed with the World Bank, setting forth actions and mechanisms required for verifying the achievement of DLRs, and referred to in Section I.F.2 of Schedule 2 to this Agreement as the same may be amended from time to time with prior written approval of the World Bank.

"*" means multiplication.
“Withdrawn Grant Balance” means the amounts of the Grant withdrawn from the Grant Account and outstanding from time to time.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Wherever used throughout the Standard Conditions, the term “the Project” is modified to read “the Program”, the term “Project Report” is modified to read “Program Report”, and the term “Eligible Expenditures” is modified to read “Program Expenditures”.

2. Section 3.03, Special Commitment by the World Bank, is deleted in its entirety, and the subsequent Sections in Article III are renumbered accordingly.

3. In Section 3.03 (originally numbered as Section 3.04), the phrase “or to request the World Bank to enter into a Special Commitment” is deleted.

4. The section originally numbered as Section 3.05, Designated Accounts is deleted in its entirety, and the subsequent Sections in Article III are renumbered accordingly.

5. Paragraph (a) of Section 3.04 (originally numbered as Section 3.06), Eligible Expenditures (renamed “Program Expenditures” in accordance with paragraph 1 of this Section II), is modified to read: “(a) the payment is for the reasonable cost of expenditures required for the Program and to be financed out of the proceeds of the Grant in accordance with the provisions of the Grant Agreement;”.

6. Paragraph (a) of Section 3.05 (originally numbered as Section 3.07), Financing Taxes, is modified to read: “(a) The Grant Agreement may specify that the proceeds of the Grant may not be withdrawn to pay for Taxes levied by, or in the territory of, the Member Country on or in respect of Program Expenditures, or on their importation, manufacture, procurement or supply. In such case, if the amount of any such Taxes decreases or increases, the World Bank may, by notice to the Recipient, exclude such amount or such Tax from the Program Expenditures to be financed out of the proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such limitation on withdrawals.”

7. The last sentence of Section 3.05 (originally numbered as Section 3.07), Financing Taxes, is modified to read: “To that end, if the World Bank at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the World Bank may, by notice to the Recipient, exclude such amount or such Tax from the Program Expenditures to be financed out of the
proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such policy of the World Bank."

8. Section 3.06 (originally numbered as Section 3.08), Reallocations, is modified to read: "If, in the World Bank’s opinion, an amount of the Grant allocated to a withdrawal category under the Grant Agreement will be insufficient to finance the Program Expenditures under such category, the World Bank may, by notice to the Recipient reallocate any other amount of the Grant to such category, if the World Bank reasonably determines at any time that such reallocation is appropriate for the purposes of the Program."

9. Section 4.01, Cancellation by the Recipient, is modified to read: “The Recipient may, by notice to the World Bank, cancel any unwithdrawn amount of the Grant.”

10. Paragraph (d) of Section 4.03, Cancellation by the World Bank, entitled “Misprocurement”, is deleted, and subsequent paragraph (e) is re-lettered accordingly.

11. Section 4.04, Amounts Subject to Special Commitment Unaffected is deleted in its entirety, and subsequent Sections in Article IV and references to such Sections are renumbered accordingly.

12. In the Appendix, Definitions, all references to Section numbers are modified, as necessary, to reflect the modifications set forth above. In addition, the definition of the term “Special Commitment” set forth in paragraph 22 is deleted in its entirety, and all subsequent paragraphs are renumbered accordingly.