July 2, 2014

Hon. Aggrey Tisa Sabuni
Minister of Finance and Economic Planning
P.O. Box 80
Juba
Republic of South Sudan

Honorable Minister,

Re: Republic of South Sudan: Advance Agreement for Preparation of Proposed Additional Financing for the Health Rapid Results Project
Restatement of the Amendment to Advance Agreement
(Project Preparation Advance No. PPF Q9000; Supplemental Project Preparation Advance No. Q9190)

We refer to the initial advance of four million United States Dollars (US$4,000,000) ("Initial Advance") (PPF Q9000) which was granted to the Recipient on December 14, 2013, as amended on March 31, 2013 ("Amendment") ("PPF Q9000"). Such Amendment is hereby restated as an agreement through this Advance Agreement for the supplemental advance ("Supplemental Advance") (No.Q9190). The Supplemental Advance is hereinafter governed by this Agreement and the attached disbursement letter.

Therefore, in response to the request for a Supplemental Advance made on behalf of the Republic of South Sudan ("Recipient"), and as previously communicated in the abovementioned Amendment, I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient a Supplemental Advance out of the World Bank’s Project Preparation Facility in an amount not to exceed six million United States Dollars (US $6,000,000) ("Supplemental Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities").

The objective of the Activities is to facilitate the preparation of a proposed additional financing for the Health Rapid Results Project ("Project") designed to improve delivery of high impact primary health care services in Upper Nile and Jonglei states and to strengthen coordination and monitoring and evaluation capacities of the Ministry of Health, in support of which the Recipient has requested the World Bank’s financial assistance.
The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Supplemental Advance does not constitute or imply any commitment on the part of the World Bank to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Supplemental Advance and perform its other obligations under this Agreement, all in accordance with the provisions of 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.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Belal Bird
Country Director for South Sudan
Africa Region

AGREED AND CONFIRMED:
REPUBLIC OF SOUTH SUDAN

By

Authorized Representative
Name
Title
Date: 6 Jul 2014

Enclosures:

(1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility," dated July 31, 2010; and

(2) Disbursement Letter for the Advance of the same date as this Agreement, together with "World Bank Disbursement Guidelines for Projects," dated May 1, 2006.
ANNEX

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility dated July 31, 2010 ("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.

Article II
Execution of the Activities

2.01. **Description of the Activities.** The activities for which the Advance is provided consist of the following: namely, the financing of a three-month extension of the two coordination and service delivery contracts between the Ministry of Health and the Coordination and Service Delivery Organization (CSDO) in order to deliver high impact primary health care services, including maternal and child health services such as vaccination, prenatal care, and skilled birth attendance.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through the Ministry of Health in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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.

2.03. **Institutional and Other Arrangements.** The institutional and implementation arrangements for the Advance will rely on arrangements under the original project.
2.04. *Monitoring, Reporting and Evaluation of the Activities.* The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. *Financial Management*

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that monthly interim un-audited financial reports for the Activities 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.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. *Procurement and Consultant Guidelines*

(a) **General.** All goods, works, consultants' and non-consulting services required for the Activities and to be financed out of the proceeds of the Advance 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, works 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 Activities under 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, Works and Non-consulting Services**

(i) **International Competitive Bidding.** Except as otherwise provided in sub-paragraph (ii) below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding; (B) Shopping; (C) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; and (D) Direct Contracting.

(d) **Particular Methods of Procurement of Consultants' Services**

(i) **Quality- and Cost-based Selection.** Except as otherwise provided in sub-paragraph (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) **Other Methods of Procurement of Consultants' Services.** The following methods 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 based on Consultants' Qualifications; (C) Single-source Selection of consulting firms; (D) Selection of Individual Consultants; and (E) 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.
Article III
Withdrawal of the Advance

3.01. Eligible Expenditures

(a) The Recipient may withdraw the proceeds of the Advance 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 sub-paragraph (b) below.

(b) The following table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category of Expenditure</th>
<th>Amount of the Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, non-consulting services, consultants' services, Training, Workshops and Operating Costs</td>
<td>6,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,000,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:

(a) for payments made prior to the date of countersignature of this Agreement by the Recipient.
unless and until each Contract Management Agreement/the Contract Management Agreement with the CSDO has been renewed, signed and is in effect.

3.03. **Refinancing Date.** The Refinancing Date is July 31, 2014.

**Article IV**
**Terms of the Advance**

4.01. **Refinancing under the Refinancing Agreement.** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be paid to the World Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.

4.02. **No Repayment in the absence of a Refinancing Agreement.** Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.

**Article V**
**Recipient's Representative; Addresses**

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 9.02 of the Standard Conditions is its Minister for Finance and Economic Planning.

5.02. **Recipient's Address.** The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Minister of Finance and Economic Planning
Ministry of Finance and Economic Planning,
P.O. Box 80,
Juba.
Republic of South Sudan.

5.03. **World Bank's Address.** The World Bank's Address referred to in Section 9.01 of the Standard Conditions is:

International Development Association 1818 H Street, N.W.
Washington, D.C. 20433
<table>
<thead>
<tr>
<th>United States of America</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cable:</strong></td>
</tr>
<tr>
<td>INDEVAS</td>
</tr>
<tr>
<td>Washington, D.C.</td>
</tr>
</tbody>
</table>
