H. E. Komi Koutche
Minister of Economy, Finance and Privatization Programs
Ministry of Economy, Finance and Privatization Programs
Cotonou
Republic of Benin

Re: BENIN: Multi-Donor Trust Fund for Health Results Innovation
Health System Performance Project (HRIG Grant No. TF096654)

Second Amendment to the Grant Agreement

Excellency:

We refer to the Multi-Donor Trust Fund for Health Results Innovation Grant Agreement (the “Agreement”) for the above-mentioned Project, dated May 25, 2010, as amended, between the Republic of Benin (the “Recipient”) and the International Development Association (the “World Bank”), in its capacity as administrator of the Multi-Donor Trust Fund for Health Results Innovation (“HRIG”).

We also refer to your letter dated February 16, 2015, requesting specific amendments to the Agreement. Please note that capitalized terms used in this letter (the “Amendment Letter”) and not defined herein have the meaning ascribed to them in the Agreement.

We are pleased to inform you that the World Bank accedes to your request and proposes through this Amendment Letter, to amend the Agreement as follows:

1. Part B.1 of Schedule 1 to the Agreement is amended to read as follows:

   “1. Development and implementation of a program to strengthen the process for identification of the Recipient’s poorest households for purposes of facilitating their access to health services, such program to include (i) capacity building of community-based organizations (including women groups and community health insurance schemes) in each of the Targeted Areas; (ii) development of adequate and standardized identification criteria.”

2. Part B.2 of Schedule 1 to the Agreement is deleted in its entirety and the following paragraphs are renumbered accordingly.

3. Section 1.C of Schedule 2 to the Agreement is amended to read as follows:
"1. The Recipient shall prepare and furnish to the World Bank for review and approval, the procedures manual, outlining implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of implementation of the Project; such manual shall also include (A) a results-based financing framework document for purposes of implementation of Part A.1 of the Project, which will include the following: (i) maximum aggregate amount of all Maternal and Neonatal Health Services Grants which may be made during each fiscal year of the Recipient and in each Targeted Areas; (ii) detailed list of Maternal and Neonatal Health Services to be financed under Maternal and Neonatal Health Services Grants; (iii) unit costs for each Maternal and Neonatal Health Service and the maximum percentage of such costs to be financed under each Maternal and Neonatal Health Services Subproject; and (iv) a form of Maternal and Neonatal Health Services Grant Agreement. The Recipient shall afford the World Bank a reasonable opportunity to comment on such manual; and thereafter, adopt and apply such manual as shall have been approved by the World Bank."

4. Section D of Schedule 2 to the Agreement is amended to read as follows:

"D. Maternal and Neonatal Health Services Grants

1. General

Without prejudice to the provision of Section 1.A.1 of this Schedule, the Recipient shall, through the General Secretariat, review and approve applications for: Maternal and Neonatal Health Services Grants, and thereafter monitor and evaluate the implementation of Maternal and Neonatal Health Services Subprojects, in accordance with the provisions of this Part D and the Procedures Manuel.

2. Eligibility and Implementation Guidelines and Procedures

No proposed Beneficiary shall be eligible for a Maternal and Neonatal Health Services Grant (as applicable) unless, the Recipient has determined on the basis of a review conducted in accordance with guidelines acceptable to the World Bank, and elaborated in the Procedures Manuel, that the proposed Beneficiary and Maternal and Neonatal Health Services Subproject satisfy the eligibility criteria specified below:

(a) the proposed Beneficiary is a public or private non-profit health service provider or a private for profit health facility carrying out Maternal and Neonatal Health Services and involved in the financial or technical supervision of said activities;

(b) the proposed Maternal and Neonatal Health Services Subproject is technically feasible, and financially and economically sound;

(c) the proposed Maternal and Neonatal Health Services Subproject (as applicable) complies with the Medical Waste Management Plan;

(d) the proposed Maternal and Neonatal Health Services Subproject is consistent with the relevant sectoral, environmental, and social standards and policies of the Recipient; and
(e) the proposed Beneficiary has put in place all necessary arrangements, including financial and human resources, for the management and implementation of the proposed Maternal and Neonatal Health Services Subproject.

3. Terms and Conditions of Maternal and Neonatal Health Services Grants

(a) The Recipient shall make each Maternal and Neonatal Health Services Grant to a Beneficiary under a Maternal and Neonatal Health Services Grant Agreement and under terms and conditions, satisfactory to the World Bank, as further described in the Procedures Manual, which shall include the following:

(i) the amount of the Maternal and Neonatal Health Services Grant shall not exceed the total estimated cost of the Maternal and Neonatal Health Services Subproject; and the proceeds of the Maternal and Neonatal Health Services Grant shall be made available to the Beneficiary on non-reimbursable grant terms;

(ii) a description of the Maternal and Neonatal Health Services Subproject, the rates for the services thereunder, and performance indicators;

(iii) the obligation of the Beneficiary to: (A) carry out the Maternal and Neonatal Health Services Subproject with due diligence and efficiency and in accordance with sound technical, financial, administrative, environmental and social practices and standards; (B) ensure that the resources required for the Maternal and Neonatal Health Services Subproject are provided promptly as needed; (C) procure the goods and services required for the Maternal and Neonatal Health Services Subproject in accordance with Section III of this Section, maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the Maternal and Neonatal Health Services Subproject; and (D) at the request of the World Bank or the Recipient, have such records audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the records as so audited to the Recipient and the World Bank;

(iv) the obligation of the Beneficiary to carry out the Maternal and Neonatal Health Services Subproject in accordance with the provisions of the Anti-Corruption Guidelines;

(v) the obligation of the Beneficiary to carry out the Maternal and Neonatal Health Services Subproject in accordance with the provisions of the Procedures Manual;

(vi) the obligation of the Beneficiary to carry out the Maternal and Neonatal Health Services Subproject in accordance with the provisions of the Medical Waste Management Plan;

(vii) the requirement that the goods and consultants' services to be financed from the proceeds of the Maternal and Neonatal Health
Services Grant shall be used exclusively in the carrying out of the Maternal and Neonatal Health Services Subproject; and

(viii) the right of the Recipient, to: (A) inspect by itself, or jointly with the World Bank, if the World Bank shall so request, the goods and sites included in the Maternal and Neonatal Health Services Subproject, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the World Bank, shall reasonably request regarding the administration, operation, and financial condition of the Maternal and Neonatal Health Services Subproject; and (C) suspend or terminate the right of the Beneficiary to use the proceeds of the Maternal and Neonatal Health Services Grant, or obtain a refund of all or any part of the amount thereof then withdrawn, as the case may be, upon failure by the Beneficiary to perform any of its obligations under the Maternal and Neonatal Health Services Grant Agreement.

(b) The Recipient shall exercise its rights under the Maternal and Neonatal Health Services Grant Agreement in such manner as to protect its interests and those of the World Bank and to accomplish the purposes of the grant provided thereunder, and, except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.”.

5. Section I.E of Schedule 2 to the Agreement is amended to read as follows:

“(a) The Recipient shall appoint a consultant, in accordance with Section III of this Schedule, for purposes of implementing the third-party verification in accordance with the Procedures Manual in respect of Maternal and Neonatal Health Services Subprojects to be carried out under Part A.1 of the Project.

(b) The Recipient shall cause said firm consultant to carry out, throughout Project implementation, and under terms of reference acceptable to the World Bank, quarterly verification exercises of Maternal and Neonatal Health Services Subprojects, including community and focus group surveys, Beneficiary spot checks, verification of data provided and records kept by Beneficiaries in relation to Maternal and Neonatal Health Services Subproject and assessments of the quality of health services provided under such subprojects, in accordance with the provisions of the Procedures Manual.”.

6. The table set forth under Section IV.A (2) of Schedule 2 to the Agreement is deleted in its entirety and replaced with the table as shown in the Attachment to this Amendment Letter.

7. Paragraph 2 of the Definitions Section to the Agreement is amended to read as follows:

“2. “Beneficiary” means a Maternal and Neonatal Health Services Beneficiary.”.

8. Paragraphs “7”, “8”, “9”, “10”, “11” of the Definitions Section of the Appendix to the Agreement are deleted in their entirety and the following paragraphs are renumbered accordingly.

Please confirm your agreement with the foregoing amendments by signing and dating this Amendment Letter in the spaces provided below. Henceforward, all other provisions of the Agreement not hereby amended shall remain in full force and effect. This Amendment Letter shall be executed in two counterparts each of which shall be an original.
Upon confirmation, please return one fully executed original to us. The provisions set forth in this Amendment Letter shall become effective as of the date of countersignature upon receipt by the World Bank of the countersigned original of this Amendment Letter.

Sincerely,

Ousmane Diagana
Country Director for Benin
Africa Region

CONFIRMED AND AGREED
REPUBLIC OF BENIN

By
Komi KOUTCHE
Name of Authorized Representative

Komi KOUTCHE
Date 15 MAI 2015
### SECTION IV.A.2 OF SCHEDULE 2 - REVISED TABLE

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
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<tbody>
<tr>
<td>(1) Goods, services and Operating Costs to be financed from the proceeds of Maternal and Neonatal Health Services Grants under Parts A.1(f) and A.1(II) of the Project</td>
<td>11,000,000</td>
<td>78.57% of amounts of Maternal and Neonatal Health Services Grants disbursed</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>11,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>