Agreement by UN-UNITED NATIONS CHILDREN'S FUND (UNICEF) to Reimburse the International Bank for Reconstruction and Development for the Lesotho Public Expenditure Tracking Survey and Quantitative Service Delivery Survey in the Health Sector Externally Financed Output (the EFO)

Dear Mr. Shiferaw:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development (the Bank) the intention of UN-UNITED NATIONS CHILDREN’S FUND (UNICEF) (the Contributor) to provide the sum of One Hundred Fifty Thousand United States Dollars (U.S. $150,000.00) (the Funds) to finance the Lesotho Public Expenditure Tracking Survey and Quantitative Service Delivery Survey in the Health Sector Externally Financed Output (the EFO), which forms part of the Bank’s AFR Lesotho work program. The Contributor may subsequently contribute additional funding support for the EFO, which shall be governed in all respects by the present EFO Agreement (this Agreement). The initial contribution and any subsequent funding support from the Contributor shall be referred to as the EFO Funds in this Agreement.

2. The EFO Funds shall contribute to the preparation of output(s) and/or activities(s) as described in the Annex attached hereto (Description of the EFO). The Annex constitutes an integral part of this Agreement.

3. The EFO Funds will be utilized by the Bank in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank’s obligations to give effect to the relevant decisions of the Security Council, taken under Chapter VII of the Charter of the United Nations. The Contributor acknowledges that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to the Contributor, nor will it be deemed a waiver, express or implied, of any of the privileges and immunities of the Bank.

4. The Contributor will make payment(s) of the EFO Funds in accordance with the payment schedule as specified in the Annex.

5. The Contributor shall deposit the EFO Funds into the International Bank for Reconstruction and Development (IBRD) bank account as the Bank Contact specifies in writing to the Contributor.

6. When making such deposit, the Contributor shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information
indicating: the amount paid, that the payment is made by the Contributor for the "EFO Number 907, Lesotho Public Expenditure Tracking Survey and Quantitative Service Delivery Survey in the Health Sector, UN-UNITED NATIONS CHILDREN'S FUND (UNICEF) ", and the date of the deposit. In addition, the Contributor shall provide a copy of the Contributor's deposit instruction to the Bank's Corporate Expense Services Division by e-mail sent to rectrv@worldbank.org or by fax sent to USA (202) 614-1315.

7. It is expected that the EFO will be completed by November 30, 2015 or by such later date as the Bank and the Contributor may agree upon in writing.

8. The offices responsible for coordination of all matters related to carrying out this Agreement and the EFO are:

For the Bank (the Bank Contact):
Health, Nutrition and Population Global Practice
The World Bank
1818 H Street, NW
Washington DC 20433, USA
Tel: (202) 453-5585
Fax: (202) 453-5585
E-mail address: kyamashitaallen@worldbank.org

For the Contributor (the Contributor Contact):
UNICEF Lesotho
UNICEF HOUSE, 13 United Nations Road
Private Bag A171
Masaru, Lesotho
Tel: +26622315801
Fax: +26622310248
E-mail address: vankrah@unicef.org

9. The Bank shall have sole responsibility for the supervision and carrying out of the EFO and shall deliver to the Contributor EFO progress and Completion reports as specified in the Annex. In the event of any changes in the EFO, the Bank and the Contributor may agree to changes to the scope, content, and timing of the EFC and changes to the amount of the EFO Funds. Decisions on any such changes shall be documented by a revision of the Annex to this Agreement, duly signed and dated by the representatives of the Contributor and the Bank. The Contributor understands and agrees that the Bank will not provide any reporting on the EFO Funds provided under this Agreement beyond the standard EFO progress reports, will not maintain separate records and accounts for the EFO Funds, and will not have any further responsibility to the Contributor with respect to the EFO Funds otherwise than stated in this Agreement.

10. Where appropriate to do so in the opinion of the Bank, the Bank shall acknowledge the Contributor's contribution in any reference made by the Bank with respect to the EFO in publications, speeches, press releases or other similar materials.

11. The Bank shall be solely responsible for the adequacy and quality of the EFO, and payment will not be unreasonably withheld due to any assessment by the Contributor acting in good faith on the adequacy or quality of the EFO. In the event that the Bank determines or decides, for any reason whatsoever, that completion of the EFO is no longer justified within the Bank's work program
priorities, or will be substantially delayed compared to the date specified in paragraph 7 above or amended, other than in any case for causes beyond its reasonable control, the Bank shall refund to the Contributor an appropriate portion of the EFO Funds, as determined by the Bank in its sole discretion, acting in good faith, after taking into account any work that may have been already carried out.

12. The Contributor will not be responsible for the activities of any person employed by the Bank as a result of this Agreement, nor will the Contributor be liable for any costs incurred by the Bank in terminating the engagement of any such person.

13. Nothing in or related to this Agreement is intended to be or should be construed as a waiver of the privileges and immunities of the Bank or its officers and employees, which privileges and immunities are hereby specifically reserved as set forth in the Bank's Articles of Agreement and other applicable rules of international law.

14. The Contributor and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to this Agreement.

15. The Bank and the Contributor will disclose this Agreement and related information on the EFO in accordance with the Bank's and Contributor's policy on Access to Information.

16. The Contributor does not assume liability for any third party claims for damages arising out of this EFO.

17. This Agreement may be amended only by written agreement between the Bank and the Contributor.

18. Please confirm your agreement with the foregoing, on behalf of the Contributor, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Bank of the copy of this Agreement countersigned by you, this Agreement will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Asad Alam
Country Director

AGREED:

UNICEF Lesotho

By: ____________________________
Name: Tesfaye Shiferaw
Title: Representative

Date: 3/12/2014

EFO_0000000907_01
Description of the EFO Number 907
(Lesotho Public Expenditure Tracking Survey and Quantitative Service Delivery Survey in the Health Sector)
A: Of November 25, 2014

A. Summary

Responsible Bank Unit: Health, Nutrition and Population Global Practice
Planned Completion Date of the EFO: November 30, 2015
Contribution Amount: One Hundred Fifty Thousand United States Dollars (USD 150,000.00)

B. Outputs and Activities

1. Objectives:

Lesotho Public Expenditure Tracking Survey and Quantitative Service Delivery Survey in the Health Sector. Additional objectives will include:
   i) analyzing the trends in health expenditures versus identified health priorities of the Government of Lesotho;
   ii) identifying inefficiencies and leakages at different levels;
   iii) identifying the challenges and bottlenecks in resource allocation; and
   iv) assessing the feasibility of scaling up the PBF program within the existing fiscal environment.

2. Description of Activities and Oututs:

The PETS will document the trend in expenditure on the major health sector input items (e.g., salaries, capital expenditure, medicines, equipment and supplies); and levels of care (primary, secondary, and tertiary services) in order to assess whether patterns of resource allocation are reflective of identified health priorities. Where feasible, the PETS will also analyze the overall spending patterns related to targeted health programs such as HIV/AIDS, TB, maternal and child health. Additionally, it is expected that the PETS will shed significant light on the actual functioning of the health sector public expenditure system, including planning and management capacities of the Ministry of Health; delays in disbursements and volatility of transfers; equity in allocation; and accountability mechanisms.

The PETS should track the flow of resources from the Ministry of Finance to the Ministry of Health, to the District Health Management Teams, and finally, to the health center level, in order to determine how much of the originally allocated resources reach each level and how long they take to get there. The report should also evaluate the mechanisms and incentives responsible for leakages, and capture implementation and financing challenges by focusing on service provider behavior, incentives and the relationships between the providers, policy makers and users/patients in the health sector.

The Quantitative Service Delivery Survey (QSDS) will provide detailed information on the efficiency of the use of resources at facility level, and factors that impact on efficiency in service delivery. These factors will cover areas such as administrative processes, institutional/human resource capacity, workplace and clinical policies.
This will include assessing why the increased public expenditures in the health sector are not leading to the desired improvements in health outcomes and indicators for Lesotho. The PETS will track, locate, and quantify the flow of public resources across various administrative levels of government and determine, on a sample basis, how much of the original allocations (financial, salaries, in-kind items) reach the next level of government and, ultimately, service delivery units such as health centers and clinics.

Given that the Ministry of Health has recently completed a Demographic Health Survey (2014), it is expected that the PETS will also link expenditures to the identified priorities of the health sector, demand for services and health outcomes. Depending on the study timing, the data can also be supported or confirmed through the planned impact evaluation survey baseline that will be conducted for several districts in Lesotho in early 2015 as part of the Lesotho Maternal and Newborn Health Performance Based Financing project, as well as the results from the National Health Accounts (NHA) exercise being undertaken through the World Health Organization (WHO) support.

3. Reporting:
   
   (i) Annual EFO Progress Report (Applicable only if EFO duration exceeds 12 months)
   
   (ii) EFO Completion Report

C. Payment Schedule

The Contributor shall pay the Bank an amount not exceeding a total of One Hundred Fifty Thousand United States Dollars (USD 150,000.00) in two installment(s) upon written request for payment by the Bank, as follows:

- One Hundred Thousand United States Dollars (USD 100,000.00) upon countersignature of this Agreement.
- Fifty Thousand United States Dollars (USD 50,000.00) on March 30, 2015.

All other terms of this EFO remain the same.

Accepted

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: Asad Alam
Name: Asad Alam
Title: Country Director
Date: 4-12-2014

UNICEF Lesotho

By: 
Name: Tesfaye Shiferaw
Title: Representative
Date: 3/12/2014