Ms. Helena Skember
Country Director
Concern Universal Mozambique
Rua dos Condomínios das Alfândegas
Lichinga
Republic of Mozambique

Re: Mozambique: Global Partnership for Social Accountability Knowledge, Skills, Action and Networking Project
GPSA Grant No. TF015860

Dear Ms. Skember:

In response to the request for financial assistance made on behalf of the Concern Universal, acting through its liaison office as Concern Universal in Mozambique (the “Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), acting as administrator of grant funds provided by various donors (“Donors”) under the Global Partnership for Social Accountability Trust Fund (“GPSA Trust Fund”), proposes to extend to the Recipient for the benefit of the Republic of Mozambique (“Member Country”), a grant from the GPSA Trust Fund in an amount not to exceed seven hundred thousand United States Dollars (U.S.$ 700,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

This Grant is funded out of the GPSA Trust Fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), 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 GPSA Trust Fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in 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 returning 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.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

[Signature]

Julio E. Revilla
Acting Country Director for Mozambique
Africa Region

AGREED:

CONCERN UNIVERSAL MOZAMBIQUE

By: [Signature]

Authorize Representative

Date: 20/14/2013

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006;
(3) “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;
(4) “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011; and
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("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.

(a) "FONGANI" means the CSO legally established and operating in the Member Country's territory and registered in the *Conservatória dos Registos e Notariado de Lichinga* on September 20, 2011.

(b) "HIV/AIDS" means human immunodeficiency virus infection or acquired immunodeficiency syndrome, a disease of the human immune system, caused by infection with human immunodeficiency virus.

(c) "Concern Universal" means the company established pursuant to the Recipient's Memorandum of Articles of Association of Concern Universal, dated September 30, 1976, as amended on November 29, 2003, and registered in London as a charity organization under the United Kingdom's companies act through the registration no. 272465.

(d) "CSO" means a civil society organization legally established and operating in the Member Country's territory and selected in accordance with the selection criteria and terms conditions agreed between the Recipient and the World Bank; and "CSOs" means the plural thereof.

(e) "CBO" means a community based organization established and operating in the Member Country’s territory and selected in accordance with the selection criteria and terms and conditions agreed between the Recipient and the World Bank; and "CBOs" means the plural thereof.

(f) "NAFEZA" means a CSO legally established and operating in the Member Country’s pursuant its registration published in the Member Country’s official bulletin on January 12, 2005.

(g) "Operating Costs" means reasonable recurrent expenditures incurred by: (i) the Recipient required for the implementation, monitoring and evaluation of the Project; and (ii) FONGANI and NAFEZA required for the implementation of selected activities under the Project, including, salaries of staff of the Recipient, FONGANI and NAFEZA working on the Project, office rental, supporting staff for the Project, transportation, basic utilities (electricity and water), and communications expenses (telephone, internet access, among others), but excluding salaries of officials of any of the Member Country’s civil service, and any other reasonable expenditures as may be agreed upon by the World Bank.

(h) "Training and Workshops" means the reasonable cost of: (i) training materials and rental of training facilities and equipment; (ii) tuition fees, travel, accommodation and *per diem*
of trainers and trainees; and (iii) any other expenses related to training (including workshops) to be carried out under the Project.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to improve quality of life of the most vulnerable, including, inter alia, women, persons with disability, people with HIV/AIDS in the Member Country’s Niassa and Zambézia provinces (“Selected Provinces”) through enhanced social accountability and responsiveness to social needs of service delivery in the health sector.

The Project consists of the following parts:

Part 1: Increase capacity of local CBOs/CSOs for social accountability engagement.

Provide support to local community based and civil society organizations (CBOs/CSOs) to: (i) enhance their technical skills and tools for evidence based engagement in social accountability (including budget related work) in Selected Provinces of the Member Country; and (ii) improve internal good governance and accountability mechanisms.

Part 2: Increase engagement between supply and demand side actors on the quality of health service delivery.

Provide support for: (i) an effective monitoring and evaluation of the quality of service provided in health sector in Selected Provinces of Mozambique; and (ii) an increased effective dialogue between local CBOs/CSOs and the Member Country around health issues.

Part 3: Generate knowledge and sharing learning on social accountability.

Provide support: (a) to develop: (i) best practices, lessons learned, social accountability tools and approaches shared between CBOs/CSOs and other participating stakeholders and general public in Selected Provinces and at national level; and (ii) field realities to influence government policies; and (b) carry out the implementation, monitoring and evaluation of the Project activities financed by the grant.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project with close coordination of FONGANI and NAFEZA, respectively, all in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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”); (c) this Article II; and (d) the FONGANI Agreement and the NAFEZA Agreement.

2.03. Implementation Arrangements. Prior to the implementation of the Project activities, the Recipient shall: (a) enter into an agreement with FONGANI and NAFEZA under terms and conditions acceptable to the World Bank (“the FONGANI Agreement” and “the NAFEZA Agreement”, respectively), which shall include, inter alia: (i) FONAGI and NAFEZA’s respective roles and responsibilities, including their obligation to carry out the technical implementation of the their respective activities under the Project; and (ii) the conditions for the Recipient’s payment, out of the proceeds of the Grant, of limited Operating Costs related to FONGANI and/or NAFEZA discharge of its responsibilities; (b) exercise its rights and carry out its obligations under the FONGANI Agreement and the NAFEZA Agreement in such manner as to protect the interest of the Recipient, Member Country, and the World
Bank to accomplish the purposes of the Grant; and (c) Recipient and the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce the FONGANI Agreement or the NAFEZA Agreement or any of their provisions thereof.

2.04. Donor Visibility. (a) 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.

(b) 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.

2.05. Project Monitoring, Reporting and Evaluation. (a) 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 indicators acceptable to the World Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

(b) 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.

2.06. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (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 Section 2.07 (b) of the Standard Conditions. Each such 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.


2.08. Any contract for Eligible Expenditures to be financed in full or in part out of the proceeds of the Grant shall be included in the procurement plan prepared by the Recipient and approved by the Bank in accordance with the Procurement Guidelines and the Consultant Guidelines, prior to initiating the procurement process for any such contract.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. 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 100% of Eligible Expenditures consisting of goods, consultants’ services (including audits), Training and Workshops, and Operating Costs, all inclusive of Taxes.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is five (5) years after the date of countersignature of this Agreement by the Recipient.

3.04. **Other Undertakings.** The Recipient undertakes that the proceeds of the Grant shall not be used to finance the goods related to art, furniture, carpet, vehicles and generators.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Recipient’s Country Director.

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

Concern Universal Mozambique  
Rua dos Rua dos Condomínios das Alfândegas  
Lichinga, Mozambique  
Telephone: +258 271 20163  
E-mail: cumoz@teledata.mz

4.03. **World Bank’s Address.** 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: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391

With a copy to:

Program Manager, GPSA Secretariat  
Mail Stop: J 4-403  
World Bank Institute (WBI)  
Telephone: +1 202 458-7173  
E-mail: rsenderowitsch@worldbank.org