Afghanistan Reconstruction Trust Fund
Grant Agreement

(System Enhancement for Health Action in Transition Project)

between

ISLAMIC REPUBLIC OF AFGHANISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

(acting as Administrator of the Afghanistan Reconstruction Trust Fund)

Dated August 27, 2013
ARTF GRANT NUMBER TF015005

AFGHANISTAN RECONSTRUCTION TRUST FUND
GRANT AGREEMENT

AGREEMENT dated August 27, 2013, entered into between the Islamic Republic of Afghanistan ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator (the "World Bank") of grant funds (the "Grant Funds") contributed by various donors (collectively the "Donors") to the Afghanistan Reconstruction Trust Fund ("ARTF").

WHEREAS: the Recipient has already received

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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 Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule I to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through the Ministry of Public Health 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 Project 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 one hundred million United States Dollars ($100,000,000) ("Grant") to assist in financing the Project.
3.02. Additional Grant Funds may be added to the Grant as Donor contributions to ARTF are made from time to time, and depending inter alia on progress in Project implementation. The World Bank shall promptly notify the Recipient of such contributions and any ensuing increase in the amount of the Grant, and shall take all necessary action required on its part to modify this Grant Agreement in order to reflect the increase in available Grant Funds.

3.03. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.04. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. 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 is subject to the availability of such funds.

3.05. The amount of the Grant as approved by the ARTF Management Committee accordingly shall be available to the Recipient.

Article IV
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the following condition has been satisfied:

(a) The 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 have been fulfilled.

Article V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for finance.

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

Ministry of Finance
Pashtunistan Watt
Kabul
Islamic Republic of Afghanistan
Facsimile: 0093-20-210-3258
5.03. 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 Kabul, Islamic Republic of Afghanistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF AFGHANISTAN
By

Authorized Representative

Name: H.E. Hazrat Omar Zakhilwal
Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as Administrator of the Afghanistan Reconstruction Trust Fund)

By

Authorized Representative

Name: Ilango Van Patchamuethu
Title: Acting Country Director
SCHEDULE 1
Project Description

The objectives of the Project are to expand the scope, quality and coverage of health services provided to the population, particularly to the poor, in the Project areas, and to enhance the stewardship functions of the Ministry of Public Health.

The Project consists of the following parts:

Part 1: Basic Package of Health Services and the Essential Package of Hospital Services

(a) Delivery of a Basic Package of Health Services ("BPHS") and an Essential Package of Hospital Services ("EPHS") in selected provinces through the engagement of NGOs under Performance-based Service Contracts.

(b) Delivery of BPHS and EPHS in selected provinces and in the urban area of Kabul through direct service delivery by the MOPH.

(c) Carrying out a program of activities designed to improve access to, and quality of the BPHS and EPHS, such program to include enhancing access of marginalized or at risk populations to BPHS and HIV/AIDS prevention and harm reduction services.

(d) Implementation of results-based financing schemes aimed at gauging the effectiveness of supply-side innovations, including: (i) provision of performance-based payments to health care providers; (ii) testing innovations in the hospital sector aimed at strengthening performance; and (iii) carrying out an impact evaluation to assess and document the effects of the schemes and mainstream the schemes, through the engagement of NGOs under performance agreements.

Part 2: MOPH Stewardship Capacity and System Development

Carrying out a program of activities designed to strengthen the capacity of MOPH in its stewardship functions, such program to include:

(a) strengthening sub-national government for administration of health, including enhancing sub-national planning and budgeting; improving operations and maintenance of facilities and equipment; renovation or construction of offices; and building the capacity of provincial health departments to undertake their enhanced functions.

(b) strengthening health care financing, including undertaking analytical studies and development and testing of appropriate financing models for the health sector consistent with the Recipient's Constitution.
reinforcing regulatory mechanisms and quality assurance systems for the pharmaceutical sub-sector, including: (i) upgrading quality control laboratories; (ii) undertaking post market surveillance; and (iii) enhancing the inspection capacity of MOPH.

undertaking analytical studies and building capacity to promote engagement with the private sector.

strengthening management of national hospitals including, *inter alia*, designing and piloting of a provider payment mechanism that will enhance accountability and enhance hospital performance.

strengthening MOPH human resources to enable development of effective health systems.

strengthening of MOPH’s governance and social accountability framework.

strengthening health information systems and use of information technology in the health sector and strengthening MOPH’s capacity to carry out the monitoring and evaluation of BPHS and EPHS through contracting of a third party evaluator, including: (i) conducting demographic health surveillance; (ii) establishing an integrated disease surveillance; and (iii) establishing a data warehouse.

strengthening MOPH’s health promotion unit and supporting its program and behavior change campaigns.

improving MOPH’s fiduciary systems, including upgrading the financial management system to a web-based system; simplification of payment procedures; capacity building of finance and internal audit staff; accreditation of the procurement department; piloting electronic government procurement; and strengthening of procurement capacity in provinces.

**Part 3: Project Management**

Carrying out a program of activities designed to strengthen the capacity of MOPH’s central and provincial health offices for Project management, procurement, monitoring and evaluation, health care financing, public relations and selected management functions, enhancing the communication capacity of MOPH among its provincial, regional and central offices, and rehabilitation of MOPH offices.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest responsibility for the implementation of the Project in MOPH.

2. The Recipient shall, by not later than August 31, 2013, establish and thereafter maintain, throughout the Project implementation period, the Project Steering Committee, headed by the Deputy Minister for Policy and Planning and comprised of all Director-Generals of the MOPH, to be responsible for, *inter alia*, general Project oversight and maintaining policy dialogue with development partners.

3. The Recipient shall, throughout the period of Project implementation, maintain the MOPH service procurement and contract management department with qualified and experienced staff to be responsible for day-to-day management of service contracts under Part 1(a), (c) and (d) of the Project.

4. To ensure efficient financial management of the Project, the Recipient shall maintain, throughout the Project implementation period, the MOPH finance department, with qualified and experienced financial management staff in adequate numbers to be responsible for financial management aspects of the Project. Procurement aspects of the Project shall be carried out by MOPH procurement department.

B. Implementation Covenants

1. (a) The Recipient shall carry out the Project in accordance with the Financial Management Manual and the RBF Implementation Manual.

   (b) The Recipient shall, by not later than August 31, 2013: (i) update, in accordance with terms of reference agreed with the World Bank, the Financial Management Manual to include the expanded geographical areas covered by the Project; (ii) furnish to the World Bank for its approval the updated Financial Management Manual; and (iii) thereafter adopt the said updated Financial Management Manual as approved by the World Bank.

   (c) Except as the World Bank shall otherwise agree in writing, the Recipient shall not amend or waive any provision of the Financial Management
Manual as amended or the RBF Implementation Manual. In the event of any conflict between the provisions of the Financial Management Manual and the RBF Implementation Manual and the provisions of this Agreement, the latter shall prevail.

2. The Recipient shall by not later than December 31, 2013, appoint and thereafter maintain, an independent third party evaluator under terms of reference acceptable to the World Bank, to carry out regular evaluation of BPHS and EPHS activities and verification of milestones achieved under the Performance Agreements.

3. The Recipient shall, by not later than December 31, 2013 and in accordance with terms of reference acceptable to the World Bank, upgrade the MOPH’s budget planning and expenditure tracking database to facilitate maintenance of subsidiary books of accounts and generation of periodic reports.

C. Service Contracts

1. (a) Performance-based Service Contracts

In order to ensure the proper implementation of Part 1(a) and (c) of the Project, the Recipient shall engage, in accordance with the provisions of Section III of Schedule 2 to this Agreement, Health Service Providers under performance-based service contracts, under terms and conditions set forth in the Financial Management Manual and approved in writing by the World Bank, and which shall include those set forth in paragraph 2 of this Section C (“Performance-based Service Contracts”).

(b) Results Based Financing

(i) In order to ensure the proper implementation of Part 1(d) of the Project, the Recipient shall engage, in accordance with the provisions of Section III of Schedule 2 to this Agreement and the Results Based Financing Grant Agreement, Health Service Providers under performance agreements which shall be made in accordance with terms and conditions approved by the World Bank and set forth in the RBF Implementation Manual, including those set forth in Paragraph 2 of this Section C (“Performance Agreement”).

(ii) The Recipient shall provide funds under the Performance Agreements to Health Service Providers as follows:

(A) NGOs and MOPH direct providers, as Performance-Based Payments based on increase in coverage of maternal and child health services;
(B) hospital's as Performance-Based Payments for staff members based on increase in volume of maternal and child services; and

(C) Provincial health offices, as Performance-Based Payments for improved supervision and monitoring.

(iii) Performance Agreements shall include performance milestones in implementation that, when verified, serve as triggers for the release of payments.

2. Each Performance-based Service Contract and Performance Agreement with a Health Service Provider shall include provisions whereby said provider shall be required to:

   (a) carry out its activities under the respective Performance-based Service Contract or Performance Agreement with due diligence and efficiency and in accordance with sound public health, environmental and social and administrative standards and practices acceptable to the World Bank, including in accordance with the Financial Management Manual, the RBF Implementation Manual, the HCWMP and the Anti-Corruption Guidelines; provide promptly, as needed, the resources required for the purpose; and procure the inputs required for said activities in accordance with procedures that ensure economy and efficiency;

   (b) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect its operations, resources and expenditures; and at the Recipient's or the World Bank's request, have such financial statements 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 statements as so audited to the Recipient or World Bank; and

   (c) enable the Recipient and the World Bank to inspect its facilities, operations and any records and documents relevant to the respective Performance-based Service Contract or Performance Agreement; and prepare and furnish to the Recipient and the World Bank all such information as either shall reasonably request relating to the Performance-based Service Contract or the Performance Agreement.

3. The Recipient shall ensure that no civil works shall be carried out under Part 1 of the Project.
D. Environment and Social Safeguards

1. The Recipient shall carry out the Project in accordance with the Health Care Waste Management Plan (HCWMP") and carry out Parts 2 and 3 of the Project in accordance with the Environmental and Social Management Framework and the Environmental Management Plans.

2. By not later than December 31, 2013, the Recipient shall, under terms of reference acceptable to the World Bank update the HCWMP, in form and substance acceptable to the World Bank which shall include a plan for applying the revised HCWMP in activities commenced under the Project prior to the update of the HCMWP, and thereafter, carry out the Project in accordance with the updated HCWMP.

3. The Recipient shall, prior to carrying out any construction or rehabilitation activities under Parts 2(a) or 3 the Project, carry out a screening of the rehabilitation or construction activities for any potential environmental impacts and have any Environmental Management Plan required under the Environmental and Social Management Framework:

   (a) prepared in accordance with the provisions of the Environmental Management Framework and submitted to the World Bank for its prior review and approval; and

   (b) thereafter adopted and locally disclosed.

4. Except as the World Bank shall otherwise agree in writing, the Recipient shall not amend or waive any provision of the Environmental and Social Management Framework, Environmental Management Plans or the HCWMP.

5. In the event of a conflict between the provisions of either the Environmental and Social Management Framework or Environmental Management Plans or the HCWMP and those of this Agreement, the latter shall govern

6. The Recipient shall ensure that no land acquisition or Involuntary Resettlement is carried out under the Project.

E. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. 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 calendar semester, and shall be furnished to the World Bank not later than forty five (45) days after the end of the period covered by such report.

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.

B. Financial Management; Financial Reports; 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 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.

3. The Recipient shall have its Financial Statements for the Project 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 fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance
with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in 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.

B. **Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Limited International Bidding.</td>
</tr>
<tr>
<td>(b) National Competitive Bidding, subject to the additional provisions set forth in subparagraph 3 of this Section B.</td>
</tr>
<tr>
<td>(c) Direct Contracting.</td>
</tr>
<tr>
<td>(d) Shopping.</td>
</tr>
<tr>
<td>(e) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank.</td>
</tr>
<tr>
<td>(f) Force Account.</td>
</tr>
<tr>
<td>(g) Procurement from UNICEF, UNOPS or WHO.</td>
</tr>
<tr>
<td>(h) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank.</td>
</tr>
<tr>
<td>(i) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the World Bank.</td>
</tr>
<tr>
<td>(j) Community Participation procedures which have been found acceptable to the World Bank.</td>
</tr>
</tbody>
</table>

3. **National Competitive Bidding procedures shall be subject to the following additional procedures:**

(a) Standard bidding documents approved by the World Bank shall be used.
(b) Invitations to bid shall be advertised in at least one (1) widely circulated national daily newspaper and bidding documents shall be made available to prospective bidders, at least twenty eight (28) days prior to the deadline for the submission of bids.

(c) Bids shall not be invited on the basis of percentage premium or discount over the estimated cost.

(d) Bidding documents shall be made available, by mail or in person, to all who are willing to pay the required fee.

(e) Foreign bidders shall not be precluded from bidding.

(f) Qualification criteria (in case pre-qualifications were not carried out) shall be stated on the bidding documents, and if a registration process is required, a foreign firm determined to be the lowest evaluated bidder shall be given reasonable opportunity of registering, without any hindrance.

(g) Bidders may deliver bids, at their option, either in person or by courier service or by mail.

(h) All bidders shall provide bid security or a bid security declaration form as indicated in the bidding documents. A bidder’s bid security or the declaration form shall apply only to a specific bid.

(i) Bids shall be opened in public in one place preferably immediately, but no later than one hour, after the deadline for submission of bids.

(j) Evaluation of bids shall be made in strict adherence to the criteria disclosed in the bidding documents, in a format, and within the specified period, agreed with the World Bank.

(k) Bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the World Bank.

(l) Split award or lottery in award of contracts shall not be carried out. When two (2) or more bidders quote the same price, an investigation shall be made to determine any evidence of collusion, following which: (A) if collusion is determined, the parties involved shall be disqualified and the award shall then be made to the next lowest evaluated and qualified bidder; and (B) if no evidence of collusion can be confirmed, then fresh bids shall be invited after receiving the concurrence of the World Bank.
(m) Contracts shall be awarded to the lowest evaluated bidders within the initial period of bid validity so that extensions are not necessary. Extension of bid validity may be sought only under exceptional circumstances.

(n) Extension of bid validity shall not be allowed without the prior concurrence of the World Bank (A) for the first request for extension if it is longer than four (4) weeks, and (B) for all subsequent requests for extensions irrespective of the period in case of prior review.

(o) Negotiations shall not be allowed with the lowest evaluated or any other bidders.

(p) Re-bidding shall not be carried out without the World Bank’s prior concurrence in case of prior review.

(q) All contractors or suppliers shall provide performance security as indicated in the contract documents. A contractor’s or a supplier’s performance security shall apply to a specific contract under which it was furnished.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-Based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection.</td>
</tr>
<tr>
<td>(b) Selection Based on Consultants’ Qualifications.</td>
</tr>
<tr>
<td>(c) Least-Cost Selection.</td>
</tr>
<tr>
<td>(d) Selection under Fixed Budget.</td>
</tr>
<tr>
<td>(e) Single-source procedures for the Selection of Individual Consultants.</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants.</td>
</tr>
<tr>
<td>(g) Single-source Selection of consulting firms.</td>
</tr>
</tbody>
</table>
D. **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.

**Section IV. Withdrawal of Grant Proceeds**

**A. General**

1. 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 Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services,</td>
<td>98,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training and Incremental Operating Costs for the Project (excluding Parts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1(d); (2)(c)(ii) and (iii); and 2(h)(ii) of the Project)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants’ services and works for</td>
<td>1,250,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
Part 2(c)(ii) and (iii) of the Project

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Goods, non-consulting services, consultants’ services and works for Part 2(h)(ii) of the Project</td>
<td>750,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>100,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
   
   (a) for payments made prior to the date of this Agreement; or
   
   (b) under Category (2) and Category (3), unless a satisfactory proposal setting forth detailed a implementation plan for Part 2(c)(ii), (iii) and (h)(ii) of the Project, in form and substance satisfactory to the World Bank has been: (i) prepared by the Recipient and submitted to the World Bank for its approval; and (ii) thereafter adopted by the Recipient.

2. The Closing Date is June 30, 2018.
APPENDIX

Definitions


2. “ARTF Management Committee” means the committee established pursuant to Section 5 of the standard terms and conditions governing contributions to the Afghanistan Reconstruction Trust Fund (TF no. 050576), responsible for, inter alia, overseeing the activities of the Trust Fund and for resource allocation decisions with respect to the funds thereunder.

3. “BPHS” means a basic package of health services to be delivered by Health Service Providers under Part 1(a) and (c) of the Project and directly by MOPH under Part 1(b) of the Project and includes preventive, promotive, curative, reproductive, basic mental and disability health services.

4. “Category” means the categories set forth in the table in Section IV of Schedule 2 to this Agreement.


7. “Environmental and Social Management Framework” means the Recipient’s Environmental and Social Management Framework dated November, 2012, applicable to Parts 2(a) and 3 of the Project, which sets out, among other things: (i) key principles for social and environmental management of Project; (ii) procedures to screen and process activities under the Project for significant social and environmental impacts, and to assist in mitigating impacts; (iii) procedures to ensure that these principles and procedures are properly applied; and (iv) guidelines for capacity building and monitoring.

8. “Environmental Management Plan” means a plan, to be prepared pursuant to the Environmental and Social Management Framework, setting forth mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental impacts of activities to be implemented under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to
time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such plan.

9. “EPHS” means an essential package of health services to be delivered by a Health Service Provider under Part 1(a) and/or (c) of the Project and directly by MOPH under Part 1(b) of the Project and includes secondary diagnostic and treatment services such as gynecology, obstetrics, neonatal care, postpartum care and complications, nutrition, orthopedics, surgical care, respiratory and gastrointestinal care.

10. “Financial Management Manual” means the manual dated July 30, 2010, to be updated in accordance with Section I.B.1(b) of Schedule 2 to this Agreement, setting out the financial management arrangements and procedures for the Project including the roles and responsibilities of all financial management staff, documentation and approval procedures for payments, reporting requirements and quality assurance measures, implementation arrangements for the BHPS and EPHS, as such manual may be amended from time to time with written agreement between the Recipient and the World Bank.

11. “Financing Agreement” means the agreement entered into between the Recipient and the World Bank dated May 6, 2013 (IDA Grant No. H829-AF), pursuant to which the World Bank undertook to extend to the Recipient the IDA grant to assist in financing the Project.

12. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010

13. “Health Care Waste Management Plan” or “HCWMP” means Recipient’s Health Care Waste Management Plan dated November 26, 2012, identifying the problem of contaminated healthcare waste, designing a series of measures for mitigation thereof and defining institutional arrangements for its implementation, as such HCWMP shall be updated from time to time with written agreement of the World Bank.

14. “Health Results Innovation Trust Fund” means the multi-donor trust fund administered by the International Bank for Reconstruction and Development and the World Bank from funds provided by the Kingdom of Norway and other donors.

15. “Health Service Provider” means either an NGO, MOPH direct provider, a hospital or a Provincial health office selected in accordance with criteria acceptable to the World Bank to carry out activities under Part 1 of the Project.

17. "Incremental Operating Costs" means the incremental expenses incurred on account of Project implementation and management, including the operation and maintenance of vehicles, office supplies, communication charges, insurance costs, office administration costs, banking charges, advertising expenses, utility charges, rental charges, domestic/international travel and per diem allowances, and remuneration of MOPH contracted staff other than consultants included in Procurement Plan, but excluding salaries of officials of the Recipient's civil service.

18. "Involuntary Resettlement" means the following caused on account of Project implementation: (a) the involuntary taking of land, resulting in (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihood of the affected person.

19. "MOPH" or "Ministry of Public Health" means the Recipient's Ministry responsible for public health, or any successor thereto.

20. "NGO" means a non-governmental organization registered and operating under the laws of the Recipient.

21. "Performance Agreement" means each agreement referred to in Section 1.C of Schedule 2 to this Agreement.

22. "Performance Based Payments" means the payments referred to in Section 1.C.1.(b)(ii) to Schedule 2 to this Agreement.

23. "Performance-based Service Contract" means each contract referred to in Section 1.C of Schedule 2 to this Agreement.


25. "Procurement Plan" means the Recipient's procurement plan for the Project, dated January 14, 2013 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

26. "Project Steering Committee" means the committee to be established pursuant to Section 1.A.2 of Schedule 2 to this Agreement.

27. "Results Based Financing Grant Agreement" means the agreement dated December 20, 2009 between the Recipient and the World Bank, acting as
administrator of the Health Results Innovation Trust Fund for the Rural Poor Project, as may be amended from time to time.

28. “RBF” means specific developmental activities to be carried out by a Health Service Provider under Part 1(d) of the Project, financed out of the RBF Grant.

29. “RBF Implementation Manual” means the Results-Based Financing Implementation Manual dated August 9, 2009, in form and substance acceptable to the World Bank, setting out the guidelines, procedures and documentation required for the implementation of Part 1(d) of the Project, as such RBF Implementation Manual may be amended from time to time with written agreement of the World Bank.

30. “RBF Grant” means a grant provided by the World Bank, acting as administrator of the Health Results Innovation Trust Fund, to the Recipient under the Results Based Financing Grant Agreement to assist in financing the Strengthening Health Activities for the Rural Poor Project (Trust Fund Number TF095691-AF).

31. “Training” means the costs associated with the training and workshop participation of personnel involved in Project supported activities, including travel and subsistence costs for training participants, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training courses and workshop.


34. “WHO” means the World Health Organization.