Administration Agreement between the Swiss Confederation, represented by the Federal Department of Foreign Affairs, acting through the Swiss Cooperation Office Ukraine and the International Bank for Reconstruction and Development concerning the Support to Reforms and Governance in the Health Sector in Ukraine Single-Donor Trust Fund (No. TF072763)

Donor Reference No. 81046935

1. The International Bank for Reconstruction and Development (the “Bank”) acknowledges that the Swiss Confederation, represented by the Federal Department of Foreign Affairs, acting through the Swiss Cooperation Office Ukraine (the “Donor”), and together with the Bank, the “Parties” and each a “Party”) agree, subject to legislative appropriations, to make available as a grant the sum of two million six hundred thousand Swiss Francs (CHF 2,600,000) (the “Contribution”) for the Support to Reforms and Governance in the Health Sector in Ukraine Single-Donor Trust Fund, No. TF072763 (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

2. The Contribution shall be used to finance the activities and categories of expenditures in accordance with the terms set forth in the “Support to Reforms and Governance in the Health Sector in Ukraine Trust Fund Description” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the “Standard Provisions” attached hereto as Annex 2 and the provisions on “Governance” attached hereto as Annex 3.

3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section 1 above (“Contribution Currency”) into such bank account designated by the Bank (each amount deposited hereinafter referred to as an “Installment”) upon submission of a payment request by the Bank:

   (A) Promptly following countersignature by December 13, 2016 – CHF 1,300,000;
   (B) By November 30, 2017 – CHF 600,000;
   (C) By January 31, 2019 – CHF 450,000; and
   (D) By January 31, 2020 – CHF 250,000.

4. The Contribution is being provided in Installments on the basis of financial needs of the Trust Fund. If the Bank determines, on the basis of the speed of the implementation of the activities and availability of funds in the Trust Fund, that it is necessary to either bring Installments forward or delay them, the Bank and the Donor will discuss and agree to revise the Installment schedule, as confirmed by the Bank to the Donor in writing.

5. When making any deposit, the Donor shall instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for TF072763 (the Support to Reforms and Governance in the Health Sector in Ukraine Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

6. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax or e-mail to the respective Party’s address specified below or at such other address, as such Party notifies in writing to the other Party from time to time:
For the Bank (the “Bank Contact”):

Feng Zhao
Program Leader
Belarus, Moldova, Ukraine Country Unit
Europe and Central Asia
The World Bank
1818 H. St. NW
Washington DC 20433

Tel: +38(0) 44 490-66-71
Fax: +38(0) 44 490-66-70
E-mail: fzhao@worldbank.org

For the Donor (the “Donor Contact”):

Holger Tausch
Director of Cooperation
Swiss Cooperation Office Ukraine
4, Hlybochytska Street
Kyiv, 04050, Ukraine

Tel/Fax: +380 44 238 62 50/51
E-mail: holger.tausch@eda.admin.ch
Donor Reference No. 81046935

7. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor, unless otherwise agreed with the Bank. When making any deposit, the Bank shall include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Bank in relation to Support to Reforms and Governance in the Health Sector in Ukraine Trust Fund, and the date of the deposit. The Bank shall provide a copy of such information to the Donor.

8. At the date of Bank’s signature of this Administration Agreement, the Indirect Rate (as defined in Annex 1 to this Administration Agreement) is 17%.

9. All annexes hereto constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor.
10. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]
Name: Satu Kähkönen
Title: Country Director
Date: December 7, 2016

SWISS AGENCY FOR DEVELOPMENT AND COOPERATION

By: [Signature]
Name: Nicolas Guichas
Title: Deputy Country Director
Date: December 8, 2016
Support to Reforms and Governance in the Health Sector in Ukraine Trust Fund

Description

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

1. Objectives and Definitions

The objectives of the Trust Fund are to implement priority health reform programs in selected regions and enhance the capacity of the public procurement system within the health sector, including proper monitoring of procurement activities.

The following definitions are used in the description of Trust Fund activities:

(i) “e-Health” means the use of emerging information and communication technology, particularly the internet, to improve or enable health and healthcare thereby enabling stronger and more effective connections among patients, doctors, hospitals, payers, laboratories, pharmacies, suppliers, and other actors of the health system.

(ii) “Oblast” means the name of the administrative territory in Ukraine equivalent to a region.

2. Activities

The activities to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

(a) Advancement in the implementation of priority health reforms and support to the central government’s decision-making process through regional analytical reports

(i) Provide support to: implementing new health financing mechanisms; introducing modern service delivery model at the primary health care level, and modern hospital network planning at the secondary care level; developing a regional e-Health strategy and integrating information technology solutions available in regions; improving surveillance and data management in health; enhancing regional capacities focusing on improving management and technical skills in, inter alia, health management, health financing and data analysis.

(ii) Provide support to the Recipient’s decision-making process by: regularly updating the Recipient on project findings and achievements that will assist the Recipient’s preparation of policy briefs, draft regulations and technical notes; assisting in building the Recipient’s knowledge and technical capacity in line with international best practices for regional dissemination; sharing with the Recipient analytical reports to better inform diagnostic exercises and scale-up regional experience.
(b) Enhancement of the capacity of public institutions to improve governance and fight corruption in the health sector, and monitoring procurement and financial activities of the Serving People, Improving Health (SPIH) project ("Project")

(i) Provide support to: strengthening organizational capacities of public health institutions to prevent corruption, particularly in procurement processes including, \textit{inter alia}, guidance on managing conflicts of interest and developing a grievance mechanism; ensuring proper monitoring of the use of resources under the Project; additional training and supervision of PIUs, regional and health departments.

2.2 Management and administration activities for the Trust Fund, including but not limited to, supporting Trust Fund related meetings; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the activities.

3. Eligible Expenditures

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

(a) contractual services;
(b) media, workshops, conferences and meetings;
(c) travel expenses;
(d) short-term consultants and temporaries;
(e) extended term consultants and temporaries; and
(f) staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries).

3.2 For purposes of this section: (i) "staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries)" includes salaries, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; (ii) "extended term consultants and temporaries" includes fees, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; and (iii) "short term consultants and temporaries" includes fees and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures.

3.3 The "Indirect Rate" means the indirect rate, defined as a percentage of personnel costs and available at the \textit{World Bank's Donor center secure website}, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures.

4. Taxes

4.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank's applicable policies and procedures.
Standard Provisions

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

1. Administration of the Contributions

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement, including its annexes, and shall not be subject to any other duties or responsibilities to the Donor, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 The Donor’s Contribution(s) shall be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, 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 Donor 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 a Donor.

2. Management of the Contributions

2.1 The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund shall be held is Swiss Francs (the “Holding Currency”).

2.3 Donor agrees to deposit its Contribution(s) in the Contribution Currency stated in this Administration Agreement. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable policies and procedures for the investment of trust funds
administered by the Bank. The Bank shall transfer all income from such investment to the Donor’s applicable donor balance account with the Bank.

3. **Accounting and Financial Reporting**

3.1 The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

3.2 The Bank shall furnish to the Donor current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the World Bank’s Trust Funds Donor Center secure website which will be updated quarterly. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donor via the World Bank’s Trust Funds Donor Center secure website.

3.3 The Bank shall provide to the Donor via the World Bank’s Trust Fund Donor Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management assertion together with an attestation from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the Bank.

3.4 If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.

4. **Progress Reporting**

4.1 The Bank shall provide the Donor with annual written progress reports by December 31. The progress reports shall be provided with reference to the results framework agreed by the Bank and the Donor, as such results framework may be reviewed by the Parties from time to time. Within (6) months of the End Disbursement Date (as defined below), the Bank shall provide the Donor with a final narrative report for the Trust Fund.

4.2 The Donor may review or evaluate activities financed by the Trust Fund at any time up to closure of the Trust Fund. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

5. **Disbursement; Cancellation; Refund**

5.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by November 30, 2020 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the
Trust Fund for the purposes of this Administration Agreement (other than returns to the Donor) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreement of the Donor. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

5.2 The Donor may cancel all or part of its pro rata share, and the Bank may cancel any or all of the Donor’s pro rata shares, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro-rata share in the Holding Currency as specified in paragraph 2.2. of this Annex 2; unless otherwise agreed between the Bank and the Donor.

6. Disclosure; Dispute Resolution

6.1 The Bank shall disclose the Administration Agreements and related information on this Trust Fund in accordance with the Bank’s Policy on Access to Information. By entering into an Administration Agreement, the Donor consents to such disclosure of this Administration Agreement and such related information.

6.2 The Donor and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to this Administration Agreement.
ANNEX 3

Governance

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

The implementation of the Trust Fund will be overseen by a Technical Committee (TC) consisting of representatives from the Bank, Donor, and key stakeholders, *inter alia*: Ministry of Health, Ministry of Finance and selected oblasts. Other stakeholders may be invited to the meetings of the TC on a needs basis.

The Bank's health team will inform the TC quarterly regarding the progress of Project implementation. The TC will review and recommend reforms, when needed, in order to ensure a participatory approach and efficient coordination among stakeholders in implementing activities planned under the Project.