

# OFFICIAL DOCUMENTS

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CREDIT NUMBER 5897-UG

## Financing Agreement

(Uganda Reproductive, Maternal and Child Health Services Improvement Project)

between

REPUBLIC OF UGANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated January 19, 2017

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**CREDIT NUMBER 5897-UG**

**FINANCING AGREEMENT**

AGREEMENT dated January 19, 2017, entered into between REPUBLIC OF UGANDA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to seventy-eight million five hundred thousand Special Drawing Rights (SDR 78,500,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are February 1 and August 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

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### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Parts 1, 2 and 4 of the Project through the Ministry of Health and shall cause Part 3 of the Project to be carried out by the National Identification and Registration Authority (“NIRA”) in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Events of Suspension consist of the following:
- (a) NIRA’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of NIRA to perform any of its obligations under the Subsidiary Agreement.
  - (b) NIRA has failed to perform any of its obligations under the Subsidiary Agreement.
- 4.02. The Additional Events of Acceleration consist of the following:
- (a) the event specified in paragraph (a) of Section 4.01 of this Agreement occurs;
  - (b) the event specified in paragraph (b) of Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Subsidiary Agreement has been executed on behalf of the Recipient and NIRA;
  - (b) the Grant 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 (other than the effectiveness of this Agreement) have been fulfilled;

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- (c) the Recipient has adopted the Operational Manual in accordance with the provisions of Section I.C.1 of Schedule 2 to this Agreement; and
  - (d) the Recipient has, through MoH, established and operationalized an RBF Unit, in accordance with the provisions of the Operational Manual.
- 5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and NIRA, respectively, and is legally binding upon the Recipient and NIRA, respectively, in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.
- 5.04. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

#### **ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is its minister responsible for finance.
- 6.02. The Recipient's Address is:
- Ministry of Finance, Planning and Economic Development  
P.O. Box 8147  
Kampala,  
Republic of Uganda
- |                |                |
|----------------|----------------|
| Telephone      | Facsimile      |
| 256-414-707000 | 256-414-230163 |
- 6.03. The Association's Address is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

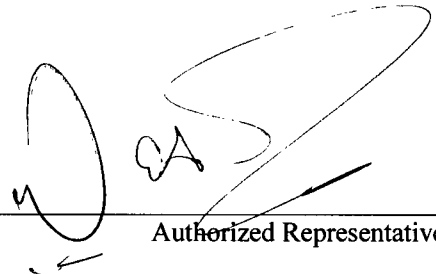
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AGREED at Kampala, Uganda, as of the day and year first above written.

REPUBLIC OF UGANDA

By:



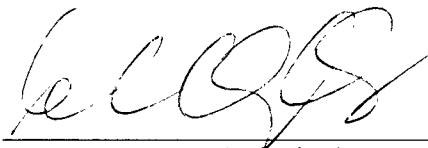
Authorized Representative

Name: MATIA KASIMJA

Title: Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:



Authorized Representative

Name: CHRISTINA MALMBERG CALVO

Title: COUNTRY MANAGER

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to: (a) improve utilization of essential health services with a focus on reproductive, maternal, newborn, child and adolescent health services in target Districts; and (b) scale up birth and death registration services.

The Project consists of the following parts:

#### **Part 1. Results-Based Financing for Primary Health Care Services**

- (a) Provision of RBF Grants to: (i) Participating Health Facilities (“PHFs”) for the delivery of RMNCAH Services; and (ii) District Health Teams for the verification of outputs/results under Part 1(a)(i) immediately above.
- (b) Supporting: (i) implementation, supervision, reporting, and external verification of outputs/results as well as monitoring and evaluation of activities under Part 1(a) immediately above; and (ii) selection of PHFs and provision of training to said PHFs.

#### **Part 2. Strengthen Health Systems to Deliver RMNCAH Services**

Carrying out of a program of actions designed to strengthen the capacities of health systems for delivery of RMNCAH Services, namely:

- (a) Improving availability of essential drugs and supplies through, *inter alia*: (i) procurement and distribution of essential RMNCAH commodities such as integrated community childhood management supplies, mama kits, manual vacuum aspiration kits, and contraceptives; (ii) improving quantification of drug needs and reporting on drug availability on a quarterly basis at the District levels; (iii) upgrading the warehousing system in national medical stores, including, integration of financial and logistics management systems; (iv) assignment of medicines management supervisors to District Health Teams; and (v) rolling out of electronic logistics management systems in priority Districts.
- (b) Improving availability and management of the health force through, *inter alia*: (i) supporting the recruitment process of staff for health service providers (within the wage bill allocations) in understaffed Districts; (ii) provision of training to RMNCAH cadres in short supply such as mid wives, anesthetists and laboratory technicians; and (iii) supporting in-service training and mentorship programs focusing on RMNCAH Services.
- (c) Improving availability and functionality of medical equipment in health facilities, through: (i) procurement and distribution of critical RMNCAH equipment to selected health facilities; (ii) preparation of guidelines for and redistribution of

basic medical equipment from Districts or health facilities in appropriate circumstances; and (iii) strengthening the inventory management system for equipment.

- (d) Strengthening infrastructure in primary health facilities, through: construction of maternity units in select health center III facilities; development of guidelines for simple renovation of Participating Health Facilities, including, simplified procurement procedures as well as simplified environmental and social management procedures; and renovation and upgrading of health facilities.
- (e) Improving quality of care and supervision through, *inter alia*: (i) effective supervision of District Health Teams on a quarterly basis; (ii) rolling out of the Health Facility Quality of Care Assessment Program in health facilities; (iii) issuance of service standards/protocols on maternal and perinatal death audits, health care waste management, client charters among others; (iv) development of guidelines for procurement and management of ambulance and referral services on a fee-for-service basis at the District level; (v) strengthening the capacities of village health teams for implementation of community health outreach programs; and (vi) strengthening information, education and communication mechanisms as well as citizen engagement through health unit management committees, constituency task forces and client charters.

**Part 3. Strengthen Capacity to Scale-Up Delivery of Births and Deaths Registration Services**

- (a) Carrying out of a program of actions designed to strengthen the NIRA's and other institutional capacities for coordination, implementation and oversight of births and deaths registration (BDR) services at the national, District and sub-county levels, namely:
  - (i) development and dissemination of a national civil registration and vital statistics (CRVS) policy as well as an appropriate communication and advocacy strategy;
  - (ii) development of appropriate BDR protocols and manuals including: a community cause-of-death reporting tool; standard pre-service and in-service training curricula on certification of cause of death and ICD coding; norms and standards for cause-of-death reporting and ICD coding; establishment of a sustainable supply and management of BDR tools; and provision of appropriate training to essential staff;
  - (iii) establishment and operationalization of an efficient and effective CRVS monitoring and evaluation system and enhancing the use of CRVS data for policy formulation, planning and accountability purposes; and

- (iv) provision of technical advisory services, training, operating costs and acquisition of goods for the purpose.
- (b) Carrying out of a program of actions designed to scale up provision of BDR services in health facilities and in communities, namely: (i) establishing BDR outreach services in priority Districts with electronic vital records systems capabilities; (ii) scaling up electronic vital records systems in new Districts; (iii) scaling up birth registration in lower levels of care health facilities and private hospitals in all Districts; (iv) extension of outreach birth registration services to remote and underserved communities; (v) provision of training to health care facilities' and community-based BDR personnel; (vi) incorporating a death registration module within the existing electronic vital records system and provision of training to users; (vii) provision of training to clinical staff as well as maternal and perinatal death audit committees on cause of death reporting; (viii) development of a customized health management information system for reporting cause-of-death and ICD coding; and (ix) provision of goods and training for the purpose.

**Part 4. Enhance Institutional Capacity to Manage Project Supported Activities**

- (a) Strengthening the capacities of the Ministry of Health and NIRA for day to day implementation, coordination and management of Project activities, including, financial management, audits, procurement as well as monitoring and evaluation, all through the provision of technical advisory services, non-consulting services, works, training, operating costs, and acquisition of goods for the purpose.
- (b) Strengthening the capacity of the RBF Unit for day to day implementation, coordination and management of activities under Part 1(a)(i) of the Project, all through the provision of technical advisory services, non-consulting services, works, training, operating costs, and provision of goods for the purpose.
- (c) Supporting implementation, management, monitoring and reporting of environmental and social safeguards activities.
- (d) Supporting monitoring and evaluation of Project activities and results.



## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Institutional and Implementation Arrangements**

##### **A. Institutional Arrangements**

###### **1. Ministry of Health (“MoH”)**

The Recipient shall designate, at all times during the implementation of the Project, the MoH to be responsible for prompt and efficient oversight and implementation of activities under Parts 1, 2 and 4 of the Project and to collaborate with the NIRA on implementation of activities under Part 3 of the Project, all in accordance with the provisions of the Operational Manual. To this end, the Recipient shall take all actions including the provision of funding, personnel and other resources necessary to enable said MoH to perform these functions.

###### **2. NIRA**

The Recipient shall designate, at all times during the implementation of the Project, the NIRA to be responsible for prompt and efficient oversight and implementation of activities under Part 3 of the Project, all in accordance with the provisions of the Operational Manual. To this end, the Recipient shall take all actions including the provision of funding, personnel and other resources necessary to enable said NIRA to perform its functions.

##### **B. Subsidiary Agreement**

###### **1. To facilitate the carrying out of Part 3 of the Project, the Recipient, through MoH, shall make part of the proceeds of the Financing allocated from time to time to Category (3) of the table set forth in Section IV.A.2 of this Schedule available to NIRA (“Subsidiary Financing”) under a subsidiary agreement between the Recipient and the NIRA, under terms and conditions approved by the Association, which shall include:**

- (a) the Subsidiary Financing shall be denominated in Uganda Shillings;
- (b) the Subsidiary Financing shall be made available on a non-refundable grant basis; and
- (c) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the NIRA, to use the proceeds of the Subsidiary Financing, or obtain a refund of all or any part of the amount of the Subsidiary Financing then withdrawn, upon the NIRA’s failure to perform any of its obligations

under the Subsidiary Agreement; and (ii) require the NIRA to: (A) carry out said Part 3 of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of credit proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose of carrying out said Part 3 of the Project; (C) procure the goods, works, non-consulting services and consultants' services to be financed out of the Subsidiary Financing in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of said Part 3 of the Project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to said Part 3 of the Project; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to inspect said Part 3 of the Project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing ("Subsidiary Agreement").

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

**C. Implementation Arrangements**

1. Operational Manual
  - (a) The Recipient, through the MoH, shall prepare and thereafter adopt in accordance with terms of reference acceptable to the Association, an operational manual for the Project. The operational manual shall include provisions on the following matters: (i) capacity building activities for sustained achievement of the Project's objectives; (ii) arrangements on financial management, setting forth the detailed policies and procedures for financial management; (iii) procurement management procedures;

(iv) institutional administration, coordination and day to day execution of Project activities; (v) monitoring and evaluation; (vi) reporting; (vii) information, education and communication of Project activities and results; (viii) guidelines for assessing potential environmental and social impacts of Project activities and designing appropriate mitigation, management and monitoring measures in respect of the said impacts; (ix) the National RBF Framework for management of activities under Part 1(a) of the Project (including, a template of the Memorandum of Understanding, appropriate penalties and sanctions); and (x) such other technical and organizational arrangements and procedures as shall be required for the Project.

- (b) The Recipient, through the MoH, shall afford the Association a reasonable opportunity to exchange views with the Recipient on said operational manual, and thereafter shall adopt such operational manual, as shall have been approved by the Association (“Operational Manual”).
- (c) The Recipient, through the MoH, shall ensure that the Project is carried out in accordance with the Operational Manual, provided, however, that in case of any conflict between the provisions of the Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Operational Manual.

2. Annual Work Plan and Budget

- (a) The Recipient shall:
  - (i) through MoH, prepare and furnish to the Association not later than June 30 of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities proposed to be included under Parts 1, 2 and 4 of the Project during the following Fiscal Year, and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing (“MoH Work Plan and Budget”); and
  - (ii) cause NIRA to prepare and furnish to the Association not later than June 30 of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities proposed to be included under Part 3 of the Project during the following Fiscal Year, and a proposed financing plan for expenditures

required for such activities, setting forth the proposed amounts and sources of financing (“NIRA Work Plan and Budget”).

- (b) Each such proposed MoH Work Plan and Budget and each such proposed NIRA Work Plan and Budget shall specify any Training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the Training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the Training; and (vi) the cost of the Training.
- (c) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed MoH Work Plan and Budget and such proposed NIRA Work Plan and Budget and thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such proposed MoH Work Plan and Budget and such proposed NIRA Work Plan and Budget as shall have been approved by the Association (collectively, “Annual Work Plan and Budget”).
- (d) The Recipient shall not make or allow to be made any change(s) to the approved Annual Work Plan and Budget without prior approval in writing by the Association

**D. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**E. RBF Grants under Part 1(a) of the Project; Memoranda of Understanding**

- 1. *Eligibility.* In order to ensure the proper implementation of Part 1(a) of the Project, the Recipient shall, through MoH, make RBF Grants to Participating Health Facilities (“PHFs”) for delivery of RNMCAH Services, in accordance with eligibility criteria and procedures acceptable to the Association, which shall include, *inter alia*, the following:
  - (a) the Recipient, through MoH, has determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the Association, and elaborated in the Operational Manual and Section 14.4 of the ESMF, that:
    - (i) the proposed PHF: (A) is a legal entity and a public or a private provider of, among others, RNMCAH Services and is located in an eligible District, with the organization, management, technical capacity and financial resources necessary to carry out the

proposed RNMCAH Services; and (B) has prepared a satisfactory financing plan and budget, and a satisfactory implementation plan for the proposed RNMCAH Services;

- (ii) the proposed RNMCAH Services: (A) are technically feasible, and financially and economically sound; and (B) are in compliance with the ESMF and any Environmental and Social Management Plan developed thereunder for purposes of said RNMCAH Services; the National Health Care Waste Management Plan; and the National HCWM Guidelines and such other relevant sectoral, environmental, and social standards and policies; and
- (b) the: (i) aggregate amount of all RBF Grants made in a given calendar year to PHFs shall not exceed the limit set out in the Annual Work Plan and Budget; and (ii) maximum amount of each RBF Grant for RNMCAH Services shall not exceed 100 percent of the total estimated cost of the RNMCAH Services minus the amount of other funds allocated to finance such cost.

## **2. Memoranda of Understanding**

- (a) The Recipient, through MoH, shall implement Part 1(a) of the Project in accordance with the arrangements and procedures set out in the Memoranda of Understanding between MoH and respective Districts (including eligible PHFs in said respective Districts), provided, however, that in case of any conflict between the provisions of any Memorandum of Understanding and of this Agreement, the provisions of this Agreement shall prevail.
- (b) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of a Memoranda of Understanding, if such amendment, abrogation or waiver may, in the opinion of the Association, materially or adversely affect the implementation of said Part 1(a) of the Project.

## **F. Verification of RNMCAH Services Delivery**

### **1. Internal Verification**

The Recipient, through MoH, shall, under terms of reference acceptable to the Association and elaborated in the Operational Manual, ensure that the relevant District Health Team verifies on a quarterly basis, the quality and quantity of the RNMCAH Services delivered by a PHF, and for which payment to said PHF is to be provided out of an RBF Grant.

2. External Verification

The Recipient, through MoH, shall appoint an Independent Verification Agency (“IVA”) in accordance with the provisions of Section III of this Schedule 2, to conduct independent verifications of the delivery of RNMCAH Services by PHFs. To this end, the Recipient, through MoH shall cause said IVA to carry out, throughout Project implementation, semi-annual verification exercises of RNMCAH Services and to provide the Recipient with reports of such exercises; such verification to include, *inter alia*, community surveys, PHF spot checks, verification of data provided and records kept by PHFs in relation to said RNMCAH Services, and assessments of the quality of health services provided thereunder, all in accordance with the provisions of the Operational Manual.

**G. Safeguards**

1. The Recipient shall ensure that the Project is carried out in accordance with the Safeguards Frameworks, Safeguards Instruments, the National Health Care Waste Management Plan, and the National HCWM Guidelines. To this end, the Recipient shall ensure that the following actions are taken in a manner acceptable to the Association:
  - (a) if any Project activity would, pursuant to the Environmental and Social Management Framework (“ESMF”): (i) require the carrying out of an Environmental and Social Impact Assessment (“ESIA”), the Recipient shall ensure that an ESIA for such activity is: (A) carried out, in accordance with the requirements of the ESMF and furnished to the Association for review and approval; (B) disclosed as required by the ESMF and approved by the Association; and (C) no works under said activity shall be commenced until all measures required to be taken under said ESIA prior to the initiation of said works have been taken; and (ii) require the preparation of an Environmental and Social Management Plan (“ESMP”), the Recipient shall ensure that: (A) such ESMP is prepared for such activity in accordance with the ESMF and furnished to the Association for review and approval, and is disclosed as required by the ESMF and approved by the Association; and (B) no works under said activity shall be commenced until all measures required to be taken under said ESMP prior to the initiation of said works have been taken;
  - (b) if a Resettlement Action Plan (“RAP”) would be required for any Project activity on the basis of the Resettlement Policy Framework (“RPF”): (i) said RAP shall be prepared in accordance with the requirements of the RPF, furnished to the Association for review and approval, and disclosed as required by the RPF and approved by the Association; and (ii) no works under said activity shall be commenced until all measures required to be taken under said RAP prior to the initiation of said works have been taken;

- (c) if an Indigenous Peoples Plan (“IPP”) would be required for any Project activity on the basis of the Indigenous Peoples Planning Framework (“IPPF”): (i) such IPP shall be prepared in accordance with the requirements of the IPPF, furnished to the Association for review and approval, and is disclosed as required by the IPPF and approved by the Association; and (ii) no activity shall be commenced until all measures required to be undertaken under said IPP prior to the commencement of said activity has been undertaken; and (d) that Project activities are carried out in accordance with the Indigenous People’s Plan (May 2016).
- 2. Without limitation upon its other reporting obligations under this agreement and under Section 4.08 of the General Conditions, the Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of the Safeguards Frameworks, Safeguards Instruments, the National Health Care Waste Management Plan, and the National HCWM Guidelines, giving details of: (a) measures taken in furtherance of such Safeguards Frameworks; Safeguards Instruments; the National Health Care Waste Management Plan; and the National HCWM Guidelines; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguards Frameworks; Safeguards Instruments; the National Health Care Waste Management Plan; and the National HCWM Guidelines; and (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguards Frameworks; Safeguards Instruments; the National Health Care Waste Management Plan; and the National HCWM Guidelines.
- 3. **RAP Compensation Costs under Part 2 (d) of the Project**
  - (a) Without limitation upon the provisions of Section 4.03 of the General Conditions, the Recipient shall, in each Fiscal Year (“FY”) commencing FY2017/2018: (i) through MoH, establish and thereafter maintain at all material times during the implementation of the Project, a budget line item for RAP compensation costs under Part 2(d) of the Project; and (ii) through MoFPED, allocate counterpart funds required for said RAP compensation costs under said Part 2(d) of the Project, until payment(s) for said RAP compensation costs shall fall due.
  - (b) The Recipient shall ensure that all amounts allocated to said budget line item shall be used exclusively to pay for said RAP compensation costs as and when they fall due.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
2. The Recipient shall, not later than three months prior to the mid-term review referred to in paragraph 3 of this Section II.A, furnish to the Association for comments, a report, in such detail as the Association shall reasonably request, on the progress of the Project, and giving details of the various matters to be discussed at such review.
3. The Recipient shall, not later than thirty (30) months after the Effective Date, undertake, in conjunction with all agencies involved in the Project, a comprehensive mid-term review of the Project during which it shall exchange views with the Association and implementing agencies generally (including NIRA) on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by said implementing agencies, having regard to the performance indicators referred to in paragraph 1 of this Section II.A.
4. Following the mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may be required in furtherance of the objectives of the Project.

**B. Financial Management, Financial Reports and Audits**

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each 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 Association not later than six (6) months after the end of such period.

4. **Internal Audits.** Without limitation upon the provisions of paragraph 3 of this Section II.B, the Recipient shall carry out semi-annual internal audits under terms and conditions satisfactory to the Association, and furnish the related internal audit reports to the Association not later than thirty (30) days after the end of each audited period.

**C. Value for Money Audit**

Without limitation upon the provisions of Part B of this Section III, the Recipient, through OAG, shall carry out under terms of reference satisfactory to the Association, at least two value for money audits of Project activities during the Project period, and furnish each said audit to the Association not later than six months after the end of the period to which the audit relates. To this end, the Recipient shall take all actions including the provision of funding, personnel and other resources to enable the OAG to carry out said value for money audits.

**D. Other Financial Management Covenants**

1. The Recipient shall, not later than three (3) months after the Effective Date, provide financial management training for MoH and NIRA staff involved in financial management under the Project, under terms of reference acceptable to the Association.
2. To facilitate the carrying out of internal audits under Part B.4 of this Section II, the Recipient shall, not later than six (6) months after the Effective Date, appoint an internal auditor, in accordance with the provisions of Section III of this Schedule 2.

**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 Association 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 methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, *subject to the additional provisions in paragraph 3 below*; (c) Shopping, *subject to the additional provision in paragraph 4 below*; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association, *subject to the additional provision in paragraph 5 below*; (e) Direct Contracting; (f) Force Account; (g) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (h) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association; and (i) Community Participation procedures which have been found acceptable to the Association.
  3. **National Competitive Bidding (“NCB”)** shall be subject to the following:
    - (a) Domestic preferences shall not apply under NCB.
    - (b) The charging of fees for dealing with bidder complaints at procuring entity level shall not be permitted.
    - (c) Firms or individuals debarred or suspended by the Association shall not be eligible (in addition to firms or individuals suspended by PPDA).
    - (d) Paragraph 6(1)(c) of the fourth schedule of the PPDA Act set out in Annex 1 to this Agreement (restriction on contract amendments to an aggregate amount of twenty-five percent (25%) of the original contract amount) shall not apply.

- (e) Regulation 48(a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations set out in Annex 1 to this Agreement (on rejection of a bid submitted by a bidder who did not obtain the bidding document directly from the procuring and disposing entity) shall not apply.
  - (f) Regulation 53(9) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations set out in Annex 1 to this Agreement (restriction on the use of bid securing declarations to restricted domestic bidding and quotations procurement) shall not apply.
  - (g) Procurement under Part 1(a) of the Project shall be conducted by PHF procurement committee(s), in accordance with the provisions of the Operational Manual.
- 4. Shopping shall follow the request for quotations procedures (as defined in the PPDA Act and attendant regulations) subject to the provisions in sub-paragraphs (a) to (f) immediately above.
  - 5. Framework Agreements (“FAs”) shall be subject to the following, namely, that FA procedures (as defined in the PPDA Act) shall be subject to competitive bidding under NCB procedures (subject to the exceptions under paragraph 3 above).

**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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (g) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (h) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (i) Single-source procedures for the Selection of Individual Consultants.

**D. Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association 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 Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) RBF Grants under Part 1(a) of the Project	25,000,000	58%
(2) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for Parts 1(b), 2 and 4 of the Project	49,900,000	100%
(3) Goods, works, non-consulting services, consultants' services, Training and	3,600,000	50%

Operating Costs for Part 3 of the Project		
<b>TOTAL AMOUNT</b>	78,500,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) under Category 1, unless and until the Recipient, through MoH, has appointed an IVA in accordance with the provisions of Section I.F.2 of Schedule 2 to this Agreement; or
  - (b) under Category 3, unless and until the Recipient, through NIRA, has appointed an account assistant and a Project officer, all in accordance with the provisions of Section III of this Schedule 2.
2. The Closing Date is June 30, 2021.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each February 1 and August 1 commencing August 1, 2022 to and including February 1, 2054	1.5625%

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

## APPENDIX

### Definitions

1. “Affected Persons” means persons who, on account of the execution of the Project would suffer direct economic and social impacts resulting in: (a) relocation or loss of shelter; (b) loss of assets or access to assets; (c) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; and (d) adverse impacts on the livelihoods of the affected persons.
2. “Annual Work Plan and Budget” means the work plan and budget prepared annually by the Recipient in accordance with the provisions of Section I.C.2 of Schedule 2 to this Agreement.
3. “Anti-Corruption Guidelines” means 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.
4. “BDR” means birth and death registration.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
7. “CRVS” means civil registration and vital statistics.
8. “District” means a district local government established and operating pursuant to the Local Governments Act Chapter 243, of the laws of the Recipient, and “Districts” means, collectively, two or more such districts local governments.
9. “District Health Team” or “DHT” means the Recipient’s health team at the District level, and “District Health Teams” or “DHTs” means, collectively, two or more such district health teams.
10. “Environmental and Social Management Framework” or “ESMF” means the document of the Recipient entitled *Environmental and Social Management Framework for Uganda Reproductive, Maternal, Neonatal and Child Health Improvement Project*, dated May, 2016, as disclosed in-country and in the Association’s InfoShop on June 6, 2016, said document setting forth the modalities for and giving details of the magnitude of the environmental and social impacts, as well as the specific actions, measures and policies designed to mitigate the said environmental and social impacts, including the institutional, procedural and other measures needed to implement such actions, measures and policies, and such term

includes all schedules and annexes to the ESMF, as the same may be amended from time to time with the written agreement of the Association.

11. “Environmental and Social Management Plan” or “ESMP” means a plan prepared by the Recipient in accordance with the provisions of Section I.G of Schedule 2 to this Agreement.
12. “Fiscal Year” or “FY” means the Recipient’s twelve-month period starting July 1 and ending June 30 of the following year.
13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
14. “Grant” means the grant of thirty million Dollars (\$30,000,000) provided to the Recipient under the Grant Agreement.
15. “Grant Agreement” means the agreement of the same date as this Agreement, between the Recipient and the International Development Association, acting as Administrator of the Global Financing Facility Trust Fund, providing a grant for the Project (GFF Grant Number TF0A2977).
16. “Health Facility Quality of Care Assessment Program” means the document of the Recipient entitled *Ministry of Health, Health Facility Quality of Care Assessment Program Implementation Manual*, dated January 2015; and the *Health Facility Quality of Care Assessment Program Facility Assessment Tool*, dated January 2015.
17. “ICD” means international classification of diseases.
18. “Independent Verification Agency” or “IVA” means the agency referred to in Section F.2 of Schedule 2 to this Agreement.
19. “Indigenous People” means the distinct, vulnerable, social and cultural groups of people stipulated in paragraph 3.4.1 of the IPPF.
20. “Indigenous People’s Plan” or “IPP” means a plan prepared in accordance with the IPPF and the provisions of Section I.G of Schedule 2 to this Agreement for the purposes of a Project activity.
21. “Indigenous People’s Plan (May 2016)” means the Recipient’s document entitled *Indigenous People’s Plan (IPP) Uganda Reproductive, Maternal, Neonatal and Child Health Improvement Project* dated May 2016, approved on May 28, 2016, and disclosed in-country and in the Association’s InfoShop on June 1, 2016, which Plan reviews the general and health specific concerns, legal and institutional framework applicable to Indigenous Peoples in Uganda, describes the demographic, socio-cultural and political organization of Project intervention



components, provides a description of the approach used to attain the required free, prior and informed consultation, assesses the potential positive and negative effects arising from Project implementation, and proposes measures for mitigating adverse effects and grievance handling while assuring RMNCAH service delivery benefits from Project implementation that are culturally appropriate, and such term includes all schedules and annexes to the IPP, as the same may be amended from time to time with the written agreement of the Association.

22. “Indigenous People’s Planning Framework” or “IPPF” means the document of the Recipient entitled *Indigenous Peoples Policy Framework Uganda Reproductive, Maternal, Neonatal and Child Health Improvement Project Final Report*, dated May 2016, and disclosed in-country and in the Association’s InfoShop on June 1, 2016, which document sets forth the modalities for general and health specific needs of the Indigenous Peoples as identified during the consultations, the legal and institutional framework applicable to Indigenous Peoples, and grievances mechanisms while assuring social and economic benefits from implementation of Project activities, and such term includes all schedules and annexes to the IPPF, as the same may be amended from time to time with the written agreement of the Association.
23. “Memorandum of Understanding” or “MOU” means a memorandum of understanding between MoH and a District (including eligible PHFs in said District), providing an RBF Grant to said District for implementation of RMNCAH Services under Part 1(a) of the Project, as the same may be amended from time to time with the written agreement of the Association, and “Memoranda of Understanding” means, collectively, two or more such memorandum of understanding.
24. “Ministry of Finance, Planning and Economic Development” or “MoFPED” means the Recipient’s ministry responsible for finance, and any successor thereto.
25. “Ministry of Health” or “MoH” means the Recipient’s ministry responsible for health, and any successor thereto.
26. “MoH Work Plan and Budget” means the Recipient’s work plan and budget referred to in Section I.C.2 of Schedule 2 to this Agreement.
27. “National Health Care Waste Management Plan” means the Recipient’s plan for the period 2007/2008–2011/2012, setting out, *inter alia*, the modalities for assessment of environmental and social impacts of health care waste produced under the Project and measures to mitigate adverse impacts identified in the assessment, and such term includes all schedules and annexes to the plan, as the same may be amended from time to time with the written agreement of the Association.

28. “National HCWM Guidelines” means the collection of all Ministry of Health guidelines pertaining to health care waste management and infection control, including: *Approaches to Health Care Waste Management - Health Workers Guide*, Second Edition, 2013; *Uganda National Infection Prevention and Control Guidelines* dated December 2013; and the *National Policy on Injection Safety and Health Care Waste Management*, 2014.
29. “National Identification and Registration Authority” or “NIRA” means the Recipient’s authority established and operating pursuant to the Registration of Persons Act Number 4 of 2015, of the laws of the Recipient, and any successor thereto.
30. “NIRA’s Legislation” means the Registration of Persons Act Number 4 of 2015, of the laws of the Recipient.
31. “NIRA Work Plan and Budget” means the Recipient’s work plan and budget referred to in Section I.C.2 of Schedule 2 to this Agreement.
32. “OAG” means the Office of the Auditor General, established and operating pursuant to Article 163 of the Constitution of the Recipient, 1995, as amended, and any successor thereto.
33. “Operating Costs” means the incremental expenses incurred on account of Project implementation based on the Annual Work Plan and Budget, and consisting of, audit fees, expenditures for office supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and *per diem*, and salaries of Project staff, but excluding the salaries of the Recipient’s civil service, meeting allowances, other sitting allowances, salary top ups and all honoraria.
34. “Operational Manual” means the Recipient’s manual referred to in Section I.C.1 of Schedule 2 to this Agreement.
35. “Participating Health Facility” or “PHF” means an entity to which or for whose benefit an RBF Grant is made or proposed to be made for the delivery of RMNCAH Services and which is a party to an RBF Grant Agreement; and “Participating Health Facilities” or “PHFs” means, collectively, two or more such entities.
36. “PPDA” means the Recipient’s Public Procurement and Disposal of Public Assets Authority established and operating pursuant to the PPDA Act, and any successor thereto.

37. “PPDA Act” means the Recipient’s Public Procurement and Disposal of Public Assets Act Number 1 of 2003, as amended to date.
38. “PPDA Regulations” means, for the purposes of this Agreement, the provisions from the Recipient’s Public Procurement and Disposal of Public Assets (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014 (under section 96 of the PPDA Act), Number 8 of 2014, set out in Annex 1 to this Agreement.
39. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
40. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 17, 2016 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.
41. “RBF” means results based financing.
42. “RBF Grant” means a grant made or proposed to be made out of the proceeds of the Financing to a PHF to finance RMNCAH Services; and “RBF Grants” means, collectively, two or more such grants.
43. “RBF Unit” means the unit established and operating within the MoH all in accordance with the provisions of the Operational Manual.
44. “Resettlement Action Plan” or “RAP” means a resettlement plan, prepared and implemented in accordance with the RPF and the provisions of Section I.G of Schedule 2 to this Agreement.
45. “Resettlement Policy Framework” or “RPF” means the document of the Recipient entitled *Resettlement Policy Framework For Uganda Reproductive, Maternal, Neonatal, and Child Health Improvement Project*, dated May 2016 and disclosed in-country and in the Association’s InfoShop on June 1, 2016, which document sets forth the modalities for assessing involuntary resettlement and land acquisition impacts arising from the implementation of Project activities, and further sets out appropriate mitigation measures, including, resettlement and compensation of Affected Persons under the Project, and institutional arrangement for monitoring such measures, as said document may be amended from time to time with the written agreement of the Association.
46. “RMNCAH” means reproductive, maternal, newborn, child and adolescent health.
47. “RMNCAH Services” means a specific package of reproductive, maternal, newborn, child and adolescent health services elaborated in the Operational

Manual, to be delivered by a Participating Health Facility under Part 1(a)(i) of the Project, all in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.

48. "Safeguards Framework" means, the ESMF, RPF or IPPF, as the context may require; and "Safeguards Frameworks" means, collectively, two or more such frameworks.
49. "Safeguards Instrument" means an ESIA, ESMP, a RAP or an IPP for a Project activity; and "Safeguards Instruments" means, collectively, two or more such instruments.
50. "Subsidiary Agreement" means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the NIRA.
51. "Subsidiary Financing" means that part of the proceeds of the Financing allocated from time to time to Category (3) set forth in the table in Section IV of Schedule 2 to this Agreement.
52. "Training" means the costs associated with training provided under the Project based on the Annual Work Plan and Budget, and consisting of reasonable expenditures (other than expenditures for consultants' services) for: (a) travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.
53. "Uganda Shillings" means the lawful currency of the Recipient.

ANNEX 1

**Exceptions to the PPDA Regulations**

**“48. Bidding documents not obtained directly from a procuring and disposing entity.**

A bid shall be rejected during the preliminary examination of bids, if the bid is received from a bidder who –

- (a) is not listed on Form 8 as having bought or obtained the bidding document directly from the procuring and disposing entity.

...

**53. Bid security and bid securing declaration.**

- (9) A procuring and disposing entity shall require a bid securing declaration where the restricted domestic bidding and quotations procurement methods are used.”

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**Exception in Fourth Schedule to the PPDA Act**

***“Section 79 (1).***

**Fourth Schedule  
Conditions for Use of Procurement Methods**

**6. Direct procurement.**

- (1) Direct procurement may be used—

- (a) where—

- (i) there is insufficient time for any other procedure such as in an emergency situation; or
- (ii) the works, services or supplies are available from only one provider; or
- (iii) an existing contract could be extended for additional works, services or supplies of a similar nature and no advantage could be obtained by further competition, if the prices on the extended contract are reasonable; or

- (iv) additional works, services or supplies are required to be compatible with existing supplies, works or services and it is advantageous or necessary to purchase the additional works, services or supplies from the original supplier, provided the prices on the additional contract are reasonable; or
  - (v) it is essential or preferable to purchase additional works, services or supplies from the original supplier to ensure continuity for downstream work, including continuity in technical approach, use of experience acquired or continued professional liability, if the prices on the additional contract are reasonable;
- (b) in the circumstances specified in subparagraph (1) (a)(iii), (iv) and (v), where the value of the new works, services or supplies does not exceed fifteen percent of the value of the original or existing contract and the original or existing contract is awarded through a competitive process; and
- (c) where direct procurement is used more than once in the circumstances specified in sub paragraph (1)(b), the cumulative value of all new works, services or supplies shall not exceed twenty-five percent of the value of the original or existing contract.”