

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5836-KE

Financing Agreement

(Transforming Health Systems for Universal Care Project)

• between

REPUBLIC OF KENYA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated JULY 04, 2016

CREDIT NUMBER 5836-KE

FINANCING AGREEMENT

AGREEMENT dated JULY 04, 2016, entered into between REPUBLIC OF KENYA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of financing the Project described in Schedule 2 to this Agreement (the Project).

WHEREAS (A) the Recipient intends to obtain financial assistance from the "Global Financing Facility in Support of Every Woman and Every Child", a Grant in an amount of forty million United States Dollars (US\$40,000,000) ("GFF Grant") in support of activities related to the Project;

WHEREAS (B) the Recipient intends to obtain from the Policy and Human Resources Development Fund, a Grant in an amount of one million one hundred thousand United States Dollars (US\$1,100,000) ("PHRD Grant") in support of activities related to the Project;

WHEREAS (C) the Recipient has requested the Association to provide a Credit in an amount equivalent to one hundred five million nine hundred thousand Special Drawing Rights (SDR 105,900,000) in support of activities related to the Project; and

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing to extend such Credit to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, 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 one hundred five million nine hundred thousand Special Drawing Rights (SDR 105,900,000) (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 15 and August 15 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.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project 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 - EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) The Recipient has established a Project Management Team under the terms of reference and experience acceptable to the Associations.
 - (b) The Co-financing Agreements have been executed and delivered and all conditions precedent to their effectiveness or to the right of the Recipient to make withdrawals under those agreements have been fulfilled.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.03. 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 V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is its Cabinet Secretary at the time responsible for Finance.

5.02. The Recipient's Address is:

The National Treasury
Treasury Building
P.O Box 30007-00100
Nairobi, Kenya

Facsimile:
254 20 330426; 254 20 218475

5.03. 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

AGREED at NAIROBI, KENYA, as of the
day and year first above written.

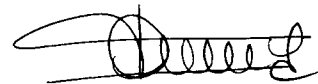
REPUBLIC OF KENYA

By


Authorized Representative
Name: HENRY ROTICH
Title: CABINET SECRETARY
NATIONAL TREASURY

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative
Name: Mariétou Gaye
Title: COUNTRY DIRECTOR

SCHEDULE 1

Project Description

The objective of the Project is to improve utilization and quality of primary health care services with a focus on reproductive, maternal, newborn, child and adolescent health (RMNCAH) services.

The Project consists of the following parts:

PART A: IMPROVING PRIMARY HEALTH CARE RESULTS

1. Provision of Performance Grants to the Eligible Counties to improve the delivery, utilization and quality of primary health care services with a focus on RMNCAH at the County level.
2. Acquisition and distribution of RMNCAH strategic commodities.

PART B: STRENGTHENING INSTITUTIONAL CAPACITY

1. Strengthening institutional capacity to better deliver quality primary health care services through:
 - (a) *Improving Quality of Care*: Supporting, through the provision of goods, services, Operating Costs and Training: (i) the Department of Health Standards, Quality Assurance and Regulations as well as the health regulatory boards to: (A) strengthen inspection for public and private health facilities, and (B) institutionalize quality assurance towards certification; (ii) the Division of Family Health to: (A) develop and/or disseminate RMNCAH related strategies and guidelines, and (B) conduct operations research; and (iii) the Kenya Medical Training College to strengthen midwifery training.
 - (b) *Strengthening Monitoring and Evaluation (M&E) and Civil Registration and Vital Statistics (CRVS)*: Supporting, through the provision of goods, services, Operating Costs and Training, the Division of M&E, Health Research Development and Health Informatics to: (i) operationalize the M&E framework; (ii) strengthen the health information system; and (iii) working closely with Civil Registration Services (CRS), pilot innovative approaches to improve coverage of vital events registration within the health sector.
 - (c) *Supporting Health Financing Reforms towards Universal Health Coverage (UHC)*: Supporting, through the provision of goods, services, Operating Costs and Training the Division of Health Care Financing to:

- (i) disseminate the health financing strategy (HFS) to get buy-in from various stakeholders; (ii) conduct analytical work to inform the implementation of HFS and health-financing reforms towards UHC; and (iii) build capacity for UHC leadership at the national and county level.
- 2. Provision of Performance Grants to CRS to improve coverage of vital events registration.

**PART C: CROSS-COUNTY AND INTER-GOVERNMENTAL
COLLABORATION AND PROJECT MANAGEMENT**

- 1. *Cross-county and Inter-governmental Collaboration:* Provision of goods, works, services, Operating Costs and Training for activities to promote cross-county initiatives and inter-governmental collaboration to address common demand and supply side barriers towards improving delivery, utilization, and quality of primary health care services with focus on agreed results.
- 2. *Project Management:* Provision of goods, services, Operating Costs and Training for Project management staff, *inter alia*, for: (a) day-to-day management of the Project, including M&E, fiduciary, and safeguards activities; and (b) technical assistance and capacity building activities to support the Project sub-TWG in carrying out their responsibilities.

SCHEDULE 2

Project Execution

Section I. Implementation and Institutional Arrangements

A. Institutional Arrangements

1. At the national level, for the purpose of:
 - (a) overall oversight and policy guidance to the Project, the Recipient shall establish, by no later than September 30, 2016, a Project Sub-TWG, under Intergovernmental Health Forum, to be co-chaired by the MOH and a County representative; and
 - (b) day-to-day implementation of the Project, the Recipient shall maintain, a PMT, comprising at minimum a national Project Manager, Coordinators for each component, Assistant Coordinators, M&E Officer, Project Accountant, Internal Auditor, Procurement Officer, Environmental and Social Safeguards Compliance Officer.
2. At the County level, the Recipient shall cause the County Governments to designate: (a) a Project accountant and an internal auditor to support the Project's financial management functions; and (b) Chief Officer, Health, to provide implementation oversight in the respective Counties, including approving annual work plans and budgets, including Project supported activities.
3. The Recipient: (a) shall ensure that the overall Project is implemented in accordance with the HCWMP; provided, however, that in case of any conflict between the provisions of the HCWMP and the provisions of this Agreement, the provisions of this Agreement shall prevail; and (b) except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of the HCWMP.
4. The Recipient: (a) shall ensure that Parts A, B and C of the Project are implemented in accordance with the Project Operations Manual (POM); provided, however, that in case of any conflict between the provisions of the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail; and (b) except as the Association shall otherwise agree, shall not amend, abrogate or waive any provisions of the POM.

B. Anti-Corruption

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

C. Safeguards

1. The Recipient shall ensure that the Project is implemented in accordance with VMGF and VMGPs. To that end, if any Project activities would, pursuant to the VMGF, require the preparation of a VMGP, the Recipient shall ensure that said activities shall not be implemented unless and until said VMGP has been: (a) prepared, in accordance with the relevant VMGF and furnished to the Association for approval; (b) disclosed following approval of the Association; and (c) all measures required to be taken thereunder prior to the commencement of said activities, have been taken. Except as the Association shall otherwise agree in writing, and subject to compliance with the same consultation and information disclosure requirements as applied to the adoption of the aforesaid VMGF and VMGPs in the first instance, the Recipient shall not amend or waive any of their provisions.
2. The Recipient shall, in its Project Status Reports, report on progress made on compliance with the VMGF and VMGPs under the Project, giving details of measures taken in furtherance of the VMGPs and any conditions which interfere or threaten to interfere with the timely implementation of the VMGPs, and remedial measures taken or required to be taken to address such conditions.
3. The Recipient shall ensure that all advisory, analytical, planning, institutional capacity building, strategizing and such other services carried out under the Project shall be carried out according to terms of reference, satisfactory to the Association, requiring such services to deliver products which take into account, and are consistent with, the Association's social and environmental safeguard policies.

D. Annual Work Plans and Training

1. The Recipient shall:
 - (a) prepare under terms of reference acceptable to the Association, and furnish to the Association, for its review and approval:
 - (i) not later than May 30 of each year during the period of Project implementation the comprehensive Annual Work Plans from all the eligible Counties under Part A (to be funded by the Project and other sources for the following financial year) which were appraised by the Project Sub-TWG under Inter-government Health Forum;
 - (ii) not later than June 30 of each year during the period of Project implementation, the Project's Annual Work Plan (for Parts A.2, B and C, including proposed training and workshops) to be financed by the Project during the following financial year; such Annual

Work Plans to include a budget and financing plan for such activities and a timetable for their implementation; and

- (b) thereafter, carry out the Project with due diligence during such following year in accordance with such Annual Work Plan as shall have been approved by the Association.
- 2. The Recipient shall ensure that, in preparing any training or workshops proposed for inclusion in the Project under an agreed Annual Work Plan it shall identify in the work plan: (a) the objective and content of the training or workshop envisaged; (b) the selection method of institutions or individuals conducting such training or workshop; (c) the expected duration and an estimate of the cost of said training or workshops; and (d) the description of people selected to attend the training or the workshop.

E. Performance Grants

- 1. The Recipient shall make available to the CGs and CRS funds for performance-based allocation under Part A1 and Part B2 respectively, in accordance with eligibility criteria and procedures acceptable to the Association, and as detailed in the POM, which, for such purpose shall ensure that such terms and conditions to include the obligation of CGs and CRS to: (a) appraise, carry out and verify their activities under the Project with due diligence and efficiency and in accordance with the POM, Safeguards Instruments, and the Anti-corruption Guidelines; (b) maintain policies and procedures adequate to enable the Recipient and the Association to monitor the progress of its activities under the Project and the achievement of the Project's objectives; (c) enable the Recipient and the Association to inspect the Sub-project activities within the Eligible CGs and CRS's jurisdiction, its operation and any relevant records and documents; (d) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association may reasonably request relating to the Performance Grants; and (e) the CG or CRS shall exercise its rights and perform its obligations under the Conditional Grant Framework in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.
- 2. The Recipient shall ensure that expenditures under Performance Grants shall not include: (a) salaries of civil servants (other than incentives); (b) construction of new buildings; and (c) renovation and rehabilitation work above the threshold of US\$200,000 per contract.

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 two (2) 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 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. Without limitation on the provisions of Part A of this Section, 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.

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 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 provisions set forth in paragraph 3 of this Section B
(c) Shopping
(d) Framework Agreements
(e) Direct Contracting

3. The following additional provisions shall apply to National Competitive Bidding, to the open tender procedures described in the Recipient's Public Procurement and Assets Disposal Act, 2015:
 - (a) The tender submission date shall be set at least thirty (30) days after the later of: (i) the date of advertisement; and (ii) the date of availability of the tender documents.
 - (b) Recipient-owned enterprises shall be allowed to participate in the tendering only if they can establish that they are legally and financially autonomous, operate under commercial law and are independent agencies of the Recipient's government.
 - (c) Bidding documents and tender documents shall contain, *inter alia*, draft contracts and conditions of contracts, including provisions on fraud and corruption, audit and publication of award and shall be in form and substance satisfactory to the Association.
 - (d) Tender evaluation shall be based on quantifiable criteria expressed in monetary terms as defined in the tender documents, and not on a merit points system.
 - (e) No domestic preference shall be used in the evaluation of tenders. Accordingly, contracts shall be awarded to qualified tenderers who have submitted the lowest evaluated substantially responsive tender.
 - (f) Notification of contract award shall constitute formation of the contract. No negotiation shall be carried out prior to contract award.

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 United Nations agencies; (h) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (i) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant

Guidelines for the Selection of Individual Consultants; and (j) 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:

Category	Amount of the Credit (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) (a) Performance Grants under Part A1 of the Project	74,130,000	81%
(b) Performance Grants under Part B2 of the Project	850,000	100%
(2) (a) Goods, non-consulting services, consultants' services, Training, and Operating Costs under Parts A2, B1 (other than B1(b)(i)) of the Project	12,570,000	54%
(b) Goods, non-consulting services, consultants' services, Training, and Operating Costs under Part B1(b)(i) of the Project	00	
(3) Goods, works, non-consulting services, consultants' services, Training, and Operating Costs under Part C of the Project	18,350,000	100%
TOTAL AMOUNT	105,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section:
 - (a) no withdrawal shall be made for payments made prior to the date of this Agreement; and
 - (b) no withdrawal shall be made for payments made under Category (1)(a), unless the Recipient has adopted the POM, in form and substance satisfactory to the Association.
2. The Closing Date is September 30, 2021.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15, commencing August 15, 2022, to and including February 15, 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

Section I. Definitions

1. “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.
2. “Annual Work Plan” means the work plan prepared for each year of implementation of the Project, in accordance with Paragraph D of Schedule 2 to this Agreement.
3. “Beneficiaries” means the selected CGs and CRS (as hereinafter defined), eligible for receiving Performance Grants (as hereinafter defined).
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Co-financiers” mean the: (i) Global Financing Facility in Support of Every Woman Every Child; and (ii) Policy and Human Resources Development Fund.
6. “Co-financing” means, for purposes of paragraph 11 of the Appendix to the General Conditions: (i) an amount of US\$40,000,000 to be provided by the Global Financing Facility in Support of Every Woman Every Child; and (ii) an amount of US\$1,100,000 to be provided by Policy and Human Resources Development Fund all to assist in co-financing the Project.
7. “Co-financing Agreement” means the agreement to be entered into between the Recipient and the Co-financiers providing for the Co-financing.
8. “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).
9. “County” means a devolved government structure established under Article 176 of the Recipient’s Constitution of 2010.
10. “County Government” or “CG” means the government established by the County, in accordance with the laws of the Recipient.
11. “CRS” means the Recipient’s Civil Registration Services.
12. “Eligible County” means the County selected in accordance with the Project Operations Manual (as hereinafter defined).

13. “Fiscal Year” or “FY” means the period starting each July 1 and ending June 30 of the following year.
14. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
15. “HCWMP” means the Recipient’s Health Care Waste Management Plan dated April 13, 2016.
16. “Implementing Agencies” means the MOH, the CGs, CRS, and Kenya Medical Training College.
17. “Intergovernmental Health Forum” means the Recipient’s Forum for Health, including senior health managers from national and county governments and key stakeholders, formed to provide stewardship and oversight of the Project.
18. “MOH” means the Recipient’s Ministry of Health, or any successor thereto.
19. “Operating Costs” means the reasonable expenses incurred by the Implementing Agencies on account of Project implementation, based on an Annual Work Plan and Budget approved by the Association pursuant to Section I.D.2 of Schedule 2 to this Agreement, including: expenditures for maintenance of equipment, facilities and vehicles used for Project implementation, fuel, routine repair and maintenance of equipment, vehicles and office premises, communication costs, use of internet costs, stationery and other office supplies, utilities used for Project implementation, consumables, travel per diems, accommodation expenses, workshop venues and materials, and costs of translation, printing, photocopying and advertising, but excluding salaries, top-ups, honoraria, or allowances of the Recipient’s civil servants.
20. “Performance Grant” means Grants provided to Beneficiaries, from the proceeds of the Financing to carry out activities under Parts A1 and B2 of the Project.
21. “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).
22. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 3, 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.
23. “PMT” means the Project Management Team, referred to in Section I.A.1(b) of Schedule 2 to this Agreement.

24. “Project Operations Manual” or “POM” means the manual to be prepared by the Recipient, containing detailed arrangements and procedures for the Project, including, *inter alia*: (a) policies, administrative, and procurement procedures as well as guidelines to be followed in the implementation and monitoring of the Project; (b) the modalities for selection of Eligible Counties, screening and approval of Performance Grants, including criteria for environmental and social screening and impact mitigation for physical investments to be financed with the Performance Grants; (c) the criteria related to staffing and budgeting to be fulfilled by the counties as a condition of transfer of implementation responsibility; (d) indicators on the performance; (e) the modalities for monitoring and evaluating the results of the Project; (f) the procedures for community participation to operation and maintenance of investments funded under the Project; (g) the schedule and amounts of the Recipient’s counterpart funding; and (h) the format and content of quarterly progress reports; as the same may be amended and/or supplemented from time to time; and such term includes any schedule to the POM.
25. “Project sub-TWG” means the Project’s sub-technical working group, referred to in Section I.A.1(a) of Schedule 2 to this Agreement.
26. “Sub-Project” means any activity carried out under Parts A1 and B2 of the Project and financed from the proceeds of the Performance Grant.
27. “Training” means the reasonable costs for the following expenditures incurred in providing training or workshops: travel by participants and presenters to the training or workshop site, per diem allowances of such persons during the training or workshop, honoraria for the presenters, rental of facilities, materials, supplies and translation and interpretation services.
28. “Vulnerable and Marginalized groups” or “VMGs” means distinct, vulnerable, social and cultural groups that may be identified pursuant to the criteria outlined in the VMGF (as hereinafter defined) for the purposes of this Project.
29. “Vulnerable and Marginalized Groups Framework” or “VMGF” means an instrument prepared by the Recipient, satisfactory to the Association, disclosed in country and in the Association’s Infoshop on April 13, 2016, outlining the basis for identifying vulnerable peoples and their rights, the appropriate consultative process as well as guidelines to avert, minimize, mitigate, or provide culturally appropriate compensation for any potentially adverse effects as the same may be amended from time to time with the Association’s prior written concurrence.
30. “Vulnerable and Marginalized Groups Plan” or “VMGP” means each of the plans to be prepared by the Recipient, satisfactory to the Association, disclosed in country and in the Association’s Infoshop, which sets out the measures to be carried out by the Recipient to ensure that: (a) VMGs affected by the project receive culturally appropriate social and economic benefits; and (b) when potential

adverse effects on VMGs are identified, those adverse effects are compensated for, avoided, minimized, or mitigated.