
GPOBA GRANT NUMBER TF092181-YEM

Global Partnership on Output-based Aid Grant Agreement

(Queen of Sheba Safe Motherhood Project)

among

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as Administrator of the Global Partnership on Output-based Aid

and

SAUDI YEMENI HEALTHCARE COMPANY

AL MAWARID COMPANY FOR EDUCATIONAL AND HEALTH SERVICES

SOUL FOR THE DEVELOPMENT OF WOMEN AND CHILDREN

Dated June 11, 2008

GPOBA GRANT NUMBER TF092181-YEM

**GLOBAL PARTNERSHIP ON OUTPUT-BASED AID
GRANT AGREEMENT**

AGREEMENT dated June 11, 2008, entered into among:
INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as
administrator of the Global Partnership on Output-based Aid (“GPOBA”); and

SAUDI YEMENI HEALTHCARE COMPANY, a Yemeni closed joint stock company
duly established and operating under Law No. 22 of 1997 as amended, Commercial
Registration No.527 (“SYHC”);

AL MAWARID COMPANY FOR EDUCATIONAL AND HEALTH SERVICES, a
Yemeni closed joint stock company duly established and operating under Law No. 22 of
1997 as amended, Commercial Registration No. 21/3552 (“AL MAWARID”);

SOUL FOR THE DEVELOPMENT OF WOMEN AND CHILDREN, a Yemeni
association duly established and operating under Law No. 1 of 2001 and its Executive
Regulations (“SOUL”) (“Recipients”).

The Recipients and the World Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 20, 2006 (“Standard Conditions”), 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 Standard Conditions or in this Agreement.

**Article II
The Project**

- 2.01. The Recipients declare their commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipients shall carry out their respective Parts of the Project in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipients and the World Bank shall otherwise agree, the

Recipients shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III
The Grant**

- 3.01. The World Bank agrees to extend to the Recipients, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to six million two hundred thirty two thousand and one hundred United States Dollars (\$6,232,100) ("Grant") to assist in financing the Project.
- 3.02. The Recipients may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

**Article IV
Additional Remedies**

- 4.01. The Additional Events of Suspension referred to in Section 4.02 (i) of the Standard Conditions consist of the following:
- (a) *Ineligibility.* IBRD or IDA has declared any of the Recipients ineligible to be awarded a contract financed by IBRD or IDA.
 - (b) The Operations Manual has been amended so as to: (i) affect materially and adversely the carrying out of the Project; or (ii) change the output-based approach of the Project design without the prior agreement of the World Bank.
 - (c) The incorporated documents pursuant to which any Recipient (or any other entity responsible for implementing any part of the Project) has been established and is operating have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of any Recipient to perform any of its obligations under the Grant Agreement.
 - (d) Any action has been taken for the dissolution, disestablishment or suspension of operations of any Recipient (or any other entity responsible for implementing any part of the Project), or any Recipient (or any other entity responsible for implementing any part of the Project) has ceased to exist in the same legal form as that prevailing as of the date of the Grant Agreement.

- (e) The World Bank has determined after the Project becomes effective, pursuant to the provisions of Section 5.01 of this Agreement (Effective Date), that prior to such date but after the signing of the Grant Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipients' respective right to make withdrawals from the Grant Account if the Grant had been effective on the date such event occurred.

Article V
Effectiveness; Termination

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the Operations Manual has been adopted by the Recipients in a manner satisfactory to the World Bank.
- 5.02. Except as the Recipients and the World Bank shall otherwise agree, the Effective Date of the Grant Agreement shall be the date upon which the World Bank dispatches to the Recipients notice that the requirement under Section 5.01 has been fulfilled. If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipients to make withdrawals from the Grant Account if the Grant Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this subparagraph until such events have ceased to exist.
- 5.02. The Grant Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipients of such later date.

Article VI
Recipients' Representatives; Addresses

- 6.01. The respective Recipient's Representative referred to in Section 7.02 of the Standard Conditions is: (a) the Chief Operating Officer for the SAUDI YEMENI HEALTHCARE COMPANY; (b) the Deputy Executive Director for AL MAWARID COMPANY FOR EDUCATIONAL AND HEALTH SERVICES; and (c) the Executive Director for SOUL FOR THE DEVELOPMENT OF WOMEN AND CHILDREN.

6.02. The respective Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

(a) SAUDI YEMENI HEALTHCARE COMPANY:

P.O. Box 8794, Sana'a, Republic of Yemen

Telephone: +967 1313333

Fax: +967 1 333900

Email: coo.san@sghgroup.net,

(b) AL MAWARID COMPANY FOR EDUCATIONAL
AND HEALTH SERVICES

P.O. Box 13061

Sixty Street, Sana'a, Republic of Yemen

Telephone: +967 1 471122

Fax: +967 1 471121

Email: hosny_g@yahoo.com, mshamsuddin06@comcast.net

(c) SOUL FOR THE DEVELOPMENT OF WOMEN AND CHILDREN

New University Area - AL-Horia Street, Sana'a, Republic of Yemen

Telephone: +967 1 223999 / 255568

Fax: +967 1 227918

Email: soul-yemen@y.net.ye

6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Development Association

1818 H Street, N.W.

Washington, D.C. 20433

United States of America

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI) or
64145 (MCI)

1-202-477-6391

AGREED at Sana'a, Republic of Yemen, as of the day and year first above written.

SAUDI YEMENI HEALTHCARE COMPANY

Dr. SALAH HAMED AW
SGA - CEO

By



Authorized Representative

**AL MAWARID COMPANY FOR EDUCATIONAL
AND HEALTH SERVICES**

Prof. Dr. Humi AL-Goshae
UST-H D. Director

By

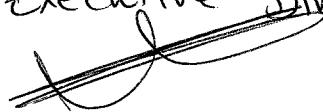


Authorized Representative

**SOUL FOR THE DEVELOPMENT OF WOMEN
AND CHILDREN**

Arwa Yahya Al-Deram
Executive Director

By



Authorized Representative

**INTERNATIONAL DEVELOPMENT
ASSOCIATION
administrator of the
Global Partnership on Output-based Aid**

By



Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to: (a) provide quality maternal care to about 40,000 eligible women in targeted districts in Sana'a and (b) design and implement a model of maternal care which demonstrates how Yemeni public policy on maternal and child care can be effectively integrated with private health provision.

The Project consists of the following parts:

Part A Project Preparation and Start-up

1. Preparing a baseline study for the current health care utilization and socio-economic characteristics of the Beneficiaries in targeted districts in Sana'a, as described in the Operations Manual.
2. Provision and installation of a biometric server and eye print/finger print equipment and office furniture and equipment.

Part B Community Outreach

1. Conducting a community outreach for the identification, evaluation and documentation of eligible Beneficiaries under the Project.
2. Establishing, managing and making available a database of such eligible Beneficiaries pursuant to the Operations Manual.
3. Capacity building to support the implementation of the Project and the community outreach activity.

Part C Education and Awareness Campaigns

Conducting education and public awareness campaigns to promote quality maternal care in targeted districts in Sana'a.

Part D Establishment of Satellite Clinics

Establishing twelve satellite clinics to provide maternal care services to eligible Beneficiaries within the targeted districts in Sana'a.

Part E Service Delivery Subsidies

Subsidy provision for maternal health care services delivery to eligible Beneficiaries based on the performance indicators set forth in the Operations Manual and agreed between the World Bank and the Recipients.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Implementation Arrangements

1. The Recipients shall ensure that: (i) the Project is implemented in accordance with the provisions of the Operations Manual; and (ii) no action is taken which would prevent or interfere with such implementation.
2. The Recipients shall not amend or waive any provision of the Operations Manual without the prior approval of the World Bank. In the event that any provision of said Manual conflicts with any provision under this Agreement, the terms of this Agreement shall prevail.

B. Safeguards

1. Throughout the duration of the Project:
 - (a) The Service Providers shall:
 - (i) design, construct, operate, maintain and monitor the Project in compliance with the Government of Yemen and local requirements as well as the applicable International Finance Corporation's (IFC) Performance Standards, and the applicable Environmental, Health, and Safety General Guidelines (General Environmental, Health and Safety, and Health Care Facilities), and
 - (ii) provide Annual Monitoring Reports (AMR) to the World Bank, as specified in the Operations Manual. The AMR information has to be collected in a manner consistent with applicable IFC Environment and Health and Safety Guidelines (which include Environmental and Health and Safety – General Guidelines (April 2007) and Environmental and Health and Safety Guidelines for Health Care Facilities (April 2007)) and the requirements of the Country.
 - (b) For each clinic, the Service Providers will ensure the following:
 - (i) each clinic has, prior to opening, prepared written procedures dealing with sanitation, infection control and medical waste

handling, and has trained the staff in application of these procedures; and

- (ii) relevant aspects of the Environmental and Social Management Systems for the Service Providers (as detailed in the Operations Manual) will be applied in all aspects of the day-to-day operations of the clinics, including in particular:
 - (A) regular re-training of staff on sanitation, infection control and medical waste management;
 - (B) regular internal auditing of environmental and social performance; and
 - (C) appropriate record-keeping and reporting on sanitation, infection control and medical waste management.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. (a) The Recipients shall each monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.
 - (b) The performance indicators referred to above in sub-paragraph (a) consist of the following: (i) service volume levels for Beneficiaries; and (ii) quality of service standards, as specified in the Operations Manual.
2. The Recipients shall each prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date. In addition, the Recipients shall each prepare two additional reports ("Post Project Reports"), each of such scope and in such detail as the World Bank shall reasonably request, not later than one month after the expiry of one year and two years, respectively, from the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipients shall each ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipients shall each ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than thirty days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipients shall, upon the World Bank's request, have their respective Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of each Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
 - (a) Section I of the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the World Bank in May 2004 ("Procurement Guidelines"), and Operational Memorandum from James Adams dated November 7, 2005, *Application of Paragraph 3.13 of the Procurement Guidelines to Cases Involving Incumbent Concessionaires*, in the case of goods and works, and Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the World Bank in May 2004 ("Consultant Guidelines") in the case of consultants' services; and
 - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines ("Procurement Plan").
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of

particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan: (a) Shopping; and (b) Established Private or Commercial Practices which have been found acceptable to the World Bank.

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 assignments which are specified in the Procurement Plan: (a) Least Cost Selection; (b) Established Private or Commercial Practices which have been found acceptable to the World Bank; (c) Selection of Service Delivery Contractors which have been found acceptable to the World Bank; (d) Selection of Individual Consultants; and (e) Sole Source Procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

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

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipients may each withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of the Standard Conditions, (b) this Section, and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made

applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

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

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(A) Project Preparation and Start-up for SOUL	49,440	100%
(B) Community Outreach Administrative Cost for SOUL	356,600	100%
(C) Education and Awareness Campaigns for SOUL	189,000	100%
(D) Establishment of Satellite Clinics for: (1) SYHC (2) AL MAWARID	116,550 116,550	50%
(E) Service Delivery Subsidies for: (1) SYHC (2) AL MAWARID	5,403,960	90%
TOTAL AMOUNT	<u>6,232,100</u>	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:
- (a) for payments made prior to the date of this Agreement; and

- (b) until and unless the World Bank has received, from an independent verification expert retained by the World Bank, verification reports, in form and substance satisfactory to the World Bank. For the purposes of enabling the independent verification expert to prepare such reports, the Recipients shall each ensure that any and all information reasonably requested by such expert concerning the activities under the Project is promptly made available to such expert.
- 2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2012.

APPENDIX

Definitions

1. "Annual Monitoring Reports" means the annual monitoring report setting out the specific social, environmental and developmental impact reporting requirements of the Service Providers (as this term is defined hereunder) respect of the Project, as such may be amended or supplemented from time to time with World Bank's consent; and in the form as described in the Operations Manual.
2. "Beneficiaries" means the eligible women in targeted districts in Sana'a selected based on eligibility criteria set forth in the Operations Manual (as this term is defined hereunder).
3. "Environment, Health, and Safety General Guidelines" means the IFC's Environment, Health, and Safety General Guidelines including the General Environmental, Health and Safety, and Health Care Facilities, published on April 30, 2007.
4. "Environmental and Social Management Systems" means the social and environmental management system of the Service Providers that enables them to identify, assess and manage risks in respect of the Project on an ongoing basis.
5. "Operations Manual" means the manual for the implementation of the Project referred to in Section 5.01 of this Agreement, to be prepared and adopted by the Recipients, including, *inter alia*: (i) the administrative, accounting, financial management, procurement and contracting procedures; (ii) the timetable for the implementation of the Project including benchmarks in relation thereto; (iii) the institutional arrangements and respective duties of the Recipients; (iv) the eligibility criteria and procedures for the selection of Beneficiaries; (v) the performance indicators and related monitoring and evaluation procedures of the Project; and (vi) the environmental and social safeguards procedures applying to the Project, including environmental and social mitigation and protection measures and the related administrative and monitoring arrangements to ensure the implementation of said measures.
6. "Performance Standards" means the IFC's Performance Standards on Social and Environmental Sustainability, dated April 30, 2006.
7. "Service Providers" means the Saudi Yemeni Healthcare Company and Al Mawarid Company for Educational and Health Services to be responsible for

carrying out Parts D and E of the Project in accordance with the provisions of the Operations Manual.