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02-Apr-2024

H.E. Bihi Iman Egeh
Minister of Finance
Federal Republic of Somalia
Mogadishu, Somalia

Excellency:

***Somalia: Grant Number: D862-SO
Improving Healthcare Services in Somalia Project - “Damal
Caafimaad” – Project
First Amendment to the Financing Agreement***

We refer to the financing agreement between the Federal Republic of Somalia (the “Recipient”) and the International Development Association (the “Association”) dated June 30, 2021 (the “Original Financing Agreement”) for the above referenced Project.

We further refer to the additional financing from the International Bank for Reconstruction and Development and International Development Association, acting as an Accredited Entity of the Green Climate Fund, recently approved by the Association on March 19, 2024, which entails some modest restructuring to the Project.

Accordingly, we are pleased to inform you that the Association proposes to:

- (a) amend Schedule 1 of the Original Financing Agreement as set forth in the annex to this letter of amendment (“Amendment Letter”).
- (b) amend Section I of Schedule 2 to the Original Financing Agreement by introducing a new paragraph G, to read as follows:

“G. Output Agreement

1. *For purpose of carrying out Part 1.3 of the Project, the Recipient shall enter into, and thereafter maintain throughout the period of Project implementation, an output agreement with UNICEF, under terms and conditions approved by the Bank (the “Output Agreement”), whereby the Recipient shall: (a) hire the services of UNICEF to carry out the referred activities in accordance with the provisions of the Project Operations Manual, and the requirements of the ESS and ESCP, including: (i) the procurement and installation of solar powered technology for cold chain and facilities electrification; (ii) adequate co-operation with FMS, including Somaliland; (iii) transfer of beneficiary data to MoH in accordance with appropriate protocols; and (iv) regular reporting to MoH on the progress achieved in the implementation of Project activities and any challenges and/or obstacles thereto; and (b) agree the direct payment/advance of the proceeds of the Financing from the Bank to UNICEF.*

2. *The Recipient shall exercise its rights under the Output Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Financing. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Output Agreement or any provision contain therein (whether in whole or in part).*
 3. *In the event of any conflict between the provisions of the Output Agreement and those of this Agreement, the provisions of this Agreement shall prevail.”*
- (c) amend the Appendix in the Original Financing Agreement by introducing the following definitions, and the remaining definitions renumbered accordingly:
- (i) *“Additional Activities” means the activities under Parts 1.3 and 3(b) of the Project.*
 - (ii) *“Output Agreement” means the agreement to be entered into between the Recipient and UNICEF, for the implementation of Part 1.3 of the Project, as may be amended.*
 - (iii) *“UNICEF” means the United Nations Children’s Emergency Fund, a specialized agency of the United Nations responsible for providing humanitarian and developmental aid.*
 - (iv) *“Solar Direct Drive” means the new generation of solar powered refrigeration systems bypassing the use of a battery and charge controller and using different non-battery-based technologies.*

The capitalized terms used in this Amendment Letter and not defined herein have the meaning ascribed to them in the Original Financing Agreement. Except as specifically amended herein, all other provisions of the Original Financing Agreement shall remain in full force and effect.

Please confirm your agreement, on behalf of the Recipient, to the amendments mentioned above by countersigning and dating the two original copies of this Amendment Letter. This Amendment Letter shall be deemed effective upon the effectiveness of the Additional Financing Agreement for the Project (**GCF Grant No. C352-SO**).

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Keith E. Hansen

Keith E. Hansen
Country Director
Kenya, Rwanda Somalia, and Uganda
Eastern and Southern Africa Region

CONFIRMED AND AGREED:

FEDERAL REPUBLIC OF SOMALIA

By: *H.E. Bihi Iman Egeh*
 Authorized Representative

Name: H.E. Bihi Iman Egeh

Title: Minister of Finance

Date: 02-Apr-2024

Annex**“SCHEDULE 1****Project Description**

The objective of the Project is to improve the coverage of essential health and nutrition services in Project areas and strengthen stewardship capacity of Ministries of Health.

The Project consists of the following parts:

Part 1: Expanding the coverage of high-impact health and nutrition services in select geographic areas

- 1.1. Provision of essential health and nutrition services in select geographical areas, through government facilities and private/ non-governmental service providers, such services to include: (a) child health services (including routine immunization, micronutrient supplementation, promotion of infant and child feeding and nutrition referral); (b) maternal and neonatal health services (including testing and interventions during antenatal care visits, both basic and comprehensive emergency obstetric and newborn care, and family planning); (c) services to address gender- based violence (including awareness raising, case identification, counselling, and management); (d) control of communicable diseases and selected non-communicable diseases and integrated disease surveillance and response as well as preparedness and response to disease outbreaks.
- 1.2. Carrying out – through the third-party monitoring – a set of activities to: (a) monitor the delivery of essential health and nutrition services and develop across the Recipient’s territory; and (b) enhance the capacity the Federal Ministry of Health in monitoring including in survey design, data analysis, and data use.
- 1.3 ***Provision of solar-powered technology for cold chain and electrification of selected healthcare facilities at the Federal Member States.***

Part 2: Strengthening Government’s stewardship to enhance service delivery

Strengthening of government’s stewardship capacities at both the federal and Federal Member States levels to enhance quality service delivery through:

- 2.1. Strengthening Health Management Information Systems (HMIS) – so it produces regular, quality, reliable health data – and routine use of such HMIS data in decision making.
- 2.2. Building government capacity in public financial management, contract management, and financing in health sector including establishing a health financing unit to manage

Recipient's health financing activities, such as coordinating donors and undertaking resource mapping and expenditure tracking in health sector.

- 2.3. Undertaking private sector development and regulatory reforms activities - in health sector - including setting up federal regulatory and accreditation bodies and developing appropriate policies and regulations (including those seeking to improve the quality of health care by regulating health services workforce, products and devices) as well as setting up registration and compliance bodies in the Federal Member States.
- 2.4. Developing the organizational capacity of the Ministries of Health by of developing systems and process for decision making, internal information sharing, internal communication, external communication, and information storage/ record keeping; and enhancing capacity for planning, learning and review.

Part 3: Project management, knowledge management and learning

- (a) Strengthening the institutional capacity for Project implementation, management and coordination including procurement and financial management activities and audits, implementation of environmental and social risks management activities, Project monitoring and evaluation and facilitating learning and knowledge sharing across and within the Recipient's territory and Federal Member States.
- (b) *Provision of technical assistance to improve the policy and regulatory framework for climate friendly cold chain and electrification through inter alia, the development of policies and mechanisms to dispose of obsolete cold chain equipment, and systems that will ensure continuous maintenance and security for Solar Direct Drive and solar power systems.*

Part 4: Contingent Emergency Response Component (CERC)

Providing preparedness and rapid response measures to address disaster, emergency and/or catastrophic events, in accordance with the applicable Emergency Response Operations Manual.”