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PURSE GRANT NUMBER TF0C4772

# Trust Fund Grant Agreement

(Additional Financing of the Health System Efficiency and Resilience Project)

between

**PALESTINE LIBERATION ORGANIZATION**  
*(for the Benefit of the Palestinian Authority)*

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION**  
*(acting as administrator of the Palestinian Umbrella for Resilience Support to the  
Economy Trust Fund)*

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**GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between the PALESTINE LIBERATION ORGANIZATION (for the benefit of the Palestinian Authority) (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as administrator of the Palestinian Umbrella for Resilience Support to the Economy Multi-Donor Trust Fund (“PURSE MDTF” or “Trust Fund”).

WHEREAS (A) the Palestine Liberation Organization and the Government of the State of Israel have entered, on September 28, 1995, into an agreement which, among other things, sets out certain interim self-government arrangements in Gaza and the West Bank (“Interim Agreement”);

(B) Section 5(b) of Article IX of the Interim Agreement authorizes the Palestine Liberation Organization to conduct negotiations and, in certain cases described thereunder, sign agreements with states and international organizations for the benefit of the Palestinian Authority;

(C) the Recipient has requested the Bank to assist in financing the project described in Schedule 1 to this Grant Agreement (the “Project”);

(D) the Bank has agreed, on the basis, among other things, of the foregoing to extend a Grant to the Recipient, for the benefit of the Palestinian Authority, for the purpose of providing additional financing to the Original Project and activities related to the Original Project (as defined in the Appendix to this Agreement) (“Project”) upon the terms and conditions set forth in this Agreement;

(E) the Bank, acting as administrator of the Financial Intermediary Fund for Pandemic Prevention, Preparedness and Response Trust Fund (Pandemic TF) and the State and Peacebuilding Multi-Donor Trust Fund (SPF), has agreed to make grants in the amount of fourteen million eight hundred thousand (USD 14,800,000) and five million United States Dollar (USD 5,000,000) respectively to the Recipient, for the benefit of the Palestinian Authority, for purposes of financing the Project, on the terms and conditions set forth in their respective Grant Agreements.

The Recipient and the Bank hereby agree as follows:

**Article I**  
**Standard Conditions; Definitions**

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form 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 the Appendix this Agreement.

**Article II**  
**The Project**

- 2.01. The Recipient declares its commitment to the objective of the Project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient, through MoH, shall carry out of the Project, of the Project in accordance with the provisions of Article II of the Standard Conditions, and Schedule 2 of this Agreement.

**Article III**  
**The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed four million United States Dollars (\$4,000,000) (“Initial Amount”), plus any subsequent amount or amounts as the Bank shall specify by notice to the Recipient, if and as such subsequent amounts are made available to the Bank by the donor(s) under the PURSE MDTF to assist in financing the Project. The sum of the Initial Amount plus said subsequent amounts, if any, shall henceforth constitute the grant (“Grant”). The Recipient confirms its understanding and agreement that the amount of the Grant extended under this Agreement shall be limited: (i) at all times to the funds available to the Bank from the PURSE MDTF; and (ii) to the Initial Amount, unless and until the Bank has, at a later date, sent notice to the Recipient specifying any subsequent amount or amounts to be added to the Initial Amount.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. This Grant is funded out of the PURSE MDTF for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds; and

**Article IV**  
**Effectiveness; Termination**

- 4.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished that the conditions specified below have been satisfied in a manner and in form and substance satisfactory to the Bank:
- (a) The execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental and corporate action; and
  - (b) The Subsidiary Agreement referred to in Section I.A.1 of Schedule 2 to this Agreement has been executed on behalf of the Recipient and the Palestinian Authority.
- 4.02. By signing each of: (a) this Agreement; and (b) the Subsidiary Agreement (for purposes of this Section, each, a “Warranted Agreement”), the Recipient shall be deemed to represent and warrant that on the Signature Date, or on the date agreed by the parties thereto to be the date of the Subsidiary Agreement, the respective Warranted Agreement, has been duly authorized by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms.
- 4.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.04. This 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 Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

**Article V**  
**Recipient’s Representative; Addresses**

- 5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Ministry of Finance.
- 5.02. For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient’s address is:

Ministry of Finance of the Palestinian Authority  
Ramallah  
West Bank

Telephone:  
970-2-297 8846

Facsimile:  
970-2-297-8845

- 5.03. For purposes of Section 7.01 of the Standard Conditions: (a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

248423 (MCI) or  
64145 (MCI)

1-202-477-6391

AGREED as of the Signature Date.

**PALESTINIAN LIBERATION ORGANIZATION**  
**(for the Benefit of the Palestinian Authority)**

**By**

*Honorable Omar Al. Bitar*

\_\_\_\_\_  
**Authorized Representative**

**Name:** Honorable Omar Al. Bitar

**Title:** Minister of Finance

**Date:** 23-May-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION**  
*(acting as administrator of the Palestinian Umbrella for  
Resilience Support to the Economy Multi-Donor Trust Fund)*

**By**

*Stefan Emblad*

\_\_\_\_\_  
**Authorized Representative**

**Name:** Stefan Emblad

**Title:** Country Director

**Date:** 23-May-2024

## SCHEDULE 1

### Project Description

The objective of the Project is to support the Recipient in improving the resilience and efficiency of the health system, and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the following parts:

#### **Part 1: Scaling Up Cost-Effective Primary Health Services**

Increasing the availability of primary health care (PHC) services through:

1. Improving delivery of essential PHC services at public primary health care centers (“PHC Centers”) through, *inter alia* (i) financing of medical equipment; (ii) financing equipment for non-communicable diseases interventions (such as for hypertension and diabetes diagnosis and monitoring), as well as digital mammography machines and ultrasound machines) together with the relevant trainings to use them; (iii) development and implementation of communication and screening promotion campaigns for the most prevalent NCDs; (iv) provision of essential and complementary medicines, including medicines for NCDs, consumables, and medical supplies, and other medical inputs such as, maternal and newborn health kits, vaccines against preventable diseases and common childhood illnesses, as well as trauma and emergency surgical kits against injuries; (v) the financing of minor civil works and provision of non-medical inputs to help reestablish basic water, electricity and waste management systems at health centers to ensure service continuity, and generators, fuel and communication devices; (vi) provision of temporary prefabricated medical clinics, temporary PHCs such as mobile units, mobile clinics, mobile medical teams and community outreach activities, including the provision of vehicles, equipment and supplies.
2. Strengthening the PHC information systems and quality of primary health care through financing of equipment, software, technical assistance, and trainings with a focus on: (i) scaling up integrated electronic patient records; (ii) strengthening the system for monitoring quality of NCD services at primary health care level; and (iii) scaling up of the family health care model.
3. Provision of support for service delivery continuity by ensuring effective delivery of mental and family health services at the community-level and at non-public health facilities, including facilities run by NGOs, including (i) the provision of trainings; (ii) costs associated with delivering mental health and psychosocial support, primary and family health services, including medicines, consumables, medical supplies, medical equipment, and other medical and non-medical inputs.

## **Part 2: Strengthening Hospital Service Delivery**

Improving the Recipient's hospital capacity, through:

1. Improving delivery of essential prevention and control services in hospitals through, *inter alia* (i) financing of essential and complementary medicines, medical supplies, medical equipment, and other medical inputs for hospital services including clinical, surgery, and emergency services; (ii) the financing of minor civil works and provision of non-medical inputs to help re-establish basic water, electricity and waste management systems at health centers to ensure service continuity, and generators, fuel and communication devices; and (iii) provision of temporary field hospitals, mobile units, mobile medical teams and community outreach activities, including the provision of vehicles, equipment and supplies.
2. Strengthening management and quality of care in hospitals, by (i) purchasing equipment and software to strengthen the referral and billing system and integration with and development of other platforms and information systems; (ii) providing trainings for health workers; and (iii) building capacity of the MoH on key policy dimensions including on hospital quality improvements, cancer registration, and referrals through targeted studies and interventions with a focus on assessing needs for hospital services, training staff in use of the cancer registry and strengthening MoH's SPU to reduce burden of outside medical referral.
3. Supporting reconstructive surgery needs through (i) the financing of specialized medical equipment for rehabilitation centers and surgery units at key public hospitals; (ii) financing of training needs; (iii) supporting patient evacuation needs for advanced surgical procedures not available in Gaza; (iv) supporting the performance of surgical procedures at non-governmental facilities.

## **Part 3: Strengthening Key Public Health Functions of Pandemic Prevention, Preparedness and Response.**

Improving the Recipient's pandemic prevention, preparedness and response capacity, through:

- (a) Strengthening of surveillance, early warning systems and multisectoral collaboration, through: (i) the purchase of medical equipment, hardware and telecommunication equipment, as well as the provision of technical assistance, and training required for the establishment of a cross-sectoral One Health Approach platform for the Recipient; (ii) the development of One Health Approach; development and implementation of surveillance action plans, technical guidance, and standard operating procedures aligned with the strategy; (iii) upgrade of applications that enable electronic disease notification and cross-sectoral surveillance efforts; (iv) preparation and implementation of desk review exercises for communicable disease outbreak scenarios; expansion of after/intra-action review and implementation of new approaches, reporting and response; development of formal partnerships supporting the



One Health Approach implementation; and (v) promotion of the One Health Approach through public awareness campaigns.

- (b) Strengthening the Recipient's national laboratory systems by addressing challenges with laboratory capacity and timely detection of suspected outbreaks, through: (i) the financing of specimen transport vehicles, laboratory equipment, hardware and telecommunication equipment, laboratory information management system, diagnostic kits, reagents, and consumables; (ii) the provision of technical assistance and training required for the development of tier-specific cross-sectoral diagnostic testing strategy; (iii) refurbishment/reconstruction of public health laboratories involved in the PPR; (iv) implementation of quality management systems in the central public health laboratories and antimicrobial resistance laboratories; development and implementation of additional standard operating procedures and protocols, including those for sampling, samples transport and storing; (v) implementation of biosafety and biosecurity measures, including those for the infectious waste disposal; and (vi) reaccreditation of the central public health laboratories.
  
- (c) Improving response to health emergencies by addressing challenges with vaccine access and delivery, emergency logistic, and supply chain management, including gaps in cold chain system and lack of prepositioned emergency stocks of the personal protective equipment (PPE) and other relevant supplies, through: (i) the development of capacities for effective mobilization for outbreak and health emergency response; (ii) purchase of consumables, equipment, training, and technical assistance required to establish and refill stocks of PPE and emergency supplies for detection, response, and treatment of communicable diseases; (iii) procurement to ensure functioning of the cold chain in the vaccine stock management in collaboration with the UNICEF; (iv) review and update the list of essential medical countermeasures for the management of high-risk emergencies; and (v) development of standard operating procedures and plans for storage, deployment, logistical and administrative support related to the prepositioned stocks.

#### **Part 4: Project Implementation and Monitoring**

Covering the PMU expenses, including on: (i) staffing, (ii) data collection, aggregation, and periodic reporting on the Project's implementation progress, including costs associated with the recruitment of a TPMA; (iii) monitoring of the Project's key performance indicators; (iv) overall Project Operating Costs, audit costs and monitoring and compliance with environmental and social standards; and (v) performing the role of the PPR Steering Committee secretariat, including: (a) monitoring and evaluation activities; and (b) collation of inputs from MoH, WHO, UNICEF, and FAO into joint progress reports.

#### **Part 5: Contingent Emergency Response Component**

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

## **SCHEDULE 2**

### **Project Execution**

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

##### **A. Subsidiary Agreement**

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to the Palestinian Authority under a subsidiary agreement (“*Subsidiary Agreement*”) between the Recipient and the Palestinian Authority, under terms and conditions approved by Bank.
2. The Palestinian Authority shall: (a) perform in accordance with the provisions of the Subsidiary Agreement; (b) take all action, including the provision of funds, facilities, services and other resources, necessary or appropriate for the carrying out of the Project; and (c) not take or permit to be taken any action which would prevent or negatively interfere with the carrying out of the Project.
3. The Recipient shall exercise its rights under the Subsidiary Agreement, as the case may be, in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

##### **B. Institutional Arrangements**

1. The Recipient shall maintain the existing Project management unit within MoH, created under the Original Project, (“PMU”) through Project implementation in a manner acceptable to the Bank, to be responsible for all technical, operational, and fiduciary aspects related to the Project. To this end, the Recipient shall take all actions, including the provision of funding, resources, and personnel, with qualifications and experience, and under terms of reference, satisfactory to the Bank, as further detailed in the Project Operational Manual (“POM”).
2. The Recipient shall ensure that the PMU have an adequate number of staff (including a Project director, procurement specialist, environmental and social specialist, financial management specialist and health specialists) with qualifications and experience and employed on term and conditions satisfactory to the Bank.

##### **C. United Nations Agencies and Participating NGOs**

1. To facilitate the carrying out of the Project, the Recipient, through the Palestinian Authority, shall enter into appropriate standard forms of agreement(s) between the

Recipient and UN Agency(ies) and/or Participating NGOs, approved by the Bank, when entering into a contract with any UN Agency or NGO under the Project.

2. The Recipient shall exercise its rights under the UN Agency or Participating NGO Agreements, as the case may be, in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the UN Agency and/or Participating NGO Agreements or any of its provisions.

**D. Third-Party Monitoring Agency**

When circumstances require, as set forth in the POM, the Recipient may hire and thereafter maintain throughout Project implementation, a Third-Party Monitoring Agent (“TPMA”), with qualifications, experience, and terms of reference satisfactory to the Bank, to be financed out of the proceeds of the Grant, to carry out the Recipients’ Third-Party Monitoring of Project implementation.

**E. Project Operational Manual**

1. The Recipient shall, not later than 45 days after the Effective Date update and adopt the Project Operational Manual for the Original Project in a manner satisfactory to the Bank, which shall include the rules, methods, guidelines, standard documents and procedures for the carrying out of the Project, including the following: (a) the detailed description of Project implementation activities and the detailed institutional arrangements of the Project; (b) budget preparation and execution; (c) accounting and reporting; (d) selection criteria for Participating NGOs carrying out activities under the Project; and (e) overall Project administrative, accounting, auditing, reporting, financial, environmental and social, procurement and disbursement procedures;.
2. In the event that any provision of the POM conflicts with this Agreement, the terms of this Agreement shall prevail. The Recipient shall ensure that the POM is not amended without the prior written agreement of the Bank.

**F. Annual Work Plans and Budgets**

1. Not later than November 30 in each calendar year, the Recipient shall submit to the Bank an annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of the Project.
2. The Recipient shall afford the Bank a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out such annual work plan and budget during such subsequent calendar year as shall have been approved by the Bank (“Annual Work Plan and Budget”). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Grant.
3. The Recipient may revise Annual Work Plans and Budgets as needed during Project implementation subject to the Bank’s prior written approval.

## **G. Environmental and Social Standards**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Recipient shall cause the Palestinian Authority shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
  - (b) sufficient funds (from the Recipient and the Project), are available to cover the costs of implementing the ESCP;
  - (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
  - (d) the ESCP or any provision thereof, is not amended, revised, or waived, except as the Bank shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall:
  - (a) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including without limitation any potential Project-related occupational health and safety accidents and incidents or Project-related allegations of GBV or Project-related child labor, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

4. The Recipient shall cause MoH to maintain and publicize the availability of a Grievance Redress Mechanism (“GRM”), in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

**H. Contingent Emergency Response under Part 5 of the Project**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
  - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
  - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed, or waived without the prior written approval by the Bank.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Bank.

3. The Recipient shall ensure that:
  - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

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

**A. Project Reports**

1. The Recipient shall furnish each Project Report to the Bank not later than forty-five (45) days after the end of each calendar semester, covering the previous calendar semester.
2. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

**Section III. Withdrawal of Grant Proceeds**

**A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) Disbursement and Financial Information Letter; and (c) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (Inclusive of Taxes) *
(1) Goods, Works, non-consulting services, consulting services, and	4,000,000	100%

Training, , under Parts 1.1, 2.1, 2.2 of the Project		
(2) Emergency Expenditures under Part 5 of the Project	0	100%
<b>TOTAL AMOUNT</b>	<b>4,000,000</b>	

\*Percentages of disbursements will be allocated following the specifications included in the Work Plans

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for:
  - (a) payments made prior to the Signature Date; and
  - (b) for Emergency Expenditures under Category (2), unless and until all of the following conditions have been met in respect of said expenditures: (i) that the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Grant amounts under Category (2); and (ii) the Bank has agreed with such determination, accepted said request and notified the Recipient thereof; and the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.
2. The Closing Date is May 31, 2028.

## **APPENDIX**

### **Section I. Definitions**

1. “Annual Work Plan and Budget” means the annual work plan and budget as prepared by the Recipient for and approved by the Bank in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, 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, and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “CERC Manual” means the manual referred to in Section I.G.1(a) of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Operational Manual.
5. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
6. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
7. “Emergency Action Plan” means the plan referred to in Section I.G.1(b) of Schedule 2, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
8. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.G of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
9. “Environmental and Social Commitment Plan” or “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Bank, dated April 25, 2024 which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written



agreement of the Association, and such term includes any annexes or schedules to such plan.

10. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
11. “FAO” means the Food and Agriculture Organization.
12. “MoF” means the Recipients’ Ministry of Finance or any successor thereof.
13. “MoH” means the Recipient’s Ministry of Health.
14. “NCD” means non-communicable diseases.
15. “One Health Approach” a collaborative, multisectoral, and transdisciplinary approach developed by the World Health Organization, working at the local, regional, national, and global levels, with the goal of achieving optimal health outcomes recognizing the interconnection between people, animals, plants, and their shared environment.
16. “Operating Costs” means incremental costs incurred under the Project on account of: (a) salaries, Severance Payments and local travel expenditures for temporary staff (excluding civil servants); (b) local travel expenditures, including *per-diem*, for regular staff; (c) field offices’ office rental, including the rental costs, maintenance and utility charges, communication costs, office supplies and consumables, vehicle rental, insurance, maintenance and fuel; (d) operation and maintenance of office equipment, bank charges, translation services; (e) establishment and operation of a Grievance Redress Mechanism (“GRM”); (f) other miscellaneous costs directly associated with the Project implementation all based on periodic budgets acceptable to the Bank; (g) cost of conducting meetings and workshops; and (h) Training.

17. “Original Grant” means the financing provided to the Recipient under the Original Grant Agreement.
18. “Original Grant Agreement” means the grant agreement between the Palestinian Liberation Organization (for the benefit of the Palestinian Authority) and the Bank, acting as administrator of the Trust Fund for Gaza and West Bank, for the Health System Efficiency and Resilience Project, dated April 26, 2023 (Grant No. TF0C0976).
19. “Original Project” means the Project described in Schedule 1 to the Original Grant Agreement.
20. “Participating NGOs” means eligible local and/or international non-governmental organizations operating in West Bank and Gaza and currently delivering family health and mental health services and tertiary services, that meet the criteria set forth in the POM, with appropriate service delivery networks and capacity, and are contracted and supervised either through UN agencies or directly between the PA and NGOs, following the eligibility criteria set forth in the POM.
21. “Participating NGO Agreement” means any agreement between the Palestinian Authority and a selected NGO (in accordance with the criteria set forth in the POM), referred to in Section I.C.2 of Schedule 2 to this Agreement.
22. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
23. “PHC” means the Recipient’s primary health care system.
24. “PHC Centers” means the facilities in West Bank and Gaza classified as level 1 (providing, *inter alia*, immunization, health education, mother and child health care services, without physicians); level 2 (additionally providing general practice and laboratory services, without physicians); level 3 and level 4 where a comprehensive package of the services is provided including family health/general practitioner medical care, specialist care, dental health care, gynecology and obstetrics, laboratories, radiology, emergency medical services, and other specialized clinics.
25. “PMU” means the Project management unit within MoH, referred to in Section I.B of Schedule 2 to this Agreement.

26. “PPR” means pandemic preparedness and response.
27. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
28. “Project Operational Manual” or “POM” means the manual, referred to in Section I.D of Schedule 2 of this Agreement, satisfactory to the Bank containing detailed institutional, administrative, financial, social, technical and operational guidelines and procedure for the implementation of the Project.
29. “Services Purchasing Unit” or “SPU” means the unit within the MoH in charge of coordinating and purchasing medical services from hospitals outside the public sector.
30. “Severance Payments” means the payments made by the Recipient to temporary employees hired by the Project, as per the temporary employee’s contract and in accordance with the Recipient’s legislation, equivalent to one month’s salary for each year spent in service, based on the last salary received, as well as monetary compensation for annual leave not taken (a maximum of two years accumulated leave of up to 14 days per year).
31. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
32. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019, with the modifications set forth in Section II of this Appendix.
33. “Subsidiary Agreement” means the agreement referred to in Section I.A of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Grant available to the Palestinian Authority.
34. “Third-Party Monitoring Agent” or “TPMA” means any firm(s) or organization(s) engaged by the Recipients, under terms of reference, and with qualifications, acceptable to the Bank, and to be financed out of the proceeds of the Grant, for carrying out the Recipients’ third-party monitoring of the Project.
35. “Training” means training activities (other than consultant’s services) to be carried out under the Project, as approved by the Bank, including the reasonable and necessary local and international travel incurred by participants in training seminars, workshops and study tours, as well as reasonable lodging, subsistence, local and international per diem allowances, registration, tuition and facilitator’s

fees, minor organizational expenses (including costs of stationery, handouts and training materials), translation and interpretation costs, facility rental costs, and other expenditures directly related to the training, workshop and/or the study tour activity, including Internships, as may be agreed with the Bank.

36. “UN Agreement” means the agreement between the Palestinian Authority and a UN Agency referred to in Section I.C.1 of Schedule 2 to this Agreement.
37. “UNICEF” means the United Nations Children’s Fund.
38. “WHO” means the World Health Organization.

## **Section II. Modifications to the Standard Conditions**

The Standard Conditions are modified as follows:

1. Section 2.09 is amended to read as follows:

“Section 2.09. *Visibility and Visits*. The Recipient shall:

- (a) ensure that all measures as the Bank may reasonably request to identify publicly the donor(s) to the trust fund supporting the Project are taken; and
- (b) throughout the implementation of the Project and for a period of ten (10) years thereafter enable the Bank’s representatives, and, if requested by the Bank, the representatives of the donor(s): (i) to visit any facilities and sites included in the Project; and (ii) to examine the goods financed out of the proceeds of the Grant, and any documents relevant to the performance of its obligations under the Grant Agreement.”

2. Section 3.07 is amended to read as follows:

“Section 3.07. *Financing Taxes*.

- (a) The Grant Agreement may specify that the proceeds of the Grant may not be withdrawn to pay for Taxes levied by, or in the parts of West Bank and Gaza under the jurisdiction of the Palestinian Authority on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply. In such case, if the amount of any such Taxes decreases or increases, the Bank may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such limitation on withdrawals.”

3. Sub-sections (a) and (h) of Section 4.02 are deleted, and consequently, Sub-sections (b) through (k) are re-lettered as Sub-sections (a) through (i).
4. Re-lettered Sub-section (b) of Section 4.02 is amended to read as follows:

“(b) *Fraud and Corruption.* At any time, the Bank determines that any representative of the Recipient (or any agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or any other recipient of any of the proceeds of the Grant) has engaged in corrupt, fraudulent, coercive or collusive practices in connection with the use of the proceeds of the Grant, without the Recipient (or any such agency thereof or any such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority or any other such recipient) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.”
5. Re-lettered Sub-section (c) of Section 4.02 is amended to read as follows:

“(c) *Cross Suspension.* IBRD or IDA has suspended in whole or in part the right of the Recipient or any agency thereof, or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Recipient, or any agency thereof, or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.”
6. Re-lettered Sub-section (f) of Section 4.02 is amended to read as follows:

“(f) *Assignment of Obligations; Disposition of Assets.* The Recipient or any other entity responsible for implementing any part of the Project has, without the consent of the Bank: (i) assigned or transferred, in whole or in part, any of its obligations arising under or entered into pursuant to the Grant Agreement; or (ii) sold, leased, transferred, assigned, or otherwise disposed of any property or assets financed wholly or in part out of the proceeds of the Grant; provided, however, that the provisions of this paragraph shall not apply with respect to transactions in the ordinary course of business which, in the opinion of the Bank: (A) do not materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement or to achieve the objectives of the Project; and (B) do not materially and adversely affect the financial condition or operation of the Recipient (or such other entity).”
7. Re-lettered Sub-section (g) of Section 4.02 is amended to read as follows:

“(g) *Condition of Recipient.*

- (i) If the Grant has been made to a Recipient which is not a member of IBRD:
  - (A) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Recipient (or of any other entity responsible for implementing any part of the Project).
  - (B) The 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.
- (ii) In the opinion of the Bank, the legal character, ownership or control of the Recipient (or any other entity responsible for implementing any part of the Project) has changed from that prevailing as of the date of the Grant Agreement so as to materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement, or to achieve the objectives of the Project.”

8. Re-lettered Sub-section (h) of Section 4.02 is amended to read as follows:

“(h) *Ineligibility.* IBRD or IDA has declared the Recipient ineligible to receive proceeds of any financing made by IBRD or IDA or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA.”

9. Sub-section (c) of Section 4.03 is amended to read as follows:

“(c) *Fraud and Corruption.* At any time, the Bank determines, with respect to any amount of the proceeds of the Grant, that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient (or any agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or any other recipient of the proceeds of the Grant) without the Recipient (or any such agency thereof or any such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or any such other recipient of the proceeds of the Grant) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.”

10. Sub-section (a) of Section 4.05 is amended to read as follows:

“(a) If the Bank determines that an amount of the Grant has been used in a manner inconsistent with the provisions of the Grant Agreement or these Standard Conditions, the Recipient shall, upon notice by the Bank to the Recipient, promptly refund such amount to the Bank. Such inconsistent use shall include, without limitation:

- (i) use of such amount to make a payment for an expenditure that is not an Eligible Expenditure; or
- (ii) (A) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of such amount, or (B) use of such amount to finance a contract during the procurement or execution of which such practices were engaged in by representatives of the Recipient (or any agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or other recipient of such amount of the Grant), in either case without the Recipient (or such agency thereof or such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or other such recipient) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.”

11. Sub-section (k) of Section 5.03 is amended to read as follows:

“(j) If, within thirty (30) days after counterparts of the award have been delivered to the parties, the award has not been complied with, any party may: (i) enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party; (ii) enforce such judgment by execution; or (iii) pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of the Grant Agreement. Notwithstanding the foregoing, this Section shall not authorize any entry of judgment or enforcement of the award against the Recipient except as such procedure may be available otherwise than by reason of the provisions of this Section.”

12. Paragraph (18) of the Appendix is deleted and, consequently, paragraphs (19) through (28) are re-numbered as paragraphs (18) through (27).

