

AGREEMENT ON DELEGATED COOPERATION

Between

KfW

And

the Norwegian Ministry of Foreign Affairs

Regarding support to

German-Norwegian Initiative to reduce Maternal Mortality in Malawi

WHEREAS the Government of Malawi ("Malawi") has requested the Federal Republic of Germany and the Kingdom of Norway to support the German-Norwegian Initiative to reduce Maternal Mortality in Malawi (the "Programme");

WHEREAS Germany and Norway have decided to comply with the request, and wish to channel their support through KfW;

WHEREAS KfW and the Norwegian Ministry of Foreign Affairs (the "MFA") acting for Norway (together the "Parties") have been asked to implement the support as specified in this agreement on delegated cooperation (the "Cooperation Agreement");

WHEREAS KfW will enter into a financing agreement with Malawi (the "Financing Agreement") regarding support to and implementation of the Programme;

WHEREAS respect for human rights, democratic principles, the rule of law and good governance, including the fight against corruption constitute essential elements of MFA's development cooperation and will therefore be taken into account within this Cooperation Agreement and its implementation;

NOW THEREFORE the Parties have reached the following understanding:

I Scope and Objectives

1.

This Cooperation Agreement sets forth common provisions and procedures for the delegated cooperation between MFA and KfW regarding their support to the Programme. The objective of this Cooperation Agreement is to improve donor coordination and harmonisation through delegated cooperation, thereby reducing the administrative burden of the Government of Malawi and enhancing the efficiency of the donors' development cooperation.

2.

The *objective of the Programme* is to contribute to a reduction in maternal and neonatal mortality (MDG 4 & 5) using the instrument of Results-based Financing ("RBF"), and introducing demand and supply side mechanisms.

The Programme will consist of the following activities and components:

- Detailed Programme design
- Infrastructure improvements
- Comp. 1: Transport and subsistence support
- Comp. 2: Quality and performance contracts

The *objectives of the Programme* are:

- Improved quality on maternal and child services (Supply)
- Increased use of Health Facilities (Demand)

The expected *outcome* of the Programme is an increase in the rate of institutional births in the catchment area of health facility participating with improved quality.

The Minutes of Meeting of the common Programme appraisal of June 2010 (including an agreed Programme summary) as well as the pertaining LogFrame are attached as Annexes 1 and 2.

3.

The scope of the Programme as well as the provisions for the Parties' support to the Programme towards Malawi will be defined in the Financing Agreement (mention of which always implicitly includes the Separate Agreement pertaining thereto) which KfW will enter into with Malawi. Unless otherwise stipulated in this Cooperation Agreement, KfW shall be entitled to use its own procedures and standards, including its standard of care.

The Financing Agreement will clearly state the Parties' co-financing of the Programme and KfW's authority to act for MFA in accordance with this Cooperation Agreement. MFA will carry no responsibility or liability towards Malawi for the implementation of the Financing Agreement.

Before entering into the Financing Agreement, KfW will submit a copy of the respective final draft to MFA for information and comment. The same applies in respect of any amendments to the Financing Agreement, which will be subject to consultations; see Paragraph III, Section 3 below. Furthermore, KfW will submit a copy of this Cooperation Agreement to Malawi as soon as it has been entered into.

4.

The Financing Agreement will follow KfW's anti corruption provision and guidelines. KfW shall include into the Financing Agreement a clause representing and warranting that no offer, payment, consideration, gift or benefit of any kind, which could be regarded as an illegal or corrupt practice under German or Malawian law, has or will be made, promised, sought or accepted, neither directly nor indirectly as an inducement or reward in relation to activities funded under this cooperation Agreement, incl. tendering, award or execution of contracts. Any such practice shall be grounds for the immediate cancellation of the Financing Agreement and for such additional action, civil and/or criminal, as may be appropriate.

In case of any incurrance of corruption in accordance with the clause set forth above, MFA shall be entitled to cancel the Cooperation Agreement and to ask for cancellation of and recovery of funds under the Financing Agreement implementing the MFA Contribution.

II Contributions of the Parties

1. The Parties will, subject to parliamentary appropriations, make total contributions not exceeding the following amounts (collectively referred to as the "Contribution") exclusively to support the Programme in the period 2011-2013:

	2011	2012	2013	Total
KfW: €	1.42 mill	1.05 mill	1.03 mill	3.5 mill
MFA: NOK	10 mill	10 mill	10 mill	30 mill

The annual breakdown is tentative. KfW shall not be obligated to disburse any sum exceeding (a) the respective appropriations of the parliament of Norway, (b) the NOK amount being transferred from MFA to KfW, or (c) the EURO equivalent of the NOK amount received as determined at the applicable exchange rate at the time of receipt at KfW.

2. Implementation costs for the administration of the Contribution from MFA are estimated to amount to approximately 5% of the Norwegian commitment. In this specific case and without creating precedence for future cases, KfW shall cover implementation costs for the whole Project (Norwegian and German contribution). In order to compensate KfW for administering the Contribution from MFA, MFA will assume a 5% higher share of certain budget lines which are related to seminars, evaluations and consultants. MFA's share would then amount to 55% of these budget lines. The Parties will decide upon which budget lines will be included at the latest at the first annual meeting between the Parties.

3. Upon completion of the Programme any remaining Programme funds on the special Programme account at KfW mentioned in Paragraph IV, Section 2, including any unspent interest and funds returned from Malawi according to the Financing Agreement will be refunded to MFA on a proportional basis unless otherwise decided by the Parties.

III Cooperation and Representation

1. KfW will administer the Contribution and follow up the Programme vis-à-vis Malawi in accordance with the stipulations in the Financing Agreement and KfW's prevailing general principles and guidelines for development assistance.

2. KfW will promptly inform MFA of any event that interferes or threatens to interfere with the successful implementation of the Programme.

MFA will be invited to take part in all discussions and decisions regarding the Programme which may have an impact on the direction of the Programme as compared to the Programme document.

3. KfW will consult with MFA in case fundamental changes which adversely affect the Programme occur and before making any decision of principle regarding the Programme, e.g. before suspension or termination of, or amendments to, the Financing Agreement.

4. The Parties and Malawi intend to meet at least once a year (the "Annual Meeting") no later than one week before the annual Health Sector Programme of Work (Health SWAp) Joint Annual Reviews ("JAR"), in order to discuss the progress of the Programme and the cooperation between the Parties and Malawi. If requested by a Party or Malawi, there will be a semi-annual meeting aligned to the semi-annual review of the health SWAp. The documentation submitted according to Paragraph V will form the basis for the discussions. KfW will endeavour to include a provision into its Financing Agreement according to which the meeting will be called and chaired by Malawi, which will draft minutes of the meeting, and send the draft for comments and approval to KfW and MFA no later than <seven> days after the meeting. Moreover, MFA may at any time request a meeting with KfW to discuss the progress and plans of the Programme and the cooperation between the Parties.

5. Subject to applicable law MFA will be given access, whenever requested, to all documentation and information in the possession of KfW pertaining to the implementation of the Programme and the administration of the Contribution, excluding, however, any internal documentation relating only to KfW's legal relationship with the German government with no relation to the MFA Contribution. Furthermore, KfW will endeavour to obtain from the Government of Malawi any information or documentation relating to the Programme that MFA may reasonably request.

6. The entities competent to act on behalf of each of the Parties in matters related to this Agreement are:

For KfW:
KfW Entwicklungsbank
Dept. L11b
Palmengartenstraße 5-9
60325 Frankfurt am Main
Germany

For MFA: The Ambassador
The Royal Norwegian Embassy
ARWA House, Lilongwe 3 (When delivered by hand)
Post (i.e. not e-mails) sent to the Norwegian Embassy
from KfW/Frankfurt, should be sent to:
The Royal Norwegian Embassy Lilongwe,
c/o Utenriksdepartementet,
Postboks 8114 Dep.,
N-0032 Oslo
Norway

All communication in regard to this Cooperation Agreement will be directed to the above mentioned entities.

IV Disbursement

1. Disbursements from MFA to KfW will be made semi-annually upon written request from KfW based on the financial needs of the Programme. The first disbursement from MFA, in the amount of NOK 5,0 million, will be made upon signing of this Agreement, the Financing Agreement or the Separate Agreement whichever is the latest.

2.
MFA will disburse its contribution in NOK, KfW will exchange the NOK amount into EUR upon receipt, and deposit the EUR amount into to a special Euro-account (Programme account) held by KfW specifically for this purpose. The account details of this special account will be given to MFA in writing after it has been opened.

3.
KfW will immediately in writing acknowledge the receipt of the contribution, the exchange rate applied, and the resulting amount in Euro.

4.
Any interest accrued from temporary credit balances on the Programme account will, after consultation between the Parties, be used to supplement funds available to the Programme.

V Reporting

1.
Within two weeks before the Annual Meeting KfW will submit to MFA for information and comments a copy of the following documentation which Malawi will be obliged to have submitted one week prior to KfW for the forthcoming meeting:

- the annual progress report (format to be agreed after start of the Programme implementation together with Ministry of Health and in cooperation with the consultant)
- the annual financial statement of the Programme,
- the audit report of the preceding Malawian fiscal year of the annual financial statement of the Programme.

Within the same deadline KfW will submit to MFA for information KfW's assessment of the above mentioned documentation.

2.
Any review or evaluation of the Programme to be carried out will be planned jointly.

3.
Within 3 months after the end of KfW's fiscal year each year KfW will submit to MFA a financial statement showing, as per the end of the previous fiscal year, funds received from MFA, funds disbursed to Malawi, each Party's contribution to the disbursements, and the balance of the Contribution carried over to the following year. The financial statement will be in EUR.

Furthermore, KfW will submit to MFA a copy of any audit report pertaining to the bank account mentioned in Paragraph IV, Section 2 above.

VI Reservations/Termination

1.

The Parties will do their utmost to reach a joint position on how to handle the matter, if they are of the opinion that the Financial Contribution has not been, or will not be, used and/or accounted for by Malawi as described in the Financing Agreement, or that any other reason for termination set forth in the Financing Agreement has occurred. The Parties may decide, without affecting other actions, that KfW will:

- withhold/suspend any future disbursements to Malawi either of the entire Contribution or only of the MFA Contribution;
- reclaim, to the extent legally possible, all or part of the funds already disbursed to Malawi, and/or
- cancel the Financing Agreement either in total or only with respect to the MFA Contribution.

2.

If the Parties are unable to reach a joint position on how to handle the matter including in case MFA requires a termination of its Contribution for reasons of political disruption which cannot be interpreted as extraordinary circumstances precluding or seriously jeopardizing the implementation, the operation, or the purpose of the Programme under the Financing Agreement, MFA may cancel this Cooperation Agreement and, without affecting other actions:

- withhold/suspend any future disbursements to KfW,
- reclaim any contribution transferred to KfW, but not yet disbursed to Malawi, and/or
- request, in respect of its contribution, that KfW takes any such action as mentioned in Section 1 above towards Malawi.

KfW shall not be liable for funds which it is unable to recover from Malawi despite its best efforts to do so. In particular KfW shall not be obliged to reclaim funds which have been committed or spent by Malawi in accordance with the provisions and purpose of the Financing Agreement in an irretrievable manner.

3.

If KfW does not fulfil its commitments according to this Cooperation Agreement, MFA may, after consultation with KfW and without affecting other actions:

- withhold/suspend its disbursements, and, upon 30 days notice,
- cancel this Cooperation Agreement and reclaim all or part of funds already disbursed to KfW but not yet disbursed to Malawi.

In respect of funds already disbursed or irrevocably committed to Malawi or any other third party in accordance with this Cooperation Agreement, KfW's repayment to MFA will be limited to the amount repaid by Malawi or such third party.

4.

KfW shall ensure that it is entitled to terminate the Financing Agreement implementing the MFA Contribution in case of termination of the Cooperation Agreement.

5.

KfW will inform the Government of Malawi immediately in writing of any action as referred to in this Article VI.

VII Duration - Disputes

1.

The delegated cooperation under this Cooperation Agreement shall enter into effect on the date this Agreement is signed by the Parties, and will end on December 31, 2014 unless prolonged by the Parties in writing.

2.

If any dispute arises between the Parties out of or in connection to this Cooperation Agreement, including its existence, validity or termination, which cannot be settled amicably, either Party may submit the dispute to final and binding arbitration. In this regard, the following will apply:



- The arbitration tribunal will consist of one or three arbitrators who will be appointed and will act in accordance with the Arbitration Rules of the International Chamber of Commerce (ICC) applicable from time to time.
- The arbitration proceedings will be conducted in Frankfurt am Main. The proceedings will be held in the English language.

This Cooperation Agreement shall be governed by German law. Place of performance shall be Frankfurt am Main.

The undersigned have signed this Cooperation Agreement in two originals in the English language.

Date: 19 APR 2011

For KfW



For the Norwegian Ministry of Foreign

Affairs (MFA)



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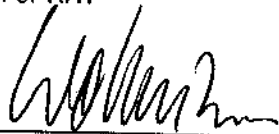
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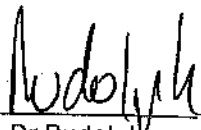
The undersigned have signed this Cooperation Agreement in two originals in the English language.

Date: **19 APR 2011**

For KfW



Wollenzien
First Vice President
Central & Southern Africa

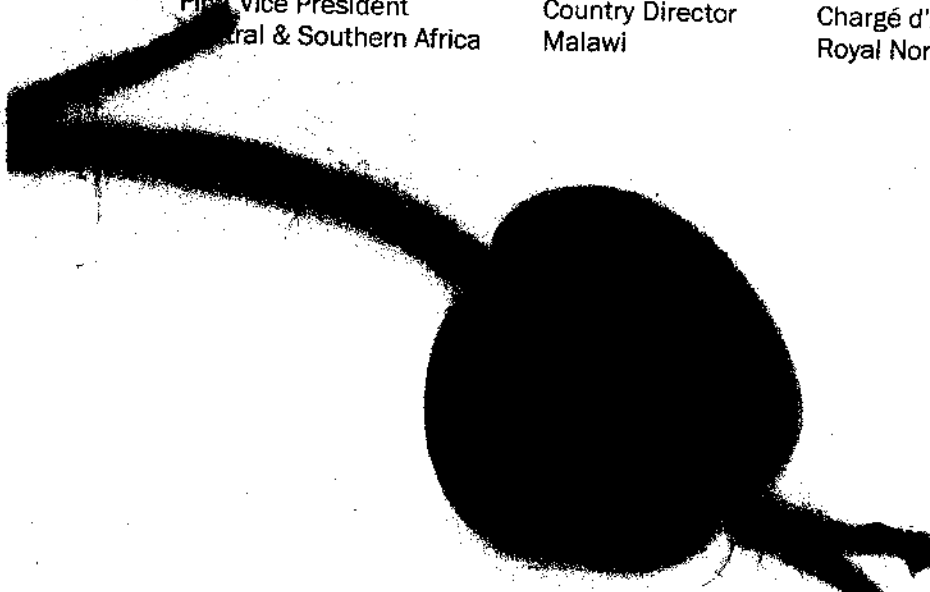


Dr. Rudolph
Country Director
Malawi

For the Norwegian Ministry of Foreign
Affairs (MFA)



Anne Liv Evensen
Chargé d'Affaires a.i.
Royal Norwegian Embassy Lilongwe



Results-based Financing (RBF) for Maternal and Newborn Health in Malawi Minutes of Mission

Background

From June 14th to June 22nd, 2010, an appraisal took place of the planned Results-based Financing Programme for Maternal and Newborn Health ('Programme'), which is to be jointly undertaken by the GoM, Norway (Royal Embassy of Norway) and Germany (KfW). The appraisal was based on the final version of the pertaining feasibility study undertaken by Options (April 2010). Adjustments to the conclusions of the Feasibility Study are detailed below.

The mission members met with representatives from the Ministry of Health, from zonal and district health offices, from CHAM, as well as with several Development Partners. The itinerary was complemented by visits to health facilities at different levels of the referral chain located in the Central Eastern Zone and Lilongwe Rural, including not-for-profit private institutions. Valuable discussions were held with the respective facility staff. The detailed agenda is attached for further reference.

We would like to thank everybody for their time and valuable comments. In particular, we would like to mention Mr. Chris Kang'ombe, PS, MoH, Dr. Ann Phoya, Director SWAp Secretariat, MoH, Dr. Chisale Mhango, Director RHU, MoH, Ms. Fannie Kachale, Deputy Director RHU, MoH.

Our special thanks also to the personnel of the health facilities and health administration offices we visited for making time in their busy schedules to meet with us.

Context

The Programme fits into the long-standing commitment of Norway and Germany to support the health sector in Malawi. As part of this commitment, both countries are partaking in the SWAp. The Programme complements the PoW by contributing to the attainment of the MDGs 4 & 5, which is an important target of the GoM. Due to its pilot character it is being implemented as discrete funding in the SWAp.

A pilot programme is to be implemented in order to test the suitability of RBF for reducing maternal and neonatal mortality in the Malawian context. It is intended to use both demand and supply side measures. Thorough monitoring and evaluation are to point to adjustments necessary before a potential national upscaling.

The objective of the Programme is a reduction in maternal and neonatal mortality using the instrument of RBF focusing on contributing to reach the MDGs 4 and 5 through the introduction of sustainable demand and supply side mechanisms.

Key components of RBF Programme

The RBF programme will consist of the following activities and components:

- Detailed Programme design
- Infrastructure improvements
- Comp. 1: Transport and subsistence support
- Comp. 2: Quality and performance contracts

Detailed Programme design

The details of the Programme design will need to be worked out during the first phase of the Programme, including the selection of the participating facilities. Different approaches within the overall model will need to be tested out on a very low scale before properly piloted in the Programme. The detailed design of the different approaches will be based on examining further administrative issues. Also, through asking women at health facilities the actual impediments to institutional delivery will be confirmed. The initial design and testing period will in principle start as soon as the formalities of the Programme are in place and the international consultants are selected and in place at the RHU after a tender process.

Infrastructure improvements

Prior to the introduction of the RBF interventions there will be a period of some infrastructure improvement in order to ensure a minimum standard of the eligible facilities. With the limited budget available this will need to be detailed out further by the Programme team. It is likely that this will focus on the following:

- Improvements of existing waiting homes, guardian shelters and maternities
- Other infrastructure
- Equipment

Comp. 1: Provision of transport to and subsistence support for stay at health facility (Transport+)

This component aims at facilitating the access to the facilities by women for delivery by reimbursing the cost of transport for the woman and her guardian. The Programme also provides incentives for not delaying to come, and for staying for the time required post delivery. Transport clearly is one important obstacle, including the cost of transport, whereas the cost of staying away from home is another. During ante-natal visits a transport voucher will be provided to women to enable them to pay for transport to and from the facility. Furthermore, a small subsistence allowance in cash or in kind may be provided to women both while waiting to deliver (in waiting homes) and after delivery to encourage women to stay for 48 hours, or longer if needed.

Community awareness of the Transport + scheme is crucial, and a thorough information strategy will be worked out during the design phase.

Different models may be tested out, including a scaled voucher system to be used for any transport available (e.g. three to four different fixed values depending on distance from facility); contracting with owner(s) of selected vehicles to cover a certain number of villages; etc. As public health facilities currently do not handle any cash, the actual fund-holding also needs to be carefully designed and tested, not only for accountability, but also for the security of the fund-holder. Flexibility in terms of choice of service provider has to be balanced against the need to remain within the districts due to administrative procedures relating to individual districts, i.e. budget allocation.

Comp. 2: Quality and Performance contracts with public and CHAM health facilities

This component aims at improving and sustaining quality and volume of maternity services by providing incentives for the health facility staff as a whole, as well as for individuals. Introducing Quality and Performance Contracts for Government and CHAM facilities will allow facilities and staff to be rewarded for working hard at providing good quality maternity services. Contracts will entail achieving goals agreed in terms of *quality* as well as *quantity indicators*. As far as possible, these will be based on existing standards and norms. The reward will most likely be based on the regular reporting as well as an assessment carried out with the comprehensive instrument jointly developed by the MoH and JHPIEGO. The reward may be provided in cash to the CHAM facilities, but as government facilities

themselves do not handle cash, this will be handled by DHO on behalf of the facility, although exclusively for the facility. Different models should be tested out, including the following: 40% of the reward should be spent as direct staff incentives for good performance; 30% for improvement of the infrastructure and equipment; and 30% for improving capacity through mentoring and training (these should be in line with District Implementation Plans, DIPs). Alternatively, the actual allocation of the reward could be done at the discretion of the facility management and/or the facility staff.

In the Feasibility Study, a third component "*Capitation contracts*" was suggested. This component aims at improving Service Level Agreements with CHAM facilities through streamlining these and basing them on a budget for delivery of the services for a given catchments area. The component will be moved to a different programme to be implemented by KfW for three different reasons. Firstly, the component is well in line with the objectives of this; secondly, this will simplify and focus the RBF approach focusing only on two major components of interventions; thirdly, it will increase the total volume of funds available for the two remaining components, as well as for this third component.

Coherence between the supply and demand-side components

As high maternal and neonatal mortality rates are a result of a complex mix of both supply-side and demand-side factors, it is likely that interventions in both are required. Clearly there is also a danger of introducing interventions that will result in a demand that cannot be met at the supply side, and/or that will result in quality reduction. This implies a need for phasing in the different components in the right order as described above.

It is recognized that demand-side factors are addressed by a number of organisations working, in collaboration with the MoH, at the community level, which has led to an increased number of women delivering at health facilities. However, this does not assure skilled attendance at delivery, if the supply-side is not addressed properly. By providing cash for transport and a contribution towards the cost of staying at the health facility (demand-side approach), we address constraints to access to facility-based delivery for poor women. However, by introducing Quality and Performance Contracts, the Programme also addresses supply side constraints.

Programme Management

As discussed during the Feasibility Study, it was agreed that the Programme will be managed from within the Ministry of Health. The team leader of the Programme will be the Director of the RHU. For the purpose of daily follow-up the Director will nominate a staff member as coordinator.

The Programme management will be supported by a consulting firm with one or two long term expert/s stationed in Lilongwe as well as local personnel. The firm will be selected through an international tender. It will provide technical support to the RHU and to MoH, and support the management of funds as well as the fulfilment of the reporting requirements. The programme team will agree on ToR for additional short-term experts in fields of expertise as needed for the implementation. Office space will be provided within the RHU, and will be furnished and equipped by the Programme. Up to two vehicles will be supplied and their running costs met by the programme.

A programme steering committee will be established. Its details will be worked out during the design phase.

Financial arrangements

It was agreed to open a separate Programme account at the MoH and to apply the disposition fund procedure for disbursements, in which after an initial instalment, replenishments would be done quarterly on the basis of submitted evidence of use of funds. This ensures a suitable flexibility of fund management that is needed for a pilot approach. The account will need two signatories for any release. The consultant will provide support in keeping the records and prepare the regular financial reports for the DoFA and for replenishment of funds. Regular reporting and auditing will be ensured. The Programme budget will be reported to the MoF.

Funds will be made available to the respective District Health Offices through the District Assemblies/Councils. The issue of providing funds to the peripheral health facilities to reimburse the transport voucher has been discussed thoroughly. There remain potential risks in having cash at unsecured health facilities. Also, accounting for the funds would be an additional workload for the staff in these facilities. It was concluded to flexibly test different approaches during the pilot phase.

Verification / validation

The issue of prevention and detection of data fraud had not been dealt with comprehensively in the feasibility study. It is, however, important to prevent misuse of the system and to ensure a high level of transparency. Therefore, the design phase will have to take care to develop an adequate framework, without adding unjustified complexity to the procedures of the Programme.

Monitoring and evaluation

The main goal of the monitoring and evaluation component is to improve the availability, quality and use of the data needed to inform RBF program reviews and planning processes, monitor health outcomes progress, health system performance and ultimately demonstrate impact of the project on selected outcome indicators with reasonable degree of certainty. Taking advantage of international experiences and approaches, the monitoring and evaluation framework will be defined during initial phase of IBF program design and will be framed in a way that builds on and strengthens existing reporting systems such as the national health management information system (HMIS) to avoid creating parallel systems and minimizing the reporting burden for health facilities.

i) Monitoring

The standard monitoring framework relating project a) Inputs & processes b) Outputs and c) Outcomes will be used.

a) *Inputs and processes:* Selected key project inputs to be monitored will include infrastructure such as waiting / guardian shelters, equipment, communication, health work force and supply chain of essential drugs.

b) *Outputs:* Facility readiness and capacities, intervention utilization, quality and safety.

c) *Outcomes:* Increased intervention coverage, reduced prevalence of risk behaviour, e.g. delays in care seeking.

Routine and potential data sources that might be used for monitoring will include, but not be limited to, project and health facility documents, clinical reporting systems and HMIS.

ii) Evaluation

The objectives of the evaluation will be twofold:-

a) Assess impact of intervention(s) on selected indicators e.g. maternal mortality.

b) Assess acceptability of intervention by both providers and beneficiaries.

Primary outcomes of interest: improved health outcomes, e.g. reduced maternal and neonatal mortalities, improved quality of care and acceptability of intervention.

Design: Pre- and post-intervention design with non-intervention areas as controls will be used. Facilities will first be stratified (public, private/CHAM, BEmONC, CEmONC) and selected for study inclusion. Both quantitative and qualitative approaches will be employed.

Time: Baseline quantitative and qualitative data will be collected in both intervention and control districts at time 0. Mid term and end of project evaluation will be carried out.

Quantitative assessment will allow for within group (intervention) and between group (intervention vs. non intervention) comparisons and might enable attribution of any impact to the intervention in question with confidence. Qualitative assessment will provide context and in depth understanding of what works and why it works: what does not work and why it does not etc. This design should also provide sufficiently representativeness results to inform national intervention scale up.

General Risks and Mitigation

The appraisal mission did not carry out a comprehensive risk analysis. However, in the following exemplary risks and their mitigation are being discussed.

Non-sustainability

For both components (as for all externally-supported interventions) there is the risk that they will not be sustainable beyond the programme lifetime as future funds may not be available. This risk may be mitigated by budgeting early on for the needed allocations in the framework of the SWAp, and/or investigate alternative sources.

No additional capacity

The objective of the provision of Transport+ is to increase the number of institutional deliveries, and extend the duration of time the women stay at the facilities.

However, the capacity in many health facilities is already over-stretched. This holds true for infrastructure and equipment of the facilities as well as for the personnel.

In order to not actually worsen the situation, complementary measures (within the Programme or from MoH / communities) have to be implemented before Transport+ is being started. Besides the HR element, particular focus should be given to waiting areas for pregnant women.

Counteracting / doubling ongoing (community) activities

In several districts, different community or externally-supported activities related to the issue of maternal and newborn health are on-going. Particular care has to be taken to identify those and closely coordinate the efforts in order to avoid a doubling of activities and/or a counter-acting of those activities.

High turnover of staff

A high turnover of staff would hamper the implementation of the Programme as trained staff may leave the Programme.

Introducing incentives in the framework of the quality and performance contract may lower staff attrition. In addition, complementary measures by the MoH may be required to retain qualified personnel.

Intervention area

During the feasibility study discussions were held to define the pilot intervention area. It was concluded to select districts in a single zone for the purpose of better monitoring. Thus,

Central Eastern Zone was proposed. For the purpose of a Programme evaluation in which intervention and non intervention areas are compared, a control zone will be selected during the design phase.

The feasibility study proposed also to include Lilongwe Rural in the pilot so that the referral level of Bwaila Hospital would be part of Programme. However, due to the limited availability of funds and the pilot character of the programme (Lilongwe Rural although being a typical rural district cannot be compared with other districts for the purpose of evaluation of success of the activities), the mission suggests to include Lilongwe Rural during the scaling up period. According to reports from Bwaila Hospital, the number of referred patients from Central Eastern Zone was marginal in the past. Similarly health facilities in the visited districts of that zone reported that referrals to Bwaila were very rare.

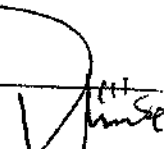
Next Steps

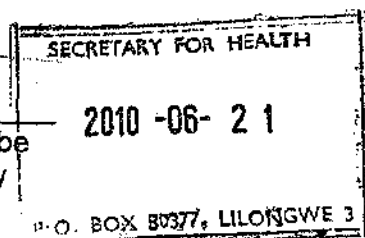
Upon return mission members will prepare the reports for their respective authorities to initiate the government approvals in order to start up negotiations for the financing agreements.


In parallel, the international tender could already be initiated. KfW proposes that a tender agent financed by the German Government supports MoH in the implementation of the tender process.

All parties agree that this Programme enjoys high international attention and that delays should be avoided as far as possible.

Lilongwe, 21 June 2010


Mr Chris Kang'ombe
Principal Secretary
Ministry of Health




Ute Arens
Senior Project Manager
KfW Development Bank

Annexes:

The appraisal team consisted of

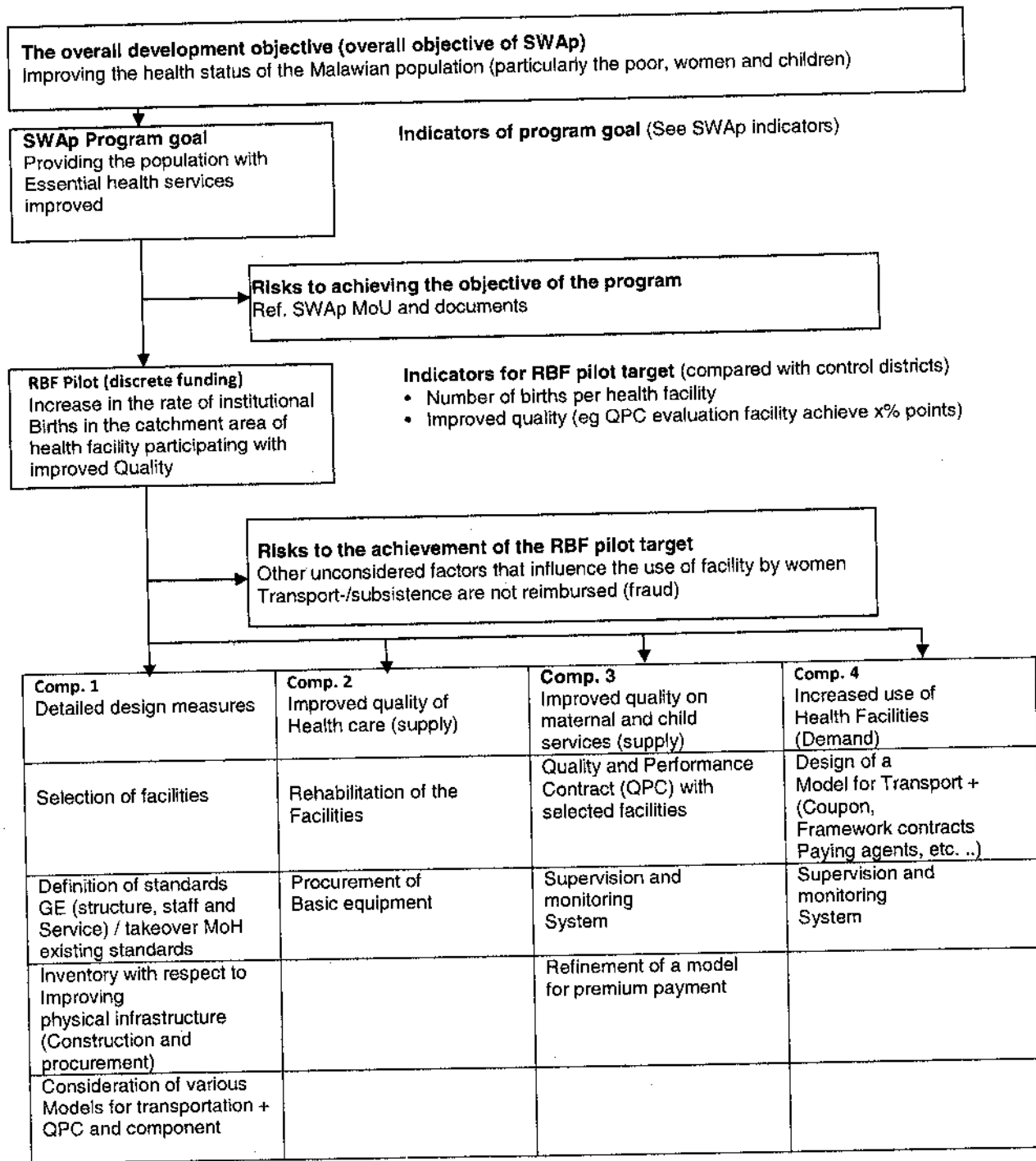
- Nancy Masache MoH - RHU
- Dr. Kai Gesing, Senior Health and Populations Adviser, KfW
- Ute Arens, Senior Project Manager, KfW
- Ingvar Theo Olsen, Senior Adviser, Norad
- Jobiba Chinkhumba, Researcher, College of Medicine, Blantyre

Joint RBF Appraisal Mission

Itinerary

Date	Time	Activity
Mon : 14/06		Arrival of Mission members from Norway and Germany
	15:30	Briefing German Ambassador Mr Rainer Müller and Hanspeter Schwär, Head of Cooperation, German Embassy (Ms Arens, Mr Gesing)
	17:00	Briefing with Anne Liv Evensen (Norwegian Embassy) and Julia Ilse (GTZ)
Tues: 15/06	10:00	Dr Mhango, Director (RHU), Ms Nancy Masache (RHU)
	14:00	Mr Chris Kang'ombe, Principal Secretary, MoH
	15:00	Field visit with Zonal Health Supervisor Central West to Mtenthera Health Centre with Ms Masache and Mr Moses Mhango (from ZHO)
Wed: 16/06	08:00	Dr. Ann Phoya, Director SWAp Secretariat, (MoH)
	09:00	Mr A Hassan, Director of Finances and Administration, (MoH)
	14:00	Mr H. Zithane-Nkunika, Dept. of Planning & Policy Development, (MoH)
	15:00	Visit to Lilongwe DHO
	16:00	Visit to Maternity Unit, Bwaila Hospital
Thurs: 17/06	All day	Field Trip Dowa District Visit to DHO Office Visit to Dowa District Hospital Visit to Mponela Rural Hospital Visit to St. Francis Catholic Hospital in Mtengowanthena
Fri: 18/06	morning	Field Trip Salima District Visit to DHO Office Visit to Salima District Hospital
	afternoon	Preparation of Presentation for debriefing meeting
Sat: 19/06	09:00	Debriefing meeting with Dr. Ann Phoya (Dir. SWAp Secretariat), Ms Fanny Kachale (Deputy Dir. RHU), Anne Liv Evensen (Norwegian Embassy), Julia Ilse (GTZ)
Sun: 20/06	Whole day	Preparation of Minutes of Meeting
Mon: 21/06	09:00	Ms Rose Kumwenda-Ng'oma, Acting Executive Director CHAM
	14:00	WHO
	15:30	Discussion and Signing of Minutes of Mission
	19:00	USAID and DfID
Tues: 22/06	10:00	Debriefing German Ambassador (Ms Arens, Mr Gesing)

Log Frame: Pilot on Results-based Financing (RBF) for Maternal and Newborn Health in Malawi



Activities that involve multiple components:

Risks to achieving the benefits
Inadequate or lack of qualified staff / high turnover
Implementation weakness of the MoH (central and district levels)
Transport not available in the program area