June 1, 2020

H. E. Besnik Bislimi  
Minister  
Ministry of Finance  
Mother Teresa Street  
1000 Pristina  
REPUBLIC OF KOSOVO

Dear Mr. Minister,

Kosovo: Health Project  
(IDA Credit No. 5442-XK)  
Amendment No. 2 to the Financing Agreement

We refer to the Financing Agreement (the Agreement), dated January 15, 2015, as amended to date, between the Republic of Kosovo ("Recipient") and the International Development Association ("Association") for the above-mentioned Health Project (the Project). We also refer to your letter dated March 24, 2020, requesting certain amendments to the Agreement. Unless the context otherwise requires, the capitalized terms used in this Agreement have the same meanings ascribed to them in the General Conditions or in the Agreement.

We are pleased to inform you that the Association agrees to your request and proposes to amend the Agreement in respect of the provisions below:

1. The first paragraph of the Project description in Schedule 1 to the Agreement is hereby amended to read in its entirety as follows:

   "The objective of the Project is to contribute to: (i) developing the building blocks to introduce Social Health Insurance; (ii) strengthening Primary Health Care in selected regions; and (iii) supporting the Government’s response to the threat posed by COVID-19."

2. Part B of Schedule 1 to the Agreement is hereby amended to read in its entirety as follows:

   "Part B: Strengthening Primary Health Care Services

   1. Support Training activities for selected Primary Healthcare Institutions to deliver quality health care services.

   2. Support the organization of Capitation Payments, through: (a) developing and implementing a health information system module; (b) preparing a Capitation Performance Payments Manual; and (c) capacity building of key stakeholders, including staff of Participating Municipalities and Primary Healthcare Institutions, to implement Capitation Payments.

   3. Financing of Capitation Payments to Participating Municipalities to improve patients’ access to quality primary health care."

5. Support the design and implementation of a comprehensive health information system for MoH, HIF, and Primary Healthcare Institutions.”

3. A new Part D of the Project is hereby added to read in its entirety as follows:

“Part D: Emergency response to COVID-19

Preventing, detecting and responding to the threat posed by COVID-19, through, inter alia: (i) procurement of equipment and supplies to facilitate case management, infection prevention and control, and case detection; (ii) provision of technical and medical staffing in selected health facilities; and (iii) carrying out works for rehabilitation of existing quarantine area in Pristina. all in manner acceptable to the World Bank.”

4. A new paragraph 4 is added in Section 1.B of Schedule 2 to the Agreement to read as follows:

“4. Safeguards

A. The Recipient shall carry out Part D of the Project in accordance with the provisions and recommendations of the Environmental and Social Framework (“ESMF”), and to this end, shall ensure compliance with the ESMF and the subsequently prepared Environmental and Social Management Plans (“ESMPs”), which shall be prepared in substance and in a manner acceptable to the Association and in accordance with the ESMF, furnished to the Association for review and approval, incorporated into the relevant bidding documents, and disclosed as required by the ESMF.

B. The Recipient shall ensure, throughout the implementation of Part D of the Project, that the ESMF and ESMPs are implemented in accordance with its respective terms, including application and implementation of the policies, procedures and arrangements therein set forth.

C. The Recipient shall not amend, suspend, abrogate, terminate or waive, or permit to be amended, suspended, abrogated, terminated or waived, any of the ESMF, and ESMPs or any provision of any one thereof, except with the prior written approval of the Association.

D. In case of a conflict between the ESMF or ESMP and the provisions of this Agreement, the provisions of this Agreement shall prevail.”

5. Section II.A of Schedule 2 to the Agreement is amended to read as follows:

“Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

(i) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.”
II. E. Besuik Bislimi

June 1, 2020

(ii) 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.”

6. Section IV.B.2 of Schedule 2 to the Agreement is replaced in its entirety to read as follows:

“The Closing Date is June 30, 2021.”

7. Definition No. 28 in Appendix to the Agreement is amended to read as follows:

“28. Project Operational Manual” means the manual, including all appendices and schedules thereto, satisfactory to the Association and adopted by the Recipient, which sets forth the policies and procedures that apply to the carrying out of the Project, including, inter alia: (a) rules, methods, guidelines and procedures; (b) the implementation arrangements and staffing requirements; (c) the estimated implementation schedule; (d) the procedures for accessing, disbursing and accounting for funds under the Project; (e) the procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports; (f) the procedures for procurement and financial management, referred to in Section 1. B.1 of Schedule 2 to this Agreement; and (g) the safeguards arrangements, including the grievance redress mechanism, for the Project.

8. The following definitions are added in the Appendix to the Agreement and placed in alphabetical order (as a result, the remaining definitions are renumbered to maintain alphabetical order):

“COVID 19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).”

“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.”

“Environmental and Social Management Framework” or “ESMF” means the environmental management and social framework prepared and adopted by the Recipient for Part D of the Project, and duly disclosed in the Recipient’s territory on April 29, 2020 setting forth the policy framework, principles, standards, processes and institutional arrangements to be applied to the Project to assess potential adverse environmental and social impacts associated with Project activities and the ways to avoid, minimize, mitigate or offset them, including public consultation, disclosure and reporting as well as a description of the process for preparing and approving ESMPs during the implementation of Part D of the Project; as such framework may be amended from time to time with the prior written consent of the Association.”

Environmental and Social Management Plan” or “ESMP” means a site-specific environmental and social management plan, prepared in respect to each activity under Part D of the Project pursuant to which the ESMF of said activity requires an ESMP;
such plan shall be prepared in accordance with the ESMF pursuant to the provisions of Section 1.B of Schedule 2 to this Agreement; and "ESMPs" means more than one ESMP."

9. The monitoring indicators for the Project referred to in Section II.A of Schedule 2 to the Agreement, are hereby amended to read as set forth in Annex to this Amendment Letter.

Except as specifically amended herein, all the other terms and conditions of the Agreement shall remain in full force and effect.

Please confirm the agreement of the Recipient to the amendment set out above by countersigning and dating the confirmation set forth below, and returning one fully signed original of this Amendment Letter to us. Once fully signed, original should be retained by the Recipient. Upon receipt by the Association of the copy of this letter of Amendment Letter duly countersigned by the authorized representative of the Recipient, this Amendment Letter shall become effective as of the date of countersignature ("Amendment Effective Date").

Sincerely

INTERNATIONAL DEVELOPMENT ASSOCIATION

Linda Van Gelder
Regional Director, Western Balkans
Europe and Central Asia Region

AGREED:

REPUBLIC OF KOSOVO

By: [Signature]

Authorized Representative

Name: Besnik Bislimi

Title: Minister

Date: 02.06.2020
### Revised Performance Indicators

#### Project Development Objective Indicators by Objectives/Outcomes

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>PBC Baseline</th>
<th>Intermediate Targets</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>To contribute to developing the building blocks to introduce Social Health Insurance</td>
<td>No</td>
<td>The updated list of drugs for the woefully drug benefit scheme is submitted to the Steering Board of the HIF</td>
<td>Yes</td>
</tr>
<tr>
<td>Outpatient (OP) drug benefit scheme established</td>
<td>No</td>
<td>The list of drugs for outpatient drug benefit scheme adopted by the HIF is submitted to the Government</td>
<td></td>
</tr>
<tr>
<td>NPIS is functional (Text)</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To contribute to strengthening Primary Health Care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of municipalities participating in OPPI scheme (Number)</td>
<td>6.00</td>
<td>8.00</td>
<td>20.00</td>
</tr>
<tr>
<td>To prevent, detect, and respond to the threat posed by COVID-19 (Action: This Objective is New)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prishtina Student Campus quarantine area has been upgraded, as per approved MoH guidelines (Text)</td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Action: This Indicator is New</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Intermediate Results Indicators by Components

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>PBC Baseline</th>
<th>Intermediate Targets</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishing Building Blocks for the Introduction of Social Health Insurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health personnel receiving training (number) (Number)</td>
<td>0.00</td>
<td>2,549.00</td>
<td></td>
</tr>
<tr>
<td>Health facilities constructed, renovated, and/or equipped (number) (Number)</td>
<td>0.00</td>
<td>11.00</td>
<td></td>
</tr>
<tr>
<td>Indicator Name</td>
<td>PBC Baseline</td>
<td>Intermediate Targets</td>
<td>End Target</td>
</tr>
<tr>
<td>----------------</td>
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<td>----------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Strengthening Primary Health Care</td>
<td>65.80</td>
<td>70.00</td>
<td></td>
</tr>
<tr>
<td>Number of patients registered in the HHS (Number [Thousand])</td>
<td>0.00</td>
<td>145,003.00</td>
<td>255,337.00</td>
</tr>
<tr>
<td>Of which female (Percentage)</td>
<td>0.00</td>
<td>78.00</td>
<td></td>
</tr>
<tr>
<td>Percentage of capitation-based performance payment budget spent at municipality level (Percentage)</td>
<td>0.00</td>
<td>95.00</td>
<td></td>
</tr>
<tr>
<td>Percentage of participating municipalities with a performance improvement action plan (Percentage)</td>
<td>0.00</td>
<td>75.00</td>
<td></td>
</tr>
<tr>
<td>Emergency response to COVID-19 (Action: This Component is New)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of health staff trained in infection prevention and control per MOH approved protocols (Number)</td>
<td>0.00</td>
<td>460.00</td>
<td></td>
</tr>
<tr>
<td>Action: This Indicator Is New</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of volunteer healthcare staff covered with salaries (Number)</td>
<td>0.00</td>
<td>420.00</td>
<td></td>
</tr>
</tbody>
</table>