H. E. Amadou Ba  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Dakar  
Republic of Senegal

Re: HRITF Grant No. TF016618  
Republic of Senegal: HRITF Pre-Pilot Project

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Senegal ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development and the International Development Association ("World Bank"), both acting as administrator of the Multi-donor Trust Fund for the Health Results Innovation ("Trust Funds"), proposes to extend to the Recipient a grant in an amount not to exceed four hundred fifty thousand United States Dollars (U.S. $450,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World 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.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and return it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned
copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By [Signature]
Vera Songwe
Country Director for Senegal
Africa Region

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
(5) 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
Article I
Standard Conditions; Definitions


1.02. Definitions. 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 to this Agreement; provided that for the purpose of this Agreement the term "Project", whenever used in the Standard Conditions, shall means the Activities referred to in this Section 2.01 of this Annex.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to pilot the Maternal Health Vouchers activity under the Recipient’s Health and Nutrition Financing Project, whose objective is to increase utilization and quality of maternal, neonatal and child health and nutritional services, especially among the poorest households in Targeted Areas in the Recipient’s territory. The Project consists of the following parts:

Part 1. Maternal Health Vouchers

Carrying out a program of activities to encourage: (a) pregnant women to attend antenatal care visits; and (b) assisted deliveries, all through the provision of Maternal Health Vouchers.


Providing support for the monitoring and verification of the implementation of Maternal Health Vouchers under Part (1) of the Project, through the engagement of community-based and independent third party verifiers.

Part 3. Institutional Strengthening

Carrying out Training activities for staff involved in the implementation of the pilot Maternal Health Vouchers.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the CLM in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 (“Anti-Corruption Guidelines”); and (c) this Article II.
2.03. **Institutional and Other Arrangements.** Without limitations upon the provisions of paragraph 2.02 above:

(a) The Recipient shall ensure that, throughout Project implementation, the CLM is maintained with composition, mission and resources satisfactory to the World Bank, to be responsible for the overall implementation of the Project.

(b) The Recipient shall ensure that the Project is carried out in accordance with the Procedures Manual and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the aforementioned manual, or any provision thereof, without the prior written consent of the World Bank.

(c) The Recipient shall provide, or cause to be provided through one or more Payment Services Providers, Maternal Health Vouchers to Eligible Beneficiaries in accordance with the eligibility criteria and procedures acceptable to the World Bank and further detailed in the Procedures Manual. Said eligible criteria to include, *inter alia*, that the Eligible Beneficiary shall have: (i) been identified in the National Unified Registry; and (ii) accomplished either four (4) antenatal care visits or had received assisted deliveries.

(d) Each Maternal Health Voucher shall be: (i) in an amount acceptable to the World Bank and the Recipient shall reflect the reasonable cost of increasing the Eligible Beneficiaries’ access to maternal health; and (ii) certified in accordance with paragraph (h) below.

(e) The Recipient shall conclude and thereafter implement, until it has expired in accordance with its terms, a service agreement, in form and substance satisfactory to the World Bank and in form and in accordance with criteria and procedures set forth in the Procedures Manual, with one or more Payment Service Providers, engaged in accordance with the provisions of Section 2.07 of the Annex to this Agreement and acceptable to the World Bank, for the payment of Maternal Health Vouchers to Eligible Beneficiaries (each a “Service Agreement”). The Recipient shall ensure that each Service Agreement is: (i) submitted to the World Bank for its review and approval prior to its signature between the Recipient and a Payment Service Provider; (ii) signed and effective before any proceeds of the Grant is transferred to the Payment Service Provider; and (iii) carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the recipients of the Maternal Health Voucher proceeds other than the Recipient.

(f) The Recipient shall ensure that each Payment Service Provider complies with its obligations under its Service Agreement with the Recipient and promptly inform the World Bank in case of a breach of the terms of the Service Agreement by a Payment Service Provider.

(g) The Recipient shall, not later than (4) four months after the Effective Date, appoint and maintain external monitoring and evaluation experts and community-based organizations, in accordance with Section III of this Schedule (“Independent Verifiers”) to act as third-party verifiers of the proper implementation of the Maternal Health Vouchers to be carried out under Part 1 of the Project.
(h) The Recipient shall cause said Independent Verifiers to carry out, throughout Project Implementation, and in accordance with terms and reference satisfactory to the World Bank, certification of fulfillment of conditions prior to the payment of any Maternal Health Vouchers, all in accordance with the provisions of the Procedures Manual.

(i) The Recipient shall ensure that the Project is carried out in accordance with the provisions of the National Medical Waste Plan, and, except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

(j) The Recipient shall take all measures on its part to regularly collect, compile, and submit to the World Bank, as part of the Project Report, information on the status of compliance with the National Medical Waste Plan, giving details of: (i) measures taken in furtherance of said plan; (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of said plan; and (iii) remedial measures taken or required to be taken to address such conditions.

2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.

2.05. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements
for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.07. **Procurement**

(a) **General.** All goods, non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011, revised in July 2014 (“Procurement Guidelines”), in the case of goods and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011, revised in July 2014 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods and Non-consulting Services**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts which are specified in the Procurement Plan:

(A) National Competitive Bidding, subject to the following additional provisions:

(a) bids shall be advertised in national newspapers with wide circulation;

(b) bid evaluation, bidder qualification and award criteria shall be specified clearly in the bidding documents;

(c) bidders shall be given an adequate response time (minimum four weeks following the date of the invitation to bid or the date of availability of the bidding documents, whichever is
later) to prepare and submit bids; (d) bids shall be awarded to the lowest evaluated bidder; (e) eligible bidders, including foreign bidders, shall not be precluded from participating; and (f) no preference margin shall be granted to domestic contractors.

(B) Limited International Competitive Bidding.

(C) Shopping.

(D) Direct Contracting.

(d) **Particular Methods of Procurement of Consultants' Services**

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Least Cost Selection; (C) Selection based on Consultants' Qualifications; (D) Selection of Individual Consultants; and (E) Single-source procedures for the Selection of Individual Consultants.

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

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants’ services, Training and Operating Costs under Parts (2) and (3) of the Project</td>
<td>200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Maternal Health Vouchers under Part (1) of the Project</td>
<td>250,000</td>
<td>100% of amounts disbursed payable under the respective Maternal Health Vouchers</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>450,000</td>
<td></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2015.

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

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister in charge of finance.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Economy and Finance  
Rue René N’diaye  
B.P. 4017  
Dakar  
Senegal  

Cable: MINIFINANCES  
Telex: 3203 G  
Facsimile: +221-33-821-1630
4.03. **World Bank's Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD
Telex: INDEVAS 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
APPENDIX

Definitions

1. “CLM” means *Cellule de Lutte contre la Malnutrition*, the multi-sectoral coordination unit within the office of the Recipient’s prime minister and responsible for Project implementation.

2. “Délégation Générale à la Protection Sociale et la Solidarité Nationale” and “DGPSSN” each mean a governmental entity responsible for the preparation and implementation of social protection and national solidarity strategies aiming at providing social and economic protection to vulnerable groups, and established pursuant to the Recipient’s Decree no.2012-1311, dated November 16, 2012, as the same may be amended from time to time.

3. “Eligible Beneficiary” means pregnant women from the poorest households who are included in the National Unified Registry and deemed eligible for Maternal Health Vouchers in accordance with Section 2.03(c) of the Annex to this Agreement and the terms and conditions set forth in the Procedures Manual.


5. “Maternal Health Vouchers” means a payment in the form of a non-refundable grant by the Recipient to an Eligible Beneficiary made or to be made in accordance with the provisions of the Procedures Manual, with the aim of increasing access of Eligible Beneficiaries to selected maternal health care services.

6. “National Medical Waste Management Plan” means the Recipient’s National Medical Waste Management Plan, dated March 2007, being currently updated setting out the measures to be taken for the development and implementation of medical waste management and safe handling of said waste, and any subsequent plans to be adopted succeeding such plan during the implementation of the Project.

7. “National Unified Registry” means the Recipient’s national database of the poorest households as developed and maintained by the DGPSSN.

8. “Operating Costs” means the reasonable incremental operating costs under the Project, incurred by the Recipient, on account of utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries of members of the Recipient’s civil service.

9. “Payment Service Provider” means a person or entity that has entered into a Service Agreement with the Recipient in accordance with the provisions of Section 2.03(e) of the Annex to this Agreement.
10. "Procedures Manual" means the Recipient’s manual prepared and adopted in the context of the Financing Agreement for the Health and Nutrition Financing Agreement dated March 28, 2014 (Credit No. 5324-SN), containing detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) Project budgeting, disbursement and financial management; (iii) procurement; (iv) monitoring, evaluation, reporting and communication; and (v) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for purposes of implementation of the Project. Such manual shall also include operational modules outlining implementation, organizational, administrative, monitoring, financial management, disbursement, detailed eligibility criteria and procurement arrangements concerning the Maternal Health Vouchers payments to be provided under the Project, including eligibility criteria, detailed rules and procedures for said Maternal Health Vouchers payments, grievance mechanisms and the required terms of the Service Agreements.

11. “Service Agreement” means the agreement referred to in Section 2.03(e) of the Annex to this Agreement.


13. “Training” means the costs of training under the Project, attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.