H.E. Mohammed Boussaid  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Avenue Mohamed V  
Rabat  
Kingdom of Morocco  

Re: Kingdom of Morocco: IDF Grant for Improvement of Social Service Delivery Project  
IDF Grant No. TF017309  

Excellency:

In response to the request for financial assistance made on behalf of Kingdom of Morocco ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank") proposes to extend to the Recipient, a grant from the World Bank's Institutional Development Fund ("IDF") in an amount not to exceed four hundred thirty seven thousand United States Dollars (U.S.$437,000) ("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").

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date of the countersignature ("Effective Date"); provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received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 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

By [Signature]
Simon Gray
Country Director for Morocco
MNA Region

AGREED:
MINISTRY OF ECONOMY & FINANCES

By: [Signature]
Authorized Representative
Name: Mohammed Boussaid
Title: Minister of Economy & Finance
Date: Nov 14th 2014

Enclosures:

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

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank Out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

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 this Agreement and the following terms have the following meanings:

   (a) "ONDH" and "Observatoire National du Développement Humain" each means the Recipient’s entity created pursuant to Decree No. 2-08-394 of October 23, 2008 and modified by Decree No. 2-11-467 of September 2011.

   (b) "PIM" and "Project Implementation Manual" each means the manual dated September 15, 2014 adopted by the Recipient and satisfactory to the World Bank, describing the implementation, financial management, procurement, disbursement, monitoring and evaluation and reporting arrangements and control mechanisms for the Project, as the same PIM may be amended from time to time with the prior approval of the World Bank.

   (c) "PMU" and "Project Management Unit" each means the unit within the ONDH, established by the Recipient pursuant to the letter of the President of ONDH dated August 26, 2014, and to be maintained in accordance with paragraph 2.03 (a) of this Annex.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to strengthen the ONDH’s capacity to assess and analyze the quality of basic education and health services delivery in the Recipient’s territory. The Project consists of the following activities:

   (a) Carrying out the design, implementation and analysis of an education service delivery indicator survey;

   (b) Carrying out the design and analysis of a healthcare coverage module to be included in the ONDH households’ panel survey; and

   (c) Identifying and disseminating best practices in the delivery of education and health services to be scaled up.

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 PMU 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 limitation upon paragraph 2.02 above, the Recipient shall:

(a) maintain throughout the implementation of the Project, the PMU, with staff in number and with terms of reference satisfactory to the World Bank, to be responsible for the day-to-day implementation of the Project; and

(b) cause the PMU to implement the Project in accordance with the Project Implementation Manual (“PIM”).

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, 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 such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

(b) The Recipient shall, upon the World Bank’s request, 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 months after the Closing Date.

2.05. **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 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 fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. **Procurement**

(a) **General.** All 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) 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 and revised July 2014 (“Consultant Guidelines”) in the case of consultants’ services; and
(ii) 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 1.25 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, III, IV and V of the Consultant Guidelines.

(c) 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 may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants' Qualifications; (B) Single-source Selection of consulting firms; (C) Selection of Individual Consultants; and (D) Single-source procedures for the Selection of Individual Consultants.

(d) 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) Article III of 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) Consultants’ Services</td>
<td>370,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training</td>
<td>67,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>437,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section, the term “Training” means the reasonable costs, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants’ services).

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 three years after the date of countersignature of this Agreement by the Recipient.

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 responsible for 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
Avenue Mohamed V
Rabat
Kingdom of Morocco

Facsimile:
+212-537677530/31

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
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD

Telex: 248423 (MCI) or 64145 (MCI)

Facsimile: 1-202-477-6391