The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
1818 H Street N.W. Washington, D.C. 20433
(202) 477-1234
Cable Address: INTBAFRAD
U.S.A.

February 21, 2017

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

Re: JSDF Grant No. TF0A3526
Building Resilience to Food and Nutrition Insecurity Shocks Project
Letter Agreement

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 Development Association ("World Bank"), acting as administrator of grant funds provided by Japan ("Donor") under the Japan Social Development Fund, proposes to extend to the Recipient a grant in an amount not to exceed two million eight hundred twenty one thousand seven hundred twenty seven United States Dollars (US $2,821,727) ("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 Donor. 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 Donor 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 returning 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 notice of effectiveness from the World Bank to the Recipient, confirming in accordance with the provisions of Section 4.02 of the Annex to this Agreement.
Agreement that the World Bank has accepted the supporting document provided by the Recipient to the World Bank to establish that the condition of effectiveness listed in Section 4.01 of the Annex to this Agreement has been satisfied.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Country Director for Senegal, Africa Region

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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 additional terms shall have the following meanings:

(a) "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 implementation, coordination and monitoring of the Project.

(b) "LQAS" means lot quality assurance sample, a rapid survey method for quality assurance using ‘minimal sample’, ‘maximal security’ principle in a pre-defined area.

(c) "Local Government" means the lowest tier of administration that acts as the contracting authority of the Project’s community nutrition activities being implemented by the CLM.

(d) "Local Government Area" means a commune of the Recipient’s territory targeted for Project implementation.

(e) "Local Government Council" means the main partner of the Project vested with the responsibility to create the conditions for Project sustainability and ownership by the population.

(f) "Local Government Monitoring Committee" means the committee as referred to in Section 2.03 (h) of this Annex.

(g) "Local Steering Committees" means sub-committees of the Village Selection Committee as referred to in Section 2.03 (g) of this Annex.

(h) "NGO" means a non-governmental organization, established and operating under the laws of the Recipient, vested with the responsibility to assist the Local Steering Committees in identifying the needs and overseeing the implementation of food and nutrition security enhancing measures in the targeted communities.

(i) "Operating Costs" means the incremental expenses incurred on account of Project implementation, including office rental fees, equipment maintenance, office maintenance and administration costs, utilities, communication and insurance costs, vehicle operation and maintenance, travel, per diem, salaries of locally contracted employees but excluding salaries of officials of the Recipient's civil service.

(j) "Project Implementation Manual" and "PIM", each means the manual satisfactory to the World Bank, to be prepared and adopted by the Recipient for the purposes of
the Project and referred to in Section 2.03(b) of this Annex, as the same may be amended from time to time with the prior written agreement of the World Bank.

(k) “Regional Monitoring Committee” means the committee as referred to in Section 2.03 (i) of this Annex.

(l) “Training” means the reasonable costs, as shall have been approved by the World Bank, 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).

(m) “Village Selection Committee” means the committee established within the targeted communities composed of the village chief, religious leaders, women leaders, and community nutrition aides in charge of identifying the most vulnerable households.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to provide access to food and nutrition security enhancing services among vulnerable households in selected areas of the Recipient’s territory. The Project consists of the following parts:

Part A. Women Organization and Empowerment

Enhancing the capacity of women, with young children and adolescent girls, to produce, acquire and provide adequate foods for the household and promote health status by being a platform for: (a) innovative solidarity measures, including: (i) the establishment of children cereal banks to set apart small amounts of food for malnourished children; and (ii) women participation in the Recipient’s subsidized community-based health insurance scheme; (b) training on new food and nutrition security enhancing techniques and technologies as well as financial management; and (c) social and behavioral change communication to support essential life skills, care for pregnant and lactating mothers, child care and feeding practices.

Part B. Improved Varieties and Appropriate Technologies for Micro-Sale Applications at Household Level

Supporting selected beneficiaries with new technologies for year-long household food production, community-based food transformation and preparation, household water purification and hand washing facilities by: (a) identifying new technologies and testing each one of them before dissemination; (b) testing the adoption and dissemination, for micro scale production, of improved and bio-fortified plant varieties and/or animal races, and household-level production technologies that better suit climate changes and provide better food quality; and (c) identifying promising technologies, including fabrication of cheese from goat milk; improved granaries, solar drying, firewood-efficient cooking stoves and hands-free hand washing techniques for dissemination in intervention areas.
Part C. Community Leadership and Governance

Establishing a governance structure to integrate the Project's social and economic objectives by:
(a) developing an approach for community dialog on resilience; (b) testing the idea of creating a
network of social entrepreneurs in target communities; and (c) setting up revolving schemes for
production inputs.

Part D. Project Management, Monitoring and Evaluation, and Knowledge Management

Provision of support to: (a) Project management and administration, including financial management
and procurement; (b) Project monitoring and evaluation through the development of: (i) techniques
such as community score cards to strengthen local authorities' capacity to monitor and evaluate
performance of the Project interventions, and LQAS to track results; and (ii) an impact evaluation to
access the impact of the different approaches and activities; and (c) Project knowledge management
to: (i) document experiences; (ii) better understand Project's efficiency issues; and (iii) identify best
practices for replication.

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 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 limitation upon the provisions of
paragraph 2.02 above:

Project Implementation Manual

(a) The Recipient shall prepare, in accordance with terms of reference acceptable to
the World Bank, a project implementation manual, containing detailed arrangements and
procedures for: (a) institutional coordination and day-to-day execution of the Project;
(b) monitoring, evaluation, reporting and communication; (c) eligibility criteria, detailed rules and
procedures for identification, registration and selection of beneficiaries, (d) requirements to be
fulfilled by beneficiaries as conditions for the community nutrition activities; (e) the mechanisms
for verification of compliance with said conditions; (f) the detailed procedures for coordination
and collaboration among different actors involved in the carrying out of the Project;
(g) administration, financial management and accounting; and (h) such other administrative,
financial, technical and organizational arrangements and procedures as shall be required for
purposes of implementation of the Project.

(b) The Recipient shall afford the World Bank a reasonable opportunity to review
such manual, and shall thereafter adopt said manual as shall have been approved by the
World Bank (“Project Implementation Manual” or “PIM”).

(c) The Recipient shall carry out the Project in accordance with the Project
Implementation 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.
(d) In the event of any inconsistency between this Agreement and the PIM the provisions of this Agreement shall prevail.

Central Level

(e) The Recipient shall, throughout Project implementation, maintain the CLM with mandate, composition and resources satisfactory to the World Bank. To this end, the CLM shall be composed of a range of sectoral and non-sectoral stakeholders, including Local Governments, NGOs and representatives of the Recipient’s ministries responsible for agriculture and health.

(f) Without limitation on the foregoing, the CLM shall be responsible for: (i) multi-sectoral nutrition policy oversight and coordination; and (ii) day-to-day management of technical coordination, resource mobilization and management, project management, monitoring and evaluation, and communication.

Local Level

(g) The Recipient shall, throughout Project implementation, maintain the Local Steering Committees with mandate, composition and resources satisfactory to the World Bank to ensure the coordination and monitoring of Project activities in the selected villages and to be responsible for the recruitment of community nutrition services’ providers in accordance with terms and conditions satisfactory to the World Bank and further described in the Project Implementation Manual.

(h) The Recipient shall, throughout Project implementation, maintain the Local Government Monitoring Committee with mandate and resources satisfactory to the World Bank, composed of elected representatives to be responsible for monitoring the implementation of field activities and to represent the Local Government Council at meetings held outside the Local Government Areas.

Regional Level

(i) The Recipient shall, throughout Project implementation, maintain the Regional Monitoring Committee chaired by the governor, with mandate and resources satisfactory to the World Bank, composed of the regional public service representatives, local authorities, civil society and private sector representatives. To this end, the Regional Monitoring Committee shall: (i) meet at least once every six (6) months; (ii) perform twice yearly monitoring visits to community nutrition activities; and (iii) validate the selection of Local Government Areas to benefit from Project interventions.

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 Donor’s 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 Donor 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 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 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:


(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 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.
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 in paragraph (iii) below; (B) Shopping; (C) Direct Contracting.

(iii) The following additional provisions shall apply to National Competitive Bidding: (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.

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) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-source Selection of consulting firms; (F) Selection of Individual Consultants; and (G) 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, Operating Costs and Training under the Project</td>
<td>2,821,727</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>2,821,727</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 this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is November 30, 2020.

**Article IV**

**Effectiveness; Termination**

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the following condition, namely, the Project Implementation Manual referred to in Section 2.03(b) of this Annex has been prepared and adopted by the Recipient.

4.02. Except as the Recipient and the World Bank shall otherwise agree, the date on which this Agreement shall enter into effect shall be the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 of this Annex ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.03. 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 World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article V**

**Recipient’s Representative; Addresses**

5.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for finance.
5.02. **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  
Republic of Senegal  

Telex: 3203 G  
Facsimile: +221-33-821-1630

5.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391