H. E. Abdoulaye Diop  
Minister of State  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Dakar  
Republic of Senegal

Re: REPUBLIC OF SENEGAL: GFDRR Grant No. TF010853  
Disaster Risk Management and Climate Change Adaptation (Phase I) 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 Development Association ("World Bank"), proposes to extend to the Recipient a grant in an amount not to exceed one million one hundred thousand United States Dollars (U.S.$1,100,000) ("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. Accordingly, in the event that any Donor cancels or fails to pay any contributions under the trust fund to the World Bank for any reason, or that as a result of currency exchange variations the amount of funds available in the trust fund is insufficient for the purposes of the Grant, the Recipient shall bear the risk of such funding shortfall and the World Bank shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred by the Recipient or any third parties in connection with this Agreement which exceed the amount of funds made available to the World Bank by the Donors for the purposes of the Grant.

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 specified by the World Bank in accordance with Section 4.02 of the Annex to this Agreement.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Vera Songwe

Country Director for Senegal

Africa Region

AGREED:

REPUBLIC OF SENEGAL

By

Authorized Representative

Name:

Title:

Date: 02 FEV. 2012

Enclosures:

✓(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010

✓(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
1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 31, 2010 ("Standard Conditions").

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 have the meanings ascribed to them below:

(a) "Anti-corruption Guidelines" means 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.

(b) "Consultants' Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.

(c) "DPC" means the Directorate for Civil Protection, a specialized department within the Recipient's Ministry of Interior, in charge of the coordination of disaster risk management activities in the Recipient's territory.

(d) "NPDRR" means the National Platform of Disaster Risk Reduction referred to in Part IV(iii) of Section 2.01 of this Agreement.

(e) "Operating Costs" means reasonable costs required for the Project including consumable materials and supplies, communications, mass media and printing services, vehicle rental, operation and maintenance, charges for the opening and operation of bank accounts required for the Project, and travel, lodging and per diems, but excluding salaries of officials of the Recipient’s civil service.


(g) "Procurement Plan" means the Recipient’s procurement plan referred to in Section 2.06(a)(iii) of this Agreement.

(h) "Project Administrative, Financial and Accounting Manual" means the manual satisfactory to the World Bank outlining the administrative, financial and accounting arrangements for the implementation of the Project, to be adopted by the Recipient, as the same may be amended by written agreement of the Parties from time to time, and such term includes any schedules to the Project Administrative, Financial and Accounting Manual”.

(i) "Project Implementation Manual" means the manual satisfactory to the World Bank outlining institutional and operational arrangements for the implementation of the Project,
to be adopted by the Recipient, as the same may be amended by written agreement of the Parties from time to time, and such term includes any schedules to the Project Implementation Manual.

(j) "Project Manuals" means the manuals to be adopted pursuant to Section 2.03(c) of this Agreement outlining, *inter alia*, processes, rules, regulations and implementation arrangements, responsibilities, procurement procedures and other requirements for the implementation of the Project, as the same may be amended from time to time in accordance with the provisions of this Agreement.

(k) "Steering Committee" means the committee to be established pursuant to Decree No. 2008-211 dated February 19, 2008.

(l) "Training" means training conducted in the territory of the Recipient, including purchase and publication of materials, rental of facilities, course fees, and travel and subsistence of trainees.

**Article II**

**Project Execution**

2.01. *Project Objectives and Description.* The objective of the Project is to strengthen the capacity of the Directorate for Civil Protection for supporting the disaster risk reduction platform and coordinating preparedness and response to floods. The Project consists of the following parts:

**Part I: Review and Improvement of the Institutional DRM System**

Carrying out a program of activities aimed at improving the Recipient’s current DRM system through the: (i) review of the Recipient’s institutional DRM framework; and (ii) dissemination of the improved DRM framework.

**Part II: Design of an Early Warning System**

Carrying out a program of activities to facilitate the design of a fit-for-purpose flood early warning system including: (i) the establishment of an early warning coordination and monitoring unit; and (ii) a study to set out the functional requirements of a revamped early warning system.

**Part III: Strengthening of the Preparedness and Response Mechanism**

Strengthening the capacity of key stakeholders responsible for emergency response through the: (i) establishment of a preparedness coordination and response unit; (ii) update of the national emergency plan; and (iii) acquisition of equipment for the operational center of the inter-ministerial committee for crisis management and the fire brigade department.

**Part IV: Capacity Building of the DPC**

Supporting the capacity building of DPC through the: (i) provision of technical and material assistance; (ii) development of an action plan for capacity building of its staff; and (iii) revitalization of the NPDRR.
Part V: Project Management

Supporting the Project management through the financing of: (i) audits; (ii) hiring of consultants; and (iii) capacity building.

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 DPC within the Ministry of Interior in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. *Institutional and Other Arrangements.* Without limitations upon the provisions of Section 2.02 above:

(a) The Recipient shall maintain, throughout implementation of the Project, DPC with mandate, staffing and resources satisfactory to the World Bank for the purpose of ensuring the prompt and efficient overall coordination of the Project including fiduciary management and monitoring and evaluation, pursuant to the provisions of this Agreement. DPC shall assign to this Project civilian staff with sufficient numbers and qualifications satisfactory to the World Bank and shall ensure that only said staff takes part in the implementation of the Project.

(b) The Recipient shall carry out the Project in accordance with the Project Manuals, said Manuals to provide details of all operational guidelines and procedures as shall have been agreed with the World Bank, for the implementation, monitoring and supervision of the Project.

(c) The Recipient shall, except as the World Bank shall otherwise agree in writing, not amend or waive any provision of the Project Manuals, if such amendment or waiver may, in the opinion of the World Bank, materially or adversely affect the implementation of the Project.

(d) The Recipient shall appoint an experienced financial management specialist, whose terms of reference, experience and qualifications are satisfactory to the World Bank, to support the Project financial management team.

(e) The Recipient shall, not later than two months after the Effective Date, ensure that an accounting software is acquired and set up to maintain records and accounts for all transactions related to the Project.

(f) The Recipient shall establish the Steering Committee within the NPDPR, under terms of reference and with a membership composition acceptable to the World Bank, to facilitate the Project coordination and encourage each national structure to be actively involved in Project implementation.

(g) The Recipient shall open and maintain, throughout Project implementation, a special deposit account on terms and conditions satisfactory to the World Bank to be exclusively used for the purposes of the Project.

2.04. *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.

(c) 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 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 (45) days after the end of each calendar quarter, covering the quarter, 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 such 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 goods, works, 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 Guidelines, in the case of goods, works and non-consulting services;

(ii) Sections I and IV of the 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.

(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

(i) Except as otherwise provided in sub-paragraph (ii) below, goods 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 for those contracts specified in the Procurement Plan:
(A) National Competitive Bidding, subject to the use of the provisions of the World Bank’s Guidelines and Standard Bidding Documents; (B) Shopping; and (C) 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 may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Least Cost Selection; (B) Selection based on Consultants’ Qualifications; (C) Single-source Selection of consulting firms; (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, consultants’ services, Training and Operating Costs</td>
<td>1,100,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>1,100,000</strong></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 February 14, 2014.
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 conditions specified below have been satisfied:

(a) The Recipient has adopted the Project Manuals in accordance with the provisions of Section 2.03(b) of this Annex.

(b) The Recipient has recruited the financial management specialist referred to in Section 2.03(d) of this Annex in accordance with the provisions of Section 2.06 of this Annex.

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 the Recipient Minister in charge of 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
Senegal

Cable: Telex: Facsimile:
MINIFINANCES 3203 G 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  

<table>
<thead>
<tr>
<th>Cable:</th>
<th>Telex:</th>
<th>Facsimile:</th>
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<tbody>
<tr>
<td>INDEVAS</td>
<td>248423 (MCI) or</td>
<td>1-202-477-6391</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>64145 (MCI)</td>
<td></td>
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