



Date: 10-Dec-2020

Mr. Léonard Rakotomalala
Executive Director
SAHA NGO (Soa Afafy Hampahomby ny ho Avy)
Lot II Y 33C
Villa Maria 101
Antananarivo
Republic of Madagascar

Re: Republic of Madagascar: GPSA Trust Fund Grant No. TF0B4593
(Strengthening Community and Municipality Co-Engagement for Better Basic Health Services Project)

Letter Agreement

Dear Mr. Rakotomalala:

In response to the request for financial assistance made on behalf of SAHA NGO (“Recipient”), a Civil Society Organization with legal personality duly registered in the public registry of civil associations of the Republic of Madagascar (“Member Country”), I am pleased to inform you that the International Bank for Reconstruction and Development and International Development Association (collectively, the “Bank”) acting as administrator of grant funds provided by multiple donors (“Donors”) under the Global Partnership for Social Accountability (“GPSA”) Multi-Donor Trust Fund (the “GPSA Trust Fund”), proposes to extend to the Recipient for the benefit of the Member Country, a grant from the GPSA Trust Fund in an amount not to exceed four hundred eighty-nine thousand five hundred United States Dollars (US \$489,500) (“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 GPSA Trust Fund for which the 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 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 returning it to the Bank.

Very truly yours,

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND
INTERNATIONAL DEVELOPMENT ASSOCIATION**

By: Idah Pswarayi Riddihough

Idah Z. Pswarayi-Riddihough
Country Director for Madagascar
East and Southern Africa Region

AGREED:
SAHA NGO

By: Mr. Léonard Rakotomalala
Authorized Representative

Name: Mr. Léonard Rakotomalala

Title: Directeur Exécutif

Date: 18-déc.-2020

Enclosures:

- (1) "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds" dated February 25, 2019.
- (2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing", dated February 2017.
- (3) "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 and as of July 1, 2016.

GPSA Trust Fund Grant No. TF0B4593
ANNEX

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) 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 Section:

- (a) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, 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, and as of July 1, 2016.
- (b) “CCDS” or “CCSD” means *Comité de Coordination du Développement Sanitaire*, a platform at municipality level, which meets on a regular basis (once every three (3) months) to discuss all topics related to the improvement of local health.
- (c) “Civil Society Organization” or “CSO” means a legal entity that falls outside the public or for-profit sector, such as nongovernment organizations, not-for-profit media organizations, charitable organizations, faith-based organizations, professional organizations, labor unions, associations of elected local representatives, foundations, and policy development and research institutes; and “CSOs” means, collectively and indistinctively, more than one such CSO.
- (d) “COGE” means *Comité de Gestion*, Management Committee in English, committee composed by the municipality representative and the head of the CSB 2 (The doctor).
- (e) “COMARES” means *Coalition Malagasy pour le renforcement des systèmes de Santé et de la Vaccination*, Malagasy Coalition for Strengthening the Health and Immunization System in English (2014), a platform of CSOs working to strengthen the integrated health and immunization system. It remains active in the health sector working closely with the Ministry of Health.
- (f) “COSAN” means *Comité de Santé*, health committee in English. COSAN is responsible for the community health development at fokontany level which is the lowest scale of the administrative district, below the municipality, composed by some villages or hamlets.
- (g) “CSB” means *Centre de Santé de Base*, basic health center in English, (at municipality: CSB 2, fokontany level: CSB 1) provides basic curative, preventive and promotional care. The management of drugs at the CSB level is based on the principle of the financial participation of users at the level of Community Drugstore called “PhaGCom” (for which a portion of the revenue is allocated to the care of the poor: equity funds). PhaGCom CSB, under the responsibility of

municipalities, operate on the principle of co-management between the COGE; and “CSBs” means more than one such CSB.

- (h) “Enabling legislation” means the *Arrêté* No. 149/2011-BIM/ONG/REGAN, dated April 27, 2011, pursuant to which, the Member Country has granted the Recipient the right to carry out activities provided for by the Recipient’s status in accordance with Law 96-30 governing the NGOs.
- (i) “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated August 17, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
- (j) “Environmental and Social Standards” or “ESSs” means, collectively:
 - (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”;
 - (ii) “Environmental and Social Standard 2: Labor and Working Conditions”;
 - (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”;
 - (iv) “Environmental and Social Standard 4: Community Health and Safety”;
 - (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”;
 - (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”;
 - (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”;
 - (viii) “Environmental and Social Standard 8: Cultural Heritage”;
 - (ix) “Environmental and Social Standard 9: Financial Intermediaries”;
 - (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”;effective on October 1, 2018, as published by the Bank.
- (k) “Health District” means the Health authorities in targeted district of the project
- (l) “Milestone” means each and any of the achievements set forth in the additional instructions that the Bank may specify by notice to the Recipient pursuant to Section 3.01 (iii) of this Annex.
- (m) “Ministry of Finance” means the Member Country’s ministry in charge of finance, or any successor thereto.
- (n) “Ministry of Health” or “MoH” means the Member country’s ministry in charge of health, or any successor thereto.
- (o) “NGO” means non-governmental organization.
- (p) “Partner CSO” means a CSO referred to in Article 2 of this Annex and responsible for the implementation of one or more parts of the Project with which a Partner CSO Agreement will be signed; and “Partner CSOs” means collectively

and indistinctively, more than one such Partner CSO, including: (i) CCOC (*Collectif des Citoyens et Organisations Citoyennes*), and (ii) ASOS (*Action Socio-Sanitaire Organisation Secours*).

- (q) “Partner CSO Agreement” means the agreement to be entered into between the Recipient and a Partner CSO (as defined in this Letter Agreement) pursuant to the provisions of Section 2.03 of this Annex, satisfactory to the Bank, as such agreement may be amended from time to time; and “Partner CSO(s) Agreements” means more than one such Partner CSO Agreement.
- (r) “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
- (s) “Project Implementation Manual” or “PIM” means the manual adopted by Recipient, as referred to in Section 2.02(b) of this Annex, as the same may be amended from time to time with the approval of the Bank.
- (t) “ROHY” is a movement of Civil Society Organizations. The ROHY Movement (since 2015) brings together more than 80 Platforms, Associations and NGOs working in different sectors of development and covering the 22 regions of Madagascar. With the State, ROHY was working to push the establishment of frameworks allowing the civil society to play its roles, awareness / education, support for the provision of services, advocacy and forces of proposals.
- (u) “SAHA NGO” means *Soa Afafy Hampahomby ny Ho Avy* NGO, the Recipient of this grant. SAHA NGO's constitution (members of the General Assembly), orientation (members of the Board of Directors) and management teams consist mainly of former employees of the SAHA Program funded by Swiss Cooperation and closed in December 2012. SAHA NGO was established as an NGO in April 2011. It has vast expertise in the areas of (i) local governance and decentralization; (ii) institutional and organizational development; (iii) local economy; and (iv) food safety.
- (v) “SLC” means ‘*Structure locale de Concertation*’ or local coordination structures.
- (w) “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.

Article II Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to contribute to improving the quality and utilization of basic health care services through collaborative social accountability mechanisms in the targeted municipalities in the Member Country. The Project consists of the following parts:

Part 1: Capacity-Building for Collaborative Social Accountability

Enhancing both state and civil society actors' capacities to use collaborative social accountability mechanisms in a structured and interactive manner through:

- (a) (i) carrying out a capacity assessment of capacity gaps, incentives, interests, opportunities and constraints at all level of decision making; (ii) contracting an external evaluator; (iii) conducting a political economy analysis aimed at understanding stakeholders' capacities; and (iv) developing a capacity-building plan;
- (b) preparing a comprehensive capacity enhancement plan, including tailored pedagogical approaches and contents, and "learning-by-doing" exercises, for different selected beneficiary groups (including "femmes leaders");
- (c) strengthening citizens' and health users' active participation for improving health services at the municipal level, through: (i) the Evaluation of health service performance by user colleges in SLC including vulnerable groups jointly with the main stakeholders: Health Committees (COSAN), municipal health development committees (CCDS), management committees (COGE) and health center managers (CSB) and the participatory development of a concerted improvement plan; and (ii) provision of support for stakeholders in participatory monitoring of the implementation of the improvement plan
- (d) strengthening the linkage between consultation spaces and bodies at the municipal level, by updating and formalizing the roles of the different actors and existing structures in their interface function between the population and health facilities to improve services and their use, including providing: (i) training and support to the CCDS in piloting, monitoring and coordinating the health of local communities; and (ii) workshops between CCDS and SLC; and
- (e) supporting the institutionalization of COSAN at the municipal level by: (i) providing technical assistance to Community Agents ("CAs") to provide more qualified primary health care services; and (ii) Training and supporting COSAN in their support functions for health services provided by CAs.

Part 2: Implementing Collaborative Social Accountability Mechanisms for Linking Health and Territorial Planning and Service Delivery at the Municipal Level

Enhancing vertical accountability by strengthening information exchange mechanisms between local and district levels, and linking municipal and district level collaborative social accountability mechanisms to national level decision-making, particularly within the Ministries of Health and Finance, including:

- (a) conducting an applied political economy analysis to better understand coordination roles, functions and constraints between districts and municipalities, including roles of municipal health facilities through COSAN, COGE, CCDS and SLCs, with the support of ASOS;
- (b) establishing an institutional collaboration between the Recipient, the MoH and the Ministry of Finance for facilitating information sharing between municipalities, said

ministries and said ministries' decentralized structures (at regional and district level), including: (i) clarifying roles and responsibilities and the terms of the Partner CSO Agreements between the Recipient and its Partner CSOs as well as relevant public sector counterparts at various levels in connection to (A) information sharing, (B) joint capacity-building, and (C) joint actions; and (ii) the monitoring of the implementation of all the Project activities;

- (c) establishing an institutional collaboration between the Recipient and the Health District for sharing information and lessons learnt, and ensuring technical support towards all CSBs within their Health District's jurisdiction;
- (d) developing a collaborative social accountability mechanism at the regional and/or national level to increase transparency and better allocate resources to the health sector at the municipal, regional and national levels, with the support of other national level CSOs and partner networks on overlapping common issues, such as COMARES, and ROHY; and
- (e) providing light medical equipment to CSBs as part of the COVID 19 response.

Part 3: Improving Knowledge and Learning on Collaborative Social Accountability in the Health Sector and Project Management

Establishing an internal adaptive knowledge and learning process to regularly adjust Project implementation based on experience and contextual circumstances, and generating knowledge and learning for targeted external dissemination amongst key stakeholders through:

- (a) setting up the Project's monitoring, evaluation and learning (MEL) system, including contracting an independent evaluator (individual or firm) at the onset of the Project;
- (b) conducting regular internal Project MEL sessions focused on adjusting the Project's social accountability strategy and operations, including but not limited to, the civil society partnership, and "reality check" discussions;
- (c) developing and implementing a plan for disseminating the Project's knowledge and learning products to key target audiences;
- (d) contributing to the GPSA's mandate to promote knowledge and learning about collaborative social accountability, the local adaptation of the GPSA's theory of change and feeding back lessons that may inform practitioners and the GPSA Global Partners;
- (e) organizing national-level workshops on social accountability in health care with the public sector to harmonize participatory planning and budgeting tools as well as producing lessons learned to be shared through the GPSA's knowledge platform;
- (f) organizing a media and communications plan for targeting audiences, including policy dialogues and other events aimed at disseminating and building support for the Project; and

- (g) carrying out day to day Project implementation and monitoring through the provision of consultant services (including audit), Operating Costs, and Training.

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 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.** For purposes of Project implementation, the Recipient shall:

- (a) always maintain during Project implementation, professional staff in adequate numbers and with terms of references, qualifications and functions acceptable to the Bank, to perform all fiduciary responsibilities including overall financial management, Project monitoring, internal evaluations; procurement and disbursement related to the implementation of Project activities. To this end, the Recipient shall, not later than three (3) months after this Grant Agreement becomes effective, recruit a social focal point, on the basis of terms of reference, qualifications and experience satisfactory to the Bank and in accordance with the provisions of the PIM;
- (b) ensure that the terms of reference for any consultancies related to the technical assistance provided under Section 2.01 of the Annex to this Agreement shall be satisfactory to the Bank and, to that end, such terms of reference shall require that the advice conveyed through such consultancies and technical assistance be consistent with the requirement of the World Bank's Environmental and Social Standards.
- (c) enter into an agreement with its Partner CSOs (the "Partner CSOs Agreements"), under terms and conditions acceptable to the Bank setting forth, *inter alia*: (i) the roles and responsibilities of each Partner CSO under the Project, including the obligation of each Partner CSO to carry out the technical implementation of the activities under the Project with due diligence and efficiency, and excluding any procurement or financial management responsibilities of the Partner CSOs; (ii) the conditions for the Recipient's financing, out of the Grant proceeds, of limited Operating Costs of each Partner CSO for the discharge of its roles and responsibilities under the Project; (iii) the Bank's and the Recipient's right to require audits of each Partner CSO records and accounts; and (iv) the Recipient's right to suspend, terminate or seek refund of the Operating Costs upon the failure of a Partner CSO to comply with its roles and obligations under the Partner CSO Agreement and as detailed in the PIM.
- (d) exercise its rights and carry out its obligations under the Partner CSO(s) Agreement(s) in such manner as to protect the interests of the Bank and the Recipient and to accomplish the purposes of the Grant and, unless the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce the Partner CSO(s) Agreement(s) or any of the provisions thereof.

2.04. *Donor Visibility and Visit.*

- (a) The Recipient shall take or cause to be taken all such measures as the 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 Bank's request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Member Country's territory for purposes related to the Project.

2.05. *Environmental and Social Standards*

- (a) The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph (a) above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:
 - (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (ii) sufficient funds are available to cover the costs of implementing the ESCP;
 - (iii) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall ensure that:
 - (i) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and

- (ii) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- (e) The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

2.06. ***Project Monitoring, Reporting and Evaluation.*** The Recipient shall ensure that each Project Report is furnished to the Bank not later than one (1) month after each calendar semester, covering the calendar semester.

- (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 based on the indicators acceptable to the Bank. Project Reports shall cover the period of one calendar semester for the Bi-Annual Technical Progress Report (January-June, due by July 30th) and one year for the Annual Technical Progress Report (due January by January 31st covering the previous year), in accordance with GPSA reporting requirements. The Reports shall be furnished to the 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 and with the disbursement Milestones defined in Annex 4 of the Disbursement Letter and agreed upon with the GPSA. The Completion Report shall be furnished to the Bank not later than six (6) months after the Closing Date.

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 Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing”, dated February 2017, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures directly relating to the achievement of the Milestones for each Part of the Project and consisting of goods, consulting services (including audits), Training, and Operating Costs, all inclusive of Taxes, and excluding art, furniture, carpets, vehicles and generators.

For the purposes of this Section 3.01, the terms:

- (a) “Training” means the expenditures incurred by the Recipient to conduct training, 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 consulting services); and

- (b) “Operating Costs” means the reasonable expenditures, as shall have been approved by the Bank, incurred by the Recipient and any Partner CSOs to finance its incremental expenses incurred on account of Project implementation, and which include, *inter alia*, vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office and its equipment maintenance (but excluding any minor works), utilities, document duplication/printing, consumables, travel cost and *per diem* for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding consulting services), and any other reasonable expenditures as may be agreed upon by the Bank.

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 December 31, 2021.

Article IV Additional Remedies

4.01. **Additional Events of Suspension.** The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following:

- (a) the Recipient’s Enabling Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under the Project; and
- (b) an extraordinary situation has arisen which makes it improbable that the Recipient shall be able to perform its obligations under the Project.

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 Executive Director.

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

SAHA NGO (Soa Afafy Hampahomby ny ho Avy)
Lot II Y 33C
Villa Maria 101
Antananarivo
Republic of Madagascar

Facsimile: Email:

(261) (0) 22 321 53 contact@saha-mg.org

5.03. **Bank's Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

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

(c) the Bank's Electronic Address is:

Telex: Facsimile:

248423 (MCI) or 1-202-477-6391
64145 (MCI)