

CONFORMED COPY

CREDIT NUMBER 4605-SN

Financing Agreement

(Rapid Response Child-Focused Social Cash Transfer and Nutrition
Security Project)

between

REPUBLIC OF SENEGAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 12, 2009

CREDIT NUMBER 4605-SN

FINANCING AGREEMENT

AGREEMENT dated June 12, 2009, between the REPUBLIC OF SENEGAL (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in the Financing Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to six million eight hundred thousand Special Drawing Rights (SDR 6,800,000) (“Credit”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is the Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project through the CLM in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program or a significant part thereof will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following: the GFRP MDTF Grant Agreement has been executed and delivered and all conditions precedent to its respective effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of the Financing Agreement) have been fulfilled.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Minister of the Recipient at the time responsible for finance.

6.02. The Recipient's Address is:

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

Cable:

Telex:

MINIFINANCES

3203 G
Dakar

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI) or
64145 (MCI)

1-202-477-6391

AGREED in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF SENEGAL

By: */s/ Amadou Lamine Bâ*
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: */s/ Benjamin MacDonald*
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to reduce the risk of nutrition insecurity of vulnerable populations, in particular children under five in poor rural and urban areas in the Recipient's territory, by scaling up the Recipient's Nutrition Enhancement Program and providing cash transfers to vulnerable mothers of children under five.

The Project consists of the following parts:

Part 1: Community-based Nutrition

(a) Community-based growth monitoring and promotion of c-IMCI

Promotion of community-based IMCI, CMAM, and monitoring of growth through:

- (i) carrying out of monthly evaluation of growth of children under two years of age with counseling feedback to mothers, home visits to children requiring special attention, and cooking demonstrations; and
- (ii) promotion of recommended infant and young child feeding practices, disease preventive measures, particularly malaria prevention, by promotion of the use of impregnated bed nets by children and pregnant women, home-based care, recognition of danger signs and timely care-seeking for sick children,

all through the provision of Subgrants, technical advisory services, goods, minor pharmaceutical drugs and equipment and Operating Costs.

(b) Micronutrients

Promotion of micronutrients through:

- (i) dissemination of information on dietary diversification, vitamin supplements, fortified foods such as iodized salt, and de-worming medication;

- (ii) referral of children at risk to health centers; and
- (iii) support, according to the accepted norms, for the intake of iron and Vitamin A supplements by pregnant and post-partum women,

all through the provision of Subgrants, technical advisory services, goods, minor pharmaceutical drugs and equipment and Operating Costs.

Part 2: Multi-sectoral Support for Nutrition

Enhancing multi-sectoral support for nutrition through:

- (a) updating and strengthening of the annual work plans of MOHP and MOE with nutrition-relevant actions;
- (b) identification of areas of collaboration between MOHP and MOE, with emphasis on: (i) enhancing planning capacity through the elaboration of strategic annual work plans; (ii) updating of nutrition-relevant norms for the promotion of a strategy to fight anemia; (iii) advocacy for nutrition within the health and education sectors; (iv) health and nutrition education; and (v) delivery of essential health and nutrition services (including supervision by MOHP of community activities implemented under Part 1 (a) and (b) of the Project);
- (c) technical assistance to, and coordination with Sector Ministries towards creating the right conditions for child growth at community level;
- (d) support to the HIV/AIDS through a nutrition strategy;
- (e) providing targeted support to the MOHP and MOE for the implementation of activities identified in the LE; and
- (f) support to COSFAM's food fortification strategy,

all through the provision of technical advisory services, training, studies, goods and Operating Costs.

Part 3: Support for Implementation, Monitoring and Evaluation of the Program

Support for implementation, monitoring and evaluation of the Program through:

- (a) updating of the monitoring system and of community nutrition activities and its tools to include enhanced monitoring of Part 4 of the Project;
- (b) execution of ad-hoc studies, both quantitative and qualitative, regarding child growth, the hungry season, and beneficiaries' satisfaction within the monitoring system; and
- (c) strengthening of the decision-making process by enhancing analytic capacity and accountability at local, district and central levels,

all through the provision of technical advisory services (including workshops), studies and Operating Costs.

Part 4: Cash Transfer

Increase food consumption of young children in vulnerable households through:

- (a) bi-monthly Cash Transfers to Eligible Cash Transfer Beneficiaries; and
- (b) carrying out of a strong communications and monitoring campaign, the provision of technical advisory services (including workshops) and Operating Costs.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. General

1. The Recipient shall: (i) carry out the Project in conformity with the PIM; and (ii) not amend, abrogate or waive the PIM or any provision thereof if, in the opinion of the Association, such amendment, abrogation or waiver will materially affect the implementation of the Project.

B. Central level

1. CLM

- (a) The Recipient shall maintain the CLM with composition, terms of reference and resources satisfactory to the Association. Except as the Association shall otherwise agree, the CLM shall be composed of, among others, representatives of the MOHP, MEF, MOE, the Ministry of Family, the Ministry of Agriculture, the Ministry of Local Government, the Ministry in charge of Planning, and LG associations.
- (b) The Recipient shall cause CLM to be responsible for policy development and implementation coordination and oversight. Without limitation to the generality of the foregoing, the CLM shall contribute in the elaboration of a policy and strategies for nutrition; monitor and coordinate implementation; review and approve proposals from implementing partners (CEAs and Sector Ministries); and review and approve annual work plans and budgets of BEN.

2. BEN

- (a) The Recipient shall maintain BEN with composition, terms of reference and resources satisfactory to the Association. BEN shall be headed by a national coordinator, assisted by competent staff in adequate numbers, including a financial management specialist, an internal auditor, an accountant, a senior finance officer, an operations and monitoring officer, a procurement specialist, a communication specialist, a public health nutrition specialist, and a program assistant.

- (b) (i) The Recipient shall cause BEN to act as the secretariat of CLM and be responsible for day-to-day activities. BEN will coordinate and consolidate annual work plans and budgets, and oversee financial management, procurement and monitoring and evaluation of activities. BEN shall station representatives at the regional level to oversee, guide and coordinate the implementation of community-based activities between the various stakeholders and partner institutions, sign contractual agreements with LGs and “*Lettres d’Exécution*” with Sector Ministries after their approval by the CLM, oversee the day-to-day management of the Program; provide technical assistance, in collaboration with Sector Ministries elaborate guidelines and other reference documents, liaise with donors of the program, and conduct studies and surveys on nutrition.
- (ii) The financial management staff of BEN will report to the director in charge of debt and investment in the MEF, and be responsible for collection of invoices; keeping of books of account; entering of data in the accounting software; monitoring of disbursements; preparation of IFRs as well as the annual Financial Statements; and ensuring that annual audits are carried out in a timely manner.

C. Regional level

1. BER

- (a) The Recipient shall maintain BERs with composition, terms of reference and resources satisfactory to the Association. Each BER shall be staffed with one office administrator, assisted by technical and financial staff.
- (b) The Recipient shall ensure that regional representatives of BER guide and assist LG in the performance of their duties, monitor day-to-day operations, including financial management, and facilitate coordination amongst partners at regional level including CEA, LG, public services and regional authorities.

2. DCM

- (a) The Recipient shall create DCMs in the relevant districts for the implementation of Part 4 of the Project with composition, terms of reference and resources satisfactory to the Association. Each DCM shall

be composed of the “*sous-préfet*”, the attendant of the medical post (“*infirmier chef de poste*”), and members of the CADL, SADS, and the Social Affairs Commissions

- (b) The Recipient shall ensure that the DCMs shall: (i) provide technical assistance to the LGs for the identification of Eligible Cash Transfer Beneficiaries; and (ii) review and validate the proposed list of Eligible Cash Transfer Beneficiaries received from the CEA and communicate the validated list to CLM for processing.

D. Local level

1. Local Governments

The Recipient shall support the LGs to: (i) incorporate nutrition and nutrition indicators in the Local Agendas; (ii) select the villages in which interventions will be carried out; (iii) select one CEA to which it will contract out the community-based nutrition interventions according to the criteria in the PIM; (iv) prepare and submit to CLM for approval Subproject proposals; (v) monitor activities and report to the CLM, (vi) set up Local Selection Committees with composition, terms of reference and resources satisfactory to the Association and comprising the community Nutrition Aides, religious leaders and local representatives.

2. Communities

Under the supervision of a CEA, each community shall set up a Management Committee to oversee the activities under Part 1 of the Project. The Community Management Committee shall: (i) identify and mobilize members of the community to operate as Nutrition Aides; (ii) facilitate the setting up of sites for Nutrition Aides to conduct monthly growth promotion activities and provide other support, as necessary; and (iii) strengthen its capacity to analyze and respond to local nutrition problems.

3. Local Selection Committees

Under the supervision of a LG, each Local Selection Committee shall: (i) organize the information for the community and plan the community meetings for the purpose of Part 4 of the Project; (ii) identify the potential Eligible Cash Transfer Beneficiaries in accordance with the criteria set forth in the PIM; and (iii) send list of Eligible Cash Transfer Beneficiaries to the relevant CEA and DCM.

E. Anti-Corruption

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
2. Without limitation to the provisions of paragraph (1) above, the Recipient shall ensure that the Recipient's agencies and service providers which are required to provide services under the Project, including, without limitation, Payment Service Providers, are made aware of the requirements of the Anti-Corruption Guidelines and take all actions necessary to support the carrying out of the Project in accordance with such requirements.

F. Annual Work Programs

No later than May 15, 2009, and no later than December 15 each year thereafter, the Recipient shall cause the BEN to prepare, and furnish to the Association, for review and approval, an annual work program and budget for the next Fiscal Year, including investments, incremental Operating Costs, and amounts needed for the Cash Transfers, and subject to comments by the Association, shall proceed with the implementation of the agreed annual work program.

G. Cash Transfers

- (a) For the implementation of Part 4 (a) of the Project, the Recipient shall provide, or cause to be provided through one or more Payment Service Providers, Cash Transfers to Eligible Cash Transfer Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association, and described in the Project Implementation Manual.
- (b) Each Cash Transfer shall be in an amount acceptable to the Association and the Recipient and shall reflect the reasonable cost of increasing the Eligible Cash Transfer Beneficiary's food consumption for young children in her household.
- (c) The Recipient shall ensure that the amount of each Cash Transfer is used by the Beneficiary for its intended purpose.
- (d) 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 Association and in the form and in accordance with the criteria and procedures set forth in the PIM, with one or more Payment Service Providers acceptable to the Association for

the payment of Cash Transfers to Beneficiaries (each a “Service Agreement”). The Recipient shall ensure that each Service Agreement is: (A) submitted to the Association for its review and approval prior to its signature between the Recipient and a Payment Service Provider; and (B) signed and effective before any proceeds of the Financing is transferred to the Payment Service Provider.

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

H. Subprojects

1. General

Without limitation upon the provisions of Part A of this Schedule, the Recipient shall cause each LG to appraise, approve and monitor the implementation of Subprojects in accordance with the provisions of this Part H and the PIM.

2. Eligibility Criteria for Subprojects

No proposed Subproject shall be eligible for financing under Part 1 of the Project unless the CLM shall have determined, on the basis of an appraisal conducted in accordance with this Section and the guidelines set forth in the PIM, that the proposed Subproject satisfies the eligibility criteria set forth in the PIM, including, but not limited to, the following:

- (a) the Subproject shall, as set forth in Part 1 of Schedule 1 to this Agreement, be for community-based nutrition interventions;
- (b) the Subproject shall be implemented by a Subproject Beneficiary which shall facilitate the establishment of a Community Management Committee to act on its behalf and the selection of nutrition aides to implement the activities at community level;
- (c) the Subproject Beneficiary must have legal status, so that it may enter into a Subgrant Agreement with the LG, open and manage a bank account and enter into contracts with private sector operators, as required;

- (d) the Subproject shall be economically, financially and technically viable in accordance with the standards specified in the PIM;
- (e) the Subproject shall be carried out in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient; and
- (f) the Subproject shall be in compliance with the standards set forth in the applicable laws and regulations of the Recipient relating to health, safety and environmental protection.

3. Terms and Conditions of Subgrant Agreements

- (a) A Subproject shall be carried out pursuant to a Subgrant Agreement, to be concluded between the LG concerned and a Subproject Beneficiary, under terms and conditions satisfactory to the Association and in the form of the model agreement set forth in the PIM which, *inter alia*, shall include the following:
 - (i) the Subgrant shall be provided on a non-reimbursable grant basis;
 - (ii) the obligation to carry out the Subproject in accordance with the PIM, with due diligence and efficiency and in accordance with sound technical, financial, social, environmental and managerial standards;
 - (iii) the obligation to maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Subproject;
 - (iv) the requirement that: (i) the goods, works and services to be financed from the proceeds of the Subgrant shall be procured in accordance with the procedures set forth in Section III of Schedule 2 to this Agreement and as further specified in the PIM, and (ii) such goods, works and services shall be used exclusively in the carrying out of the Subproject;
 - (v) the requirement that CEAs regularly conduct monitoring and evaluation surveys at the beginning and end of the Project, using

tools, sampling and data collection methods satisfactory to the Association;

- (vi) the requirement that the Subproject Beneficiary open a bank account for the deposit of Subgrant funds in a commercial bank under terms and conditions acceptable to the Association, and provide the account details to the LG concerned;
 - (vii) the right of the LG and / or CLM to inspect by themselves or jointly with the Association, if the Association shall so request, the goods, works, sites, plants and construction included in the Subproject, the operations thereof, and any relevant records and documents;
 - (viii) the right of the LG and / or CLM to obtain all information as they, and / or the Association, shall reasonably request regarding the administration, operation and financial conditions of the Subproject; and
 - (ix) the right of the LG concerned to suspend or terminate the right of the Subproject Beneficiary to use the proceeds of the Subgrant for the Subproject, or obtain a refund of all or any part of the amount of the Subgrant for the Subproject then withdrawn, upon the failure by the Subproject Beneficiary to perform any of its obligations under the Subgrant Agreement.
- (b) The LG shall exercise its rights under the Subgrant Agreement in such manner as to protect its interests and the interests of the Association and to achieve the Project objectives, and, except as the Association shall otherwise agree, the LG shall not assign, amend, abrogate or waive the Subgrant Agreement or any substantive provision thereof.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate the progress of the Project, including, without limitation, the Service Agreement(s) and the performance of the Payment Service Provider(s) thereunder, and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the

period of a calendar trimester, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report. A consolidated Project Report covering the period of one calendar year shall be furnished to the Association no later than 90 days after the end of the period covered by such report.

- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) the percentage of the target population reached by the Program at community level;
 - (ii) the percentage of mothers providing exclusive breastfeeding for the first six months;
 - (iii) the number of Cash Transfer Beneficiaries; and
 - (iv) the percentage of selected Cash Transfer Beneficiaries who receive all intended Cash Transfers.

- 2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six (6) months after the Closing Date.

B. Financial Management, Financial Reports and Audits

- 1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
- 2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than 45 days after the end of each calendar quarter, IFRs for the Project covering the quarter, in form and substance satisfactory to the Association. The first un-audited financial report shall be furnished to the Association not later than 45 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of such first calendar quarter; thereafter, each un-audited financial report shall be furnished to the Bank not later than 45 days after each subsequent calendar quarter, and shall cover such calendar quarter.
- 3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General 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 Association not later than six months after the end of such period. In addition to expressing an opinion on the Project Financial Statements, the auditors shall prepare: (i) a report on internal controls; and (ii) management letters with observations and recommendations for improvement in accounting records, systems, controls and compliance with financial covenants in this Agreement.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Services (other than consultant services)

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and services (other than consultant services) shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Services (other than consultant services).** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and services (other than consultant services). The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
<i>(a) National Competitive Bidding</i>
<i>(b) Direct Contracting</i>
<i>(c) Procurement from the United Nations Agencies</i>
<i>(d) Shopping</i>
<i>(e) Community participation in procurement</i>
<i>(f) Limited International Bidding</i>

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. For the purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for consulting services estimated to cost less than \$200,000 equivalent, per contract, may include only consultants from the country of the Borrower
3. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
<i>(a) Selection based on consultants' qualifications</i>
<i>(b) Least Cost Selection</i>
<i>(c) Single Source Selection</i>
<i>(d) Fixed Budget Selection</i>
<i>(e) Selection of Individual Consultants</i>

D. Review by the Association of Procurement Decisions

1. The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed
(1) Subgrants for Subprojects under Part 1 of the Project	3,520,000	100% of amounts disbursed
(2) Drugs, pharmaceutical equipment, consultants services, including the fees due to the Payment Service Providers pursuant to the terms of the relevant Service Agreement (but excluding Cash Transfers), audits and Training for the Project	2,800,000	100%
(3) Operating Costs for the Project	480,000	100%
TOTAL AMOUNT	6,800,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:

- (a) for payments made prior to the date of this Agreement.
- (b) under Category (1), for Region B, and after the written approval of the Association, for Region A, unless the first Subgrant Agreement shall have been furnished to the Association for its prior approval and found to have been made in accordance with the procedures and under the terms and conditions referred to in Schedule 2 to this Agreement and set forth in detail in the PIM.

2. The Closing Date is December 31, 2011.

Section V. Other Undertakings

- 1. No later than three (3) months after the Effective Date, the Recipient shall:
 - (a) update the Project Implementation Manual in form and substance satisfactory to the Association, to reflect criteria and mechanisms related to the implementation of Part 4 of the Project; and
 - (b) recruit an external auditor under terms of reference satisfactory to the Association.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 15 and September 15:	
commencing September 15, 2019 to and including March 15, 2029	1%
commencing September 15, 2029 to and including March 15, 2049.	2%

*The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “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.
2. “BEN” means *Bureau Exécutif National*, the executive bureau of the CLM, responsible for the management of all activities under the Project and established by *Arrêté* No. 010062/PM/Cab/DC dated December 26, 2001 of the Prime Minister.
3. “BER” means *Bureau Exécutif Régional*, the regional branch of BEN responsible for supporting and coordinating the implementation of nutrition and growth promotion interventions within the assigned regions.
4. “c-IMCI” means community-based Integrated Management of Childhood Illnesses at community level, one of three pillars of IMCI promoted by the World Health Organization.
5. “CADL” means the Recipient’s Local Development Support Center.
6. “Cash Transfer” means a transfer of funds in the form of a non-refundable grant by the Recipient to an Eligible Cash Transfer Beneficiary following the provisions of Part 4(a) of the Schedule 1 to the Financing Agreement, made or to be made in accordance with the provisions of the Project Implementation Manual, with the aim of increasing food consumption of young children in vulnerable households.
7. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
8. “CBO” means a community-based organization established and operating under the Recipient’s laws.
9. “CLM” means *Cellule de Lutte contre la Malnutrition*, within multi-sectoral coordination unit within the Office of the Prime Minister and responsible for implementation, coordination and monitoring of the Program in the Recipient’s territory.

10. “COSFAM” means the national community for food fortification of the Recipient (*Comité Sénégalais pour la fortification Alimentaire*).
11. “Community Executing Agency” and “CEA” mean a CBO, NGO, parastatal, public or private sector entity, association, or institution, selected to enter into a Subgrant Agreement with LG for the carrying out of nutrition related activities, growth promotion and small-scale food security interventions approved under a Subproject.
12. “Community Management Committee” or “CMC” means the committee of the community which under the supervision of the community leader provides support to the Nutrition Aides in conducting their activities.
13. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
14. “CMAM” means the Community Management of Acute Malnutrition.
15. “DCM” means the District-level Monitoring Committee to be set up pursuant to the terms of Section I.C.2 of Schedule 2 of this Agreement.
16. “Dollar” means the United States Dollar.
17. “Eligible Cash Transfer Beneficiaries” means vulnerable mothers (or surrogate mothers in case of death) with children under five years of age in the most affected urban and rural areas, who are deemed eligible for Cash Transfers under the terms and conditions set forth in the PIM.
18. “Fiscal Year” means a period of twelve consecutive months from January 1 to the next December 31.
19. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
20. “GFRP MDTF” means the Global Food Crisis Response Program Multi-Donor Trust Fund.

21. “GFRP MDTF Grant” means the grant in the amount of eight million Dollars (\$8,000,000) to be provided by the Association, acting as trustee of the GFRP MDTF, to assist in financing the Project.
22. “GFRP MDTF Grant Agreement” means the agreement between the Association, acting as trustee of the GFRP MDTF and the Recipient providing for the GFRP MDTF Grant.
23. “IMCI” means Integrated Management of Childhood Illnesses.
24. “Interim un-audited Financial Report” or “IFR” means the report on the basis of which disbursements will take place, as referred to in Part B (2) of Section II of Schedule 2 to this Agreement, and which: (i) sets forth the sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing funds provided under the Designated Account, and Project Account, and explains variances between the actual and planned uses of such funds; (ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; (iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report; and (iv) contains financial forecasts for the subsequent two quarters.
25. “LDP” or “Local Development Plan” means an investment plan for local development of rural administrative units (*"communauté rurale"*) and urban administrative units (*"commune"*) of the Recipient over a five-year period, and elaborated by the LG as part of the decentralization process, as such plan may be amended from time to time.
26. “LE” or “*Lettre d’Exécution*” means the Implementation Agreement entered into between CLM and each Sector Ministry and setting forth nutrition related activities and services and financial arrangements thereof, to be carried out by the respective Sector Ministry in accordance with a Work Program approved by CLM.
27. “LG” means local government.
28. “Local Agendas” means all planning and budget instruments developed for the CLs (including the LDPs).
29. “Local Selection Committee” or “LSC” means the local committee selected with representatives of the Social Affairs Committees, the LGs, extended with religious leaders, village chiefs and Nutrition Aides.

30. “Ministry of Agriculture” means the Recipient’s ministry responsible for agriculture.
31. “Ministry of Economy and Finance” or “MEF” means the Recipient’s ministry responsible for economy and finance.
32. “Ministry of Education” or “MOE” means the Recipient’s ministry responsible for education.
33. “Ministry of Family” means the Recipient’s ministry responsible for the family, national solidarity, women’s *entreprenariat* and micro-finance.
34. “Ministry of Health and Prevention” or “MOHP” means the Recipient’s ministry responsible for health and disease prevention.
35. “Ministry of Local Government” means the Recipient’s ministry responsible for local administration.
36. “NGO” means a non-governmental organization established and operating under the laws of the Recipient.
37. “NSPS” means the National Protection Strategy adopted by the Recipient for the period 2005 through 2015.
38. “*Nutrition Aide*” means a person selected by the community to provide preventive nutrition and child growth promotion assistance under the Project.
39. “Operating Costs” means the incremental expenses incurred by the BEN under the Project on account of audit costs, office rental fees, equipment and supplies, office administration costs, utilities, communication and insurance costs, vehicle operation and maintenance, travel, per diem and supervision costs, salaries of locally contracted employees but excluding salaries of officials of the Recipient's civil service.
40. “Payment Service Provider” a person or entity that has entered into a Service Agreement with the Recipient in accordance with the provisions of Section I, Part G, paragraph (d) of Schedule 2 to this Agreement.

41. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
42. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 13, 2009 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
43. “Program” or “Nutrition Enhancement Program” (known in French as *Programme de Renforcement de la Nutrition*) means the Recipient’s program designed to improve the nutritional status of the most vulnerable groups of the Recipient’s population with a view to: (i) strengthening poverty reduction strategy and efforts; and (ii) facilitating economic development, and set forth or referred to in the letter dated January 25, 2002 and updated in June 2006 from the Recipient to the Association (the “Program Letter”).
44. “Project Implementation Manual” or “PIM” means the manual for the Second Nutrition Enhancement Project (Credit 4245-SE) dated December 5, 2006, to be updated pursuant to Section V.1.a of Schedule 2 of this Agreement, setting forth, among other things: (i) eligibility criteria for the selection of Subprojects, terms and conditions for Sub-Grant Agreements, Work Programs, including procurement and accounting procedures thereof; (ii) eligibility criteria, detailed rule and procedures for the Cash Transfer payments, the required terms of the Service Agreements, and arrangements for environmental and social monitoring and mitigation; and (iii) the procedures and guidelines for the coordination, management, monitoring and evaluation of the Project, including detailed performance indicators, training plans and capacity building programs and other activities and arrangements to be used for the purposes of implementing the Project, as such manual may be amended from time to time with the Association’s prior written consent, and such term includes any schedules to the PIM.
45. “Regions A” means the Recipient’s regions of Matam, Kedougou, Tambacounda, Kaolack, Kaffrine, Sedhiou and Louga in which Sub-Grants will be implemented under Part 1 of the Project, solely through the proceeds of the GFRP MDTF Grant.
46. “Regions B” means all regions of the Recipient, other than the Regions A.
47. “SADS” means the Recipient’s Social Development Support Service.

48. "Sector Ministries" means, for purposes of the Project, any ministry representing a sector such as health, education, agriculture or commerce, which have a role in nutrition.
49. "Service Agreement" has the meaning ascribed to that expression in Section I, Part G (d) of Schedule 2 to this Agreement.
50. "Social Affairs Commission" means the body of the local council responsible for social matters.
51. "Strategic Work Plan" means the preventive nutritional activities and services and the information, education and communication campaigns included in a work program prepared by each Sector Ministry, and approved by CLM, and to be financed under the Project.
52. "Subgrant" means a grant made or to be made out of the proceeds of the Credit to a Subproject Beneficiary for the carrying out of a Subproject.
53. "Subproject" means: (i) a nutrition-related service or activity, including child growth promotion; and (ii) a small-scale household food security related activity, to be carried out by a Subproject Beneficiary and utilizing the proceeds of a Subgrant.
54. "Subproject Beneficiary" means the person or entity to benefit from Subgrants awarded for Subprojects, as hereby defined.