February 24, 2011

H.E. Karim Djoudi
Minister of Finance
Ministry of Finance
Immeuble Ahmed Francis – Benaknoun
16030 Algiers
People’s Democratic Republic of Algeria

Re: Trust Fund for Statistical Capacity Building for the Development
Of the Agricultural Statistics in Algeria
TFSCB Grant No. TF093859

Excellency:

In response to the request for financial assistance made on behalf of the People’s Democratic Republic of Algeria (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), acting as administrator of grant funds provided by various donors under the Trust Fund for Statistical Capacity Building (“TFSCB”), proposes to extend to the Recipient a grant in an amount not to exceed three hundred sixty-seven thousand one hundred fifty United States Dollars (U.S.$367,150) (“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. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds 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 countersignature.
Very truly yours,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Simon Gray
Director
Maghreb Department
Middle East and North Africa Region

AGREED:

PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA

By: /s/ Abdelhak Bedjaoui
    Authorized Representative
Name: Abdelhak Bedjaoui
Title: Directeur Général des Relations Economiques et Financières Exterieures
Date: March 13, 2011

Enclosures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
(2) Disbursement Letter dated February 24, 2011 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 July 31, 2010 (“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.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objectives of the Project are to: (i) facilitate the process of developing a national strategy for the development of agricultural statistics (the Statistics Strategy) in support to the Recipient’s strategy for rural development; and (ii) support capacity building at the Department of Agricultural Statistics and Information Systems (DSASI) within the Ministry of Agriculture and Rural Development (MADR) to implement the Statistics Strategy.

The Project consists of the following parts:

Part A: Elaboration of a Statistics Development Strategy

1. Provision of technical assistance to DSASI to review and analyze existing diagnosis of the agricultural statistics system, and to produce a synthesis report on such matter, and carrying out of a validation workshop regarding such synthesis report with donors and key stakeholders.


3. Provision of technical assistance to DSASI to prepare the action plan and the financing plan for the implementation of the Statistics Strategy and organize a round table.

Part B: Statistical Capacity Building

1. Provision of training to a team at MADR on the collection and validation of agriculture statistics data, on the basis of international standards, to produce economic accounts aggregates for the agriculture sector.
2. Provision of training to six staff at MADR for the development of sector or inter sector models for forecasting future trends in agriculture.

3. Provision of training to staff at MADR for the development of an agriculture price database.

4. Provision of training to MADR staff to enhance their use of food security monitoring tools (Supply Utilization and Food Balance Accounts tools).

5. Provision of training to six DSASI staff to strengthen their capacity in the areas of survey sampling and production forecasting.

6. Provision of technical assistance to MADR for carrying out a diagnostic study of the MADR information systems and on the needs which will constitute the basis for the design of an agriculture and rural information system master plan.

Part C: Administration of the Project

Provision of technical assistance to DSASI for all financial management and procurement matters related to the implementation of the Project.

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 Ministry of Agriculture and Rural Development, and the Department of Agricultural Statistics and Information Systems, 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 (“Anti-Corruption Guidelines”), with the modifications set forth in the Appendix to this Agreement; and (c) this Article II.

2.03. 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 set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

PDO Indicator:
An improved agricultural statistical system is operational and effectively used as an instrument for the Government to monitor the country rural and agricultural development by the end of the Project.
**Indicators For Strategy, after this Agreement becomes effective:**

1. Assessment of the agricultural statistical system completed and validated by the end of the sixth month.
2. Design of the strategy of the agricultural statistical system completed by the end of the twelfth month.
3. Validation Workshop for the Strategy held by the end of the fourteenth month.
5. Financial Plan produced and approved by the end of the fifteenth month.

**Indicators For Capacity Building, after this Agreement becomes effective:**

6. Training Manuals produced by the end of eighteenth month.
7. Training Workshops held by the end of the twentieth or twenty-fourth month.
8. Staff trained is using the training tools at DSASI by the end of the twenty-fifth month.
9. Agricultural economic accounts completed by the end of the twenty-fifth month.
10. Agricultural modeling set up, software installed by the end of the twenty-fifth month.
11. Staff trained is using the training tools at DSASI in modeling by end of the twenty-third month.
12. Database for agricultural prices established by the end of the eighteenth month.
13. Food availability and balance accounts installed by the end of the twelfth month.
14. Staff trained is using the training at DSASI in balance accounts monitoring by the end of the sixteenth month.
15. Sampling and forecasting Training Workshops held by the end of the fourteenth month.
16. Staff trained and using training in balance sampling, forecasting by the end of the fifteenth month.
17. Needs Assessments completed by the end of the second month.
18. Validation workshop held on Monitoring by the end of the eighth month.
19. IT Strategy completed by the end of the twelfth month.
20. IT Strategy validated by the end of the fourteenth month.

(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. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants in accordance with the provisions of Section 2.05 of this Agreement.

2.04. **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 as part of the Project Report not later than one month 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 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.

2.05. **Procurement**

(a) **General.** All services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”) in the case of consultants’ services; and

(ii) The provisions of this Section as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.24 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 the Consultant Guidelines.

(c) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan which the Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (A) Selection based on Consultants’ Qualifications; (B) Single-source Selection; (C) Selection of Individual Consultants; and (D) Sole Source Procedures for the Selection of Individual Consultants.

(d) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) 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 (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consultants’ Services</td>
<td>292,600</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training and Workshops</td>
<td>74,550</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>367,150</td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of this paragraph, “Training and Workshops” means expenditures incurred by the Recipient to finance training and workshops, including travel and subsistence costs for participants, costs associated with securing the services of trainers and seminar speakers, rental of facilities, preparation and reproduction of training and seminar materials, and other costs directly associated with training workshops preparation and implementation.

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 January 31, 2013.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Recipient’s Minister of Finance.

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

   Ministry of Finance  
   Immeuble Ahmed Francis – Benaknoun  
   16030 Algiers  
   People’s Democratic Republic of Algeria

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

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

Cable: INTBAFRAD  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391
APPENDIX
Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

   “…(b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

   “… (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are
not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”