October 5, 2016

Her Excellency Mariam Mahamat Nour
Minister of Economy and Development Planning
Ministry of Economy and Development Planning
B.P. 286
N'Djamena
Republic of Chad

Re: TFSCB-III Grant No. TF0A3614
Republic of Chad: Chad National Household Level Survey Project
Letter Agreement

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Chad ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development and the International Development Association (collectively, "World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Trust Fund for Statistical Capacity Building-III ("TFSCB-III"), proposes to extend to the Recipient, a grant in an amount not to exceed one million five hundred thousand United States Dollars (US $1,500,000) ("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.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the notice of effectiveness from the World Bank to the Recipient, confirming in accordance with the provisions of Section 4.02 of the Annex to this Agreement that the World Bank has accepted the supporting documents provided by the
Recipient to the World Bank to establish that the conditions of effectiveness listed in Section 4.01 of the Annex to this Agreement have been satisfied.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By Paul Noumba Um
Country Director for Chad
Africa Region

AGREED:
REPUBLIC OF CHAD
By: ___________________________
Authorized Representative
Name: Mariam Mahamat Nour
Title: Minister of Economy and Development Planning
Date: October 5, 2016

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
(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
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the following additional terms shall have the following meanings:

(a) "CAPI" means computer assisted personal interviewing.

(b) "Département des Affaires Administratives, Financières, des Ressources Humaines et de la Formation" and "DAFRHF", each means one of the INSEED’s six technical departments.

(c) "INSEED" and "Institut National de la Statistique, des Études Économiques et Démographiques", each means the Recipients’ national institute of statistics and economic studies created by decree No. 416/PR/MPED/2000 of September 14, 2000.

(d) "Operating Costs" means reasonable operating 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 diem*, but excluding salaries of officials of the Recipient’s civil service.

(e) "Project Implementing Entity" means INSEED.

(f) "Project Operational Manual" means the manual referred to in Section 2.03(e) of this Annex, as the same may be amended from time to time with the prior written approval of the World Bank.

(g) "Statistical Abstract" means the document describing the social and economic conditions of the Recipient’s territory to be published following the completion of the survey.

(h) "Subsidiary Agreement" means the agreement referred to in Section 2.03(a) of this Annex pursuant to which the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity.

(i) "Training" means the reasonable costs associated with training and workshop participation under the Project, consisting of travel and subsistence costs for training participants, costs (other than consulting services) associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course or workshop preparation and implementation.

(j) "West Africa Economic and Monetary Union" and "WAEMU", each means the economic and monetary union, a regional organization of eight West African countries (Benin,
Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo) formally created in January 1994 to promote regional economic integration and create a common market.

(k) “Work Plan and Budget” means the work plan and budget to be prepared by the Recipient in accordance with Section 2.03 (h).

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to strengthen the capacity of the national statistics organization to conduct living standard surveys that meet international quality standards and to publicly release resulting anonymized micro-data. The Project consists of the following parts:

(a) Carrying out a program of preparatory activities, including: (i) a CAPI pilot test; (ii) a national non-standard unit survey covering local harvest and sales measures; (iii) the acquisition of necessary materials, including computers; (iv) publicity and outreach to encourage survey participation; and (v) a three-week classroom training for supervisors and enumerators, followed by a field test prior to the launch of the survey.

(b) Carrying out a program of activities to ensure proper cleaning, analysis and archiving of data, including: (i) hardware and software upgrade; (ii) two off-site retreats to support the finalization of the dataset and statistical abstract; and (iii) workshops in N’Djamena and other regional cities for the purpose of results dissemination.

(c) Carrying out capacity building activities to ensure participation of INSEED’s staff in WAEMU technical assistance workshops.

(d) Providing consultants’ services to support INSEED’s fiduciary staff to successfully implement the survey and build their capacity for future projects.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by INSEED (“Project Implementing Entity”) in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 (“Anti-Corruption Guidelines”); and (c) this Article II.

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

(a) The Recipient shall make the proceeds of the Grant available to the Project Implementing Entity on a grant basis under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the World Bank (“Subsidiary Agreement”), including terms whereby the Project Implementing Entity shall be required to: (i) carry out the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines; (ii) provide, promptly as needed, the resources required for the purpose; (iii) procure the goods and services to be financed out of the Grant in accordance with the
provisions of this Agreement; (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Project and the achievement of its objectives; (v) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Project; and (B) at the World Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank; (vi) enable the Recipient and the World Bank to inspect the Project, its operation and any relevant records and documents; and (vii) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

(b) The Recipient shall obtain rights adequate to protect its interests and those of the World Bank and shall perform its obligations and exercise said rights under the Subsidiary Agreement in such a manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

(c) The Recipient shall ensure, throughout Project implementation, that the Project Implementing Entity is maintained with a mandate, composition and resources satisfactory to the World Bank.

(d) The Recipient shall cause the Project Implementing Entity to appoint, not later than two (2) months after the Effective Date, and thereafter maintain, throughout the implementation of the Project, a national coordinator with experience and qualifications satisfactory to the World Bank, to serve as the focal point for the management, coordination and monitoring of Project’s activities. To this end, the national coordinator will be supported by a technical team comprised of a representative from each of the Project Implementing Entity’s technical department.

(e) The Recipient shall cause the Project Implementing Entity to appoint, not later than two (2) months after the Effective Date, and thereafter maintain, throughout the implementation of the Project, an accountant from DAFRHF, with experience and qualifications satisfactory to the World Bank, to be in charge of the fiduciary aspect of the Project.

(f) The Recipient shall: (a) cause the Project Implementing Entity to prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank for its review and approval, an operation manual (“Project Operational Manual”), setting forth the detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) monitoring, evaluation, reporting and communication; and (v) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; and (b) cause the Project Implementing Entity to thereafter adopt and carry out the Project in accordance with such Project Operational Manual as shall have been approved by the World Bank.

(g) Except as the World Bank and the Recipient may otherwise agree, the Recipient shall not amend, abrogate, waive or otherwise modify; or permit to be amended, abrogated, waived, or otherwise modified the Project Operational Manual, or any provision thereof, without the prior written approval of the World Bank. In case of inconsistency between this Agreement,
on the one hand, and the Project Operational Manual, on the other hand, the terms of this Agreement shall prevail.

(h) The Recipient shall cause the Project Implementing Entity to prepare and furnish to the World Bank a program of activities proposed for implementation under the Project together with a proposed budget for the purpose ("Work Plan and Budget").

(i) The Recipient shall cause the Project Implementing Entity to exchange views with the World Bank on such proposed Work Plan and shall thereafter cause the Project Implementing Entity to adopt, and carry out such Work Plan as shall have been agreed with the Recipient and the World Bank, as such plan may be subsequently revised with the prior written agreement of the Recipient and the World Bank.

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 quarter, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.05. 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 audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

(d) The Recipient shall, not later than five (5) months after the Effective Date, hire an external auditor for the Project, under terms of reference and with experience and qualification satisfactory to the World Bank.

(e) The Recipient shall, not later than three (3) months after the Effective Date, reconfigure its existing accounting software (TOMPRO) to a multi-projects version in a manner satisfactory to the World Bank.

2.06. Procurement

All goods and consulting 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 the "World Bank Procurement Regulations for Borrowers under Investment Project
Financing" dated July 1, 2016 ("Procurement Regulations"), and the provisions of the Recipient’s procurement plan for the Project ("Procurement Plan") dated September 29, 2016 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with 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, Operating Costs and Training under the Project</td>
<td>1,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>1,500,000</td>
<td></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $300,000 equivalent may be made for payments made prior to this date but on or after June 1, 2016, for Eligible Expenditures under Category (1).

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2018.

**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 Subsidiary Agreement referred to in Section 2.03(a) of this Annex has been executed on behalf of the Recipient and the Project Implementing Entity and is legally binding upon each such party in accordance with its terms.
The Project Operational Manual referred to in Section 2.03(f) of this Annex has been prepared and adopted by the Recipient.

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

4.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient’s Representative; Addresses

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

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

Ministry of Economy and Development Planning
B.P. 286
N’Djamena
Republic of Chad

Facsimile:
+(235) 22-51-45-87

5.03. 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
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

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