His Excellency Issa Doubragne  
Minister of Economy, Planning and International Cooperation  
Ministry of Economy, Planning and International Cooperation  
N'Djamena, Republic of Chad  

Re: Republic of Chad: EGPS Grant No. TF0B1475  
Mainstreaming the Extractive Industries Transparency Initiative Project  
Letter Agreement  

Dear Sir:  

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 Development Association ("Bank"), acting as administrator of grant funds provided by Australia, Belgium, Canada, the European Union, represented by the European Commission, Finland, Germany, the Netherlands, Norway, Switzerland and the United Kingdom ("Donors") under the Extractive Global Programmatic Support Multi-Donor Trust Fund (MDTF-EGPS), proposes to extend to the Recipient, a grant in an amount not to exceed three hundred fifty thousand United States Dollars (USD 350,000) ("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 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 this Agreement and returning one duly executed copy to the Bank.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Soukeyna Kane
Country Director for Chad
Africa Region

AGREED:
REPUBLIC OF CHAD

By

Authorized Representative

Name
Dr Issa DOBRAGNE

Title
Ministre de l'Economie et de la Planification du Developpement

Date
25. M. 2019

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
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) “Category” means a category set forth in the table in Section 3.01 of this Agreement.

(c) “EITI” means extractive industry transparency initiative.

(d) “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Bank, dated August 2019, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.


(f) “NTPS” means a structure established under the supervision of the Recipient’s ministry in charge of hydrocarbon, involved in the mechanism for implementing and monitoring the EITI.

(g) “Operating Costs” means any reasonable operating expenses incurred by the Recipient on account of Project implementation, management and monitoring, including consumable materials and supplies, communication, mass media and printing services, vehicle
rental, operation and maintenance, charges for the opening and operation of bank accounts, travel, lodging and per diems, but excluding salaries of officials of the Recipient’s civil service.

(h) “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.

(i) “Project Implementation Unit” and “PIU”, each means the unit established within the Recipient’s ministry in charge of finance and budget, known as ST-PAMFIP (Technical Secretariat of the Action Plan for the Modernization of Public Finance Management), pursuant to the IDA-financed Domestic Resource Mobilization and Management project, dated August 14, 2018 (Grant D-344-TD).


(k) “Technical Focal Point” means the focal point referred to in Section 2.03 (b) of this Annex.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to strengthen the NTPS’ capacity to plan and execute its work program, and to assess its communication effectiveness. The Project consists of the following parts:

A. Strengthen the NTPS’ Internal Controls and Management Capacity

1. Develop the procedures and infrastructure for contract and information disclosure through support to NTPS: (a) implement the Recipient’s disclosure policy and document deviations in practice through the compilation of an inventory of petroleum contracts; and (b) ensure that the EITI’s website provides documents in searchable format, with easy connection to license / contract areas.

2. Strengthen the NTPS’ communication and dissemination effectiveness through: (a) the preparation of stakeholder mapping to identify constituencies, focusing on civil society; (b) the identification of effective communication channels and strategies; (c) the dissemination of the 2016 EITI report; and (d) the identification and use of communication effectiveness indicators.

3. Strengthen the NTPS’ administrative processes and internal controls through financing: (a) the implementation, and to the extent possible, the automation of internal administrative processes and procedures; and (b) the development and implementation of a monitoring and results framework for the planned decrease in administrative cost and increase in activity implementation ratio.

4. Mainstream the collection and reporting of the Recipient’s extractive revenue for EITI purposes through the financing of a scoping study to identify efficient institutional arrangements for the collection and reporting of the Recipient’s revenue under EITI, and to the extent possible, the automation in the production of information and supporting documentation.
B. **Project Management**

Provision of incremental administrative costs for the purpose of Project management and implementation, including audits.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Project Implementation Unit (PIU) in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

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

   (a) The Recipient shall, throughout Project implementation, maintain the PIU with functions and resources satisfactory to the Bank, including staff in adequate numbers, with qualifications and experience satisfactory to the Bank and under terms of reference satisfactory to the Bank to be responsible for the overall implementation of the Project, including financial management and procurement.

   (b) The Recipient shall appoint, and thereafter maintain throughout Project implementation, a Technical Focal Point from NTPS, with qualifications and experience satisfactory to the Bank, to work closely with the PIU and to be in charge of the technical aspect of the Project, including, *inter alia*: (i) drafting terms of reference; (ii) defining technical requirements related to the implementation of activities; (iii) overseeing consultants' deliverables and installation of goods; and (iv) ensuring quality of Project deliverables.

2.04. **Environmental and Social Standards**

1. 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.

2. Without limitation upon paragraph 1 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:

   (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;

   (b) sufficient funds are available to cover the costs of implementing the ESCP;

   (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

   (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. The Recipient shall:

(a) take all measures necessary on its part 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, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) promptly notify the Bank 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 instruments referenced therein and the Environmental and Social Standards.

4. The Recipient shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

2.04 Documents; Records

In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient’s financial and narrative progress reports submitted to the Bank; (iii) the Recipient’s financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient’s implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

2.05 Project Monitoring, Reporting and Evaluation. The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after each calendar semester, covering the calendar semester.

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; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table.
### Table

<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, non-consulting services, consulting services (including audits) and Operating Costs under the Project</td>
<td>350,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>350,000</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.

#### 3.03. Withdrawal Period
The Closing Date is April 30, 2021.

### 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 its minister responsible of planning.

#### 4.02. Recipient’s Address
For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient’s Address is:

Ministry of Economy, Planning and International Cooperation  
B.P. 286  
N’Djamena  
Republic of Chad; and  

(b) the Recipient’s Electronic Address is:

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

#### 4.03. Bank’s Address
For purposes of Section 7.01 of the Standard Conditions: (a) the Bank’s address is:

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

(b) the Bank’s Electronic Address is:

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