



June 23, 2020

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

Re: Republic of Chad: Advance Agreement for Preparation of
Proposed Cameroon-Chad Transport Corridor Project
Project Preparation Advance No. IDA V3420

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 Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank's Project Preparation Facility in an amount not to exceed one million four hundred sixty-three thousand five hundred Dollars (\$ 1,463,500) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to contribute to the efficient and safe movement of goods and people along the Douala-Ndjamena corridor ("Project"), for the carrying out of which the Recipient has requested the World Bank's financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of 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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received this countersigned copy within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

(for) Deborah L. Wetzel
Director of Regional Integration
Africa and Middle East & North Africa

AGREED:
REPUBLIC OF CHAD

By


Authorized Representative

Name

Dr Issa DOUBRAGNE

Title

Ministre / Gouverneur

Date

29.06.2020

Enclosures:

- (1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010; and
- (2) Disbursement Letter for the Advance, together with "Disbursement Guidelines for Investment Project Financing", dated February 2017.
- (3) "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

**PPA No. IDA V3420
ANNEX**

**Article I
Standard Conditions; Definitions**

1.01. **Standard Conditions.** The “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility”, 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 and the following additional terms shall have the following meanings:

- (a) “*Cellule de Suivi et de Coordination des Projets*” or “CSCP” means, the project monitoring and coordination unit, established under the Recipient’s ministry of infrastructure, pursuant to the provisions of Financing Agreement for the Rural Mobility and Connectivity Project between the Recipient and the Association, dated March 15, 2019 (Grant No. D417-TD).
- (b) “EHS Guidelines” means the World Bank Group Environmental, Health and Safety Guidelines published on www.ifc.org/ehsguidelines, as said guidelines are updated from time to time.
- (c) “Operating Costs” means the incremental expenses incurred on account of the Activities’ implementation, management and monitoring, consisting of the cost of operation and maintenance of offices, vehicles and office equipment, office supplies, water and electricity utilities charges, telephone charges, bank charges, travel and per diem, and salaries of contractual staff, but excluding the salaries of officials and public servants of the Recipient’s civil service.
- (d) “Training” means the reasonable costs associated with training, study tours, seminars and workshops (other than for consultants’ services), including:
 - (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training facility rentals; and
 - (iv) training material preparation, acquisition, reproduction and distribution expenses.

**Article II
Execution of the Activities**

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:

- (a) Provision of support: (i) in preparation of various technical, economic, financial and safeguards studies; and (ii) in capacity building activities for the Recipient’s transport sector.
- (b) Provision of consulting services for: (i) the elaboration of the Resettlement Policy Framework (RPF) and the Resettlement Action Plan (RAP); (ii) the structuring and



procurement of output and performance-based road contracts for the Ndjamena-Nguelendeng-Bongor-Moundou-Cameroon borders corridor; (iii) the establishment of socio-economic baseline situation in the Project areas; (iv) the development of the road strategy; and (v) the elaboration of the execution manual.

- (c) Provision of support in recruitment of consultants including a trade facilitation specialist and a procurement assistant.
- (d) Provision of Training and Operating Costs for the purpose of Project preparation.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through CSCP in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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.

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

(a) The Ministry for Infrastructure and Transport (MIT) shall be responsible for the technical aspects of the Advance.

(b) The Recipient shall, throughout the Refinancing Date, ensure that the CSCP is maintained with staffing, functions and resources satisfactory to the World Bank to be responsible for the overall implementation of the Activities, including financial management and procurement.

(c) The Recipient shall, not later than three months after the Effective Date of this Advance, recruit and thereafter maintain throughout the Refinancing Date, a procurement assistant with terms of reference, qualifications and experience satisfactory to the Bank for the purpose of Project preparation.

2.04. **Safeguards.** The Recipient shall ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Bank; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable Bank Safeguards Policies and EHS Guidelines.

2.05. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities 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 Sections 2.09 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.07. **Procurement.** All goods, non-consulting services and consulting services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 and August 2018 (“Procurement Regulations”) and the provisions of the Recipient’s procurement plan for the Activities dated April 20, 2020 (“Procurement Plan”) 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 the Advance

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the 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 each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Advance Allocated (expressed in Dollars)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Goods, non-consulting services, consulting services, Operating Costs and Training under the Activities	1,463,500	100%
TOTAL AMOUNT	1,463,500	

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. **Refinancing Date.** The Refinancing Date is November 30, 2021.

**Article IV
Terms of the Advance**

4.01. *Refinancing under the Refinancing Agreement:* If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be paid to the World Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.

4.02. *No Repayment in the absence of a Refinancing Agreement:* Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.

**Article V
Recipient's Representative; Addresses**

5.01. *Recipient's Representative.* The Recipient's Representative referred to in Section 9.02 of the Standard Conditions is its minister responsible for economy and development planning.

5.02. *Recipient's Address.* The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Minister 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 9.01 of the Standard Conditions is:

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

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

