H.E. Dr. Issa Doubragne  
Minister of Economy and Development Planning  
Ministry of Economy and Development Planning  
B.P. 286  
N’Djamena  
Republic of Chad

Re: Republic of Chad: Advance Agreement for the Preparation of the  
Proposed Chad Local Development and Adaptation Project  
Project Preparation Advance No. V2990

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 ("Bank") proposes to extend to the Recipient an advance out of the Bank’s Project Preparation Facility in an amount not to exceed one million one hundred forty thousand Dollars ($1,140,000.00) ("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 support local development through improved management of natural resources, biodiversity conservation, provision of basic water and sanitation services and increasing income opportunities ("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 Bank. Upon receipt by the 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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the Bank has not received this countersigned copy within 90 days after the
date of signature of this Agreement by the Bank, unless the Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

Francois Nankomogo
Country Manager for Chad
Africa Region

AGREED:
REPUBLIC OF CHAD

Authorized Representative

Name: Dr. Issa Dackey
Title: Ministre de l'Économie et de la Planification du Développement
Date: 27 M. 2019

Enclosures:

(2) Disbursement Letter for the Advance of the same date as this Agreement, 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.
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.

(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) “Coordination Unit” means, the unit established within the Recipient's ministry responsible for agriculture, irrigation and agricultural equipment, pursuant to the provisions of the Financing Agreement for the Climate Resilience Agriculture and Productivity Enhancement Project dated June 19, 2018 (Grant No. D302-TD).

(c) “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Bank, dated 7, October 2019, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Activities, 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.


(e) “Global Wildlife Program” or “GWP” means the USD 213 million Global Environment Facility (GEF)-funded program across 29 countries in Africa, Asia, and Latin America to promote wildlife conservation and illegal wildlife trade crime prevention for sustainable development.
(f) "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, 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.

(g) "Training" means the reasonable costs associated with training or workshop participation under the Activities, consisting of travel and subsistence costs for Training participants, costs (other than consulting services) associated with securing the services of trainers and presenters, rental of training facilities, translation and interpretation services, preparation and reproduction of training materials.

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) Provide technical assistance to support the preparation of the Project.

(b) Finance travel and workshop costs to ensure inclusive participation of various stakeholders and start the process of knowledge exchanges and coordination under the Global Wildlife Program.

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 the Coordination Unit 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 and as of July 1, 2016.

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

(a) The Recipient shall maintain, throughout the Refinancing Date, the Coordination Unit with functions and resources acceptable to the Bank with staff in adequate numbers and with qualifications and experience satisfactory to the Bank to be responsible for all fiduciary aspects of the implementation and coordination of the Activities, including the day-to-day management, financial management and procurement.

(b) The Recipient shall, not later than one month after the Effective Date of this Advance, recruit and thereafter maintain throughout the Refinancing Date, an assistant accountant with terms of reference, qualifications and experience satisfactory to the Bank for the purpose of Project preparation.
2.04. **Environmental and Social Standards**

(a) The Recipient shall ensure that the Activities are carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

(b) Without limitation upon paragraph (a) above, the Recipient shall ensure that the Activities are 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:

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

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

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

(iv) 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.

(c) The Recipient shall:

(i) 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 and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*:

(A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and

(ii) promptly notify the Bank of any incident or accident related to or having an impact on the Activities 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.

(d) 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 Activities, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

2.04. **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.

2.05. **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 Bank not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09(b) of the Standard Conditions.

   (i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

   (ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, 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 Bank not later than six months after the end of the Recipient’s fiscal year in which the Refinancing Date occurs.

   (iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the Bank not later than six (6) months after the end of such period.

2.06. 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 September 20, 2019 (“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 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 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 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:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services, Operating Costs and Training under the Activities</td>
<td>1,140,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>1,140,000</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 countersignature of this Agreement by the Recipient.

3.03. **Refinancing Date.** The Refinancing Date is October 31, 2020.

**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 Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the 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, planning and development.

5.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 9.01 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 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 (1)-202-477-6391  
64145 (MCI)