FINANCING AGREEMENT

(Additional Financing for the Emergency Food and Livestock Crisis Response Project)

between

REPUBLIC OF CHAD

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated November 10th, 2017
GRANT NUMBER IDA D235-TD

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date, entered into between REPUBLIC OF CHAD ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement a grant, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to eleven million four hundred thousand Special Drawing Rights (SDR 11,400,000) ("Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Payment Dates are March 15 and September 15 in each year.

2.05. The Payment Currency is Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions and Schedule 2 to this Agreement.
ARTICLE IV — TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is the minister in charge of economy and development planning.

5.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

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

(b) the Recipient’s Electronic Address is:

Telex: Facsimile: E-mail:
5329 KD (235) 22 51 51 85 nyambaye@hotmail.com
(235) 22 51 45 87

5.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association’s Address is:

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

(b) the Association’s Electronic Address is:

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C.
AGREED as of the Signature Date.

REPUBLIC OF CHAD

By

Authorized Representative

Name: Ngato Tiraïna Yambaye
Title: Ministry of Economy and Development Planning
Date: November 10th, 2017

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: François Mankele-Go
Title: Country Manager
Date: November 10th, 2017
SCHEDULE 1

Project Description

The objective of the Project is to improve the availability of and access to food and livestock productive capacity for targeted beneficiaries affected by the conflict in the Central Africa Republic on the Recipient’s territory.

The Project consists of the following parts of the Original Project, as modified below, as well as additional Parts A.2 and A.3 set forth below:

Part A. Targeted Food Assistance

Supporting the Recipient in improving food security and livelihood of refugees, returnees and selected host communities through:

1. The provision of unconditional Food Assistance, the distribution of specialized and staple foods through Food Packages, and the carrying out of supplemental feeding programs in selected areas of the Recipient’s territory.

2. The provision of conditional Food Assistance upon the participation of Eligible Beneficiaries in selected sustainable productive asset-building activities.

3. Improving access to sustainable cooking systems and drinking water through: (a) distribution or construction of mobile fireplaces; (b) rehabilitation of selected water wells; and (c) awareness sessions and campaigns and Training.

Part B. Agriculture Production and Livestock Stabilization

1. Carrying out a program of activities aimed at assisting the Recipient in securing and increasing food production capacity through the provision of agricultural inputs including seeds, fertilizer and farm equipment ("Technology Package") to Affected Households, small construction and rehabilitation of storage facilities, and the training of farmers and agricultural technicians.

2. Carrying out a program of activities aimed at supporting the Recipient in livestock stabilization through the implementation of: (a) animal vaccination campaigns; (b) a targeted animal feeding program; (c) a targeted animal restocking program for Affected Households; and (d) the distribution of mowing, grinding and forage equipment.
Carrying out a program of activities aimed at mitigating potential conflict among users of natural resources, including: (a) participatory identification and mark-up of transhumance corridors, rehabilitation of pastoral wells and livestock parking areas; (b) communication and information; and (c) organization of fora for peaceful cohabitation and establishment of committees of elders on conflict mitigation.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Coordination Unit

In order to ensure prompt and efficient implementation of the Project, the Recipient shall maintain, at all times during the implementation of the Project, a Project coordination unit within the Recipient's ministry responsible for livestock and animal production, with mandate, adequate staffing and other resources satisfactory to the Association ("Project Coordination Unit" or "PCU").

2. The PCU will be responsible for day-to-day Project management and coordination, including the preparation of consolidated Project reports and such other functions as shall be set forth in the Project Implementation Manual.

3. In order to ensure prompt and efficient implementation of the Project, the Recipient shall work in close collaboration with WFP, FAO and UNICEF on all aspects of Project implementation and shall coordinate with its relevant institutions and ministries.

B. Project Implementation Manual

1. The Recipient shall, not later than one (1) month after the Effective Date, update the Project Implementation Manual, in form and substance acceptable to the Association, containing detailed administrative, procurement, financial management and monitoring and evaluation procedures, and coordination and oversight arrangements for the Project.

2. The Recipient shall: (a) furnish said manual to the Association for its review; (b) afford the Association a reasonable opportunity to exchange views with the Recipient on said manual; and (c) thereafter adopt such Project implementation manual as shall have been approved by the Association ("Project Implementation Manual").

3. The Recipient: (a) shall ensure that the Project is carried out in accordance with this Agreement and the Project Implementation Manual; and (b) shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any of the Project Implementation Manual’s provisions without the prior written agreement of the Association.
4. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

C. Food Assistance and Agricultural Support Program

1. General

In order to ensure the proper carrying out of the Project, the Recipient shall:

(a) not later than one (1) month after the Effective Date, enter into Service Agreements ("Service Agreements") with each of WFP (for implementation of Parts A.1 and A.2 of the Project), FAO (for implementation of Part B of the Project) and UNICEF (for implementation of Part A.3 of the Project) (each a "Service Provider"), the form and substance of which shall be satisfactory to the Association;

(b) ensure that all Project activities to be undertaken by WFP, FAO and UNICEF under their respective Service Agreements shall be carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association; and

(c) ensure that each of WFP, FAO and UNICEF exercise its rights and carry out its obligations under its respective Service Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.

2. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any of the Service Agreements or any provision thereof, or permit to be assigned, amended, abrogated, or waived, the aforementioned or any provision thereof.

3. Food Assistance

(a) In order to achieve the objectives of Part A of the Project, the Recipient shall provide, or cause to be provided through the Service Providers, Food Assistance to Food Assistance Beneficiaries in accordance with the eligibility criteria and procedures acceptable to the Association and further detailed in the Project Implementation Manual. Said eligibility criteria to include, inter alia, that each Food Assistance Beneficiary shall have: (i) been identified on the list of refugees and returnees data provided by IOM or verified by WFP or been identified as a member of a host community, as applicable; (ii) presented a valid photo identification/registration card, which shall be checked against the list of local Eligible Beneficiaries by said Service Provider or its authorized
representative; and (iii) for conditional Food Assistance under Part A.2. of the Project, presented evidence of participation in a selected sustainable productive asset-building activity.

(b) Each Food Assistance provided shall be: (i) in an amount acceptable to the Association, and the Recipient shall reflect the reasonable cost of each Food Assistance Beneficiary’s needs; (ii) in case of a voucher, a secure instrument with holograph and a unique number allocated to each Food Assistance Beneficiary; (iii) in case of a cash transfer, paid in accordance with transaction, transfer and control mechanisms satisfactory to the Association, as further set forth in the Project Implementation Manual; (iv) redeemed or paid upon presentation of a valid photo identification/registration card; and (v) verified in accordance with the provisions of Section I.D of this Schedule, as elaborated in the Project Implementation Manual.

4. Food Packages and Technology Packages

(a) In order to achieve the objectives of Parts A and B of the Project, the Recipient shall provide, or cause the Service Providers to provide, Food Packages and Technology Packages to Food Package Beneficiaries and/or Technology Package Beneficiary in accordance with procedures set forth in this Section I.C and referred to in more detail in the Project Implementation Manual.

(b) The Recipient shall ensure that: (i) with respect to activities under Part A of the Project, each Food Package delivered is consistent with the list of basic and specialized food items and supplies set forth in the Project Implementation Manual; and (ii) with respect to activities under Part B of the Project, each Technology Package delivered is consistent with the list of agricultural supplies and equipment set forth in the Project Implementation Manual.

D. Verification

1. Internal Verification

The Recipient shall carry out a quarterly internal verification of the quality and quantity of the Food Assistance provided, and Food Packages and Technology Packages distributed, to Eligible Beneficiaries and shall ensure that the Food Assistance, Food Packages, and/or Technology Packages, as the case may be, are provided in accordance with the provisions of Section I.C of this Schedule 2 and the guidelines and procedures set forth in the Project Implementation Manual, and in a manner consistent with the Project’s objective.
2. **Counter Verification**

The Recipient shall, through the Service Providers, recruit NGOs in accordance with the provisions of Section III of this Schedule 2 and the Project Implementation Manual, in adequate number, and with qualifications, experience and terms of reference acceptable to the Association, to carrying out counter-verification of the services provided under Parts A and B of the Project.

**E. Safeguards**

1. The Recipient shall ensure that the Project is carried out in accordance with the Safeguard Frameworks, and to that end, if any activity to be carried out under the Project would, pursuant to the Safeguard Frameworks, require a Safeguard Document, shall:

   (a) prior to implementation of said activity: (i) prepare such Safeguard Document in accordance with the Safeguard Frameworks; (ii) consult upon such Safeguard Document adequately with people affected by the Project and furnish said Safeguard Document to the Association for review; and (iii) thereafter adopt and disclose such Safeguard Document as shall have been approved by the Association; and

   (b) thereafter, take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Document.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall collect, compile and furnish to the Association on a quarterly basis, reports, in form and substance satisfactory to the Association, on the status of compliance with the Safeguard Frameworks and Safeguard Documents, giving details of:

   (a) measures taken in furtherance of such Safeguard Documents;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Documents; and

   (c) remedial measures taken or required to be taken to address such conditions.

3. The Recipient shall afford the Association a reasonable opportunity to review the reports prepared under paragraph 2 of this Section E, and thereafter shall carry out or cause to be carried out, with due diligence, all remedial measures agreed with the Association to ensure the proper implementation of the Project in accordance with the Safeguard Frameworks and Safeguard Documents.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the quarter.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. Methods of Procurement of Goods, Works and Non-consulting Services. The following methods may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Shopping; (b) Direct Contracting; and (c) Procurement from UN Agencies.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed
Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of UN Agencies; (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. **Withdrawal of the Proceeds of the Financing**

A. **General**

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance the categories Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Food Assistance, Food Packages and Training under Part A.1 of the Project</td>
<td>1,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services, Food Assistance, Food Packages and Training under Part A.2 of the Project</td>
<td>2,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Financing Allocated (expressed in SDR)</td>
<td>Percentage of Expenditures to be Financed (inclusive of Taxes)</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>-------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consultants' services and Training under Part A.3 of the Project</td>
<td>1,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, works, non-consulting services, Technology Packages, consultants' services and Training for Part B of the Project</td>
<td>5,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>11,400,000</td>
<td></td>
</tr>
</tbody>
</table>

2. Notwithstanding the provisions of paragraph 1 above, no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 1,100,000 may be made for payments made prior to this date but on or after December 16, 2016, for Eligible Expenditures; and

   (b) under Categories 2 and 3, until the Project Implementation Manual has been updated, in form and substance satisfactory to the Association.

3. The Closing Date is September 30, 2019.
APPENDIX

Section I. Definitions

1. “Affected Households” means households of displaced populations (refugees and returnees) and host communities in selected areas within the Recipient’s territory that were affected by the conflict in Central African Republic.

2. “Anti-Corruption Guidelines” means for purpose of Section 5.14 of and paragraph 5 of the Appendix to the General 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.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


5. “Eligible Beneficiaries” means, collectively, Food Package Beneficiaries, Technology Package Beneficiaries, and Food Assistance Beneficiaries.

6. “ESIA” means, for a given activity included in the Project, the environmental and social impact assessment for said activity to be carried out in accordance with the ESMF and pursuant to provisions of Section I.E of Schedule 2 to this Agreement.

7. “ESMF” means the Recipient’s environmental and social management framework, including all schedules and annexes thereto, prepared and disclosed in the Recipient’s territory on September 3, 2014, and updated and re-disclosed in-country on June 30, 2017 and on the Association’s website on July 12, 2017: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, including monitoring and institution strengthening, and according to which the relevant Safeguards Documents will be prepared.

8. “ESMP” means an environmental and social management plan for the Project to be prepared and implemented in accordance with the ESMF and ESIA and pursuant to the provisions of Section I.E of Schedule 2 to this Agreement.

10. “Food Assistance” means food assistance in the form of vouchers or cash transfers, provided to Food Assistance Beneficiaries in accordance with the selection criteria and procedures set forth in the Project Implementation Manual, and referred to in Section I.C.2 of Schedule 2 to this Agreement.

11. “Food Assistance Beneficiary” means:

   (a) in respect of Part A.1 of the Project, a natural person or a household, who or which has been displaced or affected by the conflict in Central African Republic and has met the eligibility criteria to receive Food Assistance under the Project in accordance with the provisions of this Agreement, as elaborated in the Project Implementation Manual;

   (b) in respect of Part A.2 of the Project, a natural person or a household who or which: (i) (A) has been displaced or affected by the conflict in Central African Republic; or (B) is from an identified host community; and (ii) has met the eligibility criteria to receive Food Assistance under the Project in accordance with the provisions of this Agreement, as elaborated in the Project Implementation Manual, including the criterion that such person or household has participated in a selected sustainable asset-building activity; and “Food Assistance Beneficiaries” means more than one Food Assistance Beneficiary.

12. “Food Packages” means packages of basic and specialized food items and supplies to be distributed to Food Package Beneficiaries under Part A of the Project in accordance with the provisions of Section I.C of Schedule 2 to this Agreement, as further elaborated in the Project Implementation Manual; and “Food Package” means one such package.

13. “Food Package Beneficiary” means, in respect of Part A.1 of the Project, a natural person or a household, who or which is a refugee or returnee displaced or affected by the conflict in Central African Republic and has met the eligibility criteria to receive basic and specialized food transfers under the Project in accordance with the provisions of this Agreement, as elaborated in the Project Implementation Manual; and “Food Package Beneficiaries” means more than one Food Package Beneficiary.


15. “IOM” means the International Office of Migration.

17. "Original Financing Agreement" means the financing agreement for the Emergency Food and Livestock Crisis Response Project between the Recipient and the Association, dated December 15, 2014 (Grant No. H993-TD).

18. "Original Project" means the Project described in Schedule 1 to the Original Financing Agreement.

19. "PPMP" means the Recipient's pest and pesticide management plan for the Project disclosed in the Recipient's territory on September 5, 2014, and at the Association's website on September 3, 2014 and updated and re-disclosed in-country on June 30, 2017 and on the Association's website on July 12, 2017, setting out the measures to be taken for the development and implementation of integrated pest management during the Project implementation, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such plan.


21. "Procurement Plan" means the Recipient's procurement plan for the Project, dated August 16, 2017, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

22. "Project Coordination Unit" or "PCU" means the unit to be adequately staffed and maintained under the Project in accordance with Section I.A.1 of Schedule 2 to this Agreement.

23. "Project Implementation Manual" means the manual for the Project to be updated and adopted in form and substance satisfactory to the Association, and referred to in Section I.B of Schedule 2 to this Agreement, as the same may be amended from time to time with prior written agreement of the Association.

24. "Safeguard Documents" means any ESIA, ESMP or other supplemental social and environmental safeguard document prepared pursuant to the ESMF and the provisions of Section I.E of Schedule 2 to this Agreement.

25. "Safeguard Frameworks" means, collectively, the ESMF and PPMP prepared for the Project.

26. "Service Agreements" means, collectively, the agreements to be concluded between the Recipient and each of WFP and FAO governing the terms and conditions under which WFP and FAO shall render services to the Recipient, including payment methods, and reporting and transparency arrangements.
27. "Service Providers" means, collectively, the WFP and FAO; and "Service Provider" means each of WFP and FAO.

28. "Signature Date" means the means the latest of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

29. "Technology Packages" means a package of agricultural production supplies, including improved seeds, fertilizers, and farm equipment or tools to be distributed to Technology Package Beneficiaries under Part B of the Project in accordance with the provisions of Section I.C of Schedule 2 to this Agreement, as further elaborated in the Project Implementation Manual and "Technology Package" means one such package.

30. "Technology Package Beneficiary" means, in respect of Part B of the Project, a natural person, a household, or a host community, who or which has been displaced or affected by the conflict in Central African Republic and has met the eligibility criteria to receive agricultural and/or livestock support under the Project in accordance with the provisions of this Agreement, as elaborated in the Project Implementation Manual; and "Technology Package Beneficiaries" means more than one Technology Package Beneficiary.

31. "Training" means the cost associated with the training and workshops under the Project for reasonable expenditures (other than expenditures for consultants' services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; (iv) training material preparation, acquisition, reproduction and distribution expenses; and (v) other costs directly related to training preparation and implementation, as approved by the Association.


33. "WFP" means the United Nations World Food Programme.
Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 5.13 (*Procurement*) is deleted in its entirety, and the remaining Section in Article V is renumbered accordingly.

2. Paragraphs 84 (*Procurement Plan*) and 85 (*Procurement Regulations*) in the Appendix are deleted in their entirety and the subsequent paragraphs are renumbered accordingly.