

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4952-TD
GRANT NUMBER H688-TD

Financing Agreement

(Additional Financing for Urban Development Project)

between

REPUBLIC OF CHAD

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 15 , 2011

CREDIT NUMBER 4952-TD
GRANT NUMBER H688-TD

FINANCING AGREEMENT

AGREEMENT dated July 15, 2011, 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) constitute 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 the Original Financing Agreement, as supplemented by the Appendix to this Agreement.
- 1.03. The Original Financing Agreement is amended as set out in Section II of 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 and a credit (collectively, “Financing”) in the following amounts to assist in financing the project described in Schedule 1 to this Agreement (“Project”):
 - (a) an amount equivalent to seven million eight hundred thousand Special Drawing Rights (SDR 7,800,000) (“Grant”); and
 - (b) an amount equivalent to nine million six hundred thousand Special Drawing Rights (SDR 9,600,000) (“Credit”).
- 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 payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is the 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.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) The Recipient has adopted the revised and updated Project Implementation Manual and Project Administrative, Financial and Accounting Manual, both in form and substance satisfactory to the Association.
 - (b) The Recipient has set up the Steering Committee by *Arrêté* in a manner satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date (90) days after the date of this Agreement.
- 4.03. For purposes of Section 8.05 (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 years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is its Minister of Economy and Planning.

5.02. The Recipient's Address is:

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

Telex:	Facsimile:
5329 KD	(235) 22 51 51 85
	(235) 22 52 00 87
	(235) 22 51 45 87

5.03. The Association's Address is:

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

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

AGREED at N'Djamena, Chad, as of the day and year first above written.

REPUBLIC OF CHAD

By /s/ Mahamat Ali Hassan

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Jean-Claude Brou

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase sustainable access to municipal services for residents in Beneficiary Cities.

The Project consists of the Original Project and the following additional parts:

Part A: Strengthening Municipal and Urban Management Capacities

Project coordination, management and monitoring through the financing of the Operating Costs of the Implementation Unit.

Part B: Provision of Basic Infrastructure and Services

1. *For the city of N' Djamena:* Carrying out of priority investments in water supply infrastructure to increase access to piped water services in the city of N'Djamena.
2. *For the cities of Moundou, Sarh and Abéché:* Completion of drainage and water infrastructure in the cities of Moundou, Sarh and Abéché as designed under the Original Project.
3. *M&E, Studies, Supervision of Works and Audits:* Provision of technical and financial assistance and studies for: (a) the supervision of works financed under this Part B of the Project; (b) preparation of related (i) engineering studies, (ii) bidding documents, and (iii) environmental and social impact studies, for the activities financed under the Project; (c) preparation of a medium-term investment plan for the provincial cities in which STE operates and update of the master plan for N'Djamena's water supply; and (d) preparation of financial audits of the Project.

Part C: Strengthening Sustainable Access to Urban Water Services

1. *Service Contract Fee:* Improve the technical, commercial and financial performance and accountability of STE, through the provision of technical assistance by a Private Operator under a Service Contract.
2. *Operations improvement and rehabilitation:* Support for the operationalization of, and improvement of the performance of, STE pursuant to the terms of the Service Contract through the financing of goods, works, and services, including for the replacement of meters, rehabilitation of network connections and boreholes, procurement of equipment for a call center, carrying out of customer census and customer satisfaction surveys, update of the customer database, carrying out of communication campaigns, and the establishment of a geographical information system.

3. *Recruitment and supervision of the Private Operator:* Recruitment and supervision of the Private Operator and financing of an independent technical auditor to audit the performance of the Private Operator under the Service Contract.
4. *Technical Assistance for the financial sustainability and formation of STE:* Provision of technical assistance for the completion of the legal, financial and organizational formation of STE and for the improvement of its financial sustainability, including through the carrying out of a study on water consumption tariff levels and connection fees and the design and implementation of a mechanism of payment of bills owed to STE by other public institutions.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Sections I.1, 2(b), (c), (d), (e), (f) and II.B of Schedule 2 to the Original Financing Agreement (together with the definitions of the terms utilized therein, as set forth in the Appendix to the Original Financing Agreement, except as modified below) are hereby incorporated by reference and apply to the Financing, and the Recipient undertakes to comply with the provisions thereof. Further to the foregoing, the following terms, wherever they appear in said Sections of Schedule 2 to the Original Financing Agreement, shall be deemed to be modified as set forth below:

- (a) The term “Recipient” shall be read as the Recipient of this Financing.
- (b) The term “Project” shall be read as the Project described in this Agreement.
- (c) The term “Project Implementation Manual and the Project Administrative, Financial and Accounting Manual” shall be read as the revised and updated Project Implementation Manual and Project Administrative, Financial and Accounting Manual, described in this Agreement.
- (d) Any action taken, including approval given by the Association, or information or documentation furnished by the Recipient to the Association, pursuant to the Original Financing Agreement shall be deemed, if relevant or pertaining to the same subject matter as under this Agreement, to be taken, given or furnished pursuant to this Agreement.

2. Implementation Unit

- (a) The Implementation Unit shall be maintained throughout Project implementation within the MATUH and shall be staffed with qualified and experienced personnel in adequate numbers, including, *inter alia*, (i) a Project coordinator, (ii) an administrative, financial and accounting specialist; (iii) a procurement specialist; (iv) an engineer; (v) an environmental and social monitoring specialist; (vi) an accountant; and (vii) support staff.

- (b) Without limitation upon the provisions of sub-paragraph (i) of this Section, the Implementation Unit shall be responsible for day-to-day Project coordination and implementation, including:
 - (i) preparing proposed annual work plans for inclusion in the Project, and updating the Procurement Plan and budgets and consolidated Project reports;
 - (ii) carrying out all procurement activities for the Project, in coordination with STE for the activities related to water under Parts B.1, B.3, C.1, C.3 and C.4 and in coordination with the Private Operator for the activities under Part C.2 of the Project; In such cases, STE and the Private Operator shall be responsible for the technical specifications for all bidding documents and for the drafting of the terms of reference for consultants;
 - (iii) carrying out all Project administrative, accounting and financial management;
 - (iv) preparing Project progress reports and financial management reports.
 - (v) Preparing the meetings of the Steering Committee; and
 - (vi) carrying out all Project financial management in accordance with the Project Administrative, Financial and Accounting Manual.
- 3. The Recipient shall maintain *Protocoles d'Accord* and the *Conventions de Maîtrise d'Ouvrage Délégué* referenced in Section I.2(c) and (d) of the Original Financing Agreement with each of the Beneficiary Cities, in form and substance satisfactory to the Association, and shall not amend or waive, or permit to be amended or waived, any provision of *the Protocoles d'Accord* or *Conventions de Maîtrise d'Ouvrage Délégué* if such amendment or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.

B. Anti-Corruption

- 1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards.

- 1. Without limitation to any provisions within this Agreement, the Recipient shall, except as otherwise agreed in writing by the Association:

- (a) implement the Project, or cause it to be implemented, in accordance with the Safeguard Frameworks;
 - (b) in case of any activity under the Project requiring the adoption of any Supplemental Social and Environmental Safeguard Instruments:
 - (i) proceed to have such Supplemental Social and Environmental Safeguard Instrument, as the case may be: (A) prepared in accordance with the applicable framework; (B) submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and
 - (ii) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument; and
 - (c) in the case of any resettlement activity under the Project involving Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before necessary resettlement measures consistent with the RAP or any other applicable Supplemental Social and Environmental Safeguard Instrument are in place, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, prior to displacement.
2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect from the Implementation Unit, compile and submit to the Association on a quarterly basis reports in form and substance satisfactory to the Association on the status of compliance with the Safeguard Instruments, if any, as part of the Project Reports, giving details of:
- (a) measures taken in furtherance of such Safeguard Instruments, if any;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments, if any; and
 - (c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General

Conditions and on the basis of indicators acceptable to the Association as provided in the Project Implementation Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.

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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<u>Procurement Method</u>	
(a)	National Competitive Bidding
(b)	Shopping
(c)	Direct Contracting

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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method	
(a)	Least-Cost Selection
(b)	Selection Based on the Consultants' Qualifications
(c)	Single-Source Selection
(d)	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.

E. Institutional Procurement Arrangements

For all procurement matters relating to Parts B.1, B.3 and C of the Project: (i) the director general of STE and the secretary general of the MoW shall be members of the COJO of the MATUH; (ii) the secretary general of the MoW shall preside the COJO for the determination of the temporary attribution of such contracts, and shall set up, together with the other members of the COJO, the technical sub-commission for the evaluation of bid proposals; and (iii) the procurement specialist and engineer within the Implementation Unit shall act as secretary for the COJO for the opening, review and attribution of such contracts.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Operating Costs for Part A of the Project	320,000	260,000	100%
(2) Goods for Parts B, C.3 and C.4 of the Project,	140,000	110,000	100%
(3) Works for Parts B, C.3 and C.4 of the Project	4,380,000	3,540,000	100%
(4) Services for Parts B, C.3 and C.4 of the Project	1,120,000	910,000	100%
(5) Goods for Parts C.1 and C.2 of the Project,	270,000	220,000	100%
(6) Works for Parts C.1 and C.2 of the Project	1,420,000	1,160,000	100%
(7) Services for Parts C.1 and C.2 of the Project	1,950,000	1,600,000	100%
TOTAL AMOUNT	9,600,000	7,800,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, 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 1,300,000

equivalent may be made for payments made prior to this date but on or after May 1, 2011, for Eligible Expenditures.

- (b) under Categories (5), (6) and (7) until a Private Operator has been recruited by the Recipient in accordance with Section III of this Schedule 2 and the Service Contract, acceptable to the Association, is in effect.

2. The Closing Date is June 30, 2015.

Section V. Other Undertakings

- A. Not later than 3 months after the Effective Date, the Recipient shall finalize the transfer of the responsibility of the Recipient's urban water services to STE by Decree.
- B. Not later than 9 months after the Effective Date, the Recipient shall enter into a Service Contract with a Private Operator and, at the same time, shall recruit the independent technical auditor referred to in Part C.3 of Schedule 1 to this Agreement in accordance with Section III of this Schedule 2.
- C. Not later than 12 months after the Effective Date, the Recipient shall launch the study on water tariff and connection fee levels under Part C.4 of the Project and shall implement the recommendations of such study within a reasonable time period thereafter acceptable to the Association.
- D. Not later than 9 months after the Effective Date, the Recipient, as sole shareholder of STE, shall have made his equity contribution to STE in full.
- E. Not later than 3 months after the Effective Date, the Recipient shall enter into a delegation and performance contract with STE, in form and substance satisfactory to the Association.
- F. Not later than 12 months after the Effective Date, the Recipient shall: (i) establish a mechanism satisfactory to the Association ensuring the automatic payment of the amounts owed to STE by other public institutions, and (ii) ensure the effective prompt payment of such bills.
- G. Not later than 9 months after the Effective Date, the Recipient shall implement a payment option scheme for its customers to enable payment of the connection fee in installments.
- H. Not later than 3 months after the Effective Date, the Recipient shall have updated the accounting software of the Implementation Unit for the purposes of the Project.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 15 and September 15	
commencing September 15, 2021 to and including March 15, 2031	1%
commencing September 15, 2031 to and including March 15, 2051	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

Section I: Definitions

1. “Affected Persons” means persons who, on account of an involuntary taking of land under the Project, had or would have their: (a) standard of living adversely affected; or (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently; and “Affected Person” means any of the Affected Persons.
2. “Anti-Corruption Guidelines” means 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. “ARAP” or “Abbreviated Resettlement Action Plan” means the abbreviated resettlement action plan prepared by the Recipient on the basis of the RPF as the said document may be amended and/or supplemented from time to time with the prior written approval of the Association and subject to the initial consultation and disclosure requirements carried out on the ARAP.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “COJO” means *Commission d’Ouverture et de Jugement des Offres*, the unit within the MATUH in charge of the evaluation of technical and financial bids for contracts procured by the MATUH.
6. “Consultant Guidelines” means:
 - (a) except as provided in paragraph (b) below, the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in January 2011; and
 - (b) in the case of contracts for which the invitation to bid was issued prior to May 1, 2011, “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
7. “Environmental and Social Management Framework” or “ESMF” means the framework disclosed in country and at the Association’s *Infoshop* on April 11, 2011, in form and substance satisfactory to the Association, setting out modalities to be followed in assessing the potential adverse environmental and

social impact associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce, or mitigate such adverse impact.

8. “Environmental and Social Management Plan” or “ESMP” means a plan, approved by the Association for the Project, to be prepared by the Recipient, as required by the ESMF, proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and resettlement impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the prior written approval of the Association.
9. “Environmental and Social Impact Assessment” or “ESIA” means a subproject-specific environmental and social impact assessment, acceptable to the Association, giving details of the status of the natural and social environment, and potential risks and adverse impacts thereto, which are specific to the subproject, along with proposed mitigation measures.
10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
11. “Implementation Unit ” means the *Cellule de Coordination du Projet d’Appui du Développement Urbain* created pursuant to *Arrêté* dated February 7, 2007, No. 001/MATUH/SG/2007 *portant création d’une Cellule de Coordination du Projet d’Appui du Développement Urbain*.
12. “Interministerial Steering Committee *Arrêté*” means the *Arrêté* No. 2810/PR/PM/2006 creating the Interministerial Steering Committee.
13. “MATUH” means *Ministère de l’Aménagement du Territoire, de l’Urbanisme et de l’Habitat*, the Ministry of the Recipient in charge of urban management.
14. “MoW” means the Ministry of the Recipient in charge of water management.
15. “Operating Costs” means incremental recurrent expenditures incurred on account of Project implementation, including: local contractual support staff salaries; travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications’ expenses, but excluding the salaries of officials and public servants of the Recipient’s civil service.
16. “Original Financing Agreement” means the financing agreement for an Urban Development Project between the Recipient and the Association, dated April 7, 2007 (Grant No. H277-CD).

17. “Original Project” means the Project described in the Original Financing Agreement.
18. “Private Operator” means the private operator recruited in accordance with Section III of Schedule 2 to this Agreement to provide technical assistance to STE under Parts C.1 and C.2 of the Project.
19. “Procurement Guidelines” means:
 - (a) except as provided in paragraph (b) below, “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in January 2011; and
 - (b) in the case of contracts for which the invitation to bid was issued prior to May 1, 2011, “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 21, 2011 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.
21. “Project Administrative, Financial and Accounting Manual” means the Project-specific manual outlining the administrative, financial and accounting arrangements for the implementation of the Project, referred to in Section 4.01 (a) of this Agreement, as the same may be amended from time to time with the prior written approval of the Association, and such term includes any schedules to the Project Administrative, Financial and Accounting Manual.
22. “Project Implementation Manual” and “PIM” means that the manual referred to in Section 4.01(a) of this Agreement,, containing, *inter alia*, monitoring and performance indicators, procurement guidelines, bidding procedures, and other relevant arrangements for carrying out the Project, as the same may be amended from time to time with the prior written approval of the Association, and such term includes any schedules and attachments supplemental to the Project Implementation Manual.
23. “Resettlement Action Plan” or “RAP” means any resettlement action plan or ARAP prepared by the Recipient on the basis of the RPF as the said document may be amended and/or supplemented from time to time with the prior written approval of the Association and subject to the initial consultation and disclosure requirements carried out on the RAP.

24. “Resettlement Policy Framework” or “RPF” means the Resettlement Policy Framework of the Recipient disclosed in country and at the Association’s *Infoshop* on April 11, 2011, outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.
25. “Safeguard Frameworks” means the ESMF and the RPF.
26. “Safeguards Instruments” means the ESMF, the RPF and any Supplemental Social and Environmental Safeguard Instruments.
27. “Service Contract” means a partially performance-based technical assistance contract with a Private Operator which will aim at improving the technical, commercial, financial performance enhancing accountability and building capacity of the STE.
28. “Steering Committee” means the steering committee created by the Interministerial Steering Committee *Arrêté*, as revised pursuant to Section 4.01(b) of this Agreement.
29. “Supplemental Social and Environmental Safeguard Instruments” means any ESMP, RAP, ARAP, ESIA, or other supplemental social and environmental safeguard instruments as required under the terms of any of the ESMF or RPF.
30. “STE” means *Société Tchadienne des Eaux*, the Recipient’s public water utility constituted by decision of the sole shareholder of the *Société Tchadienne des Eaux et de l’Energie*, dated May 3, 2010, the Recipient’s public water utility.

Section II: Modifications to the Original Financing Agreement

1. The Closing Date of the Original Project is revised to June 30, 2015.
2. The following new Section I.E is inserted in Schedule 2 of the Original Financing Agreement:

“E. Anti-Corruption

As of the date of the Additional Financing Agreement, the Recipient shall ensure that the Project shall be carried out in accordance with the provisions of the Anti-Corruption Guidelines.”

3. The definitions of “Consultant Guidelines” “General Conditions” and “Procurement Guidelines” set forth in paragraphs 3, 4 and 9 of the Appendix to the Original Financing Agreement are deleted in their entirety and replaced with the following definitions:

“Consultant Guidelines” means

- (a) except as provided in paragraph (b) below, the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in January 2011; and
- (b) in the case of contracts for which the invitation to bid was issued prior to May 1, 2011, “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.

“General Conditions” means: (i) prior the date of the Additional Financing Agreement, “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005, and (ii) as of the date of the Additional Financing Agreement, the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.

“Procurement Guidelines” means:

- (c) except as provided in paragraph (b) below, “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in January 2011; and
- (d) in the case of contracts for which the invitation to bid was issued prior to May 1, 2011, “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.

4. The following new definitions are inserted in the Appendix to the Original Financing Agreement as a new paragraphs 2 and 3 and all subsequent definitions are renumbered accordingly:

“Additional Financing Agreement” means the financing agreement to be signed between the Recipient and the International Development Association to provided additional financing for the Project.

“Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated January 2011.

