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CREDIT NUMBER 7016-DJ

# **Financing Agreement**

**(Horn of Africa Initiative: Djibouti Regional Economic Corridor Project)**

**between**

**THE REPUBLIC OF DJIBOUTI**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**CREDIT NUMBER 7016-DJ**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between THE REPUBLIC OF DJIBOUTI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). 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 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 a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to forty-nine million five hundred thousand Special Drawing Rights (SDR 49,500,000) (variously, “Credit” and “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 III 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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are April 15 and October 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 Dollar.

### **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 V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Recipient has duly established the Project Coordination Unit (PCU) in accordance Section I.A.3 of Schedule 2 to this Agreement, and staffed with key specialists, including one procurement specialist, one financial management specialist, and one social and environmental specialist, all with experience and terms of reference, acceptable to the Association;
  - (b) the Recipient has prepared and adopted the Project Implementation Manual, in form and substance satisfactory to the Association; and
  - (c) the Project Implementation Support Agreement between ADR and DPCR shall have been executed, and in full force and effect.
- 4.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.
- 4.03. 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 fifteen (15) years after the Signature Date.

### **ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is its minister of economy and finance in charge of industry.
- 5.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:  
  
Ministry of Economy and Finance in Charge of Industry  
Cit  Minist rielle  
BP13, Djibouti  
R publique de Djibouti; and

(b) the Recipient's Electronic Address is:

Facsimile:	E-mail:
+253 21358135	cabinet@economie.gouv.dj

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:

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

AGREED as of the Signature Date.

**THE REPUBLIC OF DJIBOUTI**

**By**



\_\_\_\_\_  
**Authorized Representative**

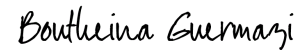
**Name:** Ilyas Moussa Dawaleh  
\_\_\_\_\_

**Title:** Ministre de l'économie et des Finances  
\_\_\_\_\_

**Date:** 23-déc.-2021  
\_\_\_\_\_

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**



\_\_\_\_\_  
**Authorized Representative**

**Name:** Boutheina Guermazi  
\_\_\_\_\_

**Title:** Director, Regional Integration  
\_\_\_\_\_

**Date:** 23-Dec-2021  
\_\_\_\_\_

## SCHEDULE 1

### Project Description

The objective of the Project is to improve regional connectivity and enhance logistics efficiency in the territory of the Recipient, along the Djibouti- Addis Southern Corridor.

The Project consists of the following parts:

#### **Part 1: Improvement of infrastructure and introduction of intelligent transportation systems along the Djibouti-Addis Southern Corridor**

Improve the road corridor through Output- and Performance-based Road Contract (OPBRC) which will include rehabilitation works for some sections, introduction of intelligent transport system and the maintenance and operation of the corridor including axle load control and road safety.

##### 1.1: Rehabilitation and upgrade of road sections along the Djibouti-Addis Southern Corridor and logistics infrastructure:

- (a) Carrying out the rehabilitation of (i) the Djibouti city – Arta section on the RN1; (ii) RN1/RN5 junction - Ali Sabbieh section on the RN5; and (iii) Ali Sabbieh - Guelileh section on the RN19, all with climate resilient standards.
- (b) Support the development of climate and natural disaster vulnerability assessment on the sections of the Djibouti-Addis Southern Corridor referred to in Part 1.1(a) above.
- (c) Carrying out: (i) a logistic study and the implementation of its recommendations; and (ii) road safety audits and road safety screening and appraisal tools including: (A) construction of safe, climate resilient and energy-efficient platforms and rest stops for trucks along the corridor; (B) the rehabilitation and upgrading of customs check posts; and (C) treatment of identified road safety “black spots”.

1.2: Deployment of Integrated Transport Information System (ITIS): Carrying out the design and implementation of ITIS systems aimed at ensuring fluidity of freight movement between Ethiopia and Djibouti, which shall include, *inter alia*,: (a) electronic cargo tracking systems for transit; (b) integration of information systems between road, rail and border control agencies; (c) x-ray cargo-scanners remote image analysis equipment and systems; (d) traffic safety status and alert report, including during climate-related emergencies; (e) electronic payments for the toll; and (f) installation and interconnection

of weighing stations along the corridor at key locations selected in accordance with COMESA regulations.

1.3: Maintenance and operation of the Djibouti-Addis Southern Corridor: Carrying out the performance-based maintenance of the Djibouti-Addis Southern Corridor, through the OPBRC, allocating the existing toll revenue, including the operation and maintenance of the axle load control stations along the Djibouti-Addis Southern Corridor.

## **Part 2: Improvement of transit services along the Djibouti-Addis Southern Corridor**

2.1: Enhancement of Customs Transit Procedures. (a) Provision of technical assistance to the Recipient customs agency to support operationalization of the cross-border harmonization of customs declaration documents between Ethiopia and the Recipient, by supporting the interconnection of the two customs systems for an automated and systematic exchange between Ethiopia and Djibouti; and (b) support the operationalization of export transit procedures of the Ethio-Djibouti Customs Transit Protocol Agreement.

2.2: Development of an OSBP at Guelileh border: (a) support the construction of the Recipient portion of an OSBP at Guelileh border with Ethiopia, including office buildings and associated facilities; (b) provision of training and technical assistance to customs agents, transporters, clearing agents and members of the private sector to operationalize customs procedures and processes for OSBPs; and (c) support coordinated management of the Ethiopia-Djibouti corridor including options for the creation of a transport and transit corridor management committee and its operationalization.

2.3: Upgrade the Recipient's customs automated system. Provision of technical assistance to: (a) finalize the upgrade of the Recipient's customs management system to a web-based system; (b) introduction of a Cargo Targeting System for anticipated risk management based on cargo manifests' data and; (c) provide capacity building.

## **Part 3: Institutional strengthening and capacity-building on road performance-based contracts and Project implementation support**

3.1: Technical assistance in respect of the OPBRC: Provision of technical assistance to the Recipient for: (a) the structuring and tendering of an OPBRC for the major rehabilitation works / upgrade of road sections along the Djibouti-Addis Southern Corridor, the maintenance and the operation of the road including axle load control station(s); (b) the monitoring of compliance by the contractors with the technical, performance and environmental/social criteria established in the OPBRC, as well as technical and social audits; and (c) developing robust procedures and processes for the public authority to fund long-term rehabilitation and operation and maintenance contracts, including carrying out road corridor analysis, the structuring of the tender and the drafting of the contract , and other relevant points needed to address the links between the performance-based contractual approach and local communities, climate change and resilience, job creations, road safety and occupational safety.

3.2: Institutional strengthening and capacity-building on road performance-based contracts and on PPPs. Provision of capacity building support to road asset management under OPBRC and, to output based contracts under public-private partnership modalities through: (a) assisting in designing the institutional monitoring framework for PPP contracts, and (b) capacity building to DPCR, ADR and the PPP Unit on output-based approaches, fiscal management linked to performance-based contracts and to PPP schemes, and raising awareness on issues related to axle load control, road safety, climate change (adaptation / resilience and mitigation) and, in line with international standards, gender in PPPs.

3.3: Maximizing the Djibouti-Addis Southern Corridor's development impacts for local communities. Support: (a) the design and implementation of programs aimed at preventing and reducing the impact of HIV/AIDS infection among communities; (b) COVID-19 prevention campaign targeting the Djibouti-Addis Southern Corridor' users; (c) literacy trainings for women addressing their specific needs; (d) support to female labor force participation (in direct jobs resulting from the Project's activities or indirect jobs through development of businesses along the corridors); (e) the implementation of GBV protocol/measures for border personnel and women, as well as GBV training and information sessions for both women and men, truck drivers, border personnel; and (f) sensitize border security on the importance of allowing women to trade hassle-free.

3.4: Project and Djibouti-Addis Southern Corridor management including corridor performance monitoring and reporting. Provision of support for project implementation, monitoring and evaluation, and audits.

#### **Part 4: Contingent emergency response**

Provision of immediate response to an Eligible Crisis or Emergency, as needed.



## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

1. The Recipient shall carry out the implementation of the Project through the ADR under the MoIE, and shall take all actions including the provision of funding, personnel, and other resources necessary to enable the ADR to perform its functions.
2. The Recipient shall establish, no later than thirty (30) days after the Effective Date, and thereafter maintain throughout the Project implementation period, with composition, mandate and resources satisfactory to the Association, a steering committee, to be chaired by MoIE, and responsible for providing technical supervision and guidance for the Project, as further described in the Project Implementation Manual (the “Steering Committee”).
3. ADR shall establish and thereafter maintain throughout the period of Project implementation, a Project Coordination Unit (PCU) to run the day-to-day management of the Project, in form and with terms of reference, functions, composition, mandate, staffing, and adequate resources satisfactory to the Association, and as further described in the Project Implementation Manual. To this end, the Recipient shall recruit key staff, including a procurement specialist, a financial management specialist and a social and environmental specialist, each with terms of reference and experience satisfactory to the Association.
4. The Recipient shall cause ADR and DPCR to enter into, and maintain throughout implementation of the Project, a written Project Implementation Support Agreement, in form and manner satisfactory to the Association, by which DPCR shall commit to allocate and thereafter transfer to ADR sufficient resources to cover the costs of implementing Part 1.3 of the Project. Such amounts shall be thereafter allocated in the relevant AWPB to cover the costs of the relevant activities under Part 1.3 of the Project.

##### **B. Project Implementation Manual**

1. The Recipient shall, prepare thereafter maintain, in accordance with terms of reference acceptable to the Association, a Project implementation manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) monitoring, evaluation, reporting and communication; (c) detailed procedures for coordination and collaboration among different sector actors involved in the carrying out of the Project;

(d) administration, financial management and accounting; and (e) such other administrative, technical and organizational arrangements and procedures as shall be required for purposes of implementation of the Project.

2. The Recipient shall afford the Association a reasonable opportunity to review such manual and shall thereafter adopt said manual as shall have been approved by the Association (“Project Implementation Manual” or “PIM”).
3. The Recipient shall carry out the Project in accordance with the PIM and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the aforementioned manual, or any provision thereof, without the prior written consent of the Association.
4. In the event of any inconsistency between this Agreement and the PIM the provisions of this Agreement shall prevail.

**C. Annual Work Plan and Budget**

1. The Recipient shall, not later than November 15 in each calendar year during Project implementation, prepare and furnish to the Association, a plan of Project activities proposed for implementation in the following calendar year, including: (a) a detailed timetable for the sequencing and implementation of said activities; and (b) the types of expenditures required for such activities, a proposed financing plan and a budget (“Annual Work Plan and Budget”).
2. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed Annual Work Plan and Budget and thereafter ensure that the Project is implemented in accordance with such Annual Work Plan and Budget as shall have been approved by the Association.
3. In the event of any conflict between the Annual Work Plan and Budget and the provisions of this Agreement, the provisions of this Agreement shall prevail).

**D. 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 Association.
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 Association. To this end, the Recipient shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;

- (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
- (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, 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) the Association is promptly notified 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 environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors, and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing

measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**E. Contingent Emergency Response Mechanism**

1. In order to ensure the proper implementation of Part 4 of the Project (“Contingent Emergency Response”) (“CERC Part”), the Recipient shall take the following measures:
  - (a) prepare and furnish to the Association for its review and approval, an operations manual, which shall set forth detailed implementation arrangements for the CERC Part, including: (i) designation of, terms of reference for and resources to be allocated to, the entity to be responsible for coordinating and implementing the CERC Part (“Coordinating Authority”); (ii) specific activities which may be included in the CERC Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the CERC Part; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the CERC Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for the CERC Part, consistent with the Association’s policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CERC Part;
  - (b) afford the Association a reasonable opportunity to review said proposed operations manual;
  - (c) promptly adopt such operations manual for the CERC Part as shall have been approved by the Association (“CERC Operations Manual”);
  - (d) ensure that the CERC Part is carried out in accordance with the CERC Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
  - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERC Operations Manual without prior approval by the Association.
2. The Recipient shall, throughout the implementation of the CERC Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.

3. The Recipient shall undertake no activities under the CERC Part (and no activities shall be included in the CERC Part) unless and until the following conditions have been met in respect of said activities:
  - (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
  - (b) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CERC Operations Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.

**Section II. Project Monitoring, Reporting and Evaluation**

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

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

**A. General**

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: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, and consulting services, Operating Costs, and Training for Parts 1 (except for Part 1.3), 2.3, and 3 of the Project.	46,325,000	100%
(2) Goods, works, non-consulting services, and consulting services, and Training for Parts 2.1 and 2.2 of the Project.	2,475,000	100%
(3) Emergency Expenditures under Part 4 of the Project	0	
(4) Refund of Preparation Advance	700,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
<b>TOTAL AMOUNT</b>	49,500,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date; or
  - (b) under Category (2), unless the customs authorities of Recipient and Ethiopia have entered into a mutual understanding in form and manner satisfactory to the Association, sufficient for the Recipient to be able to carry out the activities under Parts 2.1 and 2.2 of the Project; and
  - (c) under Category (3), unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:
    - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such

determination, accepted said request and notified the Recipient thereof;

- (ii) the Recipient has prepared and disclosed all environmental and social standards instruments required for said activities, and the Recipient has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.E of Schedule 2 to this Agreement;
- (iii) the Recipient's Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.E of Schedule 2 to this Agreement, for the purposes of said activities; and
- (iv) the Recipient has adopted a CERC Operations Manual in form, substance and manner acceptable to the Association and the provisions of the CERC Operations Manual remain or have been updated in accordance with the provisions of Section I.E of Schedule 2 to this Agreement so as to be appropriate for the inclusion and implementation of said activities under the CERC Part.

2. The Closing Date is December 31, 2026.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each April 15 and October 15:	
commencing April 15, 2032 to and including October 15, 2041	<b>1%</b>
commencing April 15, 2042 to and including October 15, 2061	<b>2%</b>

\* 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 3.05 (b) of the General Conditions.



## APPENDIX

### Definitions

1. “ADR” means *Agence Djiboutienne des Routes*, Djibouti Road Agency the Recipient’s agency in charge of roads, established under the MoIE.
2. “Anti-Corruption Guidelines” means, for purposes of 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 and as of July 1, 2016.
3. “Annual Work Plan and Budget” or “AWPB” means the instrument referred to in Section I.C.1 of Schedule 2 to this Agreement.
4. “Cargo Targeting System” or “CTS” means the system developed and implemented by the World Customs Organization which enables customs administrations to receive cargo manifests, bills of lading or airway bill data and systematically apply risk profiles to identify potentially high-risk consignments on import, export and transshipment.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “CERC” means contingent emergency response mechanism.
7. “CERC Part of the Project” and “CERC Part” each means Part 4 of the Project.
8. “COMESA” means Common Market for Eastern and Southern Africa.
9. “Contingent Emergency Response Operations Manual” and “CERC Operations Manual” each means the operations manual referred to in Section I.E of Schedule 2 to this Agreement, to be adopted by the Recipient for the CERC Part of the Project in accordance with the provisions of said Section.
10. “Coordinating Authority” the entity or entities designated by the Recipient in the CERC Operations Manual and approved by the Association pursuant to Section I.E of Schedule 2 to this Agreement, to be responsible for coordinating the CERC Part of the Project.
11. “Djibouti-Addis Southern Corridor” means the road corridor in the territory of the Recipient between the cities of Djibouti and Guelileh, through the city of Ali Sabieh.
12. “DPCR” means Djibouti Ports Corridor Road SA, a fully owned entity of the Recipient in charge of road operation and maintenance, established in 2007 and

operating pursuant to Decree No. 2018-319/PR/MET of October 18, 2018, in charge of supporting ADR in the implementation of Parts 1.2 and 1.3 of the Project.

13. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 16, 2021, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
14. “Environmental and Social Standards” or “ESSs” means, collectively:  
(i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
15. “Ethio-Djibouti Customs Transit Protocol Agreement” means the agreement between the Beneficiary and Ethiopia, dated November 8, 2008 which includes transit modalities, roles and responsibilities, operational processes, and procedures, guarantee mode, legal route, and legally valid crossing points.
16. “Ethiopia” means the Federal Democratic Republic of Ethiopia.
17. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020 and April 1, 2021).
18. “ITIS” means the Integrated Transport Information System referred to in Part 1.2 of Schedule 1 of this Agreement.

19. “MoIE” means the Recipient’s ministry in charge of infrastructure and equipment, or any successor thereto.
20. “OPBRC” means output- and performance- based road contract.
21. “Operating Costs” means the incremental operating costs under the Project, based on the Annual Work Plan and Budget approved by the Association, and incurred by the ADR, on account of utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
22. “OSBP” means one-stop border post.
23. “PPP” means public-private partnership.
24. “PPP Unit” means the unit within the Recipient’s ministry in charge of economy and finance, in charge of promotion of public private partnerships in the territory of the Recipient.
25. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on May 11, 2021 and on behalf of the Recipient on May 12, 2021.
26. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
27. “Project Coordination Unit” or “PCU” means the coordination unit referred to in Section I.A.3 of Schedule 2 to this Agreement
28. “Project Implementation Manual” means the manual referred to in Section I.B of Schedule 2 to this Agreement.
29. “Project Implementation Support Agreement” means the agreement between ADR and DPCR referred to in Section I.A.4 of Schedule 2 to this Agreement.
30. “RN” means *Route Nationale* or national highway.
31. “Single Administrative Document” or “SAD” means the common customs declaration form template used by the Recipient and Ethiopia according to COMESA standards.

32. “Signature Date” means the later 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.
33. “Steering Committee” means the committee referred to in Section I.A.2 of Schedule 2 to this Agreement.
34. “Training” means the costs of training under the Project, based on the Annual Work Plan and Budget approved by the Association, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities.
35. “World Customs Organization” or “WCO” means the organization established in 1952 by the Convention Establishing the Customs Co-operation Council (in force as of November 4, 1952) as an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of customs administrations.