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**CREDIT NUMBER 4659-CM**

# **Financing Agreement**

**(Additional Financing for CEMAC - Transport and Transit Facilitation Project)**

**between**

**REPUBLIC OF CAMEROON**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated January 29, 2010**

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**CREDIT NUMBER 4659-CM**

**FINANCING AGREEMENT**

AGREEMENT dated January 29, 2010, entered into between REPUBLIC OF CAMEROON (“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:

WHEREAS (A) Other activities for the facilitation of regional trade within CEMAC and improvement of the Recipient’s, the Central African Republic’s and the Republic of Chad’s access to world markets are intended to be funded by other donors, including, *inter alia*, the following:

(i) The European Commission (EC) has entered into an agreement with the Recipient dated August 10, 2006 for the provision of an amount of 81,590,000 Euros (the “EC Cameroon-9<sup>th</sup> EDF Grant Agreement”);

(ii) The EC has entered into an agreement with the Recipient dated December 9, 2007 for the provision of an additional amount of 40,000,000 Euros (the “EC Cameroon-10<sup>th</sup> EDF Grant Agreement”); and

(iii) The African Development Fund (ADF) has entered into an agreement with the Recipient dated February 29, 1998 for the provision of an amount of 48,000,000 Units of Account.

NOW, THEREFORE, the parties hereto 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 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 credit in an amount equivalent to ninety five million eight hundred thousand Special Drawing Rights (SDR 95,800,000) (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 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 1 and September 1 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 objectives of the Project and the Program. To this end, the Recipient shall carry out Part 1 of the Project, and cause the Project Implementing Entity to carry out Part 2 of the Project in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 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 — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.
  - (b) The Recipient has not complied with its commitments under the Protocol on the reform and financing of the Recipient’s road sub-sector entitled “Memorandum of Understanding” entered into in July 2009, as may be amended from time to time in a manner satisfactory to the Association.
  - (c) (i) Subject to sub-paragraph (ii) of this paragraph: (A) the right to withdraw the proceeds of the financing be provided by the EC and the ADF, respectively, as described in paragraph (A) (i) to (iii) of the Preamble (collectively referred to in this paragraph as the “Parallel Financing”), has been suspended, cancelled, or terminated in whole or in part; or (B) the Parallel Financing has become due and payable prior to its agreed maturity.
  - (ii) Sub-paragraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Association that adequate funds for the financing of the activities intended to be financed from the proceeds of the Parallel Financing are available from other sources on terms and conditions consistent with the Recipient’s obligations under this Agreement.
- 4.02. Any event specified in Section 4.01 of this Agreement occurring and continuing for a period of 60 days after notice of the event has been given by the Association to the Recipient shall constitute an Additional Event of Acceleration.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Condition of Effectiveness consists of the following:
- (a) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.

- 5.02. The Additional Legal Matter consists of the following:
- (a) The Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. 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.



AGREED at Yaoundé, Cameroon, as of the day and year first above written.

**REPUBLIC OF CAMEROON**

**By /s/ Louis-Paul Motazé**

**Authorized Representative**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By /s/ Mary Barton-Dock**

**Authorized Representative**

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to facilitate regional trade among the Member States and improve the Recipient's, the Central African Republic's and the Republic of Chad's access to world markets.

The Project, which is part of the Program, consists of the following activities:

Part 1: Roads Infrastructure Improvement in the Corridors, through:

Support to periodic maintenance, rehabilitation and upgrading works on selected sections of the Corridors, including (A) the rehabilitation, reconstruction and enlargement of critical infrastructures along the Ngaoundéré-Garoua section, and (B) the reconstruction of the Dabanga-Kousséri section, including Kousséri by-pass.

Part 2: Railway Infrastructure Improvement in the Corridors, through:

- (i) Support to rehabilitation of critical rail infrastructure (tracks and engineering structures) and strengthening of rail equipment; and
- (ii) Support to implementation of environmental impact mitigation measures.



**SCHEDULE 2****Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements**

The Recipient shall, throughout the implementation of the Project, maintain the following implementation and coordination arrangements:

- (a) The Steering Committee shall be responsible for the national coordination and overall management of the Project, including such activities undertaken to secure compliance of the Project with good governance principles.
- (b) The Ministry of Public Works shall be responsible for the oversight, reporting and coordination of Part (1) the Project, and the Ministry of Transportation shall be responsible for the oversight and coordination of Part (2) the Project.
- (c) The Ministry of Public Works shall be responsible for the technical implementation of Part 1 of the Project. Each year, the Ministry of Public Works shall prepare and submit to the Steering Committee an annual work program and budget acceptable to the Association.
- (d) The Project Implementing Entity shall carry out Part 2 of the Project (the Project Implementing Entity's "Respective Part of the Project"). Each year, the Project Implementing Entity shall prepare and submit to the Recipient an annual work program and budget acceptable to the Association.

**B. Subsidiary Agreement**

1. To facilitate the carrying out of the Project Implementing Entity's Respective Part of the Project, the Recipient shall make the proceeds of Category (2) of the Financing (as defined below) available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association ("Subsidiary Agreement"), which shall include, *inter alia*:

- (a) the obligation of the Recipient to:
  - (i) make the proceeds of Category (2) of the Financing available to the Project Implementing Entity in the form of a grant, and
  - (ii) take all actions necessary to permit the Project Implementing Entity to carry out its Respective Part of the Project and ensure the achievement of the objectives thereof;
- (b) the obligation of the Project Implementing Entity to:
  - (i) carry out its Respective Part of the Project in accordance with this Agreement, the Project Agreement, the Subsidiary Agreement, the CAMRAIL Project Implementation Manual, the Anti-Corruption Guidelines, and the Rail Environment and Social Management Plan;
  - (ii) promptly refund to the Recipient for further refund to the Association any proceeds from the grant not used for purposes of carrying out its Respective Part of the Project or for achieving the objectives thereof, or otherwise utilized in a manner inconsistent with the provisions of this Agreement or the Project Agreement;
  - (iii) at the request of the Recipient or the Association, exchange views with the Recipient and the Association with regard to the progress of its Respective Part of the Project and the achievement of the objectives thereof, and the Project Implementing Entity's performance of its obligations under the Subsidiary Agreement, the CAMRAIL Project Implementation Manual, the Anti-Corruption Guidelines, and the Rail Environment and Social Management Plan; and
  - (iv) promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of its Respective Part of the Project and the achievement of the objectives thereof; and
- (c) a provision stipulating that, in case of conflict between any of the provisions contained in the Subsidiary Agreement or the CAMRAIL Project Implementation Manual, on one hand, and those set forth in this Agreement and the Project Agreement, on the other hand, the provisions of this Agreement and the Project Agreement shall at all times prevail.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

**C. Staff and Manuals**

- (a) The Recipient shall, throughout the implementation of the Project, maintain appropriate staff in adequate number with terms of reference, qualification and experience satisfactory to the Association.
- (b) Without limitation on its obligations set forth in paragraph (a) above, no later than January 15, 2010, the Recipient shall have assigned a road engineer for Part 1 of the Project.
- (c) The Recipient shall carry out Part 1 of the Project in accordance with the provisions of the Project Implementation Manual for Part 1, and shall not, unless the Association shall otherwise agree, amend or waive any provision thereof which in the opinion of the Association may adversely and materially affect the implementation of Part 1 of the Project or the achievement of its objective.
- (d) Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Project Implementation Manual for Part 1 and this Agreement, the provisions of this Agreement shall prevail.

**D. Anti-Corruption**

The Recipient shall carry out its obligations under this Agreement in accordance with the Anti-Corruption Guidelines.

**E. Safeguards**

- (a) The Recipient shall ensure that throughout the implementation of the Project, (i) Part 1 of the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environment and Social Management Plans and the Resettlement Action Plans, and (ii) Part 2 of the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Rail Environment and Social Management Plan.
  
- (b) Except as the Association shall agree in writing, the Recipient (i) shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the provisions of any of the Environment and Social Management Plans, Resettlement Action Plans, and (ii) shall ensure that the Project Implementing Entity shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the provisions of the Rail Environment and Social Management Plan.
  
- (c) Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Environment and Social Management Plans, the Resettlement Action Plans, and the Rail Environment and Social Management Plan, giving details of:
  - (A) measures taken in furtherance of such Environment and Social Management Plans, Resettlement Action Plans and the Rail Environment and Social Management Plan;
  
  - (B) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Environment and Social Management Plans, Resettlement Action Plans and the Rail Environment and Social Management Plan; and
  
  - (C) remedial measures taken or required to be taken to address such conditions.

- (d) In order to compensate the National Parks of the Project's four (4) hectare-encroachment on the Benoue National Park, no later than eighteen (18) months after the Effective Date, the Recipient shall have allocated to the Benoue National Park, or another national park located in the same ecological zone, a four (4) hectare (or larger)-land presenting the same ecological characteristics as the one affected by the Project, in a manner satisfactory to the Association.

**E. Road maintenance**

The Recipient shall adequately maintain the portion of the Corridor running through its territory. To that effect, the Recipient shall include annually in its budget and provide resources as needed to complete all routine maintenance of such portion of the Corridor.

**F. Security**

The Recipient shall ensure that each contract entered into for the implementation of the Project contains appropriate safeguards for the management of the insecurity risk resulting from conflicts in the areas where the activities under such contract are carried out.

**G. Counterpart funds**

- 1. In accordance with Section 4.03 of the General Conditions, the Recipient shall provide for the payment of the customs duties and the value added tax which are not eligible for a financing from the funds of the Credit, as stated in Section IV (A)(2) of Schedule 2 to this Agreement.

2. No later than May 31, 2010, the Recipient shall have opened, and shall thereafter maintain throughout the implementation of the Project, an account in a commercial bank acceptable to the Association, under conditions acceptable to the Association, for the payment of the contribution of the Recipient to the financing of activities for road infrastructure improvement in the Corridors (the "Project Account"). Without limitation on its obligations set forth in Section 4.01 of the General Conditions, no later than June 30, 2010, the Recipient shall pay an amount of one billion (1,000,000,000) CFA Francs in the Project Account. On June 30 each year starting the year after such initial deposit, or on any other date agreed by the Association, the Recipient shall pay on the Project Account an amount acceptable to the Association determined as being the amount needed to finance activities for road infrastructure improvement in the Corridors included in the annual work program for the corresponding year, not financed from the funds of the Credit.
3. The Recipient shall comply with its commitment under the Concession Agreement, and in particular with Annex 3 to Amendment No. 2 of the Concession Agreement signed on November 4, 2008, regarding the provisioning and the use of the funds deposited in the Rail Investment Account (*Compte d'Infrastructures Ferroviaires*) (as defined in the Concession Agreement).
4. Without limitation on its obligations set forth in Section 4.01 of the General Conditions, no later than November 30, 2010, the Recipient shall pay an amount of two billion (2,000,000,000) CFA Francs, and no later than November 30, 2011, the Recipient shall pay another amount of two billion (2,000,000,000) CFA Francs, in each case in the Travelers Investment Account designated Account A (*Compte d'Investissement Voyageurs dénommé Compte A*), as defined in article 14 of Amendment No. 2 to the Concession Agreement.

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

### **A. Project Reports**

1. (a) The Recipient shall monitor and evaluate (or cause to be monitored and evaluated) the progress of the Project and prepare (or cause to be prepared) Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five days after the end of the period covered by such report.

- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
  - (i) At the end of the Project, no manual custom procedure is reported at Douala, Kousseri or Garoua Boulai, for goods in transit;
  - (ii) At the end of the Project, the average transit time for imports from the exit at the Port of Douala to Bangui has been reduced to eight days; and
  - (iii) At the end of the Project, the average transit time for imports from the exit at the Port of Douala to N'Djaména has been reduced to twelve days.
- 2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than July 31, 2015.
- 3. Eighteen (18) months after the Effective Date, or such later date as may be agreed upon by the Recipient and the Association, the Recipient shall, in conjunction with the Project Implementing Entity and the Association, carry out a mid-term review of the Project (the "Mid-term Review"), covering the progress achieved in the implementation of the Project. The Recipient shall, in conjunction with the Project Implementing Entity, prepare, under terms of reference satisfactory to the Association, and furnish to the Association not less than three (3) months prior to the beginning of the Mid-term Review, or on such later date agreed upon with the Association in writing, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date. Following the Mid-term Review, the Recipient shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objectives of the Project.

**B. Financial Management, Financial Reports and Audits**

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare (or cause to be prepared) and furnish to the Association not later than forty-five days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.
4. No later than March 1<sup>st</sup>, 2010, the Recipient shall have recruited an internal auditor for the Project in accordance with the provisions of Section III of Schedule 2 to this Agreement.
5. No later than January 15, 2010, the Recipient shall have recruited an external independent auditor selected in a manner satisfactory to the Association, for the purpose of, *inter alia*, carrying out the financial audits referred to in Paragraph 3 above.

**Section III. Procurement****A. General**

1. **Goods and Works.** All goods and works 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 and Works**

**1. International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

**2. Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<b>Procurement Methods</b>
<i>(a) Limited International Bidding</i>
<i>(b) National Competitive Bidding (*)</i>
<i>(c) Shopping</i>
<i>(d) Direct Contracting</i>

(\*) The procedures to be followed for National Competitive Bidding shall be those set forth in the Recipient’s Procurement Code of September 24, 2004 as revised from time to time in a manner deemed acceptable to the Association, subject, however, to the modifications described in the following paragraphs required for compliance with the Procurement Guidelines.

(i) Each bidding document and contract financed out of the proceeds of the Financing shall provide that the bidders, suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records related to bid submission and performance of the contract, and to have said accounts audited by auditors appointed by the Association; and the deliberate and material violation of such provision may amount to obstructive practice as defined in the Procurement Guidelines;

- (ii) The invitation to bid shall be advertized in national newspapers with wide circulation;
- (iii) The bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents;
- (iv) The bidders shall be given adequate response time (at least four weeks from the date of the invitation to bid or the date of availability of a bidding documents, whichever is later) to prepare and submit their bids;
- (v) The contracts shall be awarded for the lowest evaluated bid, provided that it is qualified;
- (vi) The eligible bidders, including foreign bidders, shall not be precluded from participating; and
- (vii) No preference margin shall be granted to domestic contractors.

**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.

<b>Procurement Methods</b>
<i>(a) Quality Based Selection</i>
<i>(b) Selection Under a Fixed Budget</i>
<i>(c) Least Cost Selection</i>
<i>(d) Selection Based on Consultant’s Qualifications</i>
<i>(e) Single Source Selection</i>
<i>(f) Selection of Individual Consultants</i>

**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. 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:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed</b>
(1) Works, goods and consultants' services for Part 1 of the Project	76,600,000	100% VAT not included
(2) Works, goods, and consultants' services for Part 2 of the Project	19,200,000	100% VAT and customs duties not included
<b>TOTAL AMOUNT</b>	<b>95,800,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is January 31, 2015.

**SCHEDULE 3****Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each March 1 and September 1:	
commencing March 1, 2020 to and including September 1, 2029	<b>1%</b>
commencing March 1, 2030 to and including September 1, 2049	<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 3.03 (b) of the General Conditions.

**APPENDIX****Section I. Definitions**

1. “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.
2. “CAMRAIL Project Implementation Manual” means the Project Implementing Entity’s document entitled “*Projet de Facilitation du Transport et du Transit en Zone CEMAC – Composante Ferroviaire - Manuel de Procédures*” and updated as of June 30, 2009, and containing procedures applicable to Part 2 of the Project and used for the purpose of implementing Part 2 of the Project, including in the areas of administrative, accounting, financial management, procurement, monitoring and evaluation, coordination, social and environment, and other provisions related to the institutional organization, as such guidelines and procedures may be amended from time to time in a manner consistent with this Agreement, and such term includes any schedule to the CAMRAIL Project Implementation Manual.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “CEMAC” means the Central African Economic and Monetary Community.
5. “CFA Francs” means the currency having legal tender in the African Financial Community.
6. “Concession Agreement” means the agreement entitled *Convention de Concession du Chemin de Fer* entered into between the Recipient and the Project Implementing Entity on January 19, 1999 as amended from time to time until the date of this Agreement.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
8. “Corridors” means collectively the Douala-N’Djamena and Douala-Bangui corridors.

9. “Environment and Social Management Plan” means, collectively (i) the document entitled “*Plan de Gestion Environnementale et Sociale*” prepared by the Ministry of Public Works at the request of the Recipient and dated January 2007, and (ii) the document entitled “*Etude en vue du bitumage de la voie de contournement de la ville de Kousseri – Rapport d’Etude d’Impact Environnemental*” prepared by ECTA-BTP SARL at the request of the Recipient and dated July 2009.
10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.
11. “Member States” means the members of CEMAC including, as of the date of this Agreement, the Central African Republic, the Republic of Cameroon, the Republic of Chad, the Republic of Congo, the Republic of Equatorial Guinea and the Gabonese Republic
12. “Ministry of Public Works” means the *Ministère des Travaux Publics*, the Recipient’s ministry in charge, *inter alia*, of public works.
13. “Ministry of Transport” means the *Ministère des Transports*, the Recipient’s ministry in charge, *inter alia*, of transport.
14. “Original Financing Agreement” means the financing agreement for a CEMAC - Transport and Transit Facilitation Project between the Recipient and the Association, dated November 15, 2007 as amended to the date of this Agreement (Credit No. 4337-CM).
15. “Original Project” means the Project described in the Original Financing Agreement.
16. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
17. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated September 15, 2009 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

18. “Program” means the CEMAC Trade and Transport Facilitation Program designed to (i) implement a regional institutional framework; (ii) harmonize national regulations; (iii) improve interconnectivity of customs information technology systems within the region; and (iv) implement a pilot trade and transport facilitation project on the Douala-N’Djamena (about 1,850 km) and Douala-Bangui (about 1,450 km) corridors, adopted by CEMAC pursuant to *Règlement* No. 14/06-UEAC-160-CM-14 dated March 11, 2006.
19. “Project Implementing Entity” means CAMRAIL.
20. “Project Implementing Entity’s Legislation” means collectively the Concession Agreement, the Project Implementing Entity’s constitutive documents and the laws and regulations applicable to the activities carried out under the Concession Agreement.
21. “Project Implementation Manual for Part 1” means collectively the Recipient’s documents entitled (i) “*Manuel de Procédures Administratives, Comptables et Financières*” and dated November 2007, and (ii) “*Projet de Facilitation des Transports et de Transit sur les Corridors Douala-Djamena-Bangui – Manuel d’Exécution du Projet*” and dated March 2008, and containing procedures applicable to Part 1 of the Project and used for the purpose of implementing Part 1 of the Project, including in the areas of administrative, accounting, financial management, procurement, monitoring and evaluation, coordination, social and environment, and other provisions related to the institutional organization, as such guidelines and procedures may be amended from time to time in a manner consistent with this Agreement, and such term includes any schedule to the Project Implementation Manual for Part 1.
22. “Rail Environment and Social Management Plan” means the document entitled “*Plan de Gestion de l’Environnement et de la Sécurité*” prepared by the Project Implementing Entity at the request of the Recipient and dated February 2007.
23. “Resettlement Action Plans” means collectively (i) the document entitled “*Plan de Réinstallation*” prepared by the Ministry of Public Works at the request of the Recipient and dated October 2006, and (ii) the document entitled “*Rapport d’Etude d’Impact Environnemental – Plan de Réinstallation (Tronçons Ngaoundéré-Garoua, Maroua-Kousséri et contournement de la ville de Kousséri)*” prepared by the Recipient and dated July 2009.



24. “Steering Committee” means the committee established by the Recipient by *arrêté* No. 121/CAB/PM dated September 14, 2005 for the creation, organization and operation of the national steering committee of the integrated road program and the transport facilitation project in the CEMAC area.
25. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the Project Implementing Entity.
26. “Unit of Account” means the Unit of Account of the African Development Fund specified in the Agreement Establishing the African Development Fund adopted on the 29th day of November, 1972, as amended from time to time.

## **Section II. Modifications to the General Conditions**

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance*

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”

