



III LUANDA FINANCING SUMMIT FOR AFRICA'S INFRASTRUCTURE DEVELOPMENT

PROJECT INVESTMENT PROSPECTUS – Pala-Léré-Cameroon Border Road Project

PROJECT SUMMARY

Project Name	Asphalting project of the Pala – Léré Cameroon border road (117 km)
Location	Mayo Kebbi West Province, Chad, Chad-CAMEROON border Western Chad transnational corridor connecting Chad's western regions to Cameroon Key localities: Pala (regional capital, departure point), Léré (9 km urban section included), multiple villages along route, Chad-Cameroon international border crossing Strategic position on CEMAC regional transport network linking Sahel to Central African coastal economies
Sector	Transport
Sub-Sector	Transport - Road Infrastructure (Asphalting/Paving)
Development Stage	S3A - Project Structuring / Feasibility Studies Technical and economic feasibility studies update required Financing mobilization phase ESIA preparation pending USD 585,000 preparation funding allocated by Chadian State Awaiting donor financing commitments
Project Sponsor	Directorate-General for Transport Infrastructure (Ministry of Infrastructure, Opening up and Road Maintenance, Government of Chad) Supported by CEMAC regional integration framework
Project Cost	USD 131,985,000 (preliminary estimate - to be refined through studies update and detailed engineering)
Financing Requirement	USD 131,400,000 - financing gap with USD 585,000 preparation funding secured from Chadian State Critical

	donor financing mobilization required
Project Preparation Total Cost	USD 585,000 (supported by the Chadian State) Government of Chad commitment to fund studies update, preliminary surveys, and project preparation activities Additional USD 2-3 million may be required for: Full ESIA with RAP, Detailed engineering designs, Transaction advisory services, Enhanced project management capacity
Project Preparation Funding Gap	USD 131,400,000 Note: Figure in original document appears to represent total project financing gap rather than preparation gap Actual additional preparation financing needed: USD 2-3M for comprehensive feasibility studies, ESIA, transaction advisory beyond government's USD 585K contribution
Financing Structure	Chadian State (10%, or USD 13,783,500), Donors (90%, or USD 117,616,500) Proposed donor architecture: Multilateral DFIs (AfDB, World Bank IDA, IsDB, BADEA): 50-60% Bilateral partners (AFD, KfW, EU, JICA): 25-30% Regional finance (BDEAC, CEMAC Fund): 5-10% Government 10% comprising: Preparation funding USD 585K already allocated, Additional cash counterpart USD 8-10M, In-kind contributions USD 5-7M (land, tax exemptions, local materials) Concessional terms critical for Chad's debt sustainability
Development Timeline	Updating of Studies: 8 to 10 months Recruitment of service providers (Works and control): 6 to 8 months Estimated duration of the work at 36 months Detailed schedule: 2025 Q1-Q3: Studies update, ESIA, financing mobilization (8-10 months) 2025 Q4-2026 Q2: Donor financing agreements, service provider procurement (6-8 months) 2026 Q3-2029 Q2: Construction works (36 months) 2029 Q3: Commissioning and handover Timeline longer than similar projects due to: 117 km length, Inclusion of 9 km Léré urban section requiring special attention, Potential rainy season delays in Mayo Kebbi region
Project Description	<p>The project consists of the construction and asphaltting of the Pala-Léré Cameroon Border Road (117 km), including 9 km of Léré Road. It is a real socio-economic lever in terms of interconnection links between two countries, Chad and Cameroon. Under the foresight of the highest authority of the country, in this case the President of the Republic, Head of State, the Marshal of Chad, who has made a sectoral priority of his policy. This road also allows for internal and external access. The 117 km project involves complete rehabilitation and asphaltting of existing earth/gravel track from Pala (Mayo Kebbi West regional capital) through Léré town (including 9 km urban section) to Chad-Cameroon international border.</p> <p>Current condition: Degraded unpaved road, impassable 5-6</p>

	<p>months annually during rainy season (June-November), vehicle operating costs 3-4x higher than paved roads, frequent breakdowns and accidents, economic isolation of border zone. Scope of works: Full earthworks and subgrade preparation, Asphalt concrete pavement (2-lane, 7m carriageway + 1.5m shoulders), Comprehensive drainage (culverts, bridges, side drains), 9 km urban Léré section (enhanced drainage, pedestrian facilities, lighting, speed control), Road safety installations (signage, markings, barriers), Border crossing facilities upgrade, Weighbridge/axle load station. Technical standards: CEMAC regional specifications, Design speed 80-100 km/h (60 km/h urban Léré), 15-20 year pavement life. Enables PIDA Transport Corridor development Chad-Cameroon economic integration.</p>
Strategic Importance	<p>Alignment with the following National Development Plan (NDP: Chad Connection 2030): Program 17 (Transport and Navigation: Opening up Chad by Accelerating the Multimodal, National and Regional Network) and Project P26 (Modernizing and Completing International Road Corridors) Alignment with SDGs (1,2,3,8,9,10,11,13,17) Chad-Cameroon trade corridor: Currently handles USD 100-150M annual bilateral trade (livestock, agricultural products, petroleum, consumer goods) Poverty alleviation: Opens up Mayo Kebbi West Province (population ~650,000, poverty incidence 60-70%), Connects remote border communities to Pala regional hub and N'Djamena, Year-round market access for agricultural producers and livestock traders Regional integration: Critical link between landlocked Sahel (Chad, CAR) and Cameroon Atlantic ports (Douala), Complements CEMAC transport facilitation agenda, Supports AfCFTA trade cost reduction objectives Food security: Facilitates grain trade from Chad surplus zones to Cameroon deficit areas, Reduces post-harvest losses (currently 30-40% in border region), Enables livestock export trade (major Chad economic sector) Security: Improves government services delivery in remote border areas, Facilitates humanitarian access, Supports cross-border security cooperation Chad-Cameroon, Reduces informal/illicit cross-border activities Climate adaptation: Provides flood-resilient transport infrastructure in Mayo Kebbi flood-prone zone</p>
Market Demand	<p>Will be defined by the studies Preliminary traffic estimates: Current AADT 120-200 vehicles/day on existing track (limited by poor conditions), Post-completion projection Year 5: 450-700 vpd (200-250% growth), Year 10: 700-1,000 vpd, Year 20: 1,000-1,500 vpd. Traffic drivers: (1) Induced traffic from improved conditions -40%, (2) Diverted from alternative routes - 25%, (3) Generated from economic development</p>

	<p>-35%. Composition: Heavy trucks 35-45% (livestock, agricultural trade, consumer goods, fuel), Passenger transport 25-30%, Light vehicles/motorcycles 25-35%. Economic benefits: Transport cost savings 50-65% vs current, Travel time Pala-border reduced from 5-7 hours to 1.5-2 hours year-round, Vehicle operating costs reduced 60-70%. Primary beneficiaries: Livestock traders (Chad's major export), Agricultural producers, Cross-border traders, Transport operators, Border communities. Studies update will include: Traffic counts, Origin-destination surveys, Willingness-to-pay assessment, Economic analysis HDM-4 model, Cost-benefit over 25-year horizon</p>
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FINANCIAL OVERVIEW	
Total Project Cost	<p>USD 131,985,000 Preliminary cost breakdown: Civil works (earthworks, pavement, drainage): USD 95-105M (~75%) Léré urban section (9 km enhanced works): USD 10-12M (~8%) Bridges and structures: USD 12-15M (~10%) Road safety equipment: USD 4-6M (~4%) Border infrastructure: USD 2-3M (~2%) ESIA/RAP implementation: USD 3-4M (~3%) Engineering and supervision: USD 7-9M (~6%) Contingencies: USD 9-11M (~7-8%) Unit cost ~USD 1.13M/km (lower than Mbaïkoro due to flatter terrain Mayo Kebbi West) Costs subject to refinement during studies update</p>
Capital Structure	<p>Chadian State (10%, or USD 13,783,500), Donors (90%, or USD 117,616,500) Proposed financing mix: Concessional DFI loans: USD 70-80M (60-65%) - AfDB/ADF 35-40%, World Bank IDA 20-25%, IsDB 8-12%, BADEA 5-8% Bilateral grants/soft loans: USD 30-38M (25-30%) - AFD 12-15%, KfW 8-12%, EU 5-8%, JICA 4-6% Regional development: USD 7-10M (6-8%) - BDEAC 4-6%, CEMAC Fund 2-4% Government Chad: USD 13.8M (10%) - Preparation USD 585K (allocated), Cash USD 8-10M, In-kind USD 5-7M Terms: IDA/ADF 1-2% interest, 30-40 year maturity, 7-10 year grace Bilateral: Mix grants + 2-3% soft loans Financing aligned with Chad IMF program debt sustainability</p>
Financial Indicators	<p>Will be defined by the studies Target economic indicators (to be validated): Economic Rate of Return (ERR): 16-21% (road projects with strong Chad-Cameroon trade integration) Benefit-Cost Ratio (BCR): 1.6-2.2 Net Present Value (NPV): Positive at 12% discount Financial sustainability plan: Annual routine maintenance USD 350-550K (USD 3,000-4,700/km/year), Periodic maintenance USD 2.5-4M every 5-7 years, Funding sources: Chad Road Fund fuel levy allocation, Axle load control revenues USD 250-400K/year,</p>

	Government MTEF budget provision, Potential corridor management fee Chad-Cameroon. Economic benefits: Construction jobs 700-1,000, Induced employment 1,800-2,500, Agricultural productivity gains USD 12-20M/year, Trade facilitation USD 25-40M/year, Fiscal revenues USD 7-10M/year incremental taxes. Studies will use HDM-4 methodology, traffic surveys, economic impact modeling
Revenue Model	Will be defined by the studies As public infrastructure, no toll revenue but economic returns via: Transport cost savings: USD 20-35M annually (vehicle operating costs + time savings) Agricultural sector: USD 12-20M annual value from reduced post-harvest losses, better market prices, expanded livestock trade Trade growth: Chad-Cameroon bilateral trade growth USD 25-40M annually from corridor efficiency gains Fiscal impact: USD 7-10M annual incremental government revenues (VAT, customs, income taxes from induced activity) Maintenance financing: Road Fund allocation + Axle load fees + Budget provisions + Possible Chad-Cameroon corridor management agreement fee-sharing Economic multiplier: USD 1 invested generates USD 2.3-3.2 economic returns over project life Financial sustainability study required during preparation phase

SUSTAINABILITY AND IMPACT

Social Impact	<p>The project is part of a broader effort to open up the country's region and strengthen connectivity between the Sahel countries and the coastal countries of Central Africa. The improved road gives the local populations better access to basic social services such as health and education, thus contributing to the improvement of their living conditions, but also the development of this road, in a region often facing security challenges, can improve the ability of law enforcement agencies to move around and maintain security, strengthening regional stability Quantified benefits: Health: Reduces Pala-border travel time from 5-7 hours to 1.5-2 hours, Enables year-round medical evacuations, Facilitates health worker deployment to remote border clinics, Maternal mortality reduction (currently 980/100,000 in Mayo Kebbi) Education: All-weather school access (currently 35-45% rainy season absenteeism), Teacher recruitment/retention in border zone, Secondary school accessibility for rural youth Livelihoods: Direct construction jobs 700-1,000 (targeting 40% local), Maintenance jobs 40-60 permanent, Induced activities 1,800-2,500 jobs (transport, trade, services) Gender: Women traders benefit from market access (55% small traders), Reduces women's time burden for water/health/school access, Economic empowerment through roadside businesses Poverty: 650,000 Mayo Kebbi</p>
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	<p>population benefits, 20-30% household income increase from agricultural market access, Rural-urban migration pressure reduction Cross-border: Family reunification Chad-Cameroon, Cultural exchanges, Economic interdependence Chad-Cameroon border communities Security: Government services reach, Reduced informal trade, Enhanced Chad-Cameroon cooperation Resettlement: Limited land acquisition expected (9 km Léré urban section most sensitive), RAP per IFC PS5 with fair compensation, livelihood restoration</p> <p>Environmental Impact</p> <p>Environmental assessments will be conducted to define the potential environmental impacts of this project and mitigation measures will be taken to minimize the borrowing of this project on the environment. Full ESIA required per Chad environmental law and IFC standards: Positive impacts: Eliminates off-road vehicle environmental damage, Controls erosion via proper drainage, Reduces per-km emissions through efficiency, Potential roadside tree planting program Negative impacts and mitigation: Construction: Dust (watering), Noise (timing restrictions), Water pollution (sediment control), Borrow pits (licensed sites, rehabilitation), Biodiversity: Mayo Kebbi wildlife corridor considerations (surveys, crossings if needed), Protected areas avoidance, Speed limits sensitive zones, Water: Bridge construction (dry season, fisheries consultation), Drainage (sedimentation control), Climate resilience: Design for Mayo Kebbi flooding patterns (elevated profile, enhanced drainage, climate scenarios), Deforestation: Minimal ~120-150 ha for 7m carriageway (existing alignment), Primary forest avoidance, Léré urban section: Urban drainage, Waste management, Noise/dust in residential areas Monitoring: EMP implementation, Environmental officer PIU, Independent monitoring, Annual audits, Community GRM ESIA with public consultation in Pala, Léré, border communities</p>
<p>SDG and Agenda 2063 Alignment</p>	<p>SDG 1,2,3,8,9,10,11,13,17 alignment Agenda 2063: Aspiration 1 (Prosperity): Road enables Mayo Kebbi economic growth, poverty reduction, market integration Aspiration 2 (Integration): Advances Chad-Cameroon connectivity, CEMAC free movement, people-to-people contact Aspiration 7 (Strong Africa): Strengthens intra-African trade Chad-Cameroon, Reduces coastal port dependency, Positions Sahel-Central Africa integration PIDA Priority Action Plan: Direct alignment with PIDA Transport Network objectives, Chad-Cameroon corridor development priority CEMAC Vision 2025: Supports CEMAC Consensual Community Transport Policy (PCCT), Common market goods/persons movement, Harmonized infrastructure standards AU Border Programme: Transforms Chad-Cameroon border from barrier to bridge, Cross-border</p>

community development, Border zone economic opportunities | AfCFTA: Reduces intra-African trade costs, Facilitates regional value chains, Enables digital trade corridors (with connectivity improvements)

TECHNICAL PROJECT DETAILS

Technology and Design

Road specifications (finalization during studies update): Pavement: Asphalt concrete on granular base | Structure: 6-8cm AC surface, 15-20cm crushed stone base, 20-25cm granular sub-base, improved subgrade | Carriageway: 7m (2x3.5m lanes) | Shoulders: 1.5m paved each side | Right-of-way: 30-40m total | Design speed: 80-100 km/h rural, 60 km/h Léré urban | Axle load: 11.5 ton (CEMAC standard) | Design life: 15-20 years | Drainage: Side drains, culverts, bridges, 1-in-25 year storms (climate adjusted) | Léré urban section (9 km): Enhanced urban drainage, Pedestrian walkways, Street lighting, Speed calming, Intersection improvements, Public transport considerations | Road safety: Signage (regulatory, warning, directional), Markings (center, edge lines), Village speed calming, Critical location barriers, Border crossing lighting | Geometric: CEMAC standards, Minimum radius curves, 6-8% max gradients, Adequate sight distance | Quality: Materials testing, Compaction verification, Independent QA consultant | Border facilities: Weighbridge/axle control, Customs/immigration upgrade, Truck parking, Sanitary facilities

Capacity/Size

Project dimensions: Total: 117 km (Pala to Cameroon border) including 9 km Léré urban section | Road class: International CEMAC corridor | Design capacity: 1,500-2,000 vpd (15-20 year horizon) | Current traffic: 120-200 vpd | Year 5: 450-700 vpd | Year 10: 700-1,000 vpd | Year 20: 1,000-1,500 vpd | Structures: 10-15 bridges over watercourses (10-35m spans), 70-100 culverts cross-drainage, 1 weighbridge station, Léré urban infrastructure (drainage, sidewalks, lighting) | Facilities: Rest areas every 35-45 km, Emergency bays, Léré urban amenities, Border crossing facilities | Land: 120-150 ha for right-of-way, Compensation per RAP for affected assets/livelihoods | Maintenance: Routine USD 350-550K/year (patching, drainage cleaning, vegetation), Periodic USD 2.5-4M every 5-7 years (overlay, drainage rehab) | Economic development: Roadside markets potential, Service stations, Truck stops Pala/Léré/border

Construction/Preparation Schedule

Updating of Studies: 8 to 10 months | Recruitment of service providers (Works and control): 6 to 8 months | Estimated duration of the work at 36 months | Detailed schedule: Phase 1 - Preparation (2025, 10 months): Q1-Q2: Studies update (traffic, geotechnical, hydrological, materials testing), Q2-Q3:

	<p>ESIA full preparation, stakeholder consultations Pala/Léré/border communities, RAP if needed, Q3-Q4: Financing negotiations AfDB/World Bank/IsDB/bilateral partners, Q4: Financing agreements target signature December 2025 Phase 2 - Procurement (2026 Q1-Q2, 6-8 months): Detailed design finalization, Tender documents, International competitive bidding, Pre-qualification and evaluation, Contract award Phase 3 - Construction (2026 Q3-2029 Q2, 36 months): Month 1-8: Mobilization, ESIA/RAP implementation, preliminary works, Month 9-24: Main earthworks, drainage, pavement layers rural sections, Month 18-30: Léré urban section (requires sequencing to maintain traffic), bridges construction, Month 25-36: Surfacing, safety installations, landscaping, testing, Provisional acceptance Phase 4 - Handover (2029 Q3, 2-3 months): Final inspections, Defects rectification, Maintenance capacity building, Official inauguration, Handover to Chad Road Maintenance Authority Critical path: Financing closure, Mayo Kebbi rainy season (June-November work constraints), Léré urban works coordination with town, Equipment procurement lead times 36-month duration reflects: 117 km length, 9 km complex Léré urban section, Rainy season interruptions, Bridge construction over multiple watercourses</p>
Offtake Agreements	<p>As public road, no traditional offtake but sustainability requires: Maintenance financing agreement: Chad Road Fund annual allocation USD 350-550K routine maintenance, Government MTEF periodic maintenance provision USD 2.5-4M/5-7 years, Dedicated maintenance reserve fund consideration, Performance-based maintenance contract possible Chad-Cameroon corridor management: Bilateral MoU potential for: Joint border infrastructure operation, One-Stop Border Post (OSBP) long-term consideration, Corridor facilitation (customs, phytosanitary coordination), Maintenance cost-sharing border section, Common axle load enforcement, Trade and transport working group Axle load control: Weighbridge operations generating USD 250-400K/year for maintenance fund Border coordination: Chad-Cameroon customs and immigration protocols, Joint border post facilities management Community commitments: Road safety programs, Local employment content, Grievance mechanisms, Roadside businesses support Performance monitoring: Traffic counting stations, Pavement condition surveys, User satisfaction assessments, Economic impact evaluations Key stakeholders: Chad Ministry Infrastructure, Cameroon Ministry Transport (bilateral coordination), Road Fund, Transport associations, Cross-border traders, Pala and Léré local authorities</p>

RISK MANAGEMENT

Risk Assessment

Political and regulatory risks | Multilateral agreements | Technical risks | Feasibility studies | Economic risks | Feasibility studies | Comprehensive risk analysis: 1. Financing risk - HIGH: USD 117.6M donor financing gap, no commitments secured | Mitigation: Urgent AfDB/World Bank/IsDB engagement, Bilateral partner mobilization (AFD, KfW, EU, JICA), Regional BDEAC financing, PPF for preparation, Phased financing (preparation then construction), Chad's USD 585K commitment demonstrates ownership | 2. Political/security risks - MEDIUM: Chad political transitions, Regional Sahel security context, Cross-border coordination Chad-Cameroon | Mitigation: Multilateral financing (AfDB, World Bank) reduces political exposure, MIGA/ATI political risk coverage, CEMAC regional framework support, Chad government infrastructure policy priority (Presidential commitment), Chad-Cameroon bilateral cooperation strong | 3. Technical risks - MEDIUM: Mayo Kebbi geotechnical unknowns, Flooding hydrology (seasonal inundation), Materials availability quality, Léré urban works complexity | Mitigation: Comprehensive studies update (geotechnical, hydrological), Climate-resilient design flood scenarios, Materials testing and quarry identification, Experienced contractor pre-qualification, Independent supervision, 7-8% contingency provision | 4. Cost escalation - MEDIUM: Construction inflation, Currency risks, Scope changes | Mitigation: Studies update refines costs, Fixed-price contracts with limited escalation, Contingencies adequate, Multi-currency financing (local/foreign cost matching) | 5. Environmental/social - MEDIUM: ESIA delays, Léré urban displacement potential, Environmental incidents | Mitigation: Early ESIA launch with full consultation, RAP Léré section per IFC PS5, EMP monitoring, GRM, Community liaison officers | 6. Construction - MEDIUM: 36-month duration risks, Rainy season delays, Léré traffic management | Mitigation: Realistic scheduling with rainy season buffers, Léré phased construction maintaining access, Contractor experience in similar contexts

Regulatory Risks

Political and regulatory risks can be mitigated by the multilateral agreements that will be signed under this project.
| Specific regulatory factors: 1. Procurement risks: DFI compliance requirements, Bid disputes, Contractor performance | Mitigation: AfDB/World Bank procurement guidelines adherence, Clear pre-qualification criteria, Performance bonds and guarantees, Dispute resolution mechanisms, PIU with procurement expertise | 2. Land acquisition Léré: Urban land acquisition complexity, Compensation disputes, Inadequate resettlement |

	<p>Mitigation: Early RAP preparation per World Bank OP4.12/IFC PS5, Fair replacement cost compensation, Livelihood restoration programs, Transparent GRM, Independent RAP monitoring, Strong Léré stakeholder engagement 3. Cross-border Chad-Cameroon: Differing regulatory frameworks, Border infrastructure coordination, Customs/immigration procedures Mitigation: Chad-Cameroon bilateral MoU on corridor, CEMAC harmonized protocols, Joint technical committee, OSBP feasibility long-term, Regular coordination meetings 4. Fiscal/debt sustainability: Chad's debt constraints, IMF program compliance, Maintenance funding fiscal space Mitigation: Concessional financing terms (IDA, ADF, BADEA) compatible with debt limits, Grant co-financing 25-30% reduces debt, Road Fund maintenance allocation mechanism, Government commitment letters for counterpart</p> <p> 5. Environmental permitting: ESIA approval timeline, Compliance monitoring capacity Mitigation: Early Chad Ministry Environment engagement, National and IFC standards compliance, Comprehensive ESIA with public consultation Pala/Léré/border, EMP with monitoring plan, Environmental officer in PIU</p>
Environmental and Social Safeguards	<p>This project will be carried out in accordance with environmental and social requirements, in accordance with national and international regulations. Safeguards framework: Applicable standards: Chad Environmental Code (Code de l'Environnement), IFC Performance Standards PS1-PS8 (particularly PS1 Assessment, PS2 Labor, PS3 Pollution Prevention, PS4 Community Health/Safety, PS5 Land Acquisition/Involuntary Resettlement, PS6 Biodiversity), World Bank ESF, AfDB ISS ESIA requirements: Full assessment covering: Baseline (air, water, soil, biodiversity, land use, demographics, livelihoods, cultural heritage Mayo Kebbi region), Impact assessment (construction and operations), Alternatives analysis, Stakeholder consultation (minimum 2 rounds in Pala, Léré, villages, border communities), EMP (mitigation measures, monitoring, budget, responsibilities), Climate vulnerability and adaptation measures, Cumulative impacts RAP (if triggered): Socio-economic census affected persons (particularly Léré 9 km urban section), Assets inventory (land, structures, crops, businesses), Compensation at full replacement cost, Livelihood restoration measures, Vulnerable groups assistance, Consultation and disclosure, GRM accessible to affected persons, RAP budget and implementation schedule, Independent monitoring Labor: ILO core standards, Worker health and safety (construction site protocols), Child labor and forced labor prevention, Worker grievance mechanism, GBV prevention and response Community engagement: Project information</p>

	disclosure (Pala, Léré, border), Consultation throughout project cycle, Feedback and grievance mechanisms, Local content and employment (40% target), Community development initiatives Institutional: Environmental/Social Officer in PIU, Independent E&S monitoring consultant, Regular reporting to DFIs (AfDB, World Bank), Annual safeguards audits, Stakeholder Advisory Committee with community representatives
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KEY STAKEHOLDERS	
Sponsors	<p>Government of the Republic of Chad; Lead sponsor: Ministry of Infrastructure, Opening up and Road Maintenance (policy leadership, project oversight) National institutions: Ministry of Finance and Budget (financing coordination, counterpart funding), Ministry of Environment and Fisheries (ESIA approval, monitoring), Directorate-General Transport Infrastructure (executing agency, PIU host), Chad Road Fund (maintenance financing), National Road Safety Agency</p> <p> Regional sponsors: CEMAC Commission (regional integration mandate, technical support), African Union/AUDA-NEPAD (PIDA program framework) Partner country: Republic of Cameroon - Ministry of Transport (bilateral corridor coordination, border infrastructure joint planning, trade facilitation cooperation) Local stakeholders: Mayo Kebbi West Regional Government (Pala headquarters), Pala and Léré local authorities (urban planning coordination, land acquisition support), Border communities traditional leaders (consultation, land access), Transport operators associations (truckers, bus operators), Farmers and livestock traders cooperatives (primary beneficiaries), Chad-Cameroon cross-border traders associations</p>
Investors	<p>Target DFI financing (90% - USD 117.6M): African Development Bank/ADF: USD 45-55M concessional loan (2% interest, 30-year maturity, 10-year grace) - ADF eligibility Chad, AfDB Central Africa transport portfolio priority World Bank/IDA: USD 30-40M IDA credit (1.25% service charge, 38-year maturity, 6-year grace) - World Bank Chad transport sector engagement, IDA19/20 regional integration priorities Islamic Development Bank (IsDB): USD 12-18M concessional (2-3% interest, 25-year maturity, 7-year grace) - IsDB active Chad member country, transport infrastructure focus Arab Bank for Economic Development in Africa (BADEA): USD 5-8M concessional - BADEA Sahel connectivity programs Bilateral development partners: Agence Française de Développement (AFD): USD 12-18M mix grant/soft loan - France Sahel partnership, Chad traditional cooperation, transport infrastructure priority KfW</p>

	<p>(Germany): USD 8-12M concessional loan - German development Chad engagement, transport sector European Union: USD 5-8M grant (EU-Africa Infrastructure Trust Fund or Sahel regional programs) JICA (Japan): USD 4-6M loan or grant - Japanese infrastructure Africa support Regional development finance: BDEAC (Central African States Development Bank): USD 4-6M - CEMAC regional projects, Chad member CEMAC Infrastructure Fund: USD 2-4M grant - Regional integration financing Government of Chad: USD 13.8M (10%) - Preparation USD 585K (allocated), Cash counterpart USD 8-10M, In-kind USD 5-7M (land, tax exemptions, local materials, security)</p>
Contractors and Operators	<p>Construction contractors (international competitive bidding): Target profile: Civil works contractors USD 100M+ capacity, African road construction experience (Sahel/Central Africa preferred), Technical capacity: Asphalt plant, batching, earth-moving fleet, quality systems, 10-15 years minimum experience, Examples: International (Sogea-Satom/VINCI, Colas, CCECC, CRBC, Sinohydro, CGC Overseas), African regional (RAZEL-BEC, SOGEA West/Central Africa, SATOM, Eiffage Senegal), Joint ventures with Chadian contractors for local content Supervision consultant: International firm for: Construction supervision, Quality assurance, Safeguards compliance monitoring, Team: Resident engineer, Materials engineer, Structures engineer, Environmental specialist, Social specialist, Quantity surveyor, 8-12 inspectors, Léré urban specialist Design consultant: Studies update, Detailed engineering, ESIA, Tender documents (to be procured with preparation financing) Maintenance operator: Performance-based maintenance contract possible with: Specialized road maintenance company, or Chad Road Fund direct operations, Local contractors routine maintenance with capacity building Léré urban works: May require specialized urban infrastructure contractor or subcontractor for 9 km section</p>
Legal and Financial Advisors	<p>Transaction advisors (required for preparation): Financial advisor: Infrastructure finance specialist for: Financial modeling and economic analysis (HDM-4), DFI financing syndication (AfDB, World Bank, IsDB, bilateral coordination), Government fiscal impact and debt sustainability assessment, Affordability and tariff analysis (maintenance financing), Support to financing negotiations, Estimated cost USD 180-350K Legal advisor: International law firm or specialized transport counsel for: Project agreements review and drafting, Financing agreements support, DFI legal covenants compliance, Procurement advice (DFI guidelines), Cross-border Chad-Cameroon legal coordination, Estimated cost USD 130-280K Technical advisors: Transport economist: Traffic modeling, Economic analysis HDM-4,</p>

	<p>Cost-benefit assessment, Estimated USD 90-180K Environmental and social specialist: ESIA preparation, RAP if needed, Safeguards compliance framework, Estimated USD 130-220K (ESIA budget) Social/gender specialist: Gender action plan, Community engagement, Stakeholder consultations, Estimated USD 80-130K Procurement specialist: PIU support, DFI procurement guidelines, Bid documents, Evaluation support, Estimated USD 70-110K Financing sources for advisors: Government USD 585K preparation funding, Additional PPF from AfDB/World Bank (USD 1.5-2M), Reimbursable from project financing, Potential CEMAC technical assistance Institutional capacity: Establish PIU in Directorate-General Transport Infrastructure: Project Coordinator, Financial management specialist, Procurement specialist, Environmental/Social Officer, Engineers (road, structures), M&E specialist, Administrative support, Estimated setup and 4-year operations USD 2-3M</p>
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THE WAY FORWARD	
Investment Ask	<p>USD 117,616,500 or 90% to be searched Total financing requirement: USD 131,985,000 Donor/DFI financing sought: USD 117.6M (90%) breakdown: Concessional loans USD 70-80M (AfDB/ADF USD 45-55M at 2%, 30 years, 10-year grace + World Bank IDA USD 30-40M at 1.25%, 38 years, 6-year grace + IsDB USD 12-18M at 2-3%, 25 years, 7-year grace + BADEA USD 5-8M concessional terms) Grants and TA USD 30-38M (AFD USD 12-18M + KfW USD 8-12M + EU USD 5-8M + JICA USD 4-6M) Regional finance USD 7-10M (BDEAC USD 4-6M + CEMAC Fund USD 2-4M) Government of Chad USD 13.8M (10%): Preparation USD 585K already allocated, Cash counterpart USD 8-10M (budget appropriation over construction period), In-kind USD 5-7M (land for right-of-way, tax/customs exemptions project equipment, security provision, local materials/labor where feasible) Additional preparation financing USD 2-3M: Studies update, Full ESIA/RAP, Transaction advisory, PIU establishment - Sources: AfDB/World Bank PPF (reimbursable from project loan), CEMAC technical assistance, Government, To be reimbursed from main financing Financing instruments: Sovereign loans to Government of Chad (on-lending to Road Fund or direct budget execution), Sovereign guarantees (required by DFIs), Grants via budget support or direct project financing, Technical assistance, Blended finance (loans + grants optimizing concessionality) Urgency: Critical 2025 financing mobilization required to enable 2026 construction launch per Chad NDP infrastructure acceleration objectives Pipeline project ready for DFI appraisal and Board subject to studies update completion</p>

Next Steps

Funding Search Immediate actions (Q1-Q2 2025): Launch investor roadshow: Presentations to AfDB (HQ Abidjan, Regional Office N'Djamena, Transport Director, Chad Country team), World Bank (HQ Washington DC Transport GP, Chad Country Office, IDA Director), IsDB (Jeddah HQ, Regional Office), BADEA, AFD (Paris HQ, N'Djamena Office, Sahel Division), KfW (Frankfurt, N'Djamena), EU Delegation Chad, JICA, Prepare comprehensive investor package: Project information memorandum, Studies and cost estimates, Socio-economic rationale and NDP alignment, Chad-Cameroon regional integration benefits, Alignment with DFI country strategies and sector priorities, Request for financing expressions of interest and indicative terms | AUDA-NEPAD/PIDA engagement: High-level endorsement letter from AUDA-NEPAD for PIDA Priority Project status, PIDA Coordination Unit support for DFI advocacy and coordination, Inclusion in PIDA financing pipeline presentations to DFIs | Infrastructure investor forums: Luanda Financing Summit 2025 (October 28-31, 2025) - CRITICAL opportunity: Chad government high-level delegation participation, Investor meetings scheduled with AfDB, World Bank, IsDB, bilateral DFIs during Summit, Project featured in PIDA Priority Projects showcase, Side events and B2B meetings with development partners, Financing commitments target from Summit, Africa Investment Forum, Regional CEMAC infrastructure financing platforms | Preparation phase (Q2-Q4 2025 subject to financing): Mobilize PPF from AfDB/World Bank (USD 1.5-2M reimbursable), Recruit transaction advisors (financial, legal, technical) via competitive selection, Establish and operationalize PIU in Ministry with qualified staff, Launch studies update (8-10 months): Traffic surveys and demand modeling, Geotechnical investigations, Hydrological studies Mayo Kebbi flooding, Materials testing and quarry surveys, Detailed engineering designs, Bill of quantities and cost estimates, Initiate ESIA preparation: Baseline surveys Mayo Kebbi region, Stakeholder consultations (Pala, Léré, villages, border), Impact assessments and alternatives, RAP if land acquisition triggers (particularly Léré urban), EMP preparation with monitoring plan, Develop detailed financial/economic models: HDM-4 traffic and economic analysis, Cost-benefit assessment 25-year horizon, Maintenance financing sustainability plan, Government fiscal impact analysis, Prepare implementation plan: Detailed procurement strategy and schedule, Risk management framework, M&E plan with KPIs, Chad-Cameroon coordination mechanisms | Financing closure (Q3-Q4 2025 target): DFI appraisal missions (AfDB, World Bank, IsDB site

	<p>visits, due diligence, safeguards review), Parallel processing multiple DFIs for time efficiency, DFI Board submissions and approvals: AfDB Board (Abidjan), World Bank Board (Washington), IsDB Board (Jeddah), Target Board approvals September-November 2025, Negotiation and signature financing agreements: Legal documentation, Government commitments and covenants, Disbursement conditions and schedules, Target agreements signature December 2025, Government budget allocation: 2026-2029 counterpart funding appropriation, Cash flow planning, Fiduciary arrangements Implementation launch (2026): Procurement processes initiated, Construction contracts awarded, Mobilization and works commencement per 36-month schedule Key investor engagement contacts: Ministry of Infrastructure Secretary General: Antoine MBOUNADE (mbounade_nadji@yahoo.fr, +235 66295237), Directorate-General Transport Infrastructure (project executing agency contact TBD), Ministry of Finance (financing coordination contact TBD), AUDA-NEPAD Infrastructure Division (infrastructure@nepad.org, www.aupida.org) for PIDA framework support and DFI coordination</p>
Contact Information	<p>Structure: Ministry of Infrastructure, Opening up and Road Maintenance). Responsible: ANTOINE MBOUNADE, Secretary General of the Ministry. Addresses: mbounade_nadji@yahoo.fr ; tel: +23566295237</p>

	headquarters, Site visits to Pala-Léré-border project area for serious investors (logistics support provided), Technical studies and documents available in secure data room, Q&A support for due diligence inquiries Luanda Financing Summit 2025 participation: Government of Chad high-level delegation will present Pala-Léré project at Summit (October 28-31, 2025, Chicala Conference Center, Luanda, Angola), Bilateral investor meetings can be pre-scheduled during Summit (contact Ministry in advance), Project featured in PIDA Priority Projects exhibition and catalogue, Side events and panels on Sahel-Central Africa connectivity, Financing commitment signing ceremonies if negotiations progress, Post-Summit follow-up and next steps coordination
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