Financing Agreement

(Second Additional Financing for Infrastructure and Institutions Emergency Recovery Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 20, 2016
FINANCING AGREEMENT

Agreement dated December 20, 2016, entered into between REPUBLIC OF HAITI ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to two million Special Drawing Rights (SDR 2,000,000) ("Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

2.03. The Maximum Commitment Charge Rate 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 Payment Dates are April 15 and October 15 in each year.

2.05. 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: (a) Part 1 of the Project, through MEF; and (b) Parts 2 and 3 of the Project, through MTPTC, all in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
ARTICLE IV—EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Operational Manual shall have been updated by the Recipient in form and substance satisfactory to the Association.

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

4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE V—REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister of Economy and Finance.

5.02. The Recipient’s Address is:

Ministère de l’Économie et Finances
5 Avenue Charles Sumner
Port-au-Prince
Haïti
Telephone(s): (509) 35589673/ (509) 37018059
Email: mefinfo@mefhaiti.gouv.ht

5.03. The Association’s Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C.
AGREED at Port-au-Prince, Haiti as of the day and year first above written.

REPUBLIC OF HAITI

By

Authorized Representative
Name: Yves R. Bachelier
Title: Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative
Name: Mary Barbn- Dock
Title: Special Envoy
SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient in its sustainable recovery efforts from the effects of the Emergency, through selected interventions aiming at contributing to rebuilding key institutions and infrastructure.

The Project consists of the following parts:

Part 1: Restoration of Key Economic and Financial Functions of the Recipient

Provision of support to:

(a) enable the reinstatement of MEF’s basic functions, such as, *inter alia*, budget execution, including in respect of wages; budget monitoring and control; tax collection;

(b) carry out activities to assist in fully re-establishing key institutions of the Recipient, including through relocation or physical structure rehabilitation, and thereafter operationalizing said institutions, through *inter alia*, provision of goods, equipment and technical assistance required therefor;

(c) strengthen accountability and efficiency of the Recipient through the strengthening of public financial management systems, including, *inter alia*, budget preparation, execution, monitoring and control, revenue mobilization capacity; public accounting; and supporting internal and external audit of government expenditures;

(d) strengthen transparency and participation capacity, including, *inter alia*, access to information and support for anticorruption activities of the ULCC;

(e) reinforce equity and responsibility, including *inter alia*, supporting the modernization of the Recipient’s procurement systems and administrative process;

(f) strengthen the governance and institutional capacity of the Recipient by carrying out studies or conducting training activities in areas such as, public investment, energy and commerce; and

(g) design public financial management reforms and a public investment management system, and thereafter: (i) prepare the pertinent action plans (respectively, PFMRAP and PIMAP); and (ii) implement selected reforms from said action plans in the following areas, including, *inter alia*: (A) public investment management planning, programming, budgeting, execution and monitoring; and (B) financial management information systems.
Part 2: Emergency Rehabilitation of Selected Public Infrastructure

Provision of support to:

(a) rehabilitate or reconstruct key institutional and transport infrastructure, including selected roads, bridges and administration buildings; operate debris management sites through the piloting of sound social and environmental practices; and carry out all studies and supervision activities in connection therewith;

(b) carry out strategic studies related to, inter alia, infrastructure reconstruction based on specific infrastructure designs intended to increase the resilience of rebuilt infrastructure;

(c) finance the operation of the Truitier debris processing facility located in Truitier, Port-au-Prince, to ensure continuity of ongoing debris removal activities and finance selected works (such as installing weight truck station, solar lighting and offices) and the acquisition of equipment to improve management of the site, including, inter alia, preparation works to install a truck weigh station, solar lighting, fences, safety equipment, and construction of new offices; and

(d) rehabilitate the following existing roads: (i) the road between Cap Haitien and Labadie; and (ii) selected segments of the road between Milot and Cap Haitien.

Part 3: Institutional Support, Reconstruction Planning and Project Management

Provision of support to:

(a) restore the functioning capacity of key institutions of the Recipient’s crisis governance framework;

(b) carry out planning activities for the short, medium and long-term reconstruction phases;

(c) carry out institutional strengthening activities including inter alia: training in reconstruction and urban planning, capacity building in project management, construction supervision, quality assurance, monitoring and reporting, procurement support, and safeguards compliance and streamlining;

(d) carry out Project management activities;

(e) establish and operate an engineering clearinghouse in MTPTC to manage the technical knowledge deriving from assessments carried out in the Recipient’s territory by national and international institutions and thereafter to disseminate good engineering practices and innovative solutions;
(f) assist the Recipient with preliminary basic recovery activities essential to mitigate the Emergency and prepare for restoration activities under the Project;

(g) rehabilitate and construct the MTPTC offices, acquire equipment and software for MTPTC key services, and provide technical assistance required therefor; and

(h) provide technical assistance, training and equipment to manage the Recipient's geographic information system and database.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Setting

The Recipient shall, throughout the implementation of the Project, operate and maintain within MEF and within MTPTC, respectively, a Project coordinating unit ("UCP") and a central implementation unit ("UCE") both having staff adequate in numbers and with functions and resources at all times satisfactory to the Association, including for each one said units, a procurement specialist and a financial management specialist, all selected in accordance with the provisions of Section III of this Schedule.

B. Implementation Document and Arrangements

1. The Recipient shall update the Operational Manual in a manner satisfactory to the Association, which shall set forth rules, methods, guidelines, standard documents and procedures for the carrying out of the Project, including the Project implementation arrangements, monitoring, reporting and evaluation, and procurement, as described in Sections I, II and III of this Schedule, including inter alia:

   (a) the detailed description of: (i) Project institutional arrangements; (ii) key infrastructure to be rehabilitated by the Project; (iii) key institutions to benefit from the Financing; and (iv) Project implementation activities; their sequencing and prospective timetable;

   (b) the Project administrative, financial, accounting, auditing, procurement and disbursement procedures, including all relevant standard documents;

   (c) construction guidelines in respect of works under the Project;

   (d) the capacity building and training activities to be carried out under the Project;

   (e) the plan for the monitoring, evaluation and supervision of the Project;

   (f) the procedures for selecting, implementing, monitoring and evaluating the rehabilitation and/or the reconstruction activities under the Project, including, inter alia, the review of proposed bidding documents and procurement contracts;
the final form of the interim unaudited financial reports and Financial Statements for the Project and the terms of reference for the audits of the Project;

(h) the performance indicators for the Project; and

(i) the PFMRAP and the PIMAP.

2. The Recipient shall: (a) carry out the Project in accordance with the Operational Manual, in a manner satisfactory to the Association; and

(b) take all measures necessary to ensure that the Project is carried out in conformity with the Operational Manual in a manner satisfactory to the Association.

3. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, waive or fail to enforce the Operational Manual, the ESMF (including any resettlement action plans and ESMPs prepared thereunder) or any respective provisions thereof. In case of any conflict between the terms of this Agreement and those of the above mentioned documents, the terms of this Agreement shall prevail.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall carry out the Project in accordance with the ESMF.

2. If any activities included in the Project, pursuant to the ESMF, require the carrying out of an ESMP, the Recipient shall not implement any said activities unless and until an ESMP for any such activities has been: (a) prepared, in accordance with the ESMF, and furnished to the Association; (b) disclosed and consulted locally, as required by the ESMF; and (c) approved by the Recipient and publicly disclosed. The Recipient shall implement these activities in accordance with the ESMP, and in a manner acceptable to the Association.

3. If any activities included in the Project, pursuant to the ESMF, involve Involuntary Resettlement, the Recipient shall not implement any said activities unless and until:

(a) a resettlement action plan for such activities has been: (i) prepared in accordance with the requirements of the ESMF and furnished to the Association; (ii) disclosed as required by the ESMF; and (iii) approved by the Association; and
(b) (i) all measures required to be taken under said resettlement action plan prior to the initiation of said activities have been taken, including, without limitation to the above, providing funds for resettlement compensation when and if required under a resettlement action plan; (ii) a report, in form and substance satisfactory to the Bank, on the status of compliance with the requirements of said resettlement action plan has been prepared and furnished to the Association; and (iii) the Association has confirmed that said Project activities may be commenced.

4. The Recipient shall ensure that the terms of reference for any consultancy in respect of any Project activity shall be satisfactory to the Association following its review thereof, and to that end, such terms of reference shall duly incorporate the requirements of the Safeguards Policies then in force, as applied to the advice conveyed through such consultancy.

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

**A. Project Reports**

The Recipient, through MEF and MTPTC, shall monitor and evaluate the progress of the Parts of the Project under the responsibility of MEF and MTPTC, and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association and set forth in the Operational Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty five (45) days after the end of the period covered by such report.

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

1. The Recipient shall maintain 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 and furnish to the Association not later than forty five (45) days after the end of each calendar quarter, interim un-audited financial reports for the Project covering the pertinent calendar quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements for: (a) Part 1 of the Project, prepared by MEF; and (b) Parts 2 and 3 of the Project, prepared by MTPTC, all 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 (6) months after the end of such period.
Section III. **Procurement**

A. **General**

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting, subject to the Association’s prior consent</td>
</tr>
<tr>
<td>(d) Force account, in accordance with paragraph 3.9 of the Procurement Guidelines</td>
</tr>
<tr>
<td>(e) Procurement from United Nations Agencies, in accordance with paragraph 3.10 of the Procurement Guidelines</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection based on Consultant’s Qualifications</td>
</tr>
<tr>
<td>(e) Selection of UN agencies (UNOPS)</td>
</tr>
<tr>
<td>(f) Single Source Selection of consulting firms, subject to the Association’s prior written consent</td>
</tr>
<tr>
<td>(g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(h) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

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

The Procurement Plan shall set forth all 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:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services and Operating Costs for Part 1 of the Project</td>
<td>2,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,000,000</td>
<td></td>
</tr>
</tbody>
</table>

**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 December 31, 2017.

**Section V. Other Undertakings**

The Recipient and the Association hereby agree to amend the Original Financing Agreement and the Additional Financing Agreement, as set forth in Schedules 3 and 4 to this Agreement, respectively.
SCHEDULE 3

Amendments to the Original Financing Agreement

A. The Recipient and the Association hereby agree to amend the Original Financing Agreement as follows:

1. Schedule 1 to the Original Financing Agreement is hereby amended and replaced by Schedule 1 to this Agreement.

2. Sections I, II and III of Schedule 2 to the Original Financing Agreement are hereby amended and replaced in their entirety by Sections I, II and III of Schedule 2 to this Agreement.

3. The table under paragraph 2 of Section IV.A of Schedule 2 to the Original Financing Agreement is hereby amended and replaced in its entirety to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consultant services, consultants' services and Operating Costs for Part 1 of the Project</td>
<td>5,320,319</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works non-consultant services and consultants' services for Part 2 of the Project</td>
<td>23,450,330</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consultant services, consultants' services and Operating Costs for Part 3 of the Project</td>
<td>3,587,321</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Refund of Preparation Advance</td>
<td>9,542,030</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(5) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>41,900,000</td>
<td></td>
</tr>
</tbody>
</table>
4. Paragraph 16 ("Resettlement Action Framework" and "RAF") of the Appendix to the Original Financing Agreement is hereby deleted in its entirety.

5. The following definitions included in the Appendix to the Original Financing Agreement are hereby amended and replaced in their entirety to read as follows:

""ESMF" or "Environmental and Social Management Framework" means the framework of policies, actions and measures of the Recipient disclosed on April 23, 2010, setting forth the guidelines for mitigating potential harmful environmental and social effects of Project implementation, including provisions for erosion control, protection of cultural property, occupational health guidelines, first aid instructions and restrictions on the use of child labor, a description of the process for preparing and approving ESMPs (including a framework of actions for Involuntary Resettlement setting forth the principles and objectives governing Involuntary Resettlement preparation and implementation, and a description of the process for preparing and approving resettlement action plans), as said framework may be amended from time to time with the agreement of the Association."

""MEF" means Ministère de l’Economie et des Finances, the Recipient’s Ministry of Economy and Finance, and for purposes of this Agreement and depending on the context, the “UCP” or Unité de Coordination de Projet”, the Project implementing unit within said ministry, and any successor thereto, acceptable to the Association.”

""MTPTC" means Ministère des Travaux Publics, Transports et Communications, the Recipient’s Ministry of Public Works, Transport and Communication, and for purposes of this Agreement and depending on the context, the “UCE” or Unité Centrale d’Exécution, the Project central implementing unit within said ministry, and any successor thereto, acceptable to the Association.”

""Operating Costs" means, in respect of Category (1), as described under paragraph 2 of Section IV.A of Schedule 2 of this Agreement, the incremental expenses incurred on account implementation of Part 1 of the Project, including office equipment and supplies, reasonable commercial banking charges and fees, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, per diem and supervision costs and salaries of locally contracted employees.”

6. The following definitions are added to the Appendix to the Original Financing Agreement, in alphabetical order, and the rest of the definitions are renumbered accordingly, as follows:

""ESMP" or “Environmental and Social Management Plan” means any environmental and social management plan prepared for the relevant parts of the Project in accordance with the ESMF and providing for the monitoring and mitigation of the environmental impacts of such relevant parts of the Project.”
"""PFMRAP" means the Recipient’s Public Financial Management Reforms Action Plan, dated May 29, 2014, referred to in paragraph (g) of Part 1 of Schedule 1 to this Agreement and set forth in the Operational Manual."

"""PIMAP" means the Recipient’s Public Investment Management System Action Plan, dated March 31, 2015, referred to in paragraph (g) of Part 1 of Schedule 1 to this Agreement and set forth in the Operational Manual."

"""ULCC" means Unité de Lutte Contre la Corruption, the Recipient’s anticorruption agency."
SCHEDULE 4

Amendments to the Additional Financing Agreement

A. The Recipient and the Association hereby agree to amend the Additional Financing Agreement as follows:

1. Schedule 1 to the Additional Financing Agreement is hereby amended and replaced by Schedule 1 to this Agreement.

2. Sections I, II and III of Schedule 2 to the Additional Financing Agreement are hereby amended and replaced in their entirety by Sections I, II and III of Schedule 2 to this Agreement.

3. The table under paragraph 2 of Section IV.A of Schedule 2 to the Additional Financing Agreement is hereby amended and replaced in its entirety to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services and Operating Costs for Part 1 of the Project</td>
<td>7,989,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services and consultants' services for Part 2 of the Project</td>
<td>13,514,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consultants' services and Operating Costs for Part 3 of the Project</td>
<td>1,797,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>23,300,000</td>
<td></td>
</tr>
</tbody>
</table>

4. The following definitions included in the Appendix to the Additional Financing Agreement are hereby amended and replaced in their entirety to read as follows:

""ESMF"" or ""Environmental and Social Management Framework"" means the framework of policies, actions and measures of the Recipient disclosed on April 23, 2010, setting forth the guidelines for mitigating potential harmful environmental and social effects of Project implementation, including provisions for erosion control, protection of cultural property, occupational health guidelines, first aid instructions and restrictions on the use of child labor, a description of the process for preparing and approving ESMPs (including a framework of actions for Involuntary Resettlement setting forth the principles and objectives governing
Involuntary Resettlement preparation and implementation, and a description of the process for preparing and approving resettlement action plans), as said framework may be amended from time to time with the agreement of the Association.”

“"MEF" means Ministère de l'Economie et des Finances, the Recipient’s Ministry of Economy and Finance and for purposes of this Agreement and depending on the context, the “UCP" or Unité de Coordination de Projet”, the Project implementing unit within said ministry, and any successor thereto, acceptable to the Association.”

“"Operating Costs" means, in respect of Category (1), the incremental expenses incurred on account implementation of Part 1 of the Project, including office equipment and supplies, reasonable commercial banking charges and fees, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, per diem and supervision costs and salaries of locally contracted employees.”

5. Paragraph 10 of the Appendix to the Additional Financing Agreement is hereby amended and replaced in its entirety to read as follows:

“10. “MTPTC" means Ministère des Travaux Publics, Transports et Communications, the Recipient’s Ministry of Public Works, Transport and Communication, and for purposes of this Agreement and depending on the context, the “UCE” or Unité Centrale d’Exécution, the Project central implementing unit within said ministry, and any successor thereto, acceptable to the Association.”

Consequently, all references to “MTPTEC” in the Additional Financing Agreement are hereby amended mutatis mutandis to read “MTPTC”.

6. The following definitions are added to the Appendix to the Additional Financing Agreement, in alphabetical order, and the rest of the definitions are renumbered accordingly, as follows:

“"ESMP" or “Environmental and Social Management Plan” means any environmental and social management plan prepared for the relevant parts of the Project in accordance with the ESMF and providing for the monitoring and mitigation of the environmental impacts of such relevant parts of the Project.”

“"PFMRAP" means the Recipient’s Public Financial Management Reforms Action Plan, dated May 29, 2014, referred to in paragraph (g) of Part 1 of Schedule 1 to this Agreement and set forth in the Operational Manual.”
"PIMAP" means the Recipient's Public Investment Management System Action Plan, dated March 31, 2015, referred to in paragraph (g) of Part 1 of Schedule 1 to this Agreement and set forth in the Operational Manual.

7. Paragraph 5 (EMP and "Environmental Management Plan") and paragraph 17 ("Resettlement Action Plan") of the Appendix to the Additional Financing Agreement are hereby deleted in their entirety, and subsequent paragraphs are renumbered accordingly.

8. The amended table referred to in paragraph 3 of this Schedule shall become effective as of April 8, 2013.
APPENDIX

Definitions

1. "Additional Financing Agreement" means the financing agreement for an additional financing in the amount of SDR 23,300,000 in support of the Infrastructure and Institutions Emergency Recovery Project between the Recipient and the Association, dated November 6, 2012 (Grant No. H812-0-HT).


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


5. “Emergency” means the extraordinary event of limited duration which was caused by the occurrence of a 7.0 magnitude earthquake in selected parts of the Recipient’s territory and which brought about unprecedented physical, social and economic damage to the Recipient and its population.

6. “ESMF” or “Environmental and Social Management Framework” means the framework of policies, actions and measures of the Recipient disclosed on April 23, 2010, setting forth the guidelines for mitigating potential harmful environmental and social effects of Project implementation, including provisions for erosion control, protection of cultural property, occupational health guidelines, first aid instructions and restrictions on the use of child labor, a description of the process for preparing and approving ESMPs (including a framework of actions for Involuntary Resettlement setting forth the principles and objectives governing Involuntary Resettlement preparation and implementation, and a description of the process for preparing and approving resettlement action plans), as said framework may be amended from time to time with the agreement of the Association.

7. “ESMP” or “Environmental and Social Management Plan” means any environmental and social management plan prepared for the relevant parts of the Project in accordance with the ESMF and providing for the monitoring and mitigation of the environmental impacts of such relevant parts of the Project.

9. "Involuntary Resettlement" means the impact of: (i) an involuntary taking of land under the Project, which taking causes affected persons to have their: (a) income source or means of livelihood adversely affected (whether or not the affected persons must move to another location); or (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently; or (ii) an involuntary restriction of access to legally designated parks and protected areas (including reserves) which causes an adverse impact on the livelihoods of the displaced persons.

10. "MEF" means Ministère de l’Economie et des Finances, the Recipient’s Ministry of Economy and Finance, and for purposes of this Agreement and depending on the context, the “UCP” or Unité de Coordination de Projet”, the Project implementing unit within said ministry, and any successor thereto, acceptable to the Association.

11. "MTPTC" means Ministère des Travaux Publics, Transports et Communications, the Recipient’s Ministry of Public Works, Transport and Communications, and for purposes of this Agreement and depending on the context, the “UCE” or Unité Centrale d’Exécution, the Project central implementing unit within said ministry, and any successor thereto, acceptable to the Association.

12. “Operating Costs” means, in respect of Category (1), as described under paragraph 2 of Section IV.A of Schedule 2 of this Agreement, the incremental expenses incurred on account implementation of Part 1 of the Project, including office equipment and supplies, reasonable commercial banking charges and fees, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, per diem and supervision costs and salaries of locally contracted employees.

13. “Operational Manual” means the Recipient’s operational manual dated March 22, 2010, as said manual may be updated and amended from time to time with the agreement of the Association.

14. “Original Financing Agreement” means the financing agreement in the amount of SDR 41,900,000 in support of the Project between the Recipient and the Association, dated March 22, 2010, as amended (Grant No. H551-0-HT).

15. “Original Project” means the Project described in Schedule 1 to the Original Financing Agreement.

17. "PIMAP" means the Recipient's Public Investment Management System Action Plan, dated March 31, 2015, referred to in paragraph (g) of Part 1 of Schedule 1 to this Agreement and set forth in the Operational Manual.


19. "Procurement Plan" means the Recipient's simplified procurement plan for the Project, dated January 20, 2016 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

20. "Safeguards Policies" means the Association's environmental and social safeguards operational policies and procedures (OPs/BPs) 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60, set forth in the Association's Operational Manual and applicable to the Project.

21. "ULCC" means Unité de Lutte Contre la Corruption, the Recipient's anticorruption agency.