Clean Technology Fund
Grant Agreement

(Haiti Modern Energy Services for All Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as an implementing entity of the Clean Technology Fund
CLEAN TECHNOLOGY FUND GRANT AGREEMENT

AGREEMENT dated as of the Signature Date between:

REPUBLIC OF HAITI ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting not in its individual capacity but solely in its capacity as an implementing entity of the Clean Technology Fund ("CTF").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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

Article II
The Project

2.01. The Recipient declares its commitment to the objective of the Project described in Schedule I to this Agreement ("Project"). To this end, the Recipient shall: (a) carry out Parts 1 and 3(a) of the Project through MTPTC; and (b) cause Parts 2 and 3(b) of the Project to be carried out by the FDI, all in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed fourteen million two hundred twenty thousand Dollars ($14,220,000) ("Grant"), to assist in financing the Project; provided that the amounts of the Grant withdrawn from the
Grant Account shall be reimbursed to the World Bank under the terms and conditions set forth in Section I. B. 1 (j) of Schedule 2 to this Agreement.

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

3.03. The Grant is funded out of the resources made available to the World Bank as an implementing entity of the CTF. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it from the CTF trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension consist of the following:

(a) The FDI Legal Framework shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the World Bank, the ability of the FDI to perform any of its obligations under the Subsidiary Agreement.

(b) The FDI shall have failed to comply with any of its obligations under the Subsidiary Agreement.

(c) The International Fund Manager shall have failed to comply with any of its obligations under the OGEF Partnership Agreement.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below has been satisfied, namely that:

(a) the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary corporate or governmental action;

(b) the Project Operations Manual has been adopted by the Recipient in a manner satisfactory to the World Bank;

(c) the OGEF has been established under the FDI in a form and manner acceptable to the World Bank;
(d) the Subsidiary Agreement has been executed on behalf of the Recipient and the FDI;

(e) the International Fund Manager has been selected, in a form and manner acceptable to the World Bank; and

(f) the CTF Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing that on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 120 days after the Signature Date (the Effectiveness Deadline), unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.
Article VI
Recipient's Representative; Addresses

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Economy and Finance.

6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministère de l'Economie et des Finances
Palais des Ministères
5, Ave. Charles Sumner/Turgeau
Port-au-Prince
République d'Haiti
Telephone(s): (509) 35589673/ (509) 37018059
Email: mefinfo@mefhaiti.gouv.ht

6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED as of the Signature Date

REPUBLIC OF HAITI

By
Authorized Representative

Name: Jude Alex Patrick Galmon
Title: Minister of Finance
Date: November 15, 2017

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as an implementing entity of the Clean Technology Fund

By
Authorized Representative

Name: Andela Abou
Title: Country Director
Date: November 15, 2017
SCHEDULE 1

Project Description

The objective of the Project is to accelerate private-sector-driven, renewable energy-based off-grid electrification in rural and peri-urban areas in the Recipient's territory.

The Project consists of the following parts:

Part 1: Enabling Environment and OGEF Oversight

Provision of support to MTPTC to: (i) strengthen the regulatory and policy framework governing off-grid electrification; (ii) provide capacity building and technical support to key stakeholders; and (iii) conduct general oversight of the OGEF.

Part 2: Off-Grid Electrification Subprojects

Provision of Financing to carry out Off-Grid Electrification Subprojects.


(a) Payment of the International Fund Manager Fee.

(b) Provision of support to the FDI for: (i) the development of a pipeline of Off-Grid Electrification Subprojects; (ii) the carrying out of due diligence in respect of Financings and Off-Grid Electrification Subprojects, including an environmental and social safeguards screening; and (iii) the monitoring and evaluation of Off-Grid Electrification Sub-Projects and other Project activities.
Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. Without limitation to the provisions of Section 2.01 of this Agreement, the Recipient through the Energy Cell, shall carry out Part 1 of the Project and the technical oversight of the Project, all in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in the Project Operations Manual.

2. The Recipient shall maintain, at all times during the implementation of the Project, the Energy Cell within MTPTC with competent personnel, in adequate numbers, including, but not limited to, a procurement specialist, a financial management specialist, and a disbursement specialist, all with qualifications, experience and terms of reference acceptable to the World Bank.

3. For the purposes of carrying out Part 2 of the Project, no later than 30 days from the Effective Date of this Agreement, the Recipient, through MTPTC, shall hire in accordance with the provisions set forth in Section III of this Schedule, and thereafter maintain, at all times during the implementation of the Project, the International Fund Manager with qualifications, experience and terms of reference acceptable to the World Bank, as further detailed in the Operating Guidelines, and pursuant to the terms of the OGEF Partnership Agreement.

4. For the purposes of carrying out Part 2 of the Project, the Recipient shall cause the FDI, to open and thereafter operate and maintain the Segregated Account in accordance with the provisions set forth in Operating Guidelines pursuant to the terms of the Subsidiary Agreement.

5. Not later than 45 days after the Effective Date, the Recipient shall cause the FDI to establish, and thereafter operate and maintain, throughout the implementation of the Project, an Advisory Committee, with a composition, functions, responsibilities and resources acceptable to the World Bank, (including, inter alia, the responsibility to carry out the general oversight of the OGEF operations, as set out in the Operating Guidelines).

B. Subsidiary Agreement

1. To facilitate the carrying out of Parts 2 and 3(b) of the Project, the Recipient shall make the proceeds of the Grant available to the FDI under a subsidiary agreement (“Subsidiary Agreement”) to be entered into between the Recipient and the FDI,
under terms and conditions approved by the World Bank, which shall include the following:

(a) the right of the Recipient, to take remedial actions against the FDI, in case the FDI shall have failed to comply with any of its obligations under the Subsidiary Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the Grant transferred to the FDI pursuant to the Subsidiary Agreement (as the case may be);

(b) the obligation of the FDI to carry out Parts 2 and 3(b) of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social and technical standards and practices, including the obligation of the FDI to carry out Parts 2 and 3(b) of the Project in accordance with the Operating Guidelines, in compliance with the Anti-Corruption Guidelines and the pertinent provisions set forth in this Schedule, as applicable to FDI; and provide promptly as needed, the facilities, services and other resources required for Parts 2 and 3(b) of the Project;

(c) the obligation of the FDI to: (i) exchange views with the Recipient, and the World Bank with regard to the progress of Parts 2 and 3(b) of the Project, and the performance of its obligations under the Subsidiary Agreement; and (ii) assist the Recipient in complying with its obligations referred to in Sections II.A.1 and II.B.2 of this Schedule, as applicable to Parts 2 and 3(b) of the Project;

(d) the obligation of the FDI to promptly inform the Recipient and the World Bank of any condition which interferes or threatens to interfere with the progress of Parts 2 and 3(b) of the Project or the good implementation of the Subsidiary Agreement;

(e) the obligation of the FDI to, upon selection and approval of an Eligible Beneficiary and Off-Grid Electrification Subproject, enter into a Subproject Financing Agreement with the pertinent Eligible Beneficiary, in accordance with the provisions set forth in Section I.F below;

(f) the obligation of the FDI to: (i) prepare and furnish to the World Bank an annual report covering the Recipient’s fiscal year, on or before December 31 each year during the implementation of the Subsidiary Agreement with regard to the progress of the Financings, and the performance of its obligations under said Subsidiary Agreement; (ii) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and
expenditures related to Parts 2 and 3(b) of the Project; and (iii) at the World Bank’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank;

(g) the obligation of the FDI, to open and thereafter operate and maintain for the duration of the Project, the Segregated Account in form and substance satisfactory to the World Bank;

(h) the obligation of the FDI to ensure that all Financings: (i) are extended in favor of any Eligible Beneficiary by not later than December 31, 2024; and (ii) are paid, refunded or reimbursed (as the case may be) by the Eligible Beneficiaries on or before the Closing Date.

(i) the obligation of the FDI, to take all necessary actions and make every effort to collect any payment, refund or reimbursement from any Eligible Beneficiary for any Financing in form and substance satisfactory to the World Bank; and

(j) the obligation of the FDI to (i) not later than April 30, 2025 reimburse to the Grant Account any amounts remaining in the OGEF as of December 31, 2024 and which shall not have been used for Financings; and (ii) not later than August 31, 2028 reimburse to the Grant Account any amounts deposited in the Segregated Account (minus the Applicable Fees) as of the Closing Date; both reimbursements under (i) and (ii) above not to exceed cumulatively the total amount of the Grant.

2. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce the Subsidiary Agreement or any of its provisions.

C. OGEF Partnership Agreement

1. To facilitate the carrying out of Parts 2 and 3(b) of the Project, and upon hiring the International Fund Manager, the Recipient, through MTPTC, shall, and shall cause FDI to, enter into a tripartite agreement ("OGEF Partnership Agreement") with the International Fund Manager under terms and conditions approved by the World Bank, which shall include the following:
(a) the right of the Recipient and FDI, to take remedial actions against the International Fund Manager in case the International Fund Manager shall have failed to comply with any of its obligations under the OGEF Partnership Agreement;

(b) the obligation of the International Fund Manager to support the FDI in the carrying out of Parts 2 and 3(b) of the Project with due diligence and efficiency, in conformity with: (i) appropriate administrative, financial, technical, economic, environmental, and social standards and practices; and (ii) the Operating Guidelines, the Anti-Corruption Guidelines, and Section I.H of this Schedule;

(c) the obligation of the International Fund Manager to exchange views with the Recipient, the FDI and the World Bank with regard to the progress of Parts 2 and 3(b) of the Project, and the performance of its obligations under the OGEF Partnership Agreement;

(d) the obligation of the International Fund Manager to promptly inform the Recipient, the FDI, and the World Bank of any condition which interferes or threatens to interfere with the progress of Parts 2 or 3(b) of the Project; and

(e) the obligation of the International Fund Manager to support the FDI in the preparation of Off-Grid Electrification Subprojects, in accordance with the provisions of this Agreement, and under terms and conditions acceptable to the World Bank

2. The Recipient shall, and shall cause the FDI to, exercise its rights under the OGEF Partnership Agreement in such manner as to protect the interests of the Recipient, the FDI, and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not, and shall ensure that the FDI does not, assign, amend, abrogate, waive, terminate, or fail to enforce the OGEF Partnership Agreement or any of its provisions.

D. Project Operations Manual

1. The Recipient shall carry out Parts 1 and 3(a) of the Project, and shall cause FDI to carry out Parts 2 and 3(b) of the Project in all respects not otherwise covered by the Operating Guidelines, in accordance with a manual, satisfactory in form and substance to the World Bank, setting forth inter alia, rules, methods, guidelines, specific development plans, standard documents and procedures, and the Project monitoring indicators, for the Project (“the Project Operations Manual”).
2. The Recipient shall, and shall cause the FDI to, not amend, abrogate or waive any provisions of the Project Operations Manual without the prior approval of the World Bank.

3. In case of any conflict between the terms of the Project Operations Manual and those of this Agreement, the terms of this Agreement shall prevail.

E. Operating Guidelines

1. The Recipient shall cause the FDI to carry out Parts 2 and 3(b) of the Project in accordance with the provisions and requirements of a set of guidelines satisfactory to the Bank ("Operating Guidelines"), which shall include, inter alia: (a) the details on the eligibility of Eligible Beneficiaries; (b) guidelines for the evaluation of business plans for the Off-Grid Electrification Subprojects; (c) independent verification mechanisms, as applicable, in respect of Financings and Off-Grid Electrification Subprojects; (d) forms of legal and financing terms for different business lines of the OGEF; (e) parameters for grant, loan, and equity contribution limits and ratios in respect of Financings; (f) Applicable Fees; and (g) establishment and functioning of the Segregated Account.

2. The Recipient shall cause the FDI not to assign, amend, abrogate or waive any provisions of the Operating Guidelines without the prior approval of the World Bank.

3. In the event of any conflict between the provisions of the Operating Guidelines and those of this Agreement, the terms of this Agreement shall prevail.

F. Off-Grid Electrification Subprojects

1. Upon approval of any given Off-Grid Electrification Subproject, the Recipient shall cause the FDI, through the OGEF, to provide grants, loans and equity contributions ("Financing") to Eligible Beneficiaries in accordance with eligibility criteria and procedures acceptable to the World Bank, set forth in the Operating Guidelines, and pursuant to the relevant Subproject Financing Agreement, on terms and conditions approved by the World Bank, which shall include, inter alia, the following:

   (a) the obligation of the FDI to provide Financing to the Eligible Beneficiary for the purpose of carrying out an Off-Grid Electrification Subproject in accordance with the pertinent provisions of this Agreement;

   (b) the obligation of the Eligible Beneficiary to:

      (i) carry out its Off-Grid Electrification Subproject with due diligence and efficiency and in accordance with sound technical,
economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines;

(ii) provide, promptly as needed, the resources required for the purpose, if applicable;

(iii) comply with the financial terms of the Financing under the respective Subproject Financing Agreement, including all payments, refunds and/or reimbursements, as applicable, into the Segregated Account;

(iv) procure goods, works and services as may be required for the respective Off-Grid Electrification Subproject, in accordance with the provisions set forth in Section III of this Schedule, as such procedure shall be detailed in the Operating Guidelines;

(v) carry out the respective Off-Grid Electrification Subproject in accordance with the E&S Process and RPF, as applicable, including preparation (including local disclosure) and implementation of any pertinent environmental management plan and/or resettlement action plan;

(vi) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the World Bank, the progress of the Off-Grid Electrification Subproject and the achievement of its objectives;

(vii) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Off-Grid Electrification Subproject; and (B) at the World Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank;

(viii) enable the Recipient and the World Bank to inspect the Off-Grid Electrification Subproject, its operation and any relevant records and documents; and
prepare and furnish to the Recipient and the World Bank all such
information as the Recipient or the World Bank shall reasonably
request relating to the foregoing.

2. The Recipient shall cause the FDI to obtain rights adequate to protect its interests
and those of the World Bank under all Subproject Financing Agreements,
including the right to suspend or terminate the right of the Eligible Beneficiary to
use the proceeds of the Financing, or, if applicable, declare to be immediately due
due and payable and/or obtain a refund of all or any part of the amount of the Financing
then withdrawn, upon the Eligible Beneficiary’s failure to perform any of its
obligations under the pertinent Subproject Financing Agreement.

3. The Recipient shall cause the FDI to exercise its rights and carry out its obligations
under each Subproject Financing Agreement in such manner as to protect the
interests of the Recipient and the World Bank and to accomplish the purposes of
the Grant. Except as the World Bank shall otherwise agree, the Recipient shall
cause the FDI to not assign, amend, abrogate, waive, terminate, or fail to enforce
any Subproject Financing Agreement or any of its provisions.

4. In case of any conflict between the provisions of any of the Subproject Financing
Agreements and this Agreement, the provisions of this Agreement shall prevail.

G. Anti-Corruption

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

H. Safeguards

1. The Recipient shall ensure, and shall cause FDI to ensure, that the Project is carried
out in accordance with the Environmental and Social Process (E&S Process) (and
any environmental and social management plans prepared thereunder), and the
Resettlement Policy Framework (RPF) (and any resettlement action plans prepared
thereunder), including the guidelines, rules and procedures defined in said E&S
Process and RPF.

2. The Recipient shall not, and shall cause the FDI not to amend, suspend, or abrogate
any of the provisions of the E&S Process (and any environmental and social
management plans prepared thereunder) and of the RPF (and any resettlement
action plans prepared thereunder) without the prior agreement of the World Bank.

3. Without limitation to the excluded expenditures provision set forth in the
Operating Guidelines, the following activities shall not be eligible to be carried out
under Off-Grid Electrification Subprojects nor to be funded under the Project:
(a) activities involving the use of pesticides;

(b) any activities that would lead to conversion or degradation of critical natural habitats or their supporting areas;

(c) any activities that would lead to conversion or degradation of critical forest areas, related critical natural habitats, clearing of forests or forest ecosystems;

(d) activities involving potential impacts on physical cultural resources;

(e) activities on International Waterways (as said term is defined in the World Bank’s Operational Policy OP 7.50); and

(f) activities involving the financing or construction of dams.

4. The Recipient shall ensure that all measures required for carrying out of any environmental assessment and related environmental/social management plan, audit and/or similar safeguard instrument, and any resettlement action plan are taken in a manner acceptable to the World Bank.

5. The Recipient shall include in the Project Reports referred to in Section II.A of this Schedule adequate information on the implementation of the E&S Process (and any environmental assessment and related environmental/social management plan), the RPF (and any resettlement action plan), as well as on any conditions which interfere or threaten to interfere with the smooth implementation thereof, and any remedial measures taken or required to be taken in connection thereto.

6. The Recipient shall ensure, and shall cause FDI to ensure, that the terms of reference for any consultancy in respect of any Project activity under Parts I and 3(b) of the Project shall be satisfactory to the World Bank following its review thereof, and to that end, such terms of reference shall duly incorporate the requirements of the World Bank’s Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance.

7. In the event of a conflict among the provisions of any of the E&S Process (and any environmental and social management plans prepared thereunder), and the Resettlement Policy Framework (RPF) (and any resettlement action plans prepared thereunder) and those of this Agreement, the provisions of this Agreement shall prevail.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and Section I.H.5 of this Schedule, and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one fiscal semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank, not later than forty-five days after the end of each fiscal semester, covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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 World Bank not later than six months after the end of such period.

4. The Recipient shall, no later than six (6) months after the Effective Date, hire an external auditor based on terms of reference acceptable to the World Bank to carry out the annual audits referred to in Section 2.07 (b) (i) of the Standard Conditions.

Section III. Procurement

All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.
Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the World Bank 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 Grant (“Category”), the allocations of the amounts of the Grant 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 USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services, Training and Operating Costs under Part 1 of the Project.</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Financings for Off-Grid Electrification Subprojects</td>
<td>12,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, non-consulting services, consulting services, Training and Operating Costs under Part 3 of the Project</td>
<td>2,220,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>14,220,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this paragraph:

(a) "Training" means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and
workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding consulting services).

(b) "Operating Costs" means the incremental reasonable costs, as shall have been approved by the World Bank, incurred by MTPTC, under Parts 1 and 3(a) of the Project, or Eligible Beneficiaries or the FDI under Parts 2 and 3(b) of the Project, respectively, on account of administration, implementation, monitoring and supervision of said Parts of the Project, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, office rental expenses, freight charges, office maintenance, office equipment maintenance, utilities, printing, non-durable goods, travel cost and per diem for Project staff (but excluding consulting services and salaries of officials of the Recipient’s civil service and the International Fund Manager Fee).

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:

   (a) for payments made prior to the Signature Date; or

   (b) under Category (2), until the: (a) OGEF Partnership Agreement has been signed by the parties thereto and is effective; (b) the Segregated Account has been opened in form and substance satisfactory to the World Bank; and (c) Recipient has adopted, and has caused the FDI to adopt, the Operating Guidelines in a manner and substance satisfactory to the World Bank.

2. The Closing Date is April 30, 2028.
APPENDIX

Definitions

1. "Advisory Committee" means the committee referred to in Section I.A.5 of Schedule 2 to this Agreement.


3. "Applicable Fees" means all fees described in the Operating Guidelines in form and substance satisfactory to the World Bank, including, inter alia, management fees, performance fees and closing fees.

4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

5. "CTF Grant Agreement" means the agreement (CTF TF Grant No. TF0A1571) of even date herewith entered into between the Recipient and the World Bank for purposes of assisting in the financing of Part 1 of the Project.

6. "Eligible Beneficiaries" means a legal entity formed and functioning in accordance with the laws of the Recipient, which meets the eligibility requirements to receive Financing.

7. "Energy Cell" means MTPTC’s unit in charge of supporting the development of the energy sector, or any legal successor thereto.

8. "Environmental and Social Process" or "E&S Process" means the Recipient’s environmental and social framework, acceptable to the World Bank, disclosed on the Recipient’s website on October 9, 2015 and on the World Bank’s external website on October 26, 2015, and revised and re-disclosed on the Recipient’s website on May 2, 2016 and on the World Bank’s external website on October 11, 2016, for the screening, assessment and mitigations of environmental and social risks related to the Project, including guidelines for the preparation and implementation of environmental and social management plans, as said framework may be amended from time to time with the agreement of the World Bank.

9. "FDI" means Fonds de Développement Industriel, or Industrial Development Fund, the Recipient’s legal entity organized and operating pursuant to the FDI Legal Framework, which is responsible for establishing the OGEF.
10. "FDI Legal Framework" means the Recipient’s decree dated March 26, 1981, and published in the Recipient’s official journal, which established, under the Bank of Haiti, an "Industrial Development Fund" (Décret créant auprès de la Banque de la République d’Haïti un “Fonds de Développement Industriel, FDI”), and all the organizational documents, pursuant to which the FDI is organized and operating.

11. "Financing" means the provision by the FDI, through OGEF, of financing support to Eligible Beneficiaries in the form of grants, loans or equity contributions, made out of the proceeds of the Grant, pursuant to criteria, and financial terms acceptable to the World Bank and set forth in the Operating Guidelines, all for the purpose of financing goods, works, non-consulting services, consultants’ services, Training, and Operating Costs under Off-Grid Electrification Subprojects pursuant to the terms of the pertinent Subproject Financing Agreement.

12. "International Fund Manager" means the firm, or consortium of firms hired by the Recipient through MTPTC, acceptable to the World Bank, in charge of the management of the OGEF, in accordance with the terms of this Agreement, the OGEF Partnership Agreement, and the Operating Guidelines.

13. "International Fund Manager Fee" means the fee payable out of the proceeds of the Grant to the International Fund Manager under the OGEF Partnership Agreement in consideration for managing the OGEF and performance of all other obligations thereunder.


15. "Off-Grid Electricity Fund" or "OGEF" means the account established by the FDI for the purpose of providing Financings pursuant to the terms of this Agreement.

16. "Off-Grid Electrification Subproject" means an investment or series of investments in electrification activities (including generation, distribution and commercialization of electricity, and production or assembly of off-grid electricity products and parts).

17. "OGEF Partnership Agreement" means the agreement referred to in Section I.C.1 of Schedule 2 to this Agreement, as said agreement may be amended from time to time with the agreement of the World Bank.

18. "Operating Guidelines" means the guidelines referred to in Section I.E.1 of Schedule 2 to this Agreement, as said guidelines may be amended from time to time with the agreement of the World Bank.

19. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated May 5, 2016 and provided for under Section IV of the Procurement Regulations,
as the same shall be updated from time to time in accordance with the provisions of said paragraphs.


21. “Project Operations Manual” means the manual referred to in Section I.D.1 of Schedule 2 to this Agreement, as said manual may be amended from time to time with the agreement of the World Bank.

22. “RPF” means the Recipient’s resettlement policy framework, acceptable to the World Bank, disclosed on the World Bank’s external website on October 13, 2015 and on the Recipient’s external website on October 16, 2015, describing the policies, procedures, plans and actions (including the guidelines for the preparation and implementation of the resettlement action plan(s)), and institutional measures related to land acquisition and other social impacts that may arise during the carrying out of the Project, as said framework may be amended from time to time with the agreement of the World Bank.

23. “Segregated Account” means the account established by the FDI for the purpose of depositing payments, refunds and/or reimbursements for Financings, as applicable from Eligible Beneficiaries under their respective Subproject Financing Agreements, pursuant to the terms of this Agreement and in accordance with the Operating Guidelines and the Subsidiary Agreement.

24. “Signature Date” means the means the latest of the two dates on which the Recipient and the World Bank signed this Agreement and such definition applied to all references to “the date of the Grant Agreement” in the Standard Conditions.

25. “Subproject Financing Agreement” means any of the agreements referred to in Section I.B.1 (e) of Schedule 2 to this Agreement.

26. “Subsidiary Agreement” means the agreement referred to in Section I.B.1. of Schedule 2 to this Agreement, as said agreement may be amended from time to time with the agreement of the World Bank.