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July 2, 2010

H.E. Ronald Baudin
Minister of Economy and Finance
Ministry of Economy and Finance
Republic of Haiti
Palais des Ministères
Port-au-Prince, Haïti

Re: Haiti: Electricity Loss Reduction Project
IDA Grant No. H251-0-HA
Second Amendment to the Financing Agreement
IDA Grant No. H510-0-HT
First Amendment to the Financing Agreement (Additional Financing)

Excellency:

We refer to the Financing Agreement between the Republic of Haiti (the Recipient) and the International Development Association (the Association) dated September 11, 2006 as amended on November 16, 2009 with regard to the above-captioned Project (the Financing Agreement). Please note that capitalized terms used in this letter (the Amendment Letter) and not defined herein have the meaning ascribed to them in the Financing Agreement.

We also refer to the Financing Agreement between the Republic of Haiti (the Recipient) and the International Development Association (the Association) dated November 2, 2009 with regard to the above-captioned Project (the Additional Financing Agreement). Please note that capitalized terms used in this Amendment Letter and not defined herein have the meaning ascribed to them in the Additional Financing.

We further refer to: (a) your communication dated June 10, 2010 to the Association wherein requests are made to: (i) reallocate the proceeds of the Financing among the Disbursement Categories of the Financing Agreement and the Additional Financing Agreement; (ii) extend the deadline for submitting the Project’s audited financial statements; and (iii) extend the Closing Date of the Project; and (b) our telephone communication on June 23, 2010, wherein it was agreed to (i) exclude the request to add a new component of payroll support from the Recipient’s communication dated June 10, 2010; and (ii) later confirm said exclusion to the Association in writing.

We are pleased to inform you that the Bank proposes, through this Amendment Letter, to amend the Financing Agreement as follows:

1. Schedule 1 to the Financing Agreement is amended by adding a new component and now reads as follows:
“Part 4: Improving the Managerial Performance of EDH

Providing institutional, operational and managerial support to EDH, through:

4.1 the appointment of qualified international experts to be employed as special deputies in selected divisions of EDH for the provision of technical advisory services to the managerial team of EDH;

4.2 the provision of support for the implementation of a new EDH operation plan for existing and future power generation;

4.3 the acquisition of related goods and equipment; and

4.4 the provision of additional support, technical assistance, training for all level EDH staff and equipment in connection with, *inter alia*, accounting, planning, technical, information technology or general administration matters to instill good practice management standards in key functions of EDH.”

2. Paragraph A.2, Section IV of Schedule 2 to the Financing Agreement is amended to read as set forth in Attachment 1 to this Amendment Letter.

3. Part B.3 (b), Section II of Schedule 2 to the Financing Agreement is amended in its entirety to read as follows:

   “(b) each audit of EDH’s financial statements shall cover the period of one fiscal year of EDH which runs from October 1 to September 30 in each calendar year. The first such audit of EDH shall be due in respect of its financial statements for the fiscal year ending in 2010 and shall be furnished to the Association not later than 18 months after the end of such period.”

4. The Closing Date in paragraph B.2, Section IV of Schedule 2 to the Financing Agreement is amended to read: “February 28, 2013”.

We are also pleased to inform you that the Bank proposes, through this Amendment Letter, to amend the Additional Financing Agreement as follows:

1. Paragraph C.2, Section II of Schedule 2 to the Additional Financing Agreement is amended in its entirety to read as follows:

   “For purposes of this Financing, the first audited financial statement of EDH shall be furnished to the Association not later than 6 months after EDH’s first fiscal year following the completion of the action plan specified in paragraph 1 of this Section II.C of Schedule 2 to this Agreement or not later than March 31, 2012, whichever date is the latest.”

2. Paragraph A.2, Section IV of Schedule 2 to the Additional Financing Agreement is amended to read as set forth in Attachment 2 to this Amendment Letter.

3. The Closing Date in paragraph B.2, Section IV of Schedule 2 to the Additional Financing Agreement is amended to read: “February 28, 2013”.
Please confirm your agreement with the foregoing amendments by signing and dating this Amendment Letter in the spaces provided below. Henceforward, all other provisions of the Financing Agreement and the Additional Financing Agreement, except as amended through this Amendment Letter shall remain in full force and effect. This Amendment Letter shall be executed in two counterparts each of which shall be an original.

Upon confirmation, please return one fully executed original to us. The provisions set forth in this Amendment Letter shall become effective as of the date of the countersignature upon receipt by the Bank of the countersigned original of this Amendment Letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ David Warren
Acting Director
Caribbean Country Management Unit
Latin America and the Caribbean Region

AGREEED:

REPUBLIC OF HAITI

By:  /s/ Ronald Baudin
    Authorized Representative

Title:  Minister of Economy and Finance

Date:  July 14, 2010
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:

**IDA Grant No. H251-0-HA**

<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, Training and Consultants’ services for Part 1 of the Project</td>
<td>2,248,908</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, Works and Consultants’ services for Part 2.2 of the Project</td>
<td>70,194</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, Works, Training and Consultants’ services for Part 2.3(b) of the Project</td>
<td>925,917</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, Training, Consultants’ services and operating costs for Part 3 of the Project</td>
<td>632,570</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Refund of Project Preparation Advance (PPF)</td>
<td>45,185</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>136,226</td>
<td></td>
</tr>
<tr>
<td>(7) Goods, Training, Consultants’ services and Operating Costs for Part 4.1 of the Project</td>
<td>41,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>4,100,000</td>
<td></td>
</tr>
</tbody>
</table>
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:

**IDA Grant No. H510-0-HT**

<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, Training and Consultants’ services for Part 1 of the Project</td>
<td>905,105</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works and Consultants’ services for Part 2.2 of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, Training and Consultants’ services for Part 2.3(b) of the Project</td>
<td>264,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, training, consultants’ services and operating costs for Part 3 and 4.2 of the Project</td>
<td>333,696</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Refund of Project Preparation Advance (PPF)</td>
<td>0</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>6,600</td>
<td></td>
</tr>
<tr>
<td>(7) Goods, Training, Consultants’ services and Operating Costs for Part 4.1 of the Project</td>
<td>1,790,599</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>3,300,000</strong></td>
<td></td>
</tr>
</tbody>
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