Financing Agreement

(Additional Financing for the Urban Community Driven Development Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 9, 2014
FINANCING AGREEMENT

Agreement dated July 9, 2014, entered into between the REPUBLIC OF HAITI ("Recipient") and the 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 four million nine hundred thousand Special Drawing Rights (SDR 4,900,000) ("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 June 15 and December 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 cause the Project to be carried out by BMPAD (with the assistance of the relevant MDODs in respect of Parts 1 and 3 of the Project), 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 — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely that the BMPAD Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of BMPAD to perform any of its obligations under this Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely that the Subsidiary Agreement has been entered into between the Recipient and BMPAD, in a manner acceptable to the Association.

5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and BMPAD and is legally binding upon the Recipient and BMPAD in accordance with its terms.

5.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than the eighteen (18) months after the Association’s approval of the Financing which expires on December 20, 2015.

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

6.01. The Recipient’s Representative is the Recipient’s Minister of Economy and Finance.

6.02. The Recipient’s Address is:

Ministère de l’Économie et des Finances
5, Avenue Charles Sumner
Port-au-Prince
Republic of Haiti

6.03. The Association’s Address is:

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

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391

Washington, D.C.
 AGREED at Port-au-Prince, Republic of Haiti, as of the day and year first above written.

REPUBLIC OF HAITI

By: 

Authorized Representative

Name: MARIE CARMELLE JEAN HARI
Title: MINISTER OF ECONOMY & FINANCES

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: 

Authorized Representative

Name: Marie Barton-Forrest
Title: Special Envoy
SCHEDULE 1

Project Description

The objective of the Project is to improve access to, and satisfaction with: (i) basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency; and (ii) income-generating opportunities for residents of selected Disadvantaged Urban Areas.

The Project consists of the following parts:

Part 1: Urban Community Subproject Preparation and Implementation

(a) (i) The provision of grants to Urban Beneficiary Communities, including related technical assistance therewith for the identification, appraisal, selection, preparation and implementation of Urban Community Subprojects in, inter alia, small-scale socio-economic infrastructure and productive or income-generating activities, to be carried out in selected Disadvantaged Urban Areas of Port-au-Prince (Martissant), Cité-Soleil, Cap Haitien, Gonaives, Milot, Dondon, Saint Marc, Hinche and Mirebalais, in the Recipient’s territory; and (ii) the carrying out of an IEC campaign to inform about Project objectives, procedures and expected benefits for targeted residents of the Project areas.

(b) The provision of training to COPRODEPs/CADEC relevant to facilitate their establishment and operation, including with respect to monitoring, supervision and the provision of technical assistance to Urban Beneficiary Communities.

Part 2: Capacity building, Institutional Strengthening

(a) (i) The provision of training to future trainers of COPRODEPs/CADEC and municipal government agents and staff in, inter alia, basic management, administration, accounting and financial management, environmental and social safeguards, local and participatory governance, public administration, social accountability, transparency and reporting; (ii) the building of relevant capacity in selected staff of Recipient ministries and local municipal governments to strengthen governance, participatory development, capacity for coordination and supervision of projects in general at the municipal level; and (iii) the provision of training relevant to ensure donor coordination at the municipal and state level for selected municipal and ministries staff.

(b) The organization of workshops to harmonize practices and procedures among CBOs, MDODs and COPRODEPs/CADEC with regards to the provision of assistance to Urban Beneficiary Communities for the preparation and implementation of Urban Community Subprojects.
(c) (i) The provision of training to municipal staff, local community leaders and residents of Disadvantaged Urban Areas in crime and domestic violence reduction and prevention, including *inter alia*, parenting skills and conflict resolution; and (ii) the carrying out of further additional studies and analysis in participatory development to ensure the mainstreaming of Project achievements.

(d) The provision of training and technical assistance to staff of BMPAD to enable the effective coordination and supervision of the overall Project implementation.

**Part 3: Housing Repair and Reconstruction**

Carrying out of a program of activities in the Selected Area, which consists of, *inter alia*:

(a) removing building debris through, *inter alia*, the recruitment of contractors and the implementation of cash-for-work programs;

(b) provision of Cash Grants;

(c) carrying out of repairs and improvement of community infrastructure including, *inter alia*, roads, walkways, drainage ditches and channels, solid waste management, water supply systems, sanitation facilities and related equipment; and

(d) (i) the design and implementation of a community-based mapping exercise in the Selected Area; (ii) the establishment and implementation of conflict-resolution mechanisms related to Project activities; (iii) the development of neighborhood-level urban plans and risk maps; (iv) the supervision of construction activities; (v) the provision of training with respect to building techniques and applicable rules; (vi) the establishment and operation of community reconstruction centers; and (vii) the provision of technical assistance for the preparation of medium-and long-term urban development and housing strategies, and associated policy and administrative measures.

**Part 4: Project Administration, Supervision, Monitoring and Evaluation**

The provision of support to BMPAD for the coordination, monitoring, supervision and evaluation of the Project, including the maintenance of a monitoring and evaluation system in connection therewith.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall cause the BMPAD to: (a) be maintained at all times during the implementation of the Project, with staff in adequate numbers appointed in accordance with the provisions of Section III of Schedule 2 to this Agreement on the basis of terms of reference, qualifications and experience satisfactory to the Association and having at all times during Project implementation, functions and resources satisfactory to the Association; including, without limitation to the generality of the foregoing, an additional environmental and social safeguard specialist; and (b) be responsible for: (i) the coordination and supervision of Parts 1 and 3 of the Project to be effectively implemented by MDODs under BMPAD’s responsibility; (ii) the direct implementation of Parts 2 and 4 of the Project; and (iii) the overall procurement, financial management, audit, monitoring and evaluation and reporting aspects in relation to Project implementation.

2. The Recipient shall cause the Board of Directors of BMPAD to act as the steering committee for the Project, responsible for defining the Project’s strategic orientations and approving its annual work plans, internal audit plans and budgets.

3. The Recipient shall ensure that COPRODEPs/CADEC are maintained for the duration of the Project, with the specific responsibility of receiving, prioritizing and approving proposals for: (a) Urban Community Subprojects under Part 1 of the Project; and (b) Reconstruction Subprojects under Part 3 (b) of the Project.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to BMPAD under a subsidiary agreement between the Recipient and BMPAD, under terms and conditions approved by the Association (“Subsidiary Agreement”), which shall include the following provisions:

   (a) the obligation of the Recipient to:

     (i) make the proceeds of the Financing available to BMPAD as a grant under terms and conditions acceptable to the Association; and
(ii) take all actions necessary to permit BMPAD to carry out the Project and ensure the achievement of the objective thereof;

(b) the obligation of BMPAD to:

(i) carry out the Project in accordance with this Agreement, the Subsidiary Agreement, the Project Operation Manual, the Anti-Corruption Guidelines, the annual work plans and budgets approved by the Association and the Safeguard Documents;

(ii) maintain the positions of General Manager ("Directeur General") and Administrative and Financial Manager ("Directeur Administratif et Financier") created in BMPAD Legislation, staffed at all times during Project implementation with agents having functions, qualifications and experience satisfactory to the Association;

(iii) promptly refund to the Recipient, for further refund to the Association, any proceeds from the grant not used for purposes of carrying out the Project or for achieving its objective, or otherwise utilized in a manner inconsistent with the provisions of this Agreement;

(iv) at the request of the Recipient or the Association, exchange views with the Recipient and the Association with regard to the progress of the Project and the achievement of its objective, and BMPAD's performance of its obligations under the Subsidiary Agreement, the Project Operation Manual, the annual work plans and budgets approved by the Association, the Anti-Corruption Guidelines and the Safeguard Documents;

(v) enter into the pertinent Service Agreements as provided in Section 1.D.1 of Schedule 2 to this Agreement;

(vi) take, or cause to be undertaken, all necessary actions to enable the Recipient to comply with its Project implementation obligations under this Agreement;

(vii) promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of the Project and the achievement of its objective; and

(c) a provision stipulating that, in case of conflict between any of the provisions contained in the Subsidiary Agreement or the Project Operation
Manual, and those set forth in this Agreement, the provisions of this Agreement shall at all times prevail.

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 Association and to accomplish the purposes of the Financing. Except as the Association 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. Anti-Corruption

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

D. Service Agreements

1. The Recipient shall cause BMPAD to enter into agreements (each a “Service Agreement”) in each case with an eligible MDOD, which shall set forth the respective obligations of the parties under the Service Agreement, with respect to, inter alia, the preparation, implementation and monitoring of Urban Community Subprojects and Reconstruction Subprojects, with the support and under the supervision of trained facilitators, engineering and technical staff, including the provision of technical advisory services, the acquisition of goods and the carrying out of works in relation thereto, and the modalities for the transfer of funds to any given Beneficiary and/or an Urban Beneficiary Community to enable such Beneficiary to carry out the Reconstruction Subprojects and the Urban Beneficiary Community to carry out the Urban Community Subprojects respectively, all in accordance with the guidelines set forth in the POM.

2. Without limitation to the generality of paragraph (1) above, each Service Agreement shall include, inter alia, the following provisions:

   (a) the obligation of MDOD to carry out its obligations under the Service Agreement in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient;

   (b) the obligation of MDOD, at the request of the Recipient, BMPAD, or the Association, to have its financial statements audited by an independent auditor acceptable to the Recipient, BMPAD and the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the financing statements as so audited to the Recipient, BMPAD and the Association; and
the right of BMPAD to terminate the rights of MDOD under the Service Agreement, without notice in case of breach by MDOD of its obligations to comply with the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient.

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

E. Implementation Document-Project Operational Manual

1. The Recipient shall cause BMPAD to maintain the Project Operational Manual dated March 21, 2014, satisfactory in form and substance to the Association, which consists of different schedules setting forth, respectively, rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of the Project, including the following:

(a) (i) the detailed description of all Project implementation activities by all parties considered under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto; (ii) the detailed structuring and membership of selected Project’s participating institutions and all implementation arrangements in respect of the Project; and (iii) the negative list of activities that may not be financed under this Project;

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

(c) (i) the selection criteria for MDODs, including the standard service agreements for the contracting of their services; (ii) the eligibility criteria for the Urban Beneficiary Communities and the Urban Community Subprojects; (iii) the standard models for the Urban Community Grant Agreements; (iv) eligibility criteria, procedures and guidelines for the Reconstruction Subprojects; and (v) the standard models for the Cash Grant Agreements;

(d) the processing arrangements and the responsible parties for the appraisal, selection, approval, financing and implementation of the Urban Community Subprojects and the Reconstruction Subprojects;

(e) the Environmental and Social Management Framework for the Project;
(f) the capacity building and training activities to be carried out for purposes of the Project;

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

(h) the performance indicators for the Project.

2. The Recipient shall cause BMPAD to: (a) maintain the POM throughout Project implementation; (b) take all measures necessary to ensure that the Project is carried out in conformity with the POM; and (c) only amend the POM, from time to time, with the Association’s prior consent.

3. In case of a conflict between any provision of the POM and any one under this Agreement, the provisions of this Agreement will prevail.

F. Other Implementation Arrangements

1. The Recipient shall cause BMPAD to ensure that:

(a) the Reconstruction Subprojects and Urban Community Subprojects are identified, appraised, selected, approved, implemented, managed and supervised in accordance with the procedures set forth or referred to in the POM; and

(b) (i) technical audits of the activities of BMPAD and each MDOD regarding the implementation of the Reconstruction Subprojects and Urban Community Subprojects are carried out by an independent auditor semi-annually; (ii) not later than three (3) months after the Effective Date, a technical auditor is selected in accordance with the provisions of Section III of Schedule 2 to this Agreement, on the basis of terms of reference, qualifications and experience satisfactory to the Association and recruited by BMPAD for the purpose of carrying out the audits referred to in paragraph (i) above; (iii) within four (4) months after the end of each semester thereafter, the technical audit reports are prepared by the independent auditor referred to in paragraph (i) above and furnished to the Association for its review and comments; and (iv) the Reconstruction Subprojects and Urban Community Subprojects respectively are subsequently carried out taking into account the recommendations of the auditor and the views of the Association in that respect.

2. The Recipient shall cause BMPAD to ensure:
(a) without limitation to the provisions of Section I.B.1 (b) of Schedule 2 to this Agreement, that annual Project work plans, internal audit plans and budgets are prepared by BMPAD, are subsequently reviewed by BMPAD’s Board of Directors in its capacity as steering committee for the Project, are agreed by the Association and are thereafter implemented with due diligence and efficiency and in accordance with the pertinent provisions of the Anti-Corruption Guidelines, the POM and the Safeguard Documents; and

(b) that not later than two (2) months after the Effective Date, at least one Service Agreement is concluded by BMPAD, satisfactory to the Association, for the provision of services needed for the implementation of Parts 1 and 3 of the Project.

3. Without limitation to the provisions of Section IV.B.1 (b) and (c) of this Schedule, the Recipient shall cause BMPAD not to make any request for financing of any Reconstruction Subproject under this Agreement, until and unless, the relevant Urban Community Grant Agreement and/or Cash Grant Agreement, satisfactory in form and substance to the Association, shall have been entered into between an MDOD and a relevant Urban Beneficiary Community and/or Beneficiary, as further specified in the POM.

4. The Recipient shall ensure that the terms of reference for any consultancy/technical assistance related to the carrying out of the Project activity under Part 3 (d) (iii) and (vii) of the Project shall be satisfactory to the Association following its review thereof and, to that end, such terms of reference shall duly incorporate the applicable Association Safeguards Policies to said Project activity, as determined by the Association.

G. Urban Community Subprojects

1. The Recipient shall cause BMPAD to ensure that all of the following requirements and commitments in this Section I.G are met, satisfactory to the Association, in respect of each MDOD determined eligible to participate in any activity under this Agreement. To this end, pursuant to the relevant Service Agreement, BMPAD shall have each eligible MDOD enter into an Urban Community Grant Agreement, satisfactory to the Association, with an Urban Beneficiary Community therein setting forth the respective obligations of the parties thereunder, notably with respect to the preparation and implementation of an Urban Community Subproject.

2. Pursuant to the provisions of the Subsidiary Agreement and the respective Service Agreement, BMPAD shall cause MDOD to make a grant to an Urban Beneficiary Community in accordance with eligibility criteria and procedures set
forth in the POM and pursuant to the respective Urban Community Grant Agreement which shall include the following:

(a) Subject to the provisions of paragraph (c) (i) hereunder, the grant shall consist of a transfer of financial resources to an Urban Beneficiary Community on a non-reimbursable basis.

(b) The grants shall be made to Urban Beneficiary Communities for the carrying out of small-scale socio-economic infrastructure and productive or income-generating activities not included in the negative list set forth in the POM. The Urban Beneficiary Communities shall contribute to the economic costs of the Urban Community Subprojects in the proportion set forth in the POM.

(c) Each MDOD shall obtain rights adequate to protect its interests and those of the Association, including the right to:

(i) suspend or terminate the right of the Urban Beneficiary Community to use the proceeds of the Financing for its Urban Community Subproject, or obtain a refund of all or any part of the amount of the Financing then withdrawn, upon the Urban Beneficiary Community's failure to perform any of its obligations under the Urban Community Grant Agreement; and

(ii) require the Urban Beneficiary Community to:

(A) carry out the Urban Community Grant Agreement with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to Recipients of loan proceeds other than the Recipient, the POM and the Safeguard Documents;

(B) provide, promptly as needed, the resources required for the purpose;

(C) procure the goods, works and services to be financed out of the Financing in accordance with the provisions of this Agreement;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Association, the progress of the Urban
Community Subproject and the achievement of its objectives;

(E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Urban Community Subproject; and (2) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;

(F) enable the Recipient and the Association to verify compliance with the Urban Community Grant Agreement and any relevant records and documents in relation thereto; and

(G) prepare and furnish to the Recipient and the Association, all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

3. BMPAD shall cause each MDOD to exercise its rights and carry out its obligations under each Urban Community Grant Agreement, in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, BMPAD shall ensure that MDODs shall not assign, abrogate, waive, terminate or fail to enforce the Urban Community Grant Agreements or any of their provisions.

H. **Reconstruction Sub-projects**

1. Pursuant to the provisions of the Subsidiary Agreement and the respective Service Agreement, the Recipient shall cause BMPAD, cause MDODs to make Cash Grants to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association, all as set forth in the POM, which shall include, *inter alia*, the following:

(a) the Cash Grant is intended to finance a proposed Reconstruction Subproject, which has already been community mapped under Part 3 (d) of the Project;
(b) a conflict resolution mechanism is in place and operational, based on procedures and principles (satisfactory to the Recipient and BMPAD) to address potential complaints, disagreements, contestations and disputes (the "Conflict Resolution Mechanism"), regarding the implementation of Project activities including, inter alia, the results of the community mapping of the proposed Reconstruction Subproject;

(c) the result of the community mapping of the proposed Reconstruction Subproject is not the subject of a complaint, disagreement, contestation or dispute notified to the Beneficiary which has not been addressed by the Conflict Resolution Mechanism; and

(d) without prejudice to the determination of the legal rights (or absence thereof) of the Beneficiary, the Cash Grant is for a Reconstruction Subproject which has complied with a methodology (satisfactory to the Recipient and BMPAD) in place to ensure that at least some benefit will accrue to the person who was the occupant of the house rebuilt or repaired under the Reconstruction Subproject before the Emergency.

2. The Recipient shall cause BMPAD, to cause MDOD, to make each Cash Grant under a Cash Grant Agreement with the respective Beneficiary, on terms and conditions approved by the Association, which shall include the following:

(a) The Cash Grant shall be a non-reimbursable grant denominated in Gourdes.

(b) Each MDOD, shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Cash Grant, or obtain a refund of all or any part of the amount of the Cash Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Cash Grant Agreement; and (ii) require each Beneficiary to: (A) carry out its Reconstruction Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, procurement, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient, the POM and the Safeguard Documents; (B) as the case may be, provide, promptly as needed, the resources required for the Reconstruction Subproject; (C) enable the relevant MDOD to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Reconstruction Subproject and the achievement of its objectives; (D) maintain an accounting system adequate to reflect the operations, resources and expenditures related to the Reconstruction Subproject; (E)
enable the Recipient and the Association to inspect the Reconstruction Subproject, its operation and any relevant records and documents; and (F) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

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

I. Safeguards

1. The Recipient shall ensure that, throughout the implementation of the Project, the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environmental and Social Management Framework and the Resettlement Policy Framework. In particular, the Recipient shall ensure:

(a) (i) that for any Urban Community Subproject, Reconstruction Subproject, or other activity under the Project of a category for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such Urban Community Subproject, Reconstruction Subproject or such other activity, in accordance with the provisions of the Environmental and Social Management Framework; and (ii) immediately thereafter, that the relevant Urban Community Subproject, Reconstruction Subproject or such other activity is implemented in accordance with its Environmental and Social Management Plan; and

(b) (i) that for each Urban Community Subproject, Reconstruction Subproject or for any other activity under the Project of a category for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such Urban Community Subproject, Reconstruction Subproject or such other activity, in accordance with the provisions of the Resettlement Policy Framework; and (ii) immediately thereafter, that the relevant Urban Community Subproject, Reconstruction Subproject or such other activity is implemented in accordance with its Resettlement Action Plan;
Subproject, Reconstruction Subproject or such other activity is implemented in accordance with its Resettlement Action Plan.

3. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend, waive or fail to enforce any provisions of any of the Safeguard Documents, nor shall it permit BMPAD to do so.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, or shall cause BMPAD to, regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Safeguard Documents, giving details of: (a) measures taken in furtherance of the Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and (c) remedial measures taken or required to be taken to address such conditions.

5. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

J. Training

The Recipient shall cause BMPAD to carry out training activities under the Project on the basis of annual programs and budgets, which shall have been approved by the Association, and which shall, inter alia, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty five days after the end of the period covered by such report.

(b) Without limitation to the provisions of Section 4.08(b) of the General Conditions, each Project Report shall include an annex in form, scope
and level of details satisfactory to the Association, reflecting the feedback from all categories of stakeholders involved in the implementation of the Project during the period covered by each such Project Report, collected and compiled by BMPAD, as well as their recommendations to improve the implementation of the Project, in view of drawing on an on-going basis the lessons learned from the implementation of the Project and adjusting, if needed, the implementation arrangements, all subject to the Association’s prior approval.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six (6) months after Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain for itself, and shall cause to be maintained in BMPAD and in each MDOD, 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, as part of the Project Report, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.

3. The Recipient shall: (a) have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions; and (b) cause BMPAD and MDOD to have their respective financial statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements (including BMPAD’s and MDODs’ financial statements mentioned in (b) herein) shall cover the period of one semester in each fiscal year of the Recipient. The audited Financial Statements (including BMPAD’s and MDODs’ financial statements mentioned in (b) herein) for each such period shall be furnished to the Association not later than four months after the end of such period. The Recipient shall disclose the audited Financial Statements in a manner acceptable to the Association. The Recipient agrees that upon receipt of the Financial Statements, the Association shall make them available to the public in accordance with the World Bank’s Policy on Access to Information.

4. For purposes of paragraph 3 above, the Recipient shall cause BMPAD to appoint, not later than five (5) months as of the Effective Date, the independent auditors referred to in Section 4.09 (b) (i) of the General Conditions, under terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement.
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, subject to using standard bidding documents agreed with the Association.</td>
</tr>
<tr>
<td>(b) Shopping, subject to using standard request for quotations agreed with the Association.</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
<tr>
<td>(d) Community participation in procurement as spelled out in the POM</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) Single Source Selection</td>
</tr>
<tr>
<td>(f) Procedures set forth in Paragraphs 5.2 and 5.3 of the Consultants Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Sole Source Procedures for the Selection of Individual Consultants set forth in paragraph 5.4 of the Consultant Guidelines</td>
</tr>
</tbody>
</table>

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

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

A. **General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Urban Community Subprojects under Part 1 of the Project</td>
<td>3,050,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(2) Cash Grants under Part 3 (b) of the Project</td>
<td>264,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, and consultants' services for Parts 3 (c) and (d)(ii),(iii), (iv), (vi) and (vii) of the Project</td>
<td>198,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Consultants' services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) rendered by MDODS under Service Agreements for Parts 1 and 3(b) of the Project including Training</td>
<td>795,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) for Parts 2(a)(i), (a)(ii), 2(b), 2(c), 2(d), and 4 of the Project including Training</td>
<td>370,000</td>
<td></td>
</tr>
<tr>
<td>(5) Operating Costs for Part 4 of the Project</td>
<td>223,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>4,900,000</strong></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:

   (a) for payments made prior to the date of this Agreement; or

   (b) under Category (1) for any Urban Community Subproject, until and unless, an Urban Community Grant Agreement for the implementation of
an Urban Community Subproject shall have been entered into between an MDOD and an Urban Beneficiary Community in accordance with the procedures, terms and conditions referred to in Section I.G of this Schedule and set forth in detail in the POM, as shall be evidenced by the first three (3) Urban Community Grant Agreements furnished to the Association for its prior approval; or

(c) under Category (2) for any Reconstruction Subprojects, until and unless, an Cash Grant Agreement for the implementation of an Reconstruction Subproject shall have been entered into between an MDOD and a Beneficiary in accordance with the procedures, terms and conditions referred to in Section I.H of this Schedule and set forth in detail in the POM, as shall be evidenced by the first three (3) Cash Grant Agreements for the financing of Reconstruction Subprojects furnished to the Association for its prior approval.

2. The Closing Date is June 30, 2016.
APPENDIX

Definitions


3. “Beneficiary” means an urban community based organization on the Recipient’s territory (including, inter alia, special interest groups of women and youth under terms and conditions defined in the POM) which has met the eligibility criteria specified in the Project Operation Manual (as hereinafter defined) and as a result has been extended, or is to be extended, a Cash Grant (as hereinafter defined) for the carrying out of a Reconstruction Subproject (as hereinafter defined); and “Beneficiaries’ means collectively all such persons.


5. “BMPAD Legislation” means the law establishing BMPAD dated December 27, 2007, and published in the Recipient’s official gazette “Le Moniteur” on January 4, 2008 as such legislation has been amended to the date of this Agreement.

6. “Cash Grant” means a grant provided by an MDOD on behalf of the Recipient under Part 3 (b) of the Project for the financing of Reconstruction Subprojects, in whole or in part.

7. “Cash Grant Agreement” means any of the agreements between an MDOD and a Beneficiary setting forth the terms and conditions under which a Cash Grant shall be made available to said Beneficiary, as referred to in Section I.H.2 of Schedule 2 to this Agreement.

8. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
9. "CBO" means a community-based organization established and operating pursuant to the laws of the Recipient.


11. "COPRODEP/CADEC" means Conseil du Projet de Développement Participatif/Conseil d'Appui au Développement Communautaire, a Project Development Council/Council for Community Development Support (established under the Project with membership drawn up primarily from community based-organizations’ representatives and including, inter alia, representatives of civil society, local and/or municipal government) which is responsible under the Project for the approval of Reconstruction Subprojects.


13. “Displaced Person” means a person who, on account of the execution of an activity under the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; “Displaced Persons” means all such persons.

14. “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.

15. “Environmental and Social Management Framework” means the Recipient’s framework dated April 18, 2014 setting forth: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; (b) the actions needed to implement these measures, including monitoring and institution strengthening; and (c) the guidelines for the preparation and implementation of the pertinent Environmental and Social Management Plan.

16. “Environmental and Social Management Plan” means the Recipient’s plan prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to an activity included under an annual
work plan and budget approved by the Association in accordance with paragraph 1.1(a) of Section I in Schedule 2 to this Agreement, that details: (a) the measures to be taken during the implementation and operation of such activity to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures.

17. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

18. “Gourdes” means the currency having legal tender on the territory of the Recipient.


20. “MDOD” means a Maître D’Ouvrage Délégué, a service providing entity or individual, such as a non-governmental organization or a private institution, contracted under the Project in accordance with the provisions of Section III of Schedule 2 to this Agreement to appraise Urban Community Subprojects and Reconstruction Subprojects and provide technical assistance in the course of their respective implementation by Urban Beneficiary Communities and/or Beneficiaries.

21. “Non-consulting services” means in respect of Category (3), services to be contracted for, inter alia, the carrying out of IEC campaigns and activities related to the carrying out of surveys.

22. “Operating Costs” means, in respect of Category (5), the incremental operating expenses, based on annual budgets approved by the Association, incurred by the BMPAD, on account of Project administration, supervision, monitoring and evaluation, as operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, contractual staff costs, travel and supervision costs, per diem, but excluding the salaries and indemnities of officials and public servants of the Recipient’s civil service.

23. “Original Financing Agreement” means the financing agreement for an Urban Community Driven Development Project entered into between the Recipient and the Association, dated June 30, 2008, as amended to the date of this Agreement (Grant No. H394-0-HT).

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

26. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 1, 2014 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.

27. "Project Operational Manual" or "POM" means the Project operational manual dated April 29, 2008 for the Original Project, as updated on March 21, 2014 for the purpose of the Project, and formally adopted by the Recipient, BMPAD and the other Project stakeholders in accordance with Section I.E.1 of Schedule 2 to this Agreement.

28. "Reconstruction Subproject" means a subproject for the repairs of houses assessed as structurally solid and on-site reconstruction of houses either destroyed or damaged beyond repair by the Emergency in the Selected Area.

29. "Resettlement Action Plan" means the Recipient's plan prepared and disclosed in accordance with the Resettlement Policy Framework with respect to an activity included under an annual work plan and budget approved by the Association in accordance with Section I.I.1(b) of Schedule 2 to this Agreement, which, inter alia: (a) contains a census survey of Displaced Persons and valuation of their assets; (b) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation; and (c) contains a timetable and budget for the implementation of such measures.

30. "Resettlement Policy Framework" means the Recipient's framework, dated April 16, 2014 setting forth the guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as well as for the preparation of Resettlement Action Plans.

31. "Safeguard Documents" means collectively the Environmental and Social Management Framework, the Resettlement Policy Framework, as well as, if applicable, the Environmental and Social Management Plans and the Resettlement Action Plans prepared for specific activities carried out under the Project.

32. "Selected Area" means the neighborhood known as "Delmas 32" in Port-au-Prince, and any other neighborhoods which may be selected by the Recipient during Project implementation and acceptable to the Association.
33. "Service Agreement" means any of the agreements between BMPAD and a selected MDOD under the Project, as further referred to in Section I.D.1 of Schedule 2 to this Agreement.

34. "Subsidiary Agreement" means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to BMPAD.

35. "Training" means in respect of Category (4) of the table in Section IV.A.2 of Schedule 2 to this Agreement: (a) reasonable travel, room, board and per diem expenditures as incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.

36. "Urban Beneficiary Community" means a CBO of the territory of the Recipient, including, inter alia, special interest groups of women and youth and municipal governments under terms and conditions defined in the POM, which are found eligible under the POM to receive financing from the Project for the carrying out of an Urban Community Subproject.

37. "Urban Community Grant Agreement" means any agreement entered into between an Urban Beneficiary Community and an MDOD for the implementation of an Urban Community Subproject as referred to in Section I.G.1 of Schedule 2 to this Agreement.

38. "Urban Community Subproject" means: (i) a specific project in small-scale basic infrastructure; (ii) a specific project in income generation activities; and (iii) such other activity and project as shall be identified by an Urban Beneficiary Community and determined to be eligible pursuant to the POM to be carried out by, or for the benefit of, such Urban Beneficiary Community, utilizing the proceeds the Financing.