June 14, 2010

CONFORMED COPY FOR PUBLIC DISCLOSURE

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

Re: Republic of Haiti: Global Environment Facility (GEF)
Grant for the Emergency Program for Solar Power Generation and Lighting for Haiti as a Consequence of the Earthquake in Port-au-Prince
GEF MSP Grant No. TF096178

Excellency:

I am writing on behalf of the International Bank for Reconstruction and Development (the Bank), acting as Implementing Agency of the Global Environment Facility (GEF), to indicate the Bank’s agreement to make a grant in an amount not exceeding five hundred thousand US Dollars ($500,000) (the Grant) to the Republic of Haiti (the Recipient).

The Grant is made in response to the Recipient’s request for financial assistance within the framework of the Emergency Program for Solar Power Generation and Lighting for Haiti as a Consequence of the Earthquake in Port-au-Prince in collaboration with the Inter-American Development Bank and for the purposes and on the terms and conditions set forth in the Annex to this Letter Agreement. The Recipient hereby confirms its request that the Bank carry out the activities described in paragraph 1 of the Annex to this Letter Agreement, and represents that it is authorized to contract the Grant for the said purposes and on the said terms and conditions.

The provision of the Grant does not constitute or imply any commitment on the part of the Bank, as GEF Implementing Agency or in its own capacity, or the International Development Association, to assist in financing any project which will result from the activities financed by the Grant.

Please note that it is the Bank’s policy to make publicly available this Letter Agreement and any information related thereto, after this Letter Agreement has become effective and the Recipient has given its consent to such disclosure. The Recipient, by countersigning this Letter Agreement, confirms its consent to such disclosure.
Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Letter Agreement. Upon receipt by the Bank of the copy of this Letter Agreement countersigned by you, this Letter Agreement will become effective as of the date of the countersignature; provided, however, that the offer of this Letter Agreement shall be deemed withdrawn if the Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Letter Agreement by the Bank, unless the Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Acting as Implementing Agency of the Global Environment Facility

By /s/ Yvonne Tsikata
Country Director
Caribbean Country Management Unit
Latin America and the Caribbean Region

AGREED:
REPUBLIC OF HAITI

By: Raymond A. Joseph
Authorized Representative

Title: Ambassador

Date: June 25, 2010
Definitions; Purposes, Terms and Conditions of the Grant

1. The purposes of the Grant are to support the Recipient’s emergency response to the Port-au-Prince Earthquake by providing autonomous energy and lighting using solar applications within the framework of the Emergency Program for Solar Power Generation and Lighting for Haiti as a Consequence of the Earthquake in Port-au-Prince (the Project). The activities (the Activities) for which the Grant is given are as follows, namely: the acquisition of solar power and/or hand-crank portable lanterns and lighting systems and the distribution thereof to illuminate the most sensitive areas through the provision of goods, which is estimated to cost US$500,000.

2. The Grant shall be used to finance goods and consultants required for the Activities.

3. The Bank shall carry out the Activities on behalf of the Recipient. The Recipient shall cooperate with the Bank to the extent necessary to permit the Bank to carry out the Activities promptly and effectively, and to evaluate the results of the Activities. The Recipient shall indemnify the Bank against any costs or liabilities incurred by the Bank as a result of claims against the Bank in connection with the Activities, except those resulting from the gross negligence or willful misconduct of its staff or external consultants.

4. This Grant is funded out of the GEF for which the Bank receives periodic contributions. The Bank shall carry out the Activities pursuant to this Letter Agreement only to the extent that the Grant funds required for such Activities are available to the Bank.

5. It is expected that the Activities will be completed by August 31, 2010, or such later date as the Bank may establish by notice to the Recipient (the Closing Date). After the Closing Date, the Bank may at any time cancel the remaining balance of the Grant.

6. The engagement and supervision of the consultants (the Consultants) and the procurement of goods required for the carrying out of the Activities shall be the responsibility solely of the Bank and shall be done according to the Bank’s applicable procedures.

7. The Recipient may at any time request the Bank in writing to terminate the Activities. Whether or not the Recipient has made such a request, the Bank may at any time suspend or, after consultation with the Recipient, terminate the right of the Recipient to receive Grant funds for the Activities if any of the following events has occurred and is continuing: (a) the Recipient has failed to perform any of its obligations under this Letter Agreement; or (b) the right of the Recipient or any other entity to which the Bank has made a loan with the guarantee of the Republic of Haiti, to make withdrawals under any loan agreement with the Bank or any development credit, grant or financing agreement with the International Development Association has been suspended.

8. The Bank is not an agent of, or trustee for, the Recipient and shall not have any fiduciary relationship with the Recipient. The Recipient shall have no right to any portion of the Grant that is not expended by the Bank pursuant to this Letter Agreement.