January 29, 2016

H.E. Wilson Laleau
Minister of Economy and Finance
Ministère de l’Economie et des Finances
5, Avenue Charles Sumner
Port-au-Prince
Republic of Haiti

Re: Republic of Haiti: Grant Number H865-0-HT
Business Development and Investment Project
Amendment Letter to the Financing Agreement

Excellency:

We refer to the Financing Agreement between the Republic of Haiti (the “Recipient”) and the International Development Association (the “Association”) dated June 14, 2013 with regard to the above-captioned Project (the “Agreement”). We also refer to your request dated May 9, 2014, requesting the Association to amend the Financing Agreement.

I. Amendments to the Financing Agreement

We are pleased to inform you that the Association has, after due consideration, acceded to your request. Accordingly, through this letter of Amendment to the Financing Agreement (the “Amendment to the Agreement dated January 29, 2016 or this “Amendment Letter”), the Agreement is amended as follows:

1. Schedule 1, Part A. 2 (Investment Generation), paragraphs (b), (c), (d), (e) and (f) to the Financing Agreement are deleted in their entirety.

2. Schedule 2, Section I. B.1 (Matching Grants Manual), revise the introductory sentence of paragraph (a) to read as follows:

“(a) Not later than two (2) months after the date on which the Amendment to the Agreement dated January 29, 2016 becomes effective in accordance with its terms, the Recipient shall:”

3. Schedule 2, Section I. B.3 (Matching Grants), paragraph (a) is revised to read as follows:

“(a) The Matching Grants shall be made on a grant basis, as follows: (i) Matching Grants for Business Improvement, to increase value chain productivity and competitiveness, not to exceed an amount equivalent to one hundred thousand Dollars (USD 100,000); and (ii) Matching Grants for Common Services, to develop logistical and other services that require economies of scale, for amounts ranging from minimum five hundred thousand Dollars (USD 500,000) equivalent, to maximum one million five hundred thousand (USD 1,500,000) equivalent”

4. Schedule 2, Section I.B.3 (Matching Grants), a new paragraph (b) is introduced to read as follows, and the subsequent paragraphs are re-lettered, accordingly:
“(b) The Recipient shall ensure that procurement of goods, works or services for the Subprojects to be funded out of the Matching Grants funds shall be carried out by the PIU in accordance with the Procurement Guidelines and Consultant Guidelines, and provided to the Beneficiaries. The Recipient shall ensure that the cost-sharing percentage for the Subproject, provided for under Section I.B.2(a)(v) of this Schedule 2, is provided by the Beneficiaries in accordance with the procedures set forth in the Matching Grants Manual.”

5. Schedule 2, Section IV.A (General), replace the table after section 2, for the following table:

<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) Goods, non-consulting services, consultants’ services and Training for the Project, as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Part A.1</td>
<td>936,645</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Part. A.2</td>
<td>9,798</td>
<td></td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants’ services and Training for Part B.1, B.2(a) and (b), and B. 3 of the Project</td>
<td>1,444,597</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, consultants’ services and Training under Matching grants under Par B.2(c) of the Project.</td>
<td>5,760,377</td>
<td>100% of the eligible amount of a Matching Grant in accordance with the formula set forth in the Operations Manual and the</td>
</tr>
</tbody>
</table>
(4) Goods, non-consulting services, consultant's services and Training under Part C of the Project 720,497 100%

(5) Operating Costs under Parts A.1 (a), A.1 (c), B.1, B.3 and C.1 of the Project 4,014,263 100%

(6) Emergency Expenditures under part D of the Project 360,249 100%

(7) Preparation Advance 153,574

TOTAL AMOUNT 13,400,000

6. Schedule 2, Section IV.B.1(c) is deleted in its entirety, and all subsequent paragraphs are re-lettered accordingly.

7. Schedule 2, Section IV.B.2, is revised to read as follows: “The Closing Date is November 30th, 2019.”

8. Appendix. Definitions. The definition of Matching Grant is revised to read as follows: ““Matching Grant” means indistinctively, a Matching Grant for Business Improvement, or a Matching Grant for Common Services, each, a grant made out of the proceeds of the Financing to a Beneficiary for a Subproject, in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.”

9. Appendix. Definitions. The following definitions are introduced, and the paragraphs of the Appendix are renumbered accordingly:

b. “19. “Matching Grants for Business Improvement” means Matching Grants for the financing of Subprojects for the purpose of increasing value chain productivity and competitiveness, pursuant to Section I.B.3(a)(i) of Schedule 2 to this Agreement, and in accordance with the Matching Grants Manual.”

c. “20. “Matching Grants for Common Services” means Matching Grants for the financing of Subprojects for the purpose of developing logistical and other services that require economies of scale, pursuant to Section I.B.3(a)(ii) of Schedule 2 to this Agreement, and in accordance with the Matching Grants Manual.”

10. Appendix. Definitions. The definition of “IEZs” or Integrated Economic Zones” is deleted, and all subsequent paragraphs are renumbered accordingly.

11. All references and cross-references in the Agreement to other sections of the Agreement, shall be construed in accordance to the revisions made pursuant to this Amendment, and to be reordered accordingly.

12. Except as specifically amended in this Amendment Letter, all other terms and conditions of the Financing Agreement shall remain in full force and effect.

II. Condition of Effectiveness to the Amendment.

Please note that a condition to the effectiveness of this Amendment Letter is the adoption by preparation and adoption by the Recipient of a revised Operations Manual for the Project in form and substance satisfactory to the Association.

III. Acceptance and Publication of the Restructuring Paper and Amendment Letter.

Please confirm your agreement to the foregoing by countersigning both copies of this Amendment Letter and returning one of the countersigned copies to us. This Amendment Letter will become effective upon: (i) the receipt by the Association of the countersigned original of this Amendment Letter; (ii) evidence acceptable to the Association that the Recipient has adopted the revised Operations Manual, in form and substance satisfactory to the Association.

Please also note that the restructuring paper approved on December 24, 2015 and a countersigned copy of this Amendment Letter will be disclosed on the Association’s external website as per the Association’s policy on access to information.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Mary A. Barton-Dock
Special Envoy to Haiti
Latin America and the Caribbean Region
AGREED:

REPUBLIC OF HAITI

By:

Authorized Representative

Title: Minister of Economy and Finance

Date: 5/2, 2016