Strategic Climate Fund
Scaling-up Renewable Energy in Low Income Countries Program
Grant Agreement

(Renewable Energy for All Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

acting as implementing entity of the Scaling-up Renewable Energy in Low Income Countries Program under the Strategic Climate Fund

Dated November 15, 2017
AGREEMENT dated December 15, 2017, entered into between:

REPUBLIC OF HAITI ("Recipient"); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as implementing entity of the Scaling-up Renewable Energy in Low Income Countries Program under the Strategic Climate Fund.

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 objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall: (a) carry out Part 1 and Parts 2(a), 2(b), and 2(d) of the Project, through the MTPTC Energy Cell; and (b) cause FDI to carry out Part 2(c) of the Project, 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 nineteen million six hundred twenty thousand United States Dollars ($19,620,000) ("Grant") to assist in financing the Project.

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 abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. 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 by the donors under the abovementioned 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 FDI Subsidiary Agreement.

(b) The FDI shall have failed to comply with any of its obligations under the FDI Subsidiary 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 Recipient prepared and adopted, in form and substance satisfactory to the World Bank, the Operational Manual; and

(c) the MTPTC Energy Cell and the PIU are operational and duly staffed, all in form and substance satisfactory to the World Bank.

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 date of this Agreement (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  
5, Avenue Charles Sumner  
Port-au-Prince  
Republic of Haiti

Facsimile: (509) 29 21003

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

International Bank for Reconstruction and Development  
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 at Port-au-Prince, Haiti, as of the day and year first above written.

REPUBLIC OF HAITI

By

Authorized Representative

Name: Jude Alix Patrick Salamou

Title: Ministry of Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as implementing entity of the Scaling-up Renewable Energy in Low Income Countries Program under the Strategic Climate Fund

By

Authorized Representative

Name: Anabela Abreu

Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to scale-up renewable energy investments in the Recipient’s territory in order to expand and improve access to electricity for households, businesses and community services.

The Project consists of the following parts:

Part 1: Grid-Connected Distributed Renewable Energy

Initiate the scaling up of the on-grid renewable energy investments by demonstrating the feasibility and benefits of injecting solar PV generation into EDH grids and developing the policy and regulatory environment for private sector-driven renewable energy investments.

(a) Demonstration Pilot Solar PV Investments

(i) Support the construction of pilot solar PV battery storage plants to feed at least one EDH isolated grids to demonstrate the feasibility of connecting mid-size solar PV plants with storage to relatively small and weak grids and;

(ii) upon the carrying out of the activities under Part 1(a)(i) of the Project, and as determined by the World Bank, explore options to promote the development of solar PV battery storage plants by private investors.

(b) Technical Assistance and Enabling Framework for Renewable Energy Scale-Up

Provide technical assistance to:

(i) the MTPTC Energy Cell, EDH, MEF, and other key stakeholders for the design, implementation and monitoring of the Demonstration Pilot Solar PV Investments, including the social and environmental safeguards aspects, and private sector participation; and

(ii) develop a broader enabling policy and regulatory framework to support renewable energy investments and private sector participation in the long term.

Part 2: Off-Grid Distributed Renewable Energy

Extend access to clean and modern energy services to households, communities and enterprises that are not served by EDH by deploying a wide range of off-grid electrification options.
(a) Renewable Energy Municipal Grids

Provide grants to Municipal Grid Service Providers to partially cover municipal grid investment costs under Service Agreements with selected municipalities (the MG Beneficiaries) to build and operate municipal grids on their territories, through: (i) hybridization of the existing municipal grids, and (ii) green-field investments.

(b) Renewable Energy for Productive and Community Use

Provide grants to (i) Distributed Energy Service Companies for the benefit of, inter alia, agribusinesses, rural enterprises, and public service institutions in rural areas (the PU Beneficiaries), or (ii) PU Beneficiaries, to support productive and community uses of off-grid renewable energy in order to support rural economic development, through: (A) pilots of viable, scalable and innovative business models; and (B) electrification of community and public service facilities.

(c) Distributed Systems

Provide grants to Distributed Energy Service Companies to supply solar home systems and Pico-PV solutions to selected households and small businesses (the DS Beneficiaries), through: (i) quality verified solar products to support penetration of higher quality products in the Recipient’s market; (ii) pilots of viable, scalable and sustainable business models; and (iii) growth of early stage off-grid businesses with viable scale-up plans.

(d) Capacity Building and Technical Assistance

Provide technical assistance: (i) to carry out feasibility studies of the investments under the Project, consumer awareness campaigns, and verification and monitoring and evaluation activities; (ii) to improve energy access policies and planning (e.g. least cost geospatial electrification plans, regulatory framework for mini-grids) and provide broader capacity building to support renewable energy and off-grid access scale-up in the Recipient’s territory, including for public agencies, universities, vocational training centers, energy businesses (including for environmental and social safeguards aspects), and households (e.g. for efficient use of energy services), and to (iii) carry out communication and consensus-building activities to promote clean energy and access.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. MTPTC and MG Beneficiaries
   (a) The Recipient shall ensure at all times during Project implementation, that the MTPTC and the MG Beneficiaries have responsibilities, resources and mandate satisfactory to the World Bank, as further detailed in the Operational Manual.
   (b) Without limitation to sub-paragraph (a) immediately above, the Recipient shall ensure that the MTPTC and the MG Beneficiaries shall be responsible for providing operational guidance to ensure prompt and efficient implementation of the parts of the Project under their respective responsibility, including, inter alia: (i) reviewing progress made towards achieving the Project’s objectives; (ii) facilitating the coordination of Project activities, and making recommendations for removal of any obstacles to the implementation of the Project; and (iii) providing comments on reports and reviews prepared by MTPTC Energy Cell under the Project, all in accordance with the Operational Manual.

2. MTPTC Energy Cell
   (a) The Recipient shall operate and maintain, at all times during the implementation of the Project, the MTPTC Energy Cell under the administrative authority of the MTPTC, with functions, staffing and resources satisfactory to the World Bank, as further detailed in the Operational Manual.
   (b) Without limitation to the provisions of Section I.A.1 of this Schedule, the Recipient shall ensure that the MTPTC Energy Cell shall be responsible for the day-to-day administration, overall planning, coordination, monitoring, evaluation, reporting, and communication of the activities under Part I and Parts 2(a), 2(b) and 2(d) of the Project; as further detailed in the Operational Manual.

3. Project Implementing Unit
   (a) The Recipient shall operate and maintain, at all times during the implementation of the Project, the PIU under the administrative authority
of the MTPTC, with functions, staffing and resources satisfactory to the World Bank, as further detailed in the Operational Manual.

(b) Without limitation to the provisions of Section I.A.1 of this Schedule, the Recipient shall ensure that the PIU shall be responsible for procurement, disbursement, safeguards, and financial management of the activities under Part 1 and Parts 2(a), 2(b) and 2(d) of the Project; as further detailed in the Operational Manual.

4. FDI Subsidiary Agreement

(a) To facilitate the carrying out of Part 2(c) of the Project, the Recipient shall make part of the proceeds of the Grant allocated to Category (6) available to the FDI under a subsidiary agreement ("FDI 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:

(i) 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 FDI 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 FDI Subsidiary Agreement (as the case may be);

(ii) the obligation of the FDI to carry out Part 2(c) of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social, and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required for Part 2(c) of the Project;

(iii) the obligation of the FDI to exchange views with the Recipient, and the World Bank with regard to the progress of Part 2(c) of the Project, and the performance of its obligations under the FDI Subsidiary Agreement;

(iv) 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 Part 2(c) of the Project;

(v) the obligation of the FDI to: (A) carry out Part 2(c) of the Project in accordance with the Operational Manual, the Anti-Corruption Guidelines and the provisions set forth in Section I.G of this
Schedule; and (B) take or permit to be taken all actions in order to enable the Recipient to comply with its obligations under this Agreement in respect of Part 2(c) of the Project; and

(vi) the obligation of the FDI to: (i) 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 Part 2(c) of the Project; and (ii) 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 Beneficiary and the World Bank.

(b) The Recipient shall exercise its rights under the FDI 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, or waive the FDI Subsidiary Agreement or any of its provisions.

5. Escrow Account

The Recipient shall establish and thereafter operate and maintain, at all times during the implementation of the Project, an escrow account (the Escrow Account) under the administrative authority of EDH and on terms and conditions satisfactory to the World Bank, as further detailed in the Operational Manual, to facilitate payments under the O&M Contract, and ensure sustainability under Part 1(a) of the Project.

B. Operational Manual

1. The Recipient shall carry out the Project in accordance with a manual (the Operational Manual), satisfactory in form and substance to the World Bank, which consists of different schedules setting forth rules, methods, guidelines, specific development plans, standard documents, and procedures for the carrying out of the Project, including the following:

(a) the detailed description of all Project activities, their sequencing and the prospective timetable and benchmarks in relation thereto;

(b) the Project administrative, financial, accounting, auditing, procurement safeguards (environmental and social), and disbursement procedures, including all relevant standard documents;
(c) the eligibility criteria for the Municipal Grid Investments, the model form for the Service Agreements, including the criteria to be met by Municipal Grid Service Providers to receive such Municipal Grid Grants and by MG Beneficiaries;

(d) the eligibility criteria for the Productive Use Investments, the main characteristics of the Productive Use Agreements, including the criteria to be met by Distributed Energy Service Companies to receive such Productive Use Grants and by PU Beneficiaries to benefit from said Productive Use Grants;

(e) the eligibility criteria for the Distributed System Investments, the main characteristics of the Distributed System Agreements, including the criteria to be met by Distributed Energy Service Companies to receive such Distributed System Grants and by households and small businesses to be selected to benefit from said Distributed System Grants;

(f) the monitoring indicators for the Project;

(g) the list of activities/investments excluded under the Project, including any activity involving the rehabilitation and/or construction of dams that are 15 meters or more in height;

(h) the description of the functioning of the Escrow Account; and

(i) the grievance mechanisms and the code of ethics and conduct.

2. The Operational Manual may only be amended from time to time in consultation with, and after approval of, the World Bank. In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. Municipal Grid Investments

1. For purposes of carrying out Part 2(a) of the Project, and upon selection of any given Municipal Grid Investment in accordance with criteria and procedures acceptable to the World Bank, as set forth in the Operational Manual, the Recipient, through the MTPTC Energy Cell, shall enter into an agreement (the Service Agreement) with the pertinent MG Beneficiary and Municipal Grid Service Provider (if applicable, as determined by the World Bank) under terms and conditions acceptable to the World Bank, which shall include, inter alia, the following:
(a) the obligation of the Recipient, through the MTPTC Energy Cell, to make a Municipal Grid Grant to the selected Municipal Grid Service Provider for the implementation of a Municipal Grid Investment.

(b) the right of the Recipient, through the MTPTC Energy Cell, to:

(i) suspend in whole or in part the right of the selected Municipal Grid Service Provider to benefit from the proceeds of the Municipal Grid Grant, or obtain a refund of all or any part of the amount of the Municipal Grid Grant then withdrawn, upon the selected Municipal Grid Service Provider’s failure to perform any of its obligations under the Service Agreement; or

(ii) terminate the Service Agreement, as the case may be.

(c) the obligation of the Municipal Grid Service Provider to:

(i) carry out the pertinent Municipal Grid Investment with due diligence and efficiency and in accordance with the provisions of the Operational Manual, the Anti-Corruption Guidelines applicable to recipient of Grant proceeds other than the Recipient, and the pertinent provisions of this Agreement, including those set forth in Sections I.F and I.G of this Schedule; and

(ii) (A) maintain adequate records and accounts, and make available such documentation to the Recipient and any other information that the Recipient may request in order to comply with its obligations under Section II of this Schedule; and (B) ensure that the Municipal Grid Investments are used for the intended purpose, and

2. The Recipient shall exercise its rights and carry out its obligations, through the MTPTC Energy Cell, under each Service Agreement in such manner as to protect the interests of the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient, through the MTPTC Energy Cell, shall not assign, amend, abrogate, repeal, terminate, waive or fail to enforce any Service Agreement or any provision thereof.

D. Productive Use Investments

1. For purposes of carrying out Part 2(b) of the Project, and upon selection of any given Productive Use Investment in accordance with criteria and procedures acceptable to the World Bank, as set forth in the Operational Manual, the Recipient, through the MTPTC Energy Cell, shall enter into an agreement (the Productive Use Agreement) with the Distributed Energy Service Company or the
PU Beneficiary, as the case may be, under terms and conditions acceptable to the World Bank, which shall include, inter alia, the following:

(a) the obligation of the Recipient, through the MTPTC Energy Cell, to: make a Productive Use Grant to the Distributed Energy Service Companies, for the benefit of the PU Beneficiaries, or to the PU Beneficiaries (as the case may be), for the implementation of a Productive Use Investment under a Productive Use Agreement.

(b) the right of the Recipient, through the MTPTC Energy Cell, to:

(i) suspend in whole or in part the right of the Distributed Energy Service Companies or the PU Beneficiaries to benefit from the proceeds of the Productive Use Grant, or obtain a refund of all or any part of the amount of the Productive Use Grant then withdrawn, upon the Distributed Energy Service Company’s or PU Beneficiaries’ failure to perform any of its obligations under the Productive Use Agreement; or

(ii) terminate the Productive Use Agreement, as the case may be.

(c) the obligation of the Distributed Energy Service Company or the PU Beneficiary to:

(i) carry out the pertinent Productive Use Investment with due diligence and efficiency and in accordance with the provisions of the Operational Manual, the Anti-Corruption Guidelines applicable to recipient of Grant proceeds other than the Recipient, and the pertinent provisions of this Agreement, including those set forth in Sections I.F and I.G of this Schedule.

(ii) (A) maintain adequate records and accounts, and make available such documentation to the Recipient and any other information that the Recipient may request in order to comply with its obligations under Section II of this Schedule; and (B) ensure that the Productive Use Investments are used for the intended purpose, and

2. The Recipient shall exercise its rights and carry out its obligations, through the MTPTC Energy Cell, under each Productive Use Agreement in such manner as to protect the interests of the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient, through the MTPTC Energy Cell, shall not assign, amend, abrogate, repeal, terminate, waive or fail to enforce any Productive Use Agreement or any provision thereof.
E. Distributed System Investments

1. For purposes of carrying out Part 2(c) of the Project, and upon selection of any given Distributed System Investment in accordance with criteria and procedures acceptable to the World Bank, as set forth in the Operational Manual, the Recipient shall cause FDI, to enter into an agreement (the Distributed System Agreement) with the Distributed Energy Service Company (if applicable, as determined by the World Bank) under terms and conditions acceptable to the World Bank, which shall include, *inter alia*, the following:

(a) the obligation of FDI to make a Distributed System Grant to the selected Distributed Energy Service Company for the implementation of a Distributed System Investment.

(b) the right of the FDI, to:

(i) suspend in whole or in part the right of the selected Distributed Energy Service Company to benefit from the proceeds of the Distributed System Grant, or obtain a refund of all or any part of the amount of the Distributed System Grant then withdrawn, upon the selected Distributed Energy Service Company’s failure to perform any of its obligations under the Distributed System Agreement; or

(ii) terminate the Distributed System Agreement, as the case may be.

(c) the obligation of the Distributed Energy Service Company to:

(i) carry out the pertinent Distributed System Investment with due diligence and efficiency and in accordance with the provisions of the Operational Manual, the Anti-Corruption Guidelines applicable to recipient of Grant proceeds other than the Recipient, and the pertinent provisions of this Agreement, including those set forth in Sections I.F and I.G. of this Schedule; and

(ii) (A) maintain adequate records and accounts, and make available such documentation to the Recipient and any other information that the Recipient may request in order to comply with its obligations under Section II of this Schedule; and (B) ensure that the Distributed System Investments are used for the intended purpose, and

2. The Recipient shall exercise its rights and carry out its obligations, through the FDI, under each Distributed System Agreement in such manner as to protect the interests of the World Bank and to accomplish the purposes of the Grant; except
as the World Bank shall otherwise agree, the Recipient, through the FDI, shall not assign, amend, abrogate, repeal, terminate, waive or fail to enforce any Distributed System Agreement or any provision thereof.

F. Anti-Corruption

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

G. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the ESMF, the RPF, and any site-specific EMP or RAP to be developed and approved in accordance with the ESMF and the RPF, respectively, all in a manner acceptable to the World Bank. The Recipient shall not amend, suspend or abrogate any of the provisions of the ESMF, the RPF or any EMP or RAP without the prior agreement of the World Bank.

2. Prior to the carrying out of any works under the Project, the Recipient shall: (i) carry out an environmental and social screening and assessment of the proposed activities; (ii) carry out a resettlement screening and assessment of the proposed activities; (iii) as applicable, and as determined by the World Bank, prepare an EMP and/or RAP, all in accordance with the ESMF, or the RPF; and (iv) immediately thereafter, carry out the pertinent EMP and/or RAP in accordance with its terms and in a manner acceptable to the World Bank.

3. The Recipient shall ensure that the contractors for civil works under the Project include the obligation of the relevant contractor to comply with and implement the relevant ESMF, RPF, EMP or RAP, as applicable to such civil works commissioned or carried out pursuant to said contract.

4. The Recipient shall ensure that the terms of reference for any consultancy in respect of any Project activity 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.

5. Without limitation to the provisions of Section I.G.2 of this Schedule 2, the Recipient undertakes that no physical or economic involuntary resettlement (as interpreted in accordance with the World Bank’s Operational Policy 4.12 (OP 4.12)) shall take place in connection with Project implementation without a RAP.

6. The Recipient undertakes that no activity involving the use or potential pollution of the Artibonite River or the Massacre and Artibonite aquifers (as determined by
the World Bank) shall be carried out under the Project in accordance with the World Bank’s Safeguards Policies (OP/BP 7.50).

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 on the basis of indicators set forth in the Operational Manual. Each Project Report shall cover the period of one fiscal semester, and shall be furnished to the World Bank not later than forty-five 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, recruit 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

A. 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 “World Bank Procurement Regulations for Borrowers under Investment Project Financing” dated July 1, 2016 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated June 1, 2017 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

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 Dollars) TF0A5191</th>
<th>Amount of the Grant Allocated (expressed in Dollars) TF0A5190</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services and Operating costs and Training for Part 1(a)(i) of the Project</td>
<td>6,000,000</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consulting services and Operating costs and Training for Part 1(a)(ii) of the Project</td>
<td>4,500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consulting services and Operating costs and Training for Parts 1(b) and 2(d) of the Project</td>
<td>500,000</td>
<td>1,000,000</td>
<td>33% TF0A5191 and 67% TF0A5190</td>
</tr>
<tr>
<td>(4) Goods, works, non-consulting services, consulting services and Operating costs and Training for Part 2(a) of the Project</td>
<td></td>
<td>3,620,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Goods, works, non-consulting services, consulting services and Operating costs and Training for Part 2(b) the Project</td>
<td></td>
<td>1,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Goods, works, non-consulting services, consulting services and Operating costs and Training for Part 2(c) the Project</td>
<td></td>
<td>3,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>11,000,000</td>
<td>8,620,000</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), until at least one contract for the carrying out of Part 1(a)(i) has been awarded by the Recipient in accordance with Section III of this Schedule, in form and substance satisfactory to the World Bank;
(c) under Category (2), until:
   (i) the Recipient has established the Escrow Account; and
   (ii) the O&M Contract has been executed in form and substance satisfactory to the World Bank;
(d) under Category (4), until the first Service Agreement has been signed in form and substance satisfactory to the World Bank;
(e) under Category (5), until the first Productive Use Investment Agreement has been signed in form and substance satisfactory to the World Bank; and
(f) under Category (6), until:
   (i) the first Distributed System Investment Agreement has been signed in form and substance satisfactory to the World Bank;
   (ii) the CTF Agreements have been executed and delivered and all conditions precedent to their effectiveness or to the right of the Recipient to make withdrawals under them have been fulfilled;
   (iii) the OGEF has been established under the FDI on terms and conditions, and in a manner, acceptable to the World Bank;
   (iv) the FDI Subsidiary Agreement has been executed by the parties thereto, in form and substance satisfactory to the World Bank; and
   (v) a separate opinion satisfactory to the World Bank, of counsel acceptable to the World Bank, on behalf of the Recipient and FDI, has been issued, respectively, showing that the FDI Subsidiary Agreement has been duly authorized by the Recipient and the FDI and is legally binding upon the Recipient and the FDI in accordance with its terms.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2024.
APPENDIX

Definitions


2. "Bank of Haiti" means the Recipient’s central bank, or any successor thereto acceptable to the World Bank.

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

4. "CTF Agreements" means the loan agreement and the grant agreement to be entered into between the Recipient and the International Development Association, acting as an implementing entity of the Clean Technology Fund, to assist in the financing of the Haiti Modern Energy Services for All Project.

5. "Demonstration Pilot Solar PV Investment" means a pilot investment referred to in Part 1(a)(i) of the Project that demonstrates the feasibility and benefits of injecting solar PV generation into EDH grids.

6. "Distributed Energy Service Company" means any company that operates in the Recipient’s territory and provides solar home system and Pico-PV solutions to households, small businesses and other entities, using quality products and sustainable business models, which has met the eligibility criteria set forth in the Operational Manual to receive a Distributed System Grant or a Productive Use Grant (as the case may be).

7. "Distributed System Agreement" means any of the agreements referred to in Section I.E.1 of Schedule 2 to this Agreement.

8. "Distributed System Grant" means the grant made or proposed to be made out of the proceeds of the Grant by the Recipient to Distributed Energy Service Companies for the benefit of DS Beneficiaries to carry out any given Distributed System Investment under specific terms and conditions set forth in the Distributed System Agreement.

9. "Distributed System Investment" means any of the investments referred to in Part 2(c) of the Project.
10. "DS Beneficiaries" means any household, school, health center, community center, or small business that has met the eligibility criteria set forth in the Operational Manual to benefit from a Distributed System Investment; "DS Beneficiary" means any of said DS Beneficiaries.

11. "EDH" means "Electricité d'Haiti", the Recipient's electricity public company, or any successor thereto acceptable to the World Bank.

12. "EMP" means an environmental management plan, acceptable to the World Bank, which has been prepared, consulted, adopted and published by the Recipient based on the ESMF and which sets forth the detailed modalities for environmental and social management under the Project, including any measures to mitigate any negative environmental and social impacts.

13. "Escrow Account" means the account referred to in Section I.A.5 of Schedule 2 to this Agreement.

14. "ESMF" means the Recipient's framework for the environmental and social management of the Project dated May 31, 2017, acceptable to the World Bank, and disclosed by the Recipient in a manner acceptable to the World Bank, and published and made available to the public on the Recipient's website at http://ciat.gouv.ht/articles/services-energetiques-renouvelables-pour-tous-cadre-de-gestion-environnementale-et-sociale and through the World Bank's external website, which contains, inter alia, guidelines for the carrying out of environmental and social assessments and for the preparation and implementation of environmental management plans, when applicable, as such framework may be amended from time to time with the prior agreement of the World Bank.

15. "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, inter alia, for establishing the OGEF.

16. "FDI Legal Framework" means the Recipient's decree creating under the Bank of Haiti an "Industrial Development Fund" (Décret créant auprès de la Banque de la République d'Haiti un "Fonds de Développement Industriel, FDI"), dated March 26, 1981, and published in the Recipient's official gazette, and the organizational documents, pursuant to which the FDI is organized and operating.

17. "FDI Subsidiary Agreement" means the agreement referred to in Section I.A.4 of Schedule 2 to this Agreement, as said agreement may be amended from time to time with the agreement of the World Bank.

18. "Involuntary Resettlement" means the impact of: (i) an involuntary taking of land under the Project, which taking causes affected persons to have their: (a) income source or means of livelihood adversely affected (whether or not the affected
persons must move to another location); or (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently; or (ii) an involuntary restriction of access to legally designated parks and protected areas (including reserves) which causes an adverse impact on the livelihoods of the displaced persons.


20. “MG Beneficiaries” means any municipality or group of municipalities that has met the eligibility criteria set forth in the Operational Manual to benefit from a Municipal Grid Investment; “MG Beneficiary” means any of said MG Beneficiaries.


22. “MTPTC Energy Cell” means MTPTC’s unit in charge of supporting the development of the energy sector, or any successor thereto acceptable to the World Bank.

23. “Municipal Grid Grant” means a grant made or proposed to be made out of the proceeds of the Grant by the Recipient for the benefit of a MG Beneficiary to carry out any given Municipal Grid Investment under specific terms and conditions set forth in the Service Agreement and “Municipal Grid Grants” means, collectively, the plural thereof.

24. “Municipal Grid Investment” means any of the investments referred to in Part 2(a) of the Project.

25. “Municipal Grid Service Provider” means any investor or private company, which meets the eligibility criteria set forth in the Operational Manual to receive a Municipal Grid Grant.

26. “O&M Contract” means the operation and maintenance contract to be signed between the Recipient, through MTPTC Energy Cell, and a competitively selected contractor for the operation and maintenance of the solar PV battery storage plants constructed under Part 1(a)(i) of the Project.
27. "OGEF" or "Off-Grid Electricity Fund" means the off-grid energy account to be established by the FDI for the purpose of financing commercially viable off-grid energy enterprises in the Recipient's territory.

28. "Operating Costs" means reasonable and necessary incremental expenses incurred on account of Project implementation, including office supplies, vehicle operation and maintenance, insurance costs, bank charges, office administration costs, utilities, travel, per diem and supervision costs and salaries of locally contracted employees (excluding salaries of the Recipient's civil service staff), and as approved by the World Bank.

29. "Operational Manual" means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement, as said manual may be revised from time to time with the World Bank's prior and written approval.

30. "Pico-PV" means small off grid solar products mainly used for lighting.

31. "Procurement Plan" means the Recipient's procurement plan for the Project, dated June 1, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.


33. "Productive Use Agreement" means any of the agreements referred to in Section I.D.1 of Schedule 2 to this Agreement.

34. "Productive Use Grant" means the grant made or proposed to be made out of the proceeds of the Grant by the Recipient to (a) Distributed Energy Service Companies for the benefit of PU Beneficiaries, or (b) PU Beneficiaries, to carry out any given Productive Use Investment under specific terms and conditions set forth in the Productive Use Agreement.

35. "Productive Use Investment" means any of the investments referred to in Part 2(b) of the Project.

36. "Project Implementation Unit" or "PIU" means the unit referred to in Section I.A.3 of Schedule 2 to this Agreement.

37. "PU Beneficiaries" means any agribusiness, rural enterprise, public service and institution in rural areas that have met the eligibility criteria set forth in the Operational Manual to benefit from a Productive Use Investment, and if applicable, to receive a Productive Use Grant; "PU Beneficiary" means any of said PU Beneficiaries.

38. "PV" means photovoltaic.
39. "RAP" means the Recipient’s resettlement action plan for the Project, acceptable to the World Bank and based on the RPF, to be prepared, consulted, adopted and published by the Recipient in a manner acceptable to the World Bank on the Recipient’s website at http://ciat.gouv.ht/articles/services-energetiques-renouvelables-pour-tous-cadre-de-politique-de-r%C3%A9installation-cpr and through the World Bank’s external website, which, inter alia, sets forth the detailed modalities of Involuntary Resettlement, including the related compensation and assistance of Displaced Persons under the Project.

40. "RPF" means the Recipient’s resettlement policy framework for the Project, dated May 31, 2017, acceptable to the World Bank, and disclosed by the Recipient in a manner acceptable to the World Bank and through the World Bank’s external website, which contains, inter alia, guidelines for screening for potential Involuntary Resettlement and land acquisition, the preparation and implementation of land acquisition plans, when applicable, including compensation guidelines and grievance redress mechanisms, as such framework may be amended from time to time with the prior agreement of the World Bank.

41. "Service Agreement" means any of the agreements referred to in Section I.C.1 of Schedule 2 to this Agreement.

42. "Training" means expenditures incurred by the Recipient in connection with carrying out training activities under the Project, including travel costs and per diem for local trainees, including MG Beneficiaries and PU Beneficiaries, study tours, workshops, conferences, rental of facilities and equipment, and training materials and related supplies.

43. "World Bank’s Safeguards Policies" means the World Bank’s operational policies and procedures set forth in the World Bank’s Operational Manual under OP/BPs 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60, as said manual is published under www.WorldBank.org/opmanual.