Re: Haiti: Sustainable Rural and Small Towns Water and Sanitation Project
IDA Grant No. D068-0-HT
Amendment to the Financing Agreement

His Excellency Jude Alix Patrick Salomon
Ministère de l'Economie et des Finances
5, Avenue Charles Sumner
Port-au-Prince
Republic of Haiti

Facsimile: (509) 29 21003

Re: Haiti: Sustainable Rural and Small Towns Water and Sanitation Project
IDA Grant No. D068-0-HT
Amendment to the Financing Agreement

Excellency:

1. We refer to the Financing Agreement (the Agreement), dated July 21, 2015, between the Republic of Haiti (“Recipient”) and the International Development Association (“Association”) for the above-mentioned Project. We also refer to the Minutes of Negotiations for the Additional Financing for the Sustainable Rural and Small Towns Water and Sanitation Project dated May 10-12, 2017, requesting the application of the new Procurement Regulations, the new Anti-Corruption Guidelines and the creation of a new disbursement category to finance resettlement compensation and assistance to Displaced Persons under the Parts 2 and 3 of the Project.

2. The Association has agreed to your request and consequently, the Financing Agreement is amended to read as set forth below:

A. Section I.G. of Schedule 2 to the Agreement is amended to read as follows:

“G. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the ESMF and the RPF and any site-specific environmental management plan or resettlement action plan (RAP) to be developed and approved in accordance with the ESMF and RPF, respectively, all in a manner acceptable to the Association.

7, Rue Ogé, Pétion Ville, Haiti
The Recipient shall not amend, suspend or abrogate any of the provisions of the ESMF (or any environmental management plans prepared thereunder) or the RPF (or any resettlement action plans prepared thereunder) without the prior agreement of the Association.

2. Prior to the carrying out of any works under the Project, the Recipient shall cause DINEPA to: (a) carry out an environmental and social screening and assessment of the proposed activities; (b) carry out a resettlement screening and assessment of the proposed activities, if need be; and (c) as applicable, prepare plans for environmental management or resettlement, acceptable to the Association, all in accordance with the ESMF and the RPF.

3. The Recipient shall cause DINEPA to 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, environmental management plan, resettlement action plan, 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 Association following its review thereof, and to that end, such terms of reference shall duly incorporate the requirements of the Association'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.3 of this Schedule 2, the Recipient undertakes that no physical or economic Involuntary Resettlement (as interpreted in accordance with the Association's Operational Policy 4.12 (OP 4.12)) shall take place in connection with Project implementation without a specific RAP to be adopted by the Recipient in form and substance satisfactory to the Association.

B. Section III of Schedule 2 to the Agreement is amended to read as follows:

"Section III. Procurement

1. All goods, works, non-consulting services and 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 the Procurement Regulations and the provisions of the Procurement Plan.

2. Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for Part 3 of the Project shall be procured in accordance with the procurement methods and procedures set forth in the procurement plan for the Eligible Emergency."
C. The table under Section IV.A.2 of Schedule 2 to the Agreement is amended to read as per the attachment to this Amendment Letter.

D. The Appendix to the Agreement is amended by deleting definitions No. 8 ("Consultant Guidelines") and No. 24 ("Procurement Guidelines"), by amending definition No. 1 ("Anti-Corruption Guidelines") and by adding new definitions on "Displaced Persons", "Involuntary Resettlement", "Procurement Guidelines" and "RAP", and by renumbering all definitions accordingly, to read as follows:

**APPENDIX**


"Displaced Person" means a person who, on account of the execution of the Project had or would have been affected by an Involuntary Resettlement; and "Displaced Persons" means, collectively, all such Displaced Persons.

"Involuntary Resettlement" means the impact of: (a) an involuntary taking of land under the Project, which taking causes Displaced Persons to have their: (i) income source or means of livelihood adversely affected (whether or not the affected persons must move to another location); or (ii) 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 (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently; or (b) 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.

"Procurement Regulations" means the "World Bank Procurement Regulations for Borrowers under Investment Project Financing", dated July 1, 2016.

"RAP" means a Resettlement Action Plan to be adopted by the Recipient based on the RPF, if need be, found acceptable to the Association and setting forth the detailed modalities for resettlement and compensation of Displaced Persons under the Project.

3. All other provisions of the Agreement, except as amended hereby, shall remain in full force and effect.
4. Please confirm your agreement to the foregoing by signing, dating and returning to us one fully executed original of this amendment letter and retaining one original of the letter for your records. This amendment letter shall become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Mary Barton-Dock
Special Envoy for Haiti
Latin America and the Caribbean Region

AGREED:

REPUBLIC OF HAITI

By: __________________________
Authorized Representative

Name: Jude Aux Patrick Salomon
Title: MINISTER OF ECONOMY
Date: JUNE 29, 2017
<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>
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<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services and Operating costs for the Project</td>
<td>32,870,700</td>
<td>100%</td>
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<td>(2) Emergency Expenditures under the CER Part of the Project</td>
<td>2,551,000</td>
<td>100%</td>
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<tr>
<td>(3) Refund of Preparation Advance</td>
<td>768,800</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(4) Resettlement compensation and assistance for Displaced Persons under Parts 2 and 3 of the Project</td>
<td>109,500</td>
<td>100%</td>
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<tr>
<td>TOTAL AMOUNT</td>
<td>36,300,000</td>
<td></td>
</tr>
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