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H.E. Ronald Baudin  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Republic of Haiti  
Rue Oswald Durand 104  
Palais des Ministères  
Port-au-Prince, Haiti

Re: Haiti: Education for All Project  
IDA Grant No. H286-0-HA  
First Amendment to the Financing Agreement

Excellency:

We refer to the Financing Agreement (the Original Financing Agreement) between the Republic of Haiti (the Recipient) and the International Development Association (the Association) dated April 27, 2007 with regard to the above-captioned Project.

We also refer to your request BM/BM/158/04-10 to reallocate funds among Categories in the disbursement table in Section IV.A.2 of Schedule 2 to the Original Financing Agreement and to the minutes of negotiation of a proposed Financing Agreement (the Additional Financing Agreement) pursuant to which the Association would extend to the Recipient an additional financing for the Project, signed between the Association and the Recipient on [___]. In said minutes of negotiations the Recipient and the Association have recorded their agreement on the need, to the extent possible, to harmonize the language of the Original Financing Agreement and the Additional Financing Agreement, as negotiated.

Please note that capitalized terms used in this letter (Amendment Letter) and not defined herein have the meaning ascribed to them in the Original Financing Agreement. We are pleased to inform you that the Association proposes, through this Amendment Letter, to amend the Original Financing Agreement as follows:

1. The first Paragraph in Schedule 1 to the Original Financing Agreement is amended to read as follows:

   “The objectives of the Project are: (a) to improve access to, and equity of, primary education; (b) operationalize partnerships between public and non public sectors; and (c) build capacity to assess learning outcomes.”

2. A new paragraph is added as Section I.A.3 of Schedule 2 to the Original Financing Agreement, which reads as follows:

   “3. Without limitation to the provisions of Section I.A.2 of Schedule 2 to the Original Financing Agreement, the Recipient shall ensure that the PMT is, throughout the implementation of the Project, assisted by professional staff, all in adequate number and with terms of reference, qualification and experience satisfactory to the Association.”
3. A new paragraph is added as Section I.B.4 of Schedule 2 to the Original Financing Agreement, which reads as follows:

“4. The Recipient shall: (a) not later than October 31, 2010, amend, update and/or revise the Operational Manual in a manner satisfactory to the Association, for the purpose of, inter alia, (i) revising the indicators agreed with the Association; (ii) changing the means of verification of school subsidy implementation from financial reporting to physical inspection, in accordance with the provisions of Section II.A.3 of this Schedule; and (iii) including precisely the number of pupils supported under Part 1.A of the Project and the Recipients’ regions (departments) in which Part 1.A of the Project will be carried out; and (b) continue to carry out the Project in accordance with the Operational Manual.”

4. Section II.A.2 of the Original Financing Agreement is amended to read as follows:

“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 November 30, 2012.”

5. A new paragraph is added as Section II.A.3 of Schedule 2 to the Original Financing Agreement, which reads as follows:

“3. With respect to the monitoring of Part 1.A of the Project, the Recipient shall: (i) cause school inspectors to visit participating schools each year during Project implementation to verify that Student Enrollment Agreements (including, inter alia, a list of students registered for the school year) have been signed by the parties thereto, as well as student attendance and the availability of teaching materials (including text books) in classes; (ii) select and hire an independent auditor on the basis of terms of reference satisfactory to the Association and in accordance with the provisions of Section III of this Schedule, to conduct spot checks and verify the school inspectors’ reports each year during Project implementation; and (iii) cause the auditor referred to in (ii) herein to prepare, not later than August 31 each year, a report acceptable to the Association integrating the results of the inspections, spot checks and verifications mentioned in (i) and (ii) herein, which report shall be made available to the Association upon request, all as further detailed in the Operational Manual.”

6. Section II.B.2 of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“2. Without limitation to the provisions of paart A of this Section, the Recipient shall, through MENPF, prepare and furnish to the Association not later than forty-five days after the end of each calendar quarter, interim un-audited financial reports for the Project, including financial reports of SMCs and Beneficiary CBOs, covering the quarter, in form and substance satisfactory to the Association.”

7. The table in Section IV.A.2 of Schedule 2 to the Original Financing Agreement is amended to read as follows:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Works, Non Consultant Services, consultants’ services, and Operating Costs for Part 1 of the Project, including those required for Student Enrollment Subprojects</td>
<td>13,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, Works, Non Consultant Services, consultants’ services and Operating Costs for Part 2A and Part 2C of the Project</td>
<td>300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, Works, Non Consultant Services, consultants’ services and Operating Costs for Part 2B of the Project, including those required for School Feeding Subprojects</td>
<td>1,449,510</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, Works, Non Consultant Services, consultants’ services and Operating Costs for Part 3 of the Project</td>
<td>850,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Goods, Works, Non Consultant Services, consultants’ services and Operating Costs for Part 4 of the Project</td>
<td>1,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Refund of Project Preparation Advance</td>
<td>490</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
</tbody>
</table>

**TOTAL AMOUNT**  
16,800,000

8. Paragraph 2, Section IV.B of Schedule 2 to the Original Financing Agreement is amended to read as follows:

“The Closing Date is May 31, 2012.”

Please confirm your agreement with the foregoing amendments by signing and dating this Amendment Letter in the spaces provided below. Henceforward, all other provisions of the Original Financing Agreement, except as amended through this Amendment Letter, shall remain in full force and effect. This Amendment Letter shall be executed in two counterparts, each of which shall be an original.
Upon confirmation, please return one fully executed original to us. The provisions set forth in this Amendment Letter shall become effective as of the date of countersignature upon receipt by the Association of the countersigned original of this Amendment Letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

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

AGREED:

REPUBLIC OF HAITI

By: /s/ Ronald Baudin
Authorized Representative

Title: Minister of Economy and Finance

Date: July 15, 2010