OFFICIAL DOCUMENTS

GRANT NUMBER D323-HT

Financing Agreement

(Haiti Rural Accessibility and Resilience Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF HAITI ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient a grant, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to fifty-one million six hundred thousand Special Drawing Rights (SDR 51,600,000) ("Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Payment Dates are January 15 and July 15, in each year.

2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Parts 1, 2, 3, and 5 the Project, through the MTPTC,
and Part 4 through the Coordinating Authority, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

4.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. Except as provided in Section 2.02 of this Agreement, the Recipient’s Representative is its Ministry of Economy and Finance.

5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient’s address is:

Ministère de l’Economie et des Finances
Palais des Ministères
5, Avenue Charles Sumner/Turgeau
Port-au-Prince
République d’Haïti; and

(b) the Recipient’s Electronic Address is:

Facsimile: (+509) 229 917 32 E-mail: cabinet@mef.gouv.ht

5.03. For purposes of Section 11.01 of the General Conditions: (a) The Association’s address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association’s Electronic Address is:

Telex: 248423 (MCI) Facsimile: 1-202-477-6391 E-mail: aabreu@worldbank.org
AGREED as of the Signature Date.

REPUBLIC OF HAITI

By

Authorized Representative

Name: Jude Alix Patrick Saillon
Title: Minister of Economy and Finance
Date: June 6, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Anabela Abreu
Title: Country Director for Haiti
Date: June 6, 2018
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) increase all-weather road access in selected sub-regions; and (b) improve the resiliency of selected segments of the road network.

The Project consists of the following parts:

Part 1. Enhancing Rural Connectivity

Improve all-weather road access to essential services and markets for the targeted population and build resilience to climate events, through, inter alia: (a) carrying out rehabilitation works of tertiary and rural road network, including: (i) correcting the surfaces with limited re-graveling or paving to provide durable running surface over poor soils; (ii) building drainage structures (culverts, small bridges, and on steep gradients, removing landslides); and (iii) building retaining walls and erosion control structures and including their associated studies; (b) carrying out small investments, including lighting, bus stops, and other safety structures, in inhabited areas, near schools and around water kiosks and health centers; (c) carrying out technical assistance, trainings and developing technical guidelines for the Recipient’s national all-weather rural road access program; (d) preparing and financing of local mobility plans; and (e) reinforcement of coastal protection and slope stabilization works.

Part 2. Improving Resilience of Transport Connecting Infrastructure

Strengthen resilience to climate change and extreme weather events on the primary and secondary road network, through, inter alia: (a) carrying out studies of the roads and bridges vulnerability and identification of critical points; (b) carrying out upgrading, rehabilitating, and reconstructing works in said roads and bridges; (c) carrying out technical assistance and training activities to support the design of said works and development of maintenance guidelines; (d) development of a national bridge management program, and a planning and bridge assessment and management system within the MTPTC; (e) reinforcement of coastal protection and slope stabilization works; and (f) support to the application of the Safeguard Instruments.

Part 3. Promoting Sustainable Mobility Development

Strengthen institutional capacity of the MTPTC, through the carrying out of technical assistance, trainings, and the provision of goods to support the improvement of inter-urban connectivity, resilience of the road network, rural access connectivity, and affordable sustainable urban transports; improve the inclusion of gender and safety measures in road planning and design; and carry out technical studies to assess appraise and select potential future investments.
**Part 4. Contingent Emergency Response**

Provide immediate response to an Eligible Emergency, as needed.

**Part 5. Project Management**

Support the MTPTC in the coordination, implementation management and supervision (including, fiduciary aspects and monitoring and evaluation, and reporting of Project activities and results), including the carrying out of Project audits.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall operate and maintain, throughout Project implementation, the UCE, with qualified and experienced staff in sufficient numbers, as well as with adequate funds, facilities, services, and other resources, all acceptable to the Association.

2. For purposes of implementing Section 5.09 of the General Conditions, the Recipient shall, no later than four (4) months after the Effective Date, hire an independent auditor under terms and conditions acceptable to the Association.

B. Project Implementation Manual

1. The Recipient shall adopt and thereafter carry out the Project, in accordance with the Project Implementation Manual, which consists of different schedules setting forth, respectively, 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 Project implementation activities, their sequencing and the prospective timetable and benchmarks in relation thereto;

   (b) the Project administrative, accounting, auditing, reporting, financial, and disbursement procedures, including all pertinent standard documents and model contracts;

   (c) the plan for capacity building and training activities under the Project;

   (d) the plan for the monitoring, evaluation and supervision of the Project;

   (e) the eligibility criteria for the investments under the Project;

   (f) the Safeguards Instruments;

   (g) the grievance mechanisms and the code of conduct;

   (h) the performance indicators for the Project; and
(i) the list of priority investment sub-regions and selection process for the investments under the Project.

2. In the event that any provision of the Project Implementation Manual shall conflict with any of the provisions under this Agreement, the terms of this Agreement shall prevail.

3. The Project Implementation Manual may only be amended from time to time in consultation with, and with prior approval of, the Association.

C. Contingent Emergency Response

1. In order to ensure the proper and timely implementation of Part 4 of the Project aimed to provide immediate response to potential Eligible Emergency, the Recipient shall take all actions required on its behalf to ensure that Part 4 of the Project is carried out in accordance with the following provisions:

(a) The Recipient shall:

   (i) prepare and furnish to the Association for its review and approval, a draft of the Emergency Response Operations Manual setting forth detailed implementation arrangements for Part 4 of the Project, including: (A) designation of, terms of reference for, and resources to be allocated to, the entity to be responsible for coordinating and implementing Part 4 of the Project ("Coordinating Authority"); (B) specific activities which may be included under Part 4 of the Project, the Emergency Expenditures required therefor and the proposed procedures for such inclusion; (C) financial management arrangements under Part 4 of the Project; (D) procurement methods and eligibility procedures for Emergency Expenditures to be financed under Part 4 of the Project; (E) the documentation required for withdrawals of Emergency Expenditures; (F) environmental and social safeguard management frameworks or plans for Part 4 of the Project, consistent with the Association's policies on the matter and the provisions of Section D of this Section I; and (G) any other arrangements necessary to ensure proper coordination and implementation of Part 4 of the Project;

   (ii) afford the Association a reasonable opportunity to review and comment on the Emergency Response Operations Manual;

   (iii) thereafter, promptly adopt the Emergency Response Operations Manual as shall have been approved by the Association;
(iv) from time to time, submit recommendations to the Association for its consideration for changes and updates of the Emergency Response Operations Manual, as they may become necessary or advisable during Project implementation to allow, if and as necessary, the inclusion of activities under Part 4 of the Project to respond to an Eligible Emergency;

(v) ensure that Part 4 of the Project is carried out in accordance with the Emergency Response Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the Emergency Response Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and

(vi) not amend, suspend, abrogate, repeal or waive any provision of the Emergency Response Operations Manual without the prior approval by the Association.

(b) The Recipient shall, throughout the implementation of Part 4 of the Project, maintain the Coordinating Authority, with staff in adequate numbers and with qualifications and resources satisfactory to the Association.

D. Safeguards

1. The Recipient, through the MTPTC, shall ensure that the Project is carried out in accordance with the Safeguards Instruments, including the guidelines, rules and procedures defined in said Safeguards Instruments.

2. To this end, if an EMP or a RAP is required on the basis of the ESMF or the RPF, the Recipient shall specifically take the following actions, in a manner acceptable to the Association:

   (a) such EMP, or RAP shall be prepared in accordance with the requirements of the ESMF or the RPF, consulted and disclosed locally and furnished to the Association for approval; and

   (b) the pertinent Project activity shall be carried out in accordance with such EMP, or RAP as approved by the Association.

3. The Recipient shall include in the Project Reports referred to in Section II of this Schedule, adequate information on the implementation of the ESMF, the RPF, the Pest Management Plan, any EMP or any RAP, giving details of:

   (a) measures taken in furtherance of the Safeguards Instruments, any EMP or any RAP;
(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments, any EMP or any RAP; and

(c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the Safeguards Instruments, any EMP or any RAP.

4. Without limitation to the provisions of Section I.A.1 of this Schedule, the Recipient shall, in a manner satisfactory to the Association, take the following actions:

(a) prior to commencement of any works under the Project:

(i) prepare, in form and substance satisfactory to the Association, an EMP (based on the ESMF) and/or a RAP (based on the RPF) if required;

(ii) thereafter, except as otherwise agreed with the Association, submit the said EMP and/or said RAP (as the case may be), to the Association for review and approval;

(iii) subsequently, adopt and disclose, in a manner acceptable to the Association, said EMP and/or said RAP (as the case may be); and

(iv) immediately thereafter, implement said EMP and/or RAP (as the case may be), all in accordance with their terms and in a manner acceptable to the Association; and

(b) Except as the Association shall otherwise agree in writing, the Recipient shall not amend or waive, or permit to be amended or waived, any provision of any EMP or any RAP.

5. The Recipient through the MTPTC shall ensure that the terms of reference for any consultancy in respect of any activity under the Project shall: (a) duly incorporate, in the opinion of the Association, the requirements of the applicable Safeguards Policies then in force; and (b) require that the advice conveyed through any such consultancy comply, in the opinion of the Association, with the requirements of the applicable Safeguards Policies then in force.

Section II. **Project Monitoring, Reporting and Evaluation**

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.
Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of 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, works, non-consulting services, consulting services, Training and Operating Costs for Parts 1, 2, 3 and 5 of the Project</td>
<td>51,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Emergency Expenditures for Part 4 of the Project</td>
<td>600,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>51,600,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:

   (a) for payments made prior to the Signature Date.

   (b) under Category (2), for Emergency Expenditures under Part 4 of the Project, unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said Emergency Expenditures:

       (i) the Recipient has determined that an Eligible Emergency has occurred, has furnished to the Association a request to include said Eligible Emergency under Part 4 of the Project in order to respond to said Eligible Emergency, and the Association has agreed with
such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has prepared and disclosed all safeguards instruments required for said Eligible Emergency, and the Recipient has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.D of this Schedule;

(iii) the Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.C(b) of this Schedule, for the purposes of said activities; and

(iv) the Recipient has adopted the Emergency Response Operations Manual in form, substance and manner acceptable to the Association and the provisions of the Emergency Response Operations Manual are fully current in accordance with the provisions of Section I.C of this Schedule, so as to be appropriate for the inclusion and implementation Part 4 of the Project;

2. The Closing Date is June 30, 2023.
APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

3. “Contingent Emergency Response” means the operational response carried out under Part 4 of the Project and to be financed out of the proceeds of the Financing allocated from time to time to Category (2) in response to an Eligible Emergency.

4. “Coordinating Authority” means the Recipient’s entity, ministry or agency responsible for coordinating and implementing Part 4 of the Project.

5. “Displaced Person” means a person who, on account of the execution of the Project had or would have been affected by an involuntary taking of land under the Project, which causes said Displaced Person to have his/her: (a) standard of living adversely affected; or (b) right, title or interest in any construction, 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; and “Displaced Persons” means, collectively, all such Displaced Persons.

6. “Eligible Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.


8. “Emergency Response Operations Manual” means the operations manual to be adopted by the Recipient for Part 4 of the Project in accordance with the provisions of Section I.C.1 (a) (i) of Schedule 2 to this Agreement.

9. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s environmental and social management framework acceptable to the Association (included in the Project Implementation Manual), disclosed in the
Recipient's territory on April 2, 2018 and at the Association's *InfoShop* on April 3, 2018, as adopted by the Recipient, giving details of a program of actions, measures and policies designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, along with the procedural and institutional measures needed to implement such actions, including the guidelines for protection of natural habitats and forests, as said framework may be amended from time to time with the prior consent of the Association.

10. “Environmental Management Plan” or “EMP” means an environmental management plan prepared, consulted, adopted and published by the Recipient based on the ESMF, found acceptable to the Association, and setting forth the detailed modalities for environmental management under the Project.


12. “MTPTC” means Ministère de Travaux Publics, Transport et Communications, the Recipient’s Ministry of Public Works, Transportation and Communication and any successor thereto.

13. “Operating Costs” means reasonable costs, as shall have been approved by the Association, for the incremental expenses incurred on account of Project implementation, consisting of, communication costs, office supplies and maintenance, minor office refurbishing, and equipment maintenance, utilities, document duplication/printing, consumables, travel cost and *per diem* for Project staff for travel linked to the implementation of the Project, (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).


15. “Project Implementation Manual” means the Recipient’s manual dated April 13, 2018 acceptable to the Association, and referred to in Section 1.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the agreement of the Association.

16. “Resettlement Action Plan” or “RAP” means the Recipient’s resettlement action plan, or plans to be adopted by the Recipient based on the RPF, found acceptable to the Association and setting forth the detailed modalities for resettlement and compensation of Displaced Persons under the Project.
17. "Resettlement Policy Framework" or "RPF" means the Recipient's framework (included in the Project Implementation Manual), disclosed in the Recipient's territory on April 2, 2018 and at the Association's Infoshop on April 3, 2018 as adopted by the Recipient, and setting forth the modalities for resettlement and compensation of, inter alia, Displaced Persons, including guidelines for the preparation of any RAP under the Project, as said framework may be amended from time to time with the agreement of the Association.

18. "Safeguards Instruments" means collectively the ESMF and the RPF.

19. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

20. "Training" means the reasonable costs, as shall have been approved by the Association, for training and workshops, conducted under the Project, including tuition, travel and subsistence costs for training participants, costs associated with securing the services of trainers and speakers, rental of training and workshop facilities, preparation and reproduction of training materials, and other costs directly related to training course or workshop preparation and implementation (but excluding goods and consultants' services).

21. "UCE" means Unité Centrale d'Exécution the Recipient's Central Execution Unit within the MTPTC, and any successor thereto.