May 28, 2013

H.E Wilson Laleau
Minister of Economy and Finance
Ministry of Economy and Finance
5 Rue Charles Summer,
Port-au-Prince
Republic of Haiti

Re: Republic of Haiti: Advance Agreement for Preparation of Proposed Cultural Heritage and Sustainable Tourism Project
Project Preparation Advance No. Q8590

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Haiti ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank’s Project Preparation Facility in an amount not to exceed three million five hundred and seventy thousand Dollars ($3,570,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to: (a) improve attractiveness and management of heritage sites and access to services in surrounding areas thus contributing to support sustainable tourism development in the North region; (b) support project implementation, evaluation and monitoring; and (c) provide an emergency response contingency reserve ("Project"), for the carrying out of which the Recipient intends to request the World Bank’s financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received this countersigned copy within thirty (30) days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Alexandre Abrantes
Special Envoy to Haiti
Latin America and the Caribbean Region

AGREED:

REPUBLIC OF HAITI

By:

Authorized Representative

Name: Delcia Lasalle
Title: Minister, Economy and Finance
Date: 12/16/2012

Enclosures:


(2) Disbursement Letter for the Advance of the same date as this Agreement, together with “World Bank Disbursement Guidelines for Projects”, dated May 1, 2006.
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility dated July 31, 2010 ("Standard Conditions"), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, including the following:

(a) "Incremental Operating Costs" means the reasonable expenditures incurred by the Recipient with respect to the implementation, management and monitoring of the Activities, including the costs of support staff salaries (excluding salaries of the Recipient's civil service staff), communication, editing, printing and publication, translation, vehicle operation and maintenance, bank charges, local travel costs and field trip expenses, office rentals, utilities, and office supplies.

(b) "ISPAN" means *l'Institut de Sauvegarde du Patrimoine National*, the Recipient's institute for the preservation of national heritage, created by a decree on March 29, 1979, published in the Recipient's official gazette "Le Moniteur" on April 19, 1979.

(c) "MEF" means *Ministère d'Economie et des Finances*, the Recipient's Ministry of Economy and Finance or any successor or successors thereto acceptable to the World Bank.

(d) "National Historic Park Authority" or "NHP Authority" means *l'Autorité du Parque National Historique*, the Recipient's historic park, created by a presidential decree on July 12, 2010, published in the Recipient's official gazette on July 21, 2010.

(e) "Project Implementation Unit" or "PIU" means *Unité Technique d'Exécution*, MEF's Project implementation unit, or any successor or successors thereto acceptable to the World Bank.

(f) "Training" means expenditures incurred by the Recipient in connection with carrying out training activities under Part (f) of the Activities, including travel costs and *per diem* for local trainees, workshops, rental of facilities and equipment and training materials and related supplies.

(g) "UNESCO World Cultural Heritage Committee" means the committee for cultural heritage of the United Nations Educational, Scientific and Cultural Organization, established by the World Cultural Heritage Convention, dated November 16, 1972.
Article II
Execution of the Activities

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:

(a) The preparation of: (i) a master plan for the preservation and development of sustainable tourism; (ii) a management plan for the NHP Authority; (iii) the environmental and social management framework in accordance with World Bank's Safeguards Policies; (iv) a social impact study for establishing a conflict resolution mechanism; (v) a study for improving safe access of tourists to the Citadelle; (vi) a study for the rehabilitation and reinforcement of the Citadelle; (vii) a study for the rehabilitation and reinforcement of the Palais Sans Souci; (viii) a study for the rehabilitation and reinforcement of the Chapel of the Palais Sans Souci; (ix) a study for the rehabilitation of the King's garden; (x) a study for the rehabilitation of the old prison area in Cap Haitian; (xi) an inventory of the Cap Haitian historic city center; and (xii) the design and site setting for the community school, all through the provision of consultants' services.

(b) Financing the contract of an External technical Controller with terms of reference and qualifications satisfactory to the World Bank.

(c) Support to, and minor rehabilitation of, IPSAN and the PIU office in the North through the carrying out of small works and the provision of goods, consultants' services and Incremental Operating Costs.

(d) Carrying out: (i) a topographic survey of the Citadelle, Palais Sans Souci, Church and surrounding areas; and (ii) a soil and geo-technics survey, through the provision of non-consulting services.

(e) Carrying out priority small emergency works: (i) for the inventory, cleaning and stabilization of the cannon balls of the Citadelle; (ii) to secure the tourist access at the Citadelle; and (iii) for the Batterie Coidavid.

(f) Conducting workshops and public consultations with the Project stakeholders.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through MEF in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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.
2.03. **Institutional and Other Arrangements.** For purposes of assisting MEF in carrying out the Activities, and in order to ensure the proper coordination of the execution of said Activities, the Recipient shall, through MEF, maintain the PIU with adequate resources and facilities, and professional staff in adequate numbers whose qualifications, experience and terms of reference shall be acceptable to the World Bank. The functions of the PIU shall include, *inter alia*, responsibility for: (a) the procurement process and the preparation of withdrawal applications related to the Activities; (b) monitoring, in accordance with indicators agreed upon with the World Bank, progress in implementing the Activities; (c) preparation, for submission to the World Bank, of procurement plans relating to the Activities; and (d) preparation, for submission to the World Bank, of the reports referred to under Section 2.05 and 2.06 of this Annex. The PIU shall also include an environmental and social management unit whose main responsibility shall be to review the environmental and social management framework and to ensure compliance with the World Bank’s Safeguards Policies.

2.04. **Safeguards.** When any Activity may have implications for or could affect environmentally or socially sensitive areas, the Recipient shall ensure that the terms of reference for any consultancies related to studies, technical assistance or capacity building under this Agreement, as well as for the preparation of environmental and social frameworks, management plans and other instruments required by World Bank’s Safeguard Policies, 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 Safeguard Policies, as applied to the advice conveyed through such technical assistance and capacity building activities.

2.05. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

   (b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

   (c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.
2.07. **Procurement**

(a) **General.** All goods, works, non-consulting services and consultants' services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Procurement Guidelines"), in the case of goods, works and non-consulting services;

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines") in the case of consultants' services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Activities in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods, Works and Non-consulting Services**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (A) Limited International Bidding; (B) National Competitive Bidding, subject to the use of Standard Bidding Documents agreed with the World Bank; (C) Shopping; (D) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; (E) Direct Contracting; (F) Procurement from UN Agencies; and (G) Community Participation procedures which have been found acceptable to the World Bank.

(d) **Particular Methods of Procurement of Consultants' Services**

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants’ Qualifications; (E) Single-source Selection of consulting firms; (F) Selection of UNESCO and/or other UN Agencies; (G) Selection of Individual Consultants; and (H) Single-source procedures for the Selection of Individual Consultants.

Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of the Advance

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Advance 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 “World Bank Disbursement Guidelines for Projects” dated May 2006, 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 following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated 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 Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services,</td>
<td>3,570,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>Training and Incremental Operating Costs under the Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>3,570,000.00</td>
<td></td>
</tr>
</tbody>
</table>

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. Refinancing Date. The Refinancing Date is June 30, 2014.
Article IV
Terms of the Advance

4.01. Refinancing under the Refinancing Agreement: If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be paid to the World Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.

4.02. No Repayment in the absence of a Refinancing Agreement: Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.

Article V
Recipient’s Representative; Addresses

5.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 9.02 of the Standard Conditions is its Minister of Economy and Finance.

5.02. Recipient’s Address. The Recipient’s Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Economy and Finance
5, Avenue Charles Sumner
Port-au-Prince
Republic of Haiti

Facsimile:
(+509) 229 917 32

5.03. World Bank’s Address. The World Bank’s Address referred to in Section 9.01 of the Standard Conditions is:

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

Cable: INDEVAS Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391

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