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OFFICIAL
DOCUMENTS

GRANT NUMBER D3110-HT

Financing Agreement

(Additional Financing for Improving Haiti's
Public Financial Management and Statistical Information Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER D3110-HT

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date, entered into between the REPUBLIC OF HAITI ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for the activities related to the Original Project (as defined in the Appendix to this Agreement). 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 ten million four hundred thousand Special Drawing Rights (SDR 10,400,000) ("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 objectives of the Project. To this end, the Recipient shall carry out: (a) Part 1 and Part 3(a) of the Project through IHSI, with the assistance of UNFPA; and (b) Part 2 and Part 3(b) of the Project through UCP and the CRFP; all 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 Additional Condition of Effectiveness consists of the following:

(a) the Operational Manual has been adopted in form and substance satisfactory to the Association; and

(b) the IFMIS Team has been established and its members appointed, by the Recipient; all in a manner satisfactory to the Association.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.03. 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 fifteen (15) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is its Minister of Economy and Finance.

5.02. For purposes of Section 10.01 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:	E-mail:
(+509) 229 917 32	cabinet@mef.gouv.ht

5.03. For purposes of Section 10.01 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:	Facsimile:	E-mail:
248423 (MCI)	1-202-477-6391	aabreu@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF HAITI

By _____
Authorized Representative

Name: Jude Alix Patrick Salomon

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) assist in the production, analysis and dissemination of the findings of the Fifth Population and Housing Census and strengthen the human and technological capacities of the IHSI; and (b) enhance expenditure management practices and the timeliness and coverage of budgetary and financial information to improve budget management and oversight.

The Project consists of the following parts:

Part 1: Support to the Fifth Population and Housing Census and Statistical Capacity Building

1.1 Human Resources and Technology

Implementation of the following activities linked to the Fifth General Population and Housing Census which are designed to strengthen the technical and managerial capacity of IHSI: (a) the appointment of long-term expertise to support IHSI in managing the operation of the Fifth General Population and Housing Census; (b) the recruitment of technical staff (statisticians and ICT specialists); (c) on-the-job training for existing and new IHSI technical staff with a focus on learning-by-doing; and (d) the upgrading of ICT systems, data management and archiving systems, and other equipment to meet the immediate needs of the Fifth General Population and Housing Census and for future surveys.

1.2 Data Production, Dissemination and Use of Statistics

(a) Preparation of the Fifth General Population and Housing Census, including:

(i) piloting the Fifth General Population and Housing Census and data collection in four departments, including the technical support and assistance with the management and monitoring of the collection of household data;

(ii) designing a national communications campaign promoting the Fifth General Population and Housing Census and its impacts; and

(iii) carrying out an awareness campaign to inform the population of the timetable for the implementation of the Fifth General Population and Housing Census and explain its contents.

(b) Carrying out of the Fifth General Population and Housing Census in the Recipient's territory and data collection, including the technical support and assistance with the

management and monitoring of the collection of household data (other than in those four departments mentioned in Part 1.2(a) above in which said census has been piloted).

(c) Carrying out of analysis and Dissemination and Use of Data activities, including:

(i) post-Fifth General Population and Housing Census data collection to assess reliability and quality of collected data;

(ii) detailed analysis of the Fifth General Population and Housing Census data and production of detailed reports;

(iii) production and public dissemination, in the press and on the Fifth General Population and Housing Census web portal, of preliminary report on aggregate data and maps;

(iv) production and public dissemination, in the press and on the Fifth General Population and Housing Census web portal, of the final report;

(v) calculation by the IHSI of vulnerability clusters for all Enumeration Areas;

(vi) carrying out an audit of the Fifth General Population and Housing Census; and

(vii) carrying out activities to foster the sustainability of the skills, tools, and competencies acquired by IHSI.

Part 2: <u>Public Finance Data Production and Use for Better Budgetary Management</u>

2.1 Improving Financial Reporting Through the Introduction of a New Financial Information Management System

(a) Establishment of the IFMIS to: (i) provide integrated applications and systems for budget expenditures management monitoring and reporting, including for treasury cash-flow management, accountancy and reporting; (ii) review, simplify, streamline and enhance prior controls procedures and processes on all budget expenditures, including salaries and pensions; and (iii) serve as the backbone for integrating all existing or upcoming public financial management information systems, including, *inter alia*, the Central Bank payment system, the tax and customs administrations systems (RMES and ASYCUDA), the e-procurement system, the debt management system, and the payroll and pensions system; and

(b) Carrying out of IFMIS project management and ICT capacity building activities to build the enabling environment to facilitate successful and sustainable implementation of the IFMIS, including but not limited to improving the MEF

network, training and recruiting temporary ICT staff, providing equipment, supporting IFMIS project management procurement and capacity building.

2.2 Enhancing Transparency and Accountability through Internal and External Controls Institutional Strengthening

(a) Support institutional strengthening for external controls through the implementation of multi-year institutional capacity building plans for the following Recipient's external control institutions, including: (i) *Cour Supérieure des Comptes et du Contentieux Administratif*; (ii) *Unité de Lutte Contre la Corruption*; and (iii) the Chamber of Representatives and the Senate Budget and Finance Commissions.

(b) Support internal control and audit bodies capacity building plans through, *inter alia*, the provision of technical assistance and training for: (i) *Inspection Générale des Finances* and (ii) *Commission Nationale des Marchés Publics.*

(c) Raising public awareness on governance and corruption issues through, *inter alia*: (i) the carrying out of budget literacy campaigns or provision of training for citizen or civil society organizations; (ii) the provision of training for the media in investigative skills; and (iii) the carrying out of other anti-corruption awareness campaigns and activities, as well as required studies, acceptable to the Association.

Part 3: Project Management

Support to: (a) IHSI; and (b) UCP and the CRFP, in the coordination, implementation management and supervision (including, fiduciary aspects and monitoring and evaluation, and reporting of Project activities and results) of the Project, 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 the implementation of Part 2 and Part 3(b) of the Project, the UCP, and the CRFP, 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. The Recipient shall establish, and thereafter operate and maintain, throughout the implementation of Part 2 and Part 3(b) of Project, the IFMIS Team within the MEF by appointing qualified and experience staff in sufficient numbers as well as by assigning adequate funds, facilities, services and other resources acceptable to the Association.

3. The Recipient shall carry out Part 2 and Part 3(b) of the Project, (a) through the UCP, responsible for implementing all fiduciary aspects of the Project (including procurement and financial management) and the CRFP, responsible for the monitoring and evaluation aspects of the Project; and (b) with the assistance of the IFMIS Team, responsible for providing technical advice to facilitate the implementation of the Project activities; all in a manner acceptable to the Association.

4. The provision set forth in Section I.D of Schedule 2 to the Original Financing Agreement shall constitute an integral part of this Agreement.

5. Notwithstanding the provisions of the Disbursement and Financial Information Letter, the Recipient shall, no later than four (4) months after the Effective Date, hire an auditor under terms and conditions acceptable to the Association.

6. For purposes of facilitating the implementation of Part 2.1 of the Project, the Recipient shall, no later than eighteen months (18) after the Effective Date, develop and adopt a sustainability strategy for the IFMIS, acceptable to the Association.

B. Operational Manual

1. The Recipient, shall adopt the Operational Manual and carry out, Part 2 and Part 3(b) of the Project in accordance with said 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 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 performance indicators for the Project; and

(f) the Electronic Waste Management Plan.

2. The Recipient shall carry out Part 1 and Part 3(a) of the Project in accordance with the Original Operational Manual.

3. In the event that any provision of the Original Operational Manual or the Operational Manual shall conflict with any of the provisions under this Agreement, the terms of this Agreement shall prevail.

4. The Original Operational Manual and the Operational Manual may only be amended from time to time in consultation with, and prior approval of, the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall furnish to the Association each Project Report not later than forty-five days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

1. 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:

Category	**Amount of the Financing Allocated (expressed in SDR)**	**Percentage of Expenditures to be Financed (inclusive of Taxes)**
(1) Goods, non-consulting services, consulting services, Training and Workshops and Operating Costs under Part 2 and Part 3(b) of the Project	10,400,000	100%
TOTAL AMOUNT	10,400,000	

2. Notwithstanding the provisions of paragraph 1 above, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 350,000 may be made for payments made on or after July 1, 2018 but in no case more than one year prior to the date of this Agreement.

3. The Closing Date is December 31, 2023.

Section IV. Other Undertakings

The Recipient and the Association hereby agree to amend the Original Financing Agreement as set forth in Schedule 3 to this Agreement.

SCHEDULE 3

Amendment to the Original Financing Agreement

The Recipient and the Association hereby agree to amend the Original Financing Agreement as follows:

1. The Project title in the cover page is amended to read in its entirety as follows: "Improving Haiti's Public Financial Management and Statistical Information Project."

2. Article 3.01 of the Original Financing Agreement is amended to read in its entirety to read as set forth in Article 3.01 of this Agreement.

3. Schedule 1 to the Original Financing Agreement is amended to read in its entirety as set forth in Schedule 1 to this Agreement.

4. Section I.B of Schedule 2 to the Original Financing Agreement is amended to read in its entirety as set forth in Section 1.B. of Schedule 2 to this Agreement.

5. Section IV. B.2 of Schedule 2 to the Original Financing Agreement is amended to read in its entirety as set forth in Section III.3 of Schedule 2 to this Agreement.

6. The following definitions are introduced and placed in alphabetical order in the Appendix to the Original Financing Agreement:

   "CRFP" or "*Commission de Réformes des Finances Publiques*" means the Recipient's Commission on Public Finance Reforms, within MEF, as established and operating under the Recipient's Memorandum dated October 26, 2013 and any successor thereto acceptable to the Association.

   "Operational Manual" means the manual for Part 2 and Part 3(b) of the Project, to be adopted by the Recipient in form and substance satisfactory to the Association, as referred to in Section I.B.1 of Schedule 2 to this Agreement, as said manual may be amended from time to time with the agreement of the Association.

   "UCP" or "Unité de coordination du projet" means the Recipient's Project Coordination Unit, within MEF, as established and operating under the Recipient's official communication *No. UCP1632/11-05/006,* and any successor thereto acceptable to the Association.

7. The definition of "Operational Manual" of the Appendix to the Original Financing Agreement is amended to read in its entirety as follows:

"Original Operational Manual" means the manual dated June 29, 2017 for Part 1 and Part 3(a) of the Project, adopted by the Recipient in form and substance satisfactory to the Association, as said manual may be amended from time to time with the agreement of the Association.

APPENDIX

Definitions

1. "Agreement for the Provision of Technical Assistance" means the agreement dated May 17, 2017 and amended in September 15, 2017, referred to in Section I.D.1 of Schedule 2 to the Original Financing Agreement.

2. "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.

3. "ASYCUDA" means Automated System for Customs Data (a computerized system designed by the United Nations Conference on Trade and Development (UNCTAD), and used by the Recipient's Customs Administration.

4. "Category" means a category set forth in the table in Section III.1 of Schedule 2 to this Agreement.

5. "CRFP" or "*Commission de Réformes des Finances Publiques*" means the Recipient's Commission on Public Finance Reforms within MEF, as established and operating under the Recipient's Memorandum dated October 26, 3013 and any successor thereto acceptable to the Association.

6. "*Commission Nationale des Marchés Publics*" means the Recipient's National Procurement Board, as established and operating under the Recipient's Law on Public Procurement dated June 10, 2009 and any successor thereto acceptable to the Association.

7. *"Cour Supérieure des Comptes et du Contentieux Administratif"* means the Recipient's Supreme Audit Institution, as established and operating under the Recipient's Decree dated November 23, 2005, and any successor thereto acceptable to the Association.

8. "Electronic Waste Management Plan" means the Recipient's electronic waste disposal strategy for the Project, acceptable to the Association, and set forth in the Operational Manual.

9. "Enumeration Area" means a working zone assigned to each census agent for the collection of data under the Fifth General Population and Housing Census.

10. "Fifth General Population and Housing Census" means a census to be carried out in the Recipient's territory by IHSI in cooperation with UNFPA under the Project.

11. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated July 14, 2017.

12. "ICT" means information and communication technology.

13. "IFMIS" means the Recipient's Integrated Financial Management Information System to be established under Part 2.1(a) of the Project.

14. "IFMIS Team" means the Integrated Financial Management Information System team, to be appointed within MEF, and referred to in Section I.A.2 of Schedule 2 to this Agreement.

15. "IHSI" means *Institut Haïtien de Statistique et d'Informatique,* the Recipient's statistical institute, as established and operating under the Recipient's: (i) Law dated September 4, 1951; (ii) Decree-Law dated October 31, 1958; (iii) Decree dated July 1, 1963; (iv) Law dated July 10, 1965; (v) Decree dated October 31, 1978; and (vi) Decree dated February 19, 1981.

16. *"Inspection Générale des Finances"* means MEF's internal audit unit, as established and operating under the Recipient's Decree dated March 17, 2006, and any successor thereto acceptable to the Association.

17. "MEF" means the Recipient's Ministry of Economy and Finance.

18. "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 consulting services and salaries of officials of the Recipient's civil service).

19. "Operational Manual" means the manual for Part 2 and Part 3(b) of the Project, to be adopted by the Recipient in form and substance satisfactory to the Association, as referred to in Section I.B.1 of Schedule 2 to this Agreement, as said manual may be amended from time to time with the agreement of the Association.

20. "Original Financing Agreement" means the financing agreement for the Project between the Recipient and the Association, dated April 28, 2017, as amended to the date of this Agreement (Grant No. D1690-HT).

21. "Original Operational Manual" means the manual dated June 29, 2017 for Part 1 and Part 3(a) of the Project, adopted by the Recipient in form and substance satisfactory to the Association, as said manual may be amended from time to time with the agreement of the Association.

22. "Original Project" means the Project described in Schedule 1 to the Original Financing Agreement.

23. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for Borrowers under Investment Project Financing", dated July 1, 2016, revised November 2017.

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

25. "Training and Workshops" 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 consulting services).

26. "UCP" or "Unité de coordination du projet" means the Recipient's Project Coordination Unit, within MEF, as established and operating under the Recipient's official communication *No. UCP1632/11-05/006*, and any successor thereto acceptable to the Association.

27. "UNFPA" means the United Nations Population Fund.

28. "*Unité de Lutte Contre la Corruption*" means the Recipient's Anti-Corruption Agency, as established and operating under the Recipient's Decree dated September 8, 2004, and any successor thereto acceptable to the Association.