November 2, 2010

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

Re: HAITI: Emergency Recovery and Disaster Management Project (IDA Grant No. H143-0-HA) and Additional Financing for an Emergency Recovery and Disaster Management Project (Grant No. H353-0-HA)  
Amendment to the Development Grant and the Financing Agreements

Dear Minister:

We refer to the Development Grant Agreement (the Grant Agreement) between the Republic of Haiti (the Recipient) and the International Development Association (the Association), IDA Grant No H143-0-HA, dated January 6, 2005, as amended, with regard to the above-captioned Project.

We also refer to the Financing Agreement (the Financing Agreement) between the Recipient and the Association, Grant No. H353-0-HA, dated April 23, 2008 with regard to the above-captioned Project.

Please note that capitalized terms used in this letter (Amendment Letter) and not defined herein have the meaning ascribed to them in the Grant Agreement and the Financing Agreement.

Pursuant to your communication dated March 17, 2010 to the Association requesting to: (a) reallocate the proceeds of the Grant among the disbursement Categories in the Grant Agreement for purposes of covering existing and projected category expense overruns related to the extension of Closing Date; (b) eliminate a subcomponent under Part B4 of the Project; and (c) extend the Closing Date of the Grant Agreement. We are pleased to inform you that the Association hereby agrees to amend the Grant Agreement and the Financing Agreement as follows:

Grant Agreement

1. Paragraph 2.03 of Article 2 to the Grant Agreement is amended to read as follows:

“Section 2.03. The Closing Date shall be December 31, 2011 or such later date as the Association shall establish. The Association shall promptly notify the Recipient of such later date.”
2. The table in Schedule 1 to the Grant Agreement is amended and replaced to read in its entirety as set forth in Attachment 1 to this Amendment Letter.

3. Schedule 2 to the Grant Agreement is deleted and replaced to read in its entirety as set forth in Attachment 2 to this Amendment Letter.

**Financing Agreement**

4. Schedule 1 to the Financing Agreement is deleted and replaced to read in its entirety as set forth in Attachment 2 to this Amendment Letter.

5. Paragraph B.2 in Section IV of Schedule 2 to the Financing Agreement is amended to read as follows:

   “2. The Closing Date is December 31, 2011.”

   Please note that it is the Association’s policy to make publicly available this Amendment Letter and any information related thereto, after this Amendment Letter has become effective and the Recipient has given its consent to such disclosure. The Recipient, by countersigning this Amendment Letter, confirms its consent to such disclosure.

   Please confirm your agreement with the foregoing amendment by signing and dating this Amendment Letter in the spaces provided below. Thenceforward, the provisions set forth in this Amendment Letter shall become effective as of the date of the countersignature and all other provisions of the Grant Agreement and the 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.

   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

Name: _ Ronald Baudin
Title: _ Minister
Date: 22 November 2010
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (Expressed in SDR equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works under Parts A and C of the Project (other than Subprojects)</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods under Parts A and C of the Project (other than Subprojects)</td>
<td>21,116</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ services and Training under Parts A and C of the Project</td>
<td>310,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Works under Part B of the Project</td>
<td>560,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Goods under Part B of the Project</td>
<td>610,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Consultants’ services and Training under Part B of the Project</td>
<td>1,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(7) Subprojects</td>
<td>4,775,884</td>
<td>100%</td>
</tr>
<tr>
<td>(8) Fees for audits referred to in section 4.10 (b) of the Original Grant Agreement</td>
<td>78,000</td>
<td>100%</td>
</tr>
<tr>
<td>(9) Operating costs</td>
<td>345,000</td>
<td>100%</td>
</tr>
<tr>
<td>(10) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>8,000,000</strong></td>
</tr>
</tbody>
</table>
“SCHEDULE 2

Description of the Project

The objective of the Project is to support the Recipient in: (a) rehabilitating areas affected by the recent adverse natural disasters; (b) strengthening its capacity to manage natural disaster risks and better respond to emergencies resulting from adverse natural events; and (c) reducing the vulnerability of communities through risk identification and risk mitigation activities.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Association may agree upon from time to time to achieve such objective.

Part A: Reconstruction and Risk Reduction Works

1. Carrying out of reconstruction and risk reduction works in selected areas of the territory of the Recipient, particularly those affected by floods, including rehabilitation of drainage systems, public buildings (including schools and clinics), and community centers.

2. Provision of technical assistance to select, organize and design rehabilitation works.

Part B: Institutional Strengthening

1. Strengthening of the institutional capacity of DPC and SPGRD through the provision of technical assistance, training and equipment (as necessary) to:

   (a) assist the Recipient in the implementation of a national plan for risk and disaster management, including: (i) the creation of a training and documentation center; (ii) the establishment of at least three thematic committees under SPGRD (public awareness, building norms, risk management and land use planning for territorial development); (iii) the revision and validation of the Recipient’s national response plan and the development of related emergency procedures and protocols; (iv) the creation of disaster assessment and disaster intervention teams within DPC and key ministries; and (v) the carrying out of simulation exercises at local and regional levels;

   (b) develop a financial management system and a computerized inventory system;

   (c) carry out financial audits for the Project.

2. Design and implementation of a public awareness program for the general public and decision makers to convey the Recipient’s disaster management efforts to a larger audience.

3. Carrying out of:

   (a) studies and workshops to support the establishment of building codes that take natural hazards into account; and

   (b) a comprehensive multi-hazard assessment that will include: (i) consolidated hazard maps; (ii) information products; and (iii) hazard scenarios to support decision making for contingency planning and development.
4. Rehabilitation of the Recipient’s emergency operation centers at the national, departmental and community levels, including the provision of equipment.

**Part C: Local Risk Management**

1. Preparation of local vulnerability maps and identification of risk reduction activities, including early warning systems, retention walls, terracing, drainage works, pilot reforestation projects and shelter retrofitting.

2. Carrying out of development and mitigation activities at the local level in areas of high vulnerability to natural disasters.”