July 24, 2012

H.E. Carmelle Jean Marie
Minister of Economy and Finance
Ministry of Economy and Finance
5, Avenue Charles Sumner
Port-au-Prince
Republic of Haiti

Re: Haiti: Advance Agreement for Preparation of Proposed Jobs Creation and Growth Project Project Preparation Advance No. Q8240-HT

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 one million seven hundred thousand Dollars ($1,703,000) ("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) assist the Recipient in reforming its business environment and generating investments; (b) develop tourism in the Northern region of the Recipient’s territory; (c) support project implementation, evaluation and monitoring; and (d) 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withdrawn if the World Bank has not received this countersigned copy within thirty (30) after the date of signature of this Agreement by the World Bank, unless the World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 Marie-Gaelle Jean-Monic
Title Director of Economic Planning
Date July 31, 2012

Enclosures:

(1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010; and

(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.

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

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

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

(d) "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.

(e) "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:

Part 1: Integrated Economic Zones

1. Consultancies for the design of regulatory frameworks for: (a) integrated economic zones in the Recipient’s territory (“IEZ”); and (b) an electronic collateral registry; and
2. Study tours, workshop and outreach activities for IEZ regulatory framework;

Part 2: National Historic Park

1. Consultancies to develop, inter alia, a business plan for the NHP and other relevant studies and technical documentation for emergency repairs of (a) UNESCO World Cultural Heritage Committee designated heritage assets located in the NHP; and (b) the Atelier du Roi building in Millot;
2. Consultancies to establish a park authority for the NHP;
3. Consultancies to establish social and environmental frameworks and management plans considering cultural heritage and endangered species, in accordance with World Bank’s Safeguards Policies;
4. Consultancies to conduct studies and technical documentation to prepare investments, such as a construction code and a tourism circuit, including historic buildings, such as the historic prison the Maison Firmin and the waterfront;
5. Consultancy to prepare a tourism destination development plan for Cap Haitien and surrounding areas;
6. Consultancies to provide technical assistance to ISPAN for the programming of Project activities in the NHP, as well as the preparation of technical specifications terms of reference for and review of design studies thereafter;
7. Financing: (a) the contract of a procurement specialist within the PIU; (b) the contract of a consultant to conduct the technical supervision of the Project, both with qualifications satisfactory to the World Bank; and (iii) part of the salary of the consultant serving as PIU director;
8. Accounting software for the PIU; and
9. Operating expenses of the PIU and ISPAN related to the preparation and oversight of the work above.

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 carrying out the Activities, the Recipient shall maintain and operate the PIU throughout Project implementation which shall:

(a) have its staff appointed in accordance with the provisions Section 2.06 this Agreement, with terms of reference, functions and resources satisfactory to the World Bank; and

(b) be responsible, *inter alia*, for procurement, financial management and reporting.

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.
(d) For purposes of Paragraph c above, the Recipient, through the PIU, shall not later than six (6) months after the Effective Date, appoint an independent auditor with terms of reference satisfactory to the Association and selected in accordance with the provisions of Section 2.07 of Schedule (ii) to this Agreement.

2.07. Procurement

(a) General. All goods, works and 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 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 UNOPS and/or other UN Agencies; and (G)
Community Participation procedures which have been found acceptable to the World Bank.

(i) **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.

  (ii) 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.

(2) **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, consultants' services, training, and operating cost under the Activities</td>
<td>1,700,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>1,700,000.00</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 July 31, 2013.
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
          Washington, D.C.

Telex: 248423 (MCI) or 64145 (MCI)

Facsimile: 1-202-477-6391