

11-Mar-2024

H.E. Michel Patrick Boisvert Minister of Economy and Finance Ministry of Economy and Finance 5, Avenue Charles Sumner Port-au-Prince Republic of Haïti

Re: JSDF Grant No. TF0C3335

Promoting the Productive Inclusion of Persons with Disabilities Project

Letter Agreement

#### Excellency:

In response to the request for financial assistance made on behalf of the Republic of Haïti ("Recipient"), I am pleased to inform you that the International Development Association ("Bank"), acting as administrator of the Japan Social Development Fund (JSDF), proposes to extend to the Recipient a grant in an amount not to exceed two million seven hundred seventy thousand United States Dollars (USD 2,770,000) ("Grant"), on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement, and returning one duly executed copy to the Bank.

Very truly yours,

#### INTERNATIONAL DEVELOPMENT ASSOCIATION

By\_\_\_\_\_Laurent Msellati
Country Manager for Haïti
Latin America and the Caribbean Region

**AGREED**:

## REPUBLIC OF HAÏTI

By:			
•	(Authorized Representative)		
Name:	Michel Patrick Boisvert		
Title:	Minister of Economy and Finances		
_	15-Mar-2024		
Date:			

#### Enclosures:

- (1) "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds" dated February 25, 2019
- (2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing," dated February 2017

JSDF Grant No. TF0C3335 ANNEX

## Article I Standard Conditions; Definitions

- 1.01. *Standard Conditions*. The Standard Conditions (as defined in Section 1.02 below) 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 Section:
  - (a) "Anti-Corruption Guidelines" means, for purposes of paragraph 2 of the Appendix to the Standard 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.
  - (b) "BSEIPH" means Bureau du Secrétaire d'Etat à l'Intégration des Personnes Handicapées, the Recipient's Secretariat of State for the Integration of Persons with Disabilities established within the MAST pursuant to the Presidential Order published in Le Moniteur No 44, dated May 21, 2007, or any successor or successors thereto, acceptable to the Bank.
  - (c) "Cash Transfer" means expenses comprising Small Grants under Part 1 (b)(i) of the Project, Stipends and Start-up Capital Grants respectively under Part 2 (i) and Part 2 (ii) of the Project.
  - (d) "Category" means a category set forth in the table in Section 3.01 of this Agreement.
  - (e) "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated January 23, 2024, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
  - (f) "Environmental and Social Standards" or "ESSs" means, collectively: (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities"; (viii) "Environmental and Social Standard 8: Cultural Heritage";

- (ix) "Environmental and Social Standard 9: Financial Intermediaries"; (x) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Bank.
- (g) "MAST" means *Ministère des Affaires Sociales et du Travail*, the Recipient's Ministry of Social Affairs and Labor or any successor thereto, acceptable to the Bank.
- (h) "OPD" means a legally registered local grassroots civil society organization engaged in advocacy for the rights and needs of Persons with Disabilities which provides various types of services to their members and is selected in accordance with the eligibility criteria and procedures set forth in the POM. "OPDs" means collectively, all such organizations.
- (i) "Operating Costs" means the reasonable costs for the incremental expenses incurred on account of Project implementation, consisting of office equipment and supplies, banking charges and fees, operation and maintenance of offices, office equipment, communication and insurance costs, office administration costs, document duplication/printing, consumables, utilities, travel, *per diem* for Project staff for travel linked to the implementation of the Project, fiduciary support, and salaries of locally contracted employees for the Project, excluding consulting services and salaries of civil servants.
- (j) "Payment Service Provider" means an entity authorized by the Central Bank of Haiti to make payments to people and selected in a manner acceptable to the Bank.
- (k) "PEI Beneficiary" means any Person with Disabilities aged 18-64 years old, residing in the Grand'Anse region, capable of working, and living in households classified in the three highest vulnerability categories by the Haiti deprivation and vulnerability index, who is participating in the PEI Program, and selected by the Recipient, through MAST, in accordance with eligibility criteria set forth in the POM. "PEI Beneficiaries" means, collectively, all such individuals.
- (1) "PEI Program" or "Productive Economic Inclusion Program" means a program to be implemented by the Recipient that aims at providing a combination of direct benefits and training to Persons with Disabilities to improve their economic and social integration by increasing their access to additional income and assets opportunities.
- (m) "Persons with Disabilities" means persons who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.
- (n) "Procurement Regulations" means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated September 2023.
- (o) "Project Operations Manual" or "POM" means the Recipient's manual referred to in Section 2.03.3(a) of this Agreement, as may be amended in agreement with the Bank.

- (p) "Selected Locations" means the Grand'Anse and/or Port-au-Prince region or any other location agreed between the Recipient and the Bank for purposes of Project implementation and listed in the POM.
- (q) "Selected NGO" means a non-governmental organization identified by the Recipient, and acceptable to the Bank, to participate in the implementation of Part 2 of the Project, in accordance with criteria set forth in the POM.
- (r) "Small Grant" means a conditional grant made (or to be made) out of the proceeds of the Grant to a Small Grant Recipient under Part 1(b)(i) of the Project; and "Small Grants" means the plural thereof.
- (s) "Small Grant Recipient" means any OPD within the Selected Locations that is participating in the Project and has been selected in accordance with eligibility criteria set forth in the POM and found eligible to receive a Small Grant. "Small Grant Recipients" means collectively, all such organizations.
- (t) "Standard Conditions" means the "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds," dated February 25, 2019.
- (u) "Start-up Capital Grant" means small financial grants not exceeding five hundred Dollars (US\$500) to be provided to selected PEI Beneficiaries in accordance with the eligibility criteria, requirements and procedures set forth in the POM and with the operational implementation support of the Selected NGO. Said amount may be modified from time to time with the prior written approval of the Bank.
- (v) "Stipend" means the monthly cash transfers not exceeding thirty-five (35) dollars paid out of the proceeds of the Grant to a PEI Beneficiary participating in the PEI Program in accordance with the criteria, requirements and procedures set forth in the POM and with the operational implementation support of the Selected NGO. Said amount may be modified from time to time with the prior approval of the Bank. "Stipends" means the plural thereof.
- (w) "Training" means the costs associated with the training and workshops approved by the Bank, for reasonable expenditures (other than expenditures for consulting' services), including: (i) travel, room, board, and *per diem* expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction, and distribution expenses.
- (x) "Verification Process" means the process by which the Recipient, through MAST, shall verify that the PEI Beneficiary has completed the PEI Program and has been paid a Stipend and/or a Start-up Capital Grant, in accordance with the terms of the PEI Program, and the requirements and procedures set forth in the POM.

## Article II Project Execution

2.01. *Project Objective and Description.* The objective of the Project is to improve the economic inclusion of vulnerable adults with disabilities in Selected Locations in the Recipient's territory.

The Project consists of the following parts:

# <u>Part 1: Capacity building and raising awareness for improving Persons with Disabilities' economic opportunities</u>

Strengthening the capacity of the BSEIPH and selected OPDs to promote the economic inclusion and employment of Persons with Disabilities through:

- (a) (i) the provision of Training to the agency's civil servants at the central and regional offices in areas related to project design and execution, monitoring and evaluation, and management of data related to disability and employment, and inclusive and accessible communications.
  - (ii) the provision of Training to selected OPDs active in Selected Locations to enable them to engage more effectively in advocacy with local authorities and economic networks for economic inclusion of adults with disabilities.
  - (iii) the financing of minor information and communications technology equipment for the BSEIPH central and local offices in the Grand'Anse region.
- (b) (i) the provision of Small Grants to Selected OPDs participating under Part 1 (a) (ii) above to conduct advocacy campaigns.
  - (ii) the carrying out of an awareness raising campaign including tailored outreach and communication strategies for public and private institutions and enterprise audiences to promote economic inclusion of Persons with Disabilities.
  - (iii) the financing of a Project communication plan including a communication strategy and material to inform beneficiaries and stakeholders including private sector representatives of the Project.

#### Part 2: Productive Economic Inclusion Program for adults with disabilities

Financing a comprehensive PEI Program for selected Persons with Disabilities in the Grand'Anse region through *inter alia*: (i) payment of Stipends; (ii) provision of Start-up Capital Grants; (iii) carrying out of behavior and socioemotional support interventions, (iv) carrying out business skills Trainings, and (iv) providing individual coaching.

## Part 3: Project management, monitoring and evaluation, and knowledge dissemination

(a) Supporting the BSEIPH in the administration, implementation management and supervision of the Project (including, fiduciary aspects, monitoring and evaluation, and reporting of Project activities and results), including carrying out Project audits and hiring a monitoring firm to ensure compliance in the execution of the Project activities.

- (b) Designing and implementing an impact evaluation of the economic inclusion program.
- (c) Supporting knowledge dissemination activities and carrying out workshops and seminars for stakeholders including, *inter alia*, civil society organizations, non-governmental organizations, and public sector institutions.
- 2.02. **Project Execution Generally.** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through MAST, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

## 2.03. Institutional and Other Arrangements.

## 1. Implementation Arrangements

- (a) For purposes of carrying out the Project, the Recipient, through MAST, shall:
  - (i) ensure that BSEIPH is operated and maintained with technical functions, staffing, and responsibilities satisfactory to the Bank, as set forth in the POM; and
  - (ii) maintain throughout Project implementation, a Project Implementation Unit ("PIU") hosted within MAST, with functions, qualifications, and composition acceptable to the Bank. The PIU shall be responsible for the day-to-day management of the Project (including procurement, disbursement, financial management, ESCP implementation, and reporting arrangements), coordination, monitoring and evaluation communication and knowledge management, and supervision of Project activities.
- (b) The Recipient, through MAST, shall no later than two (2) months after the Effective Date, hire a Project coordinator, a dedicated procurement officer, a financial management specialist/accountant, all with terms of reference and functions acceptable to the Bank and as set forth in the Project Operations Manual ("POM").
- (c) The Recipient, through MAST, shall ensure that: (i) the Small Grants under Part 1 (b)(i) of the Project are provided to Small Grant Recipients; (ii) Small Grant Recipients comply with criteria, requirements and obligations set forth in the POM; and (iii) each Small Grant is used for the intended purpose.

#### 2. Productive and Economic Inclusion Program

- (a) In order to carry-out the PEI Program under Part 2 of the Project, the Recipient, through the MAST, shall:
  - (i) conclude an agreement ("PEI Agreement") with a Selected NGO for the provision of Stipends and/or Start-up Capital Grants, Training, behavior and socioemotional support interventions and individual coaching to PEI Beneficiaries under terms and conditions acceptable to the Bank and as set forth in the POM;

- (ii) ensure that Stipends are provided to PEI Beneficiaries for a total period of up to fifteen (15) months to support their monthly consumption expenses;
- (iii) provide a one-time Start-up Capital Grant to selected PEI Beneficiaries to develop or strengthen an income generating activity; and
- (iv) develop and deliver Training and individual coaching plans and interventions for PEI Beneficiaries to support them into gradually increasing their income, assets and social integration.
- (b) ensure that the PEI Agreement is carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines;
- ensure that payments made under the PEI Agreement are subject to a Verification Process satisfactory to the Bank and set forth in the POM;
- (d) exercise its rights and carry out its obligations under the PEI Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant; and
- (e) not assign, terminate, amend, abrogate, waive or fail to enforce the PEI Agreement or any of its provisions without the prior consent of the Bank. In case of a conflict between the provisions of the PEI Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

#### 3. Project Operations Manual

- The Recipient, through MAST shall, prepare and adopt and thereafter carry out the (a) Project in accordance with the POM acceptable to the Bank, which shall set forth, inter alia: (i) a detailed description of Project activities and institutional arrangements; (ii) the Project administrative, budgeting, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (iii) the monitoring indicators; (iv) the plan for the Training activities; (v) the social and environmental monitoring and management; (vi) the grievance redress mechanism; (vii) corruption and fraud measures; (viii) the characteristics of the Small Grants Recipients, outlining the respective roles and responsibilities of said Small Grants Recipients and setting forth the eligibility criteria, requirements and procedures for the selection of Small Grant Recipients and provision of said Small Grants; (ix) eligibility criteria, terms of reference and procedures for the selection of the Selected NGO for the carrying out of the PEI Program; and (x) the characteristics of the PEI Program beneficiaries, outlining the respective roles and responsibilities of said program beneficiaries and setting forth the eligibility criteria, requirements and procedures for the selection of beneficiaries and provision of Stipends and/or Start-up Capital Grants and the delivery of Training and coaching activities.
- (b) Except as the Bank may otherwise agree in writing, the Recipient and/or MAST shall not abrogate, amend, suspend, waive, or otherwise fail to enforce the POM or any provision thereof.

(c) In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

#### 2.04. Environmental and Social Standards.

- (a) The Recipient, through MAST shall, and shall cause the Selected NGO to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph (a) above, the Recipient, through MAST shall, and shall cause the Selected NGO to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Recipient shall, and shall cause the Selected NGO to, ensure that:
  - (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
  - (ii) sufficient funds are available to cover the costs of implementing the ESCP;
  - (iii) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient, through MAST shall, and shall cause the Selected NGO to, ensure that:
  - (i) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (ii) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

- (e) The Recipient, through MAST shall, and shall cause the Selected NGO to, establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
- 2.05. *Project Monitoring, Reporting and Evaluation*. The Recipient, through MAST, shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after each fiscal semester, covering the semester.

## Article III Withdrawal of Grant Proceeds

3.01. *Eligible Expenditures*. The Recipient, through MAST, may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; 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 Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Consulting services except for Part 1 (b)(i), Part 2 (i), and Part 2 (ii) of the Project	392,025	100%
(2) Goods and non-consulting services except for Part 1 (b)(i), Part 2 (i), Part 2 (ii), and Part 3 of the Project	268,000	100%
(3) Training except for Part 1 (b)(i), Part 2 (i), and Part 2 (ii) of the Project	483,650	100%
(4) Cash Transfers for Part 1 (b)(i), Part 2 (i) and Part 2 (ii) of the Project	1,322,500	100%
(5) Operating Costs except for Part 1 (b)(i), Part 2 (i), and Part 2 (ii) of the Project	303,825	100%
TOTAL AMOUNT	2,770,000	

- 3.02. *Withdrawal Conditions*. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:
  - (a) for payments made prior to the date of this Agreement; and
  - (b) under Category (4), until and unless:
    - (i) the PEI Agreement shall have been entered into between the Recipient, through MAST, and the Selected NGO, in form and substance satisfactory to the Bank; and
    - (ii) the Selected NGO engages a Payment Service Provider satisfactory to the Bank.
- 3.03. *Withdrawal Period.* The Closing Date is December 31, 2026.

## Article IV Additional Remedies

- 4.01. *Additional Event of Suspension*. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following:
  - (a) the Bank has determined, after the Effective Date referred to in Section 5.03 of this Agreement, that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date of such event occurred; and
  - (b) the Presidential Order published in *Le Moniteur* No 44, dated May 21, 2007, pursuant to which BSEIPH has been established and is operating has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of BSEIPH to perform any of its obligations under this Agreement.

# Article V Effectiveness; Termination

- 5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied:
  - (a) the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental and corporate action; and
  - (b) the Project Operations Manual has been prepared and adopted by the Recipient, through MAST and BSEIPH, in form and substance satisfactory to the Bank.
- 5.02. As part of the evidence to be furnished pursuant to Section 5.01(a) of this Agreement, the Recipient shall furnish to the Bank an opinion satisfactory to the Bank from counsel acceptable to the Bank, confirming that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient and is legally binding upon it in accordance with its terms.

- 5.03. Except as the Recipient and the Bank otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if the Bank has not declared it effective by the date ninety (90) days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

# Article VI Recipient's Representative; Addresses

- 6.01. *Recipient's Representative*. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Economy and Finance.
- 6.02. *Recipient's Address*. For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient's Address is:

Ministry of Economy and Finance Charles Sumner Avenue No. 5 Port-au-Prince, Republic of Haiti; and

(b) the Recipient's Electronic Address is:

Facsimile: E-mail:

(+509) 229 917 32 cabinet@mef.gouv.ht

6.03. **Bank's Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

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