

**CONFORMED COPY**

**GRANT NUMBER H419-0-HT**

# **Financing Agreement**

**(Avian Influenza Control and Human Pandemic Preparedness  
and Response Project)**

**between**

**REPUBLIC OF HAITI**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated October 7, 2008**



**GRANT NUMBER H419-0-HT**

**FINANCING AGREEMENT**

AGREEMENT dated October 7, 2008, entered into between REPUBLIC OF HAITI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). 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) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to one million Special Drawing Rights (SDR1,000,000) (“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 IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are June 15 and December 15 in each year.
- 2.05. The Payment Currency is Dollars.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall:
  - (a) through MARNDR, carry out: (i) the technical implementation of Part 1 and 4 of the Project; and (ii) the overall coordination of Project implementation;

- (b) through MSPP, carry out the implementation of Part 2 of the Project; and
- (c) through MARNDR, in collaboration with MCC, MSPP and other selected stakeholders specified in the OM, carry out the implementation of Part 3 of the Project;

all in accordance with the provisions of Article IV of the General Conditions.

- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

#### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Recipient shall have entered into a Fiduciary Management Contract with a fiduciary agent satisfactory to the Association for purposes of the implementation of Parts 1.1, 1.3, 2, 3 and 4 of the Project.
  - (b) The Operational Manual, satisfactory to the Association, shall have been adopted by MARNDR on behalf of the Recipient.
  - (c) The MOU, satisfactory to the Association, shall have been entered into between MARNDR and MSPP to allocate among them responsibilities for Project implementation.
  - (d) An annual work program for the first Project Year containing interim arrangements for the environmental management of the Project, including the disposal of carcasses thereunder, shall have been prepared by MARNDR, satisfactory to the Association, on behalf of the Recipient.
- 4.02. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than the eighteen (18) months after the Association's approval of the Financing which expires on January 14, 2010.
- 4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient (other than those providing for payment obligations) shall terminate is 20 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. The Recipient's Address is:

Ministère de l'Economie et des Finances  
Palais des Ministères  
Port-au-Prince  
Republic of Haiti  
Facsimile: (509) 22 99 17 32

5.03. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

AGREED at the District of Columbia, United States of America, as of the day and year first above written.

**REPUBLIC OF HAITI**

**By /s/ Raymond A. Joseph**

**Authorized Representative**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By /s/ Yvonne M. Tsikata**

**Authorized Representative**

## SCHEDULE 1

### Project Description

The objective of the Project is to support the implementation of the Recipient's National Plan intended to minimize the threat posed to humans by highly-pathogenic avian influenza (HPAI) infection and other zoonoses and to prepare for, control, and respond to influenza pandemics and other infectious disease emergencies in humans.

The Project consists of the following parts:

#### **Part 1: Preserving Animal Health**

The carrying out of activities relevant to the investigation, surveillance, prevention and preparedness with respect to any HPAI outbreak in the territory of the Recipient, through, *inter alia*:

- 1.1 the achievement of a reduction in related risks for peasant and commercial poultry production, including cock-fight poultry;
- 1.2 the design and implementation of a compensation mechanism for assisting in restoring productive assets of affected poultry producers; and
- 1.3 the strengthening of relevant institutional capacity for early detection and response, through, *inter alia*, the containment of risks related to in-country movement of poultry, improved laboratory diagnostics and the use of an improved national information system in relation thereto.

#### **Part 2: Preserving Human Health**

The carrying out of activities related to the prevention, detection and mitigation of the effects of HPAI on humans, including, *inter alia*:

- 2.1 the establishment of epidemiologic surveillance and early response mechanisms in the event of an outbreak;
- 2.2 the implementation of strategic measures for preparedness in accordance with selected international norms in respect thereof;
- 2.3 the building of capacity of relevant staff of MSPP in: (i) surveillance systems and data, including simulations; and (ii) preventive and mitigation measures in the event of an HPAI outbreak; and
- 2.4 the carrying out of HPAI awareness campaigns to increase same in selected MARNDR and MSPP staff, and the public at large.

**Part 3: IEC Campaigns**

The carrying out activities relevant to:

- 3.1 ensuring public awareness of the HPAI for selected groups, including vulnerable groups, with a view to promoting behavioral change, adoption of bio-safety procedures and the establishment of reporting habits and mechanisms;
- 3.2 the strengthening of the institutional capacity of selected staff of MARNDR and MSPP to carry out communication strategies in the context of the prevention and mitigation of HPAI, including therein, the provision of recommendations on potential investments in infrastructure and institutional reforms advisable in said context; and
- 3.3 the development of synergies with NGOs and other pertinent stakeholders active in rural communities.

**Part 4: Project Administration**

The provision of support to MARNDR for ensuring the coordination, monitoring, supervision and evaluation of the Project, including with respect to the procurement and financial management aspects in relation thereto.



## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Recipient, shall, for purposes of the Project, establish and thereafter maintain throughout Project implementation in MARNDR, a Project coordinating unit which shall:
  - (a) have its staff appointed in accordance with the provisions of Section III of Schedule 2 to this Agreement, each one of them to have at all times during Project implementation, terms of reference, functions and resources satisfactory to the Association;
  - (b) be responsible, *inter alia*, for: (i) the field coordination of Project activities; (ii) the coordination and reporting arrangements in respect of the Project, and (iii) the preparation of consolidated annual work programs for MARNDR and MSPP to be submitted to the Association for its approval; and
  - (c) remain under the authority of MARNDR and report periodically to the minister in charge thereof, as specified further in the OM.

##### B. Memorandum of Understanding

1. To facilitate the carrying out of Part 2 of the Project, the Recipient shall make part of the proceeds of the Financing available to MSPP under a memorandum of understanding (MOU) to be entered into between the MARNDR and MSPP, under terms and conditions approved by the Association.
2. MARNDR and MSPP shall exercise their respective rights under the MOU in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall ensure that the MOU is not assigned, amended or abrogated in any of its provisions.

##### C. Implementation Document

1. (a) The Recipient shall, through MARNDR, adopt an operational manual satisfactory in form and substance to the Association consisting 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:

- (i) (A) the detailed description of Project implementation activities, their sequencing and the prospective timetable and benchmarks in relation thereto; and (B) the institutional arrangements in respect thereof and the ensuing respective delineation of institutional responsibilities for the Project activities;
  - (ii) (A) the Project administrative, accounting, auditing, reporting, financial, and disbursement procedures, including all pertinent standard documents and model contracts in relation thereto; and (B) the institutional and contracting arrangements in relation thereto;
  - (iii) the plan for the training, workshop and capacity building activities under the Project;
  - (iv) the plan for the monitoring, evaluation and supervision of the Project; and
  - (v) the performance indicators for the Project.
- (b) The Recipient shall ensure that MARNDR, MSPP, MCC and all stakeholders identified in the Operational Manual, carry out the Project in accordance with the Operational Manual.
2. In the event that any provision of the Operational Manual shall conflict with any one under this Agreement, the terms of this Agreement shall prevail.
3. The Operational Manual may only be amended from time to time in consultation with, and after approval of, the Association.

**D. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**E. Other Implementation Arrangements**

1. The Recipient shall, through MARNDR:
- (a) ensure that: (i) PCU submits annual work plans and budget in respect of the Project to the Association for its review and approval and thereafter;

- (ii) the Project is further implemented, applying the views, comments and recommendations of the Association thereon;
- (b) select in accordance with the provisions of Section III. C of Schedule 2 to this Agreement and pursuant to terms of reference previously agreed with the Association, and thereafter use throughout Project implementation for purposes of the financial management and procurement activities of the Project, a fiduciary agent acceptable to the Association under a fiduciary management contract satisfactory to the Association;
- (c) (i) cause: the Fiduciary Agent to ensure that all financial management, accounting, monitoring, auditing and procurement activities related to the implementation of the Project, except for Part 1.2 thereof, are carried out under said Fiduciary Management Contract in accordance with the terms of this Agreement, the Additional Instructions thereto and the Operational Manual; (ii) exercise its rights under the Fiduciary Management Contract in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Fiduciary Management Contract; and (iii) except as the Association shall otherwise agree, ensure that the Fiduciary Management Contract is not assigned, amended or abrogated in any of its provisions;
- (d) ensure that all fiduciary aspects for the implementation of Part 1.2 of the Project exclusively are managed by the administrative unit of the department of animal health of MARNDR; and
- (e) ensure, not later than 6 months after the Effective Date, that: (i) the Environmental Management Plan for the Project is prepared, satisfactory to the Association; (ii) the Project is promptly thereafter implemented in accordance with the Environmental Management Plan agreed with the Association; and (iii) the Operational Manual is updated to reflect the management and monitoring measures and related institutional arrangements set forth in the EMP.

**F. Safeguards**

The Recipient shall ensure that the Project is carried out in accordance with the EMP prepared under the Project.

**Section II. Project Monitoring, Reporting and Evaluation****A. Project Reports**

1. The Recipient shall monitor and evaluate the progress of Parts 1, 3 and 4 of the Project carried out, in whole or in part, by MARNDR and Part 2 of the Project carried out by MSPP and prepare, through MARNDR and MSPP respectively, Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Bank and set forth in the Operational Manual. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association in consolidated form by PCU not later than forty-five days after the end of the period covered by such report.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than July 15, 2012.

**B. Financial Management, Financial Reports and Audits**

1. The Recipient shall, through MARNDR for Parts 1, 3 and 4 of the Project and MSPP for Part 2 of the Project, maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient, through MARNDR and MSPP for their respective Parts of the Project, shall prepare, or cause to be prepared, as part of the Project Report interim un-audited financial reports for the Project covering each calendar quarter, in form and substance satisfactory to the Association, all to be furnished to the Association by PCU not later than forty-five days after the end of each calendar quarter.
3. The Recipient shall have the Financial Statements for Parts 1, 3 and 4 of the Project implemented by MARNDR and Part 2 of the Project implemented by MSPP, audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements for Parts 1, 3, and 4 of the Project implemented by MARNDR and Part 2 of the Project implemented by MSPP, shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association in consolidated form by PCU not later than four months after the end of such period.
4. For purposes of Paragraph 3 above, the Recipient, through PCU, shall, not later than six months after the Effective Date, ensure that the independent auditor referred to in Section 4.09 (b) (i) of the General Conditions is appointed with

terms of reference satisfactory to the Association and selected in accordance with the provisions of Section III of Schedule 2 to this Agreement.

**Section III. Procurement**

**A. General**

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Schedule.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Schedule.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<b><u>Procurement Method</u></b>
(a) National Competitive Bidding, subject to using Standard Bidding Documents agreed with the Association
(b) Shopping, subject to using Standard Request for Quotations agreed with the Association
(c) Direct Contracting, subject to the Association's prior written consent

**C. Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b><u>Procurement Method</u></b>
(a) Quality-Based Selection
(b) Selection under a Fixed Budget
(c) Least Cost Selection
(d) Selection based on Consultant’s Qualifications
(e) Single Source Selection, subject to the Association’s prior written consent
(f) Procedures for the selection of Individual Consultants

**D. Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth all contracts, including those which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b><u>Category</u></b>	<b><u>Amount of the Financing Allocated (expressed in SDR)</u></b>	<b><u>Percentage of Expenditures to be Financed (inclusive of Taxes)</u></b>
(1) Eligible expenditures in respect of Compensation payments under Part 1.2 of the Project	100,000	100% of amounts disbursed
(2) Goods, works, consultants' services, Operating Costs and Training for Parts 1.1, 1.3, 2 and 3 of the Project	760,000	100%
(3) Consultants' services and Operating Costs for Part 4 of the Project	90,000	100%
(4) Unallocated	50,000	
<b>TOTAL AMOUNT</b>	1,000,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for:
  - (a) payments made prior to the date of this Agreement; and
  - (b) payments made under Category (1) above until and unless a detailed compensation mechanism setting forth, *inter alia*, the institutional framework, management, governance structure, criteria, rules, methods, operational procedures, monitoring arrangements and guidelines for the provision thereunder of compensation for poultry owners who report sick or dead poultry has been established, satisfactory to the Association.
  
2. The Closing Date is January 15, 2012.

**APPENDIX****Section I. Definitions**

1. “Additional Instructions” means those instructions referred to in Section IV.A.1 of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
5. “Environmental Management Plan” and “EMP” mean the set of mitigation, enhancement, monitoring and institutional measures to be taken during Project implementation to eliminate any adverse environmental and social impacts, offset them, or reduce them to acceptable levels, as the same may be amended from time to time with the prior agreement of the Association, and such term includes any schedules to the Environmental Management Plan.
6. “Fiduciary Agent” means the agent referred to in Section I.E.1 (b) of Schedule 2 to this agreement.
7. “Fiduciary Management Contract” means the contract referred to in Section I. E.1 (b) of Schedule 2 to this Agreement.
8. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
9. “HPAI” means, depending on the context, the highly-pathogenic avian influenza (HPAI) infection or the underlying virus.
10. “IEC” means Information, Education and Communication.
11. “MARNDR” means *Ministère de l’Agriculture, des Ressources Naturelles et du Développement Rural*, the Recipient’s Ministry of Agriculture, Natural Resources and Rural Development.



12. “MCC” means *Ministère de la Culture et de la Communication*, the Recipient’s Ministry of Culture and Communication.
13. “Memorandum of Understanding” and “MOU” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant, to which the Recipient shall make part of the proceeds of the Financing available to MSPP for the carrying out of Part 2 of the Project.
14. “MSPP” means *Ministère de la Santé Publique et de la Population*, the Recipient’s Ministry of Public Health and Population.
15. “National Plan” means *Plan National de Réponse à la Pandémie de Grippe Aviaire*, the Recipient’s Avian Flu Pandemic Response Plan for the period 2006-2010, adopted under the umbrella of Global Program for Avian Influenza (GPAI) to which Haiti is a party, based on strategies developed by the World Health Organization, the Food and Agriculture Organization and the World Organization for Animal Health.
16. “NGO” means a Non-Governmental Organization, established and operating pursuant to the laws of the Recipient.
17. “Operating costs” means in respect of Category 2 and 3 in the table of Section IV.A (2) of Schedule 2 to this Agreement, the incremental expenses incurred on account of Project implementation, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, *per diem* and supervision costs and salaries of locally contracted employees.
18. “Operational Manual” and “OM” mean the manual referred to in Section I.C.1 (a) of Schedule 2 to this Agreement.
19. “PCU” means the Project coordinating unit referred to in Section I.A.1.of Schedule 2 to this Agreement.
20. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
21. “Procurement Plan” means the Recipient’s procurement plan for the Project dated June 17, 2008 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
22. “Project Year” means each twelve month period during Project implementation starting from the day after the Effective Date and ending twelve calendar months

thereafter, and each subsequent twelve month period thereafter until completion of the Project.

23. “Training” means in respect of Category 2 in the table in Section IV.A(2) of Schedule 2 to this Agreement: (i) reasonable travel, room, board and *per diem* expenditures as incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under said Section IV.A(2) of Schedule 2 to this Agreement.