

CONFORMED COPY

GRANT NUMBER H621-0-HT

Financing Agreement

**(Additional Financing for the Urban Community
Driven Development Project)**

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated November 23, 2010

FINANCING AGREEMENT

Agreement dated November 23, 2010, entered into between the REPUBLIC OF HAITI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for 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) 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 nineteen million nine hundred thousand Special Drawing Rights (SDR 19,900,000) (“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 the Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by BMPAD (with the assistance of the relevant MDODs in respect of Part 1 of the Project) 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 — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely that the BMPAD Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of BMPAD to perform any of its obligations under this Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Additional Subsidiary Agreement has been entered into between the Recipient and BMPAD.
- 5.02. The Additional Legal Matter consists of the following, namely that the Additional Subsidiary Agreement has been duly authorized or ratified by the Recipient and BMPAD and is legally binding upon the Recipient and BMPAD in accordance with its terms.
- 5.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety days (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 April 26, 2012.
- 5.04. For purposes of Section 8.05 (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 twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is the Recipient's Minister of Economy and Finance.
- 6.02. The Recipient's Address is:

Ministère de l'Économie et des Finances
5, Avenue Charles Sumner
Port-au-Prince
Republic of Haiti

6.03. 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 Port-au-Prince, Haiti, as of the day and year first above written.

REPUBLIC OF HAITI

By /s/ Ronald Baudin

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Alexandre V. Abrantes

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project included in the Original Project (as amended herein solely for purposes of the Financing) is to improve access to, and satisfaction with: (i) basic and social infrastructure and services, including housing repair, reconstruction and community infrastructure improvement needed as a result of the Emergency; and (ii) income-generating opportunities for residents of selected Disadvantaged Urban Areas.

For the purpose of this Agreement, the Project consists of the following parts:

Part 1: Housing Repair and Reconstruction

Carrying out of a program of activities in the Selected Area, which consists of, *inter alia*:

- (a) removing building debris through, *inter alia*, the recruitment of contractors and the implementation of cash-for-work programs;
- (b) provision of Cash Grants;
- (c) carrying out of repairs and improvement of community infrastructure including, *inter alia*, roads, walkways, drainage ditches and channels, solid waste management, water supply systems, sanitation facilities and related equipments; and
- (d) (i) the design and implementation of a community-based mapping exercise in the Selected Area; (ii) the establishment and implementation of conflict-resolution mechanisms related to Project activities; (iii) the development of neighborhood-level urban plans and risk maps; (iv) the supervision of construction activities; (v) the provision of training with respect to building techniques and applicable rules; (vi) the establishment and operation of community reconstruction centers; and (vii) the provision of technical assistance for the preparation of medium-and long-term urban development and housing strategies, and associated policy and administrative measures.

Part 2: Project Administration, Supervision, Monitoring and Evaluation

Carrying out a program of activities to support the administration, supervision, monitoring and evaluation of the Project by BMPAD.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements**

1. The Recipient shall cause to be maintained in BMPAD at all times during the implementation of the Project, the Project Coordinating Unit:
 - (a) with staff in adequate numbers appointed in accordance with the provisions of Section III of Schedule 2 to this Agreement on the basis of terms of reference, qualifications and experience satisfactory to the Association and having at all times during Project implementation, functions and resources satisfactory to the Association; including, without limitation to the generality of the foregoing, an additional environmental and social safeguard specialist, which shall be recruited for the Project no later than one (1) month after the Effective Date; and
 - (b) which shall be responsible for: (i) the coordination and supervision of Part 1 of the Project to be effectively implemented by MDODs under BMPAD's responsibility; (ii) the direct implementation of Part 2 of the Project; and (iii) the overall procurement, financial management, audit, monitoring and evaluation and reporting aspects in relation to Project implementation.
2. The Recipient shall cause the Board of Directors of BMPAD to act as the steering committee for the Project, responsible for defining the Project's strategic orientations and approving its annual work plans, internal audit plans and budgets.
3. The Recipient shall ensure that COPRODEPs are maintained for the duration of the Project, with the specific responsibility of receiving, prioritizing and approving proposals for Reconstruction Subprojects under Part 1 (b) of the Project.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to BMPAD under a subsidiary agreement between the Recipient and BMPAD, under terms and conditions approved by the Association ("Additional Subsidiary Agreement"), which shall include the following provisions:

- (a) the obligation of the Recipient to:
 - (i) make the proceeds of the Financing available to BMPAD as a grant under terms and conditions acceptable to the Association; and
 - (ii) take all actions necessary to permit BMPAD to carry out the Project and ensure the achievement of the objective thereof;

- (b) the obligation of BMPAD to:
 - (i) carry out the Project in accordance with this Agreement, the Additional Subsidiary Agreement, the Project Operation Manual, the Anti-Corruption Guidelines, the annual work plans and budgets approved by the Association and the Safeguard Documents;
 - (ii) promptly refund to the Recipient for further refund to the Association any proceeds from the grant not used for purposes of carrying out the Project or for achieving its objective, or otherwise utilized in a manner inconsistent with the provisions of this Agreement;
 - (iii) at the request of the Recipient or the Association, exchange views with the Recipient and the Association with regard to the progress of the Project and the achievement of its objective, and BMPAD's performance of its obligations under the Additional Subsidiary Agreement, the Project Operation Manual, the annual work plans and budgets approved by the Association, the Anti-Corruption Guidelines and the Safeguard Documents;
 - (iv) enter into the pertinent Service Agreements as provided in Section I.C.1 of Schedule 2 to this Agreement;
 - (v) take, or cause to be undertaken, all necessary actions to enable the Recipient to comply with its Project implementation obligations under this Agreement; and
 - (vi) promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of the Project and the achievement of its objective; and

- (c) a provision stipulating that, in case of conflict between any of the provisions contained in the Additional Subsidiary Agreement or the Project Operation Manual, and those set forth in this Agreement, the provisions of this Agreement shall at all times prevail.
2. The Recipient shall exercise its rights and carry out its obligations under the Additional Subsidiary Agreement 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 not assign, amend, abrogate or waive the Additional Subsidiary Agreement or any of its provisions.

C. Service Agreements

1. The Recipient shall cause BMPAD to enter into agreements (each a “Service Agreement”) in each case with an eligible MDOD, which shall set forth the respective obligations of the parties under the Service Agreement, with respect to, *inter alia*, the preparation, implementation and monitoring of Reconstruction Subprojects, with the support and under the supervision of trained facilitators, engineering and technical staff, including the provision of technical advisory services, the acquisition of goods and the carrying out of works in relation thereto, and the modalities for the transfer of funds to Beneficiaries to enable Beneficiaries to carry out their Reconstruction Subprojects, all in accordance with the guidelines set forth in the POM.
2. Without limitation to the generality of paragraph (1) above, each Service Agreement shall include, *inter alia*, the following provisions:
 - (a) the obligation of the MDOD to carry out its obligations under the Service Agreement in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient;
 - (b) the obligation of the MDOD, at the request of the Recipient, BMPAD, or the Association, to have its financial statements audited by an independent auditor acceptable to the Recipient, BMPAD and the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the financing statements as so audited to the Recipient, BMPAD and the Association; and
 - (c) the right of BMPAD to terminate the rights of the MDOD under the Service Agreement without notice in case of breach by the MDOD of its obligations to comply with the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient.

3. The Recipient shall cause BMPAD to exercise its rights under each Service Agreement 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 cause BMPAD not to assign, amend, abrogate, waive or fail to enforce any of the Service Agreements or any of their provisions.

D. Reconstruction Sub-projects

1. The Recipient shall, through BMPAD, cause MDODs (pursuant to the provisions of the Additional Subsidiary Agreement and the pertinent Service Agreement) to make Cash Grants to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association, all as set forth in the POM, which shall include, *inter alia*, the following:
 - (a) the Cash Grant is intended to finance a proposed Reconstruction Subproject, which has already been community mapped under Part 1(d) of the Project;
 - (b) a conflict resolution mechanism is in place and operational, based on procedures and principles (satisfactory to the Recipient and BMPAD) to address potential complaints, disagreements, contestations and disputes (the “Conflict Resolution Mechanism”), regarding the implementation of Project activities including, *inter alia*, the results of the community mapping of the proposed Reconstruction Subproject;
 - (c) the result of the community mapping of the proposed Reconstruction Subproject is not the subject of a complaint, disagreement, contestation or dispute notified to the Beneficiary which has not been addressed by the Conflict Resolution Mechanism; and
 - (d) without prejudice to the determination of the legal rights (or absence thereof) of the Beneficiary, the Cash Grant is for a Reconstruction Subproject which has complied with a methodology (satisfactory to the Recipient and BMPAD) in place to ensure that at least some benefit will accrue to the person who was the occupant of the house rebuilt or repaired under the Reconstruction Subproject before the Emergency.
2. The Recipient shall through BMPAD, cause MDODs to make each Cash Grant under a Cash Grant Agreement with the respective Beneficiary on terms and conditions approved by the Association, which shall include the following:
 - (a) The Cash Grant shall be a non reimbursable grant denominated in Gourdes.

- (b) The Recipient, through BMPAD and the MDODs, shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Cash Grant, or obtain a refund of all or any part of the amount of the Cash Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Cash Grant Agreement; and (ii) require each Beneficiary to: (A) carry out its Reconstruction Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, procurement, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient, the POM and the Safeguard Documents; (B) as the case may be, provide, promptly as needed, the resources required for the Reconstruction Subproject; (C) enable to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Reconstruction Subproject and the achievement of its objectives; (D) maintain an accounting system adequate to reflect the operations, resources and expenditures related to the Reconstruction Subproject; (E) enable the Recipient and the Association to inspect the Reconstruction Subproject, its operation and any relevant records and documents; and (F) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
- 3. The Recipient shall cause BMPAD to ensure that each MDOD shall exercise its rights under each Cash Grant Agreement 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 cause BMPAD to ensure that each MDOD shall not assign, amend, abrogate, waive or fail to enforce any Cash Grant Agreement or any of its provisions.

E. Other Implementation Arrangements

- 1. The Recipient shall cause BMPAD to ensure that:
 - (a) the Reconstruction Subprojects are identified, appraised, selected, approved, implemented, managed and supervised in accordance with the procedures set forth or referred to in the POM; and
 - (b) (i) technical audits of the activities of BMPAD and each MDOD regarding the implementation of the Reconstruction Subprojects are carried out by an independent auditor semi-annually; (ii) not later than 3 months after the Effective Date, a technical auditor is selected in

accordance with the provisions of Section III of Schedule 2 to this Agreement on the basis of terms of reference, qualifications and experience satisfactory to the Association and recruited by BMPAD for the purpose of carrying out the audits referred to in paragraph (i) above; (iii) within 4 months after the end of each semester thereafter, the audit reports are prepared by the independent auditor referred to in paragraph (i) above and furnished to the Association for its review and comments; and (iv) the Reconstruction Subprojects are subsequently carried out taking into account the recommendations of the auditor and the views of the Association in that respect.

2. The Recipient shall cause BMPAD to ensure:
 - (a) without limitation to the provisions of Section I.B.1 (b) of Schedule 2 to this Agreement, that annual Project work plans, internal audit plans and budgets are prepared by BMPAD, are subsequently reviewed by BMPAD's Board of Directors in its capacity as steering committee for the Project, are agreed by the Association and are thereafter implemented with due diligence and efficiency and in accordance with the pertinent provisions of the Anti-Corruption Guidelines, the POM and the Safeguard Documents; and
 - (b) that not later than two (2) months after the Effective Date, at least one Service Agreement is concluded by BMPAD, satisfactory to the Association, for the provision of services needed for the implementation of Part 1 of the Project.
3. Without limitation to the provisions of Section IV.B.1. (b) of this Schedule, the Recipient shall cause BMPAD not to make any request for financing of any Reconstruction Subproject under this Agreement until and unless: (i) the POM shall have been updated in accordance with the provisions of Paragraph F.1(i) below; and (ii) the relevant Cash Grant Agreement, satisfactory in form and substance to the Association, shall have been entered into between an MDOD and a relevant Beneficiary, as further specified in the POM.
4. The Recipient shall ensure that the terms of reference for any consultancy/technical assistance related to the carrying out of the Project activity under Part 1 (d) (iii) and (vii) of the Project shall be satisfactory to the Association following its review thereof and, to that end, such terms of reference shall duly incorporate the applicable Bank Safeguards Policies to said Project activity, as determined by the Association.

F. Implementation Document

1. The Recipient shall cause BMPAD to: (a) no later than one (1) month after the Effective Date, update the POM for the purpose of the Project (including, but not limited to, eligibility criteria, procedures and guidelines for the Reconstruction Subprojects) in a manner satisfactory to the Association, formally adopt and cause all entities involved in the implementation of the Project to formally adopt the updated POM, in a manner acceptable to the Association, and thereafter ensure that the Project is carried out in accordance with the POM; and (b) except as the Association shall otherwise agree, refrain from amending the POM or waiving any of its provisions.
2. In case of a conflict between the provisions of the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail.

G. Anti-Corruption

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

H. Safeguards

1. No later than six (6) months after the Effective Date, the Recipient shall have prepared and disclosed in a manner satisfactory to the Association the following documents, each in form and substance satisfactory to the Association:
 - (a) the Environmental and Social Management Framework, detailing: (i) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (ii) the actions needed to implement these measures, including monitoring and institution strengthening; and
 - (b) the Resettlement Policy Framework, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as well as for the preparation of Resettlement Action Plans.
2. From the date referred to in paragraph (1) above, the Recipient shall ensure that, throughout the implementation of the Project, the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environmental and Social Management Framework and the Resettlement Policy Framework. In particular, the Recipient shall ensure:

- (a) (i) that for each Reconstruction Subproject or other activity under the Project of a category for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such Reconstruction Subproject or other activity, in accordance with the provisions of the Environmental and Social Management Framework; and (ii) immediately thereafter, that the relevant Reconstruction Subproject or other activity is implemented in accordance with its Environmental and Social Management Plan; and
 - (b) (i) that for each Reconstruction Subproject or other activity under the Project of a category for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such Reconstruction Subproject or other activity, in accordance with the provisions of the Resettlement Policy Framework; and (ii) immediately thereafter, that the relevant Reconstruction Subproject or other activity is implemented in accordance with its Resettlement Action Plan.
3. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend, waive or fail to enforce any provisions of any of the Safeguard Documents, nor shall it permit BMPAD to do so.
 4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, or shall cause BMPAD to, regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Safeguard Documents, giving details of: (a) measures taken in furtherance of the Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and (c) remedial measures taken or required to be taken to address such conditions.
 5. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

I. Training

Training shall be carried out on the basis of annual programs and budgets, which shall have been approved by the Association, and which shall, *inter alia*, identify:

(a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty five days after the end of the period covered by such report.
- (b) Without limitation to the provisions of Section 4.08(b) of the General Conditions, each Project Report shall include an annex in form, scope and level of details satisfactory to the Association, reflecting the feedback from all categories of stakeholders involved in the implementation of the Project during the period covered by each such Project Report, collected and compiled by BMPAD, as well as their recommendations to improve the implementation of the Project, in view of drawing on an on-going basis the lessons learned from the implementation of the Project and adjusting if needed the implementation arrangements, all subject to the Association's prior approval.

B. Financial Management, Financial Reports and Audits

- 1. The Recipient shall maintain for itself and shall cause to be maintained in BMPAD and in each MDOD, 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 shall prepare and furnish to the Association as part of the Project Report interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
- 3. The Recipient shall: (a) have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions; and (b) cause BMPAD and the MDOD to have their respective financial statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements (including BMPAD's and the MDODs'

financial statements mentioned in (b) herein) shall cover the period of one semester in each fiscal year of the Recipient. The audited Financial Statements (including BMPAD's and the MDODs' financial statements mentioned in (b) herein) for each such period shall be furnished to the Association not later than four months after the end of such period. The Recipient shall disclose the audited Financial Statements in a manner acceptable to the Association. The Recipient agrees that upon receipt of the Financial Statements, the Association shall make them available to the public in accordance with the World Bank's Policy on Access to Information.

4. For purposes of paragraph 3 above, the Recipient shall cause BMPAD to appoint, not later than January 31, 2011, the independent auditors referred to in Section 4.09 (b) (i) of the General Conditions, under terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement.

Section III. Procurement

A. General

1. **Goods, Non-Consultant Services and Works.** All goods, Non-Consultant Services 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 Section.
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 Section.
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, Non-Consultant Services and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, Non-Consultant Services and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Non-Consultant Services and Works.** The following table specifies the methods of procurement, other than

International Competitive Bidding, which may be used for goods, Non-Consultant Services and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<u>Procurement Method</u>
(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 consent.
(d) Community participation in procurement as spelled out in the POM

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.

<u>Procurement Method</u>
(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 set forth in Paragraphs 5.2 and 5.3 of the Consultants Guidelines for the Selection of Individual Consultants
(g) Sole Source Procedures for the Selection of Individual Consultants set forth in paragraph 5.4 of the Consultant Guidelines for the Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts 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:

<u>Category</u>	<u>Amount of the Financing Allocated (expressed in SDR)</u>	<u>Percentage of Expenditures to be Financed (inclusive of Taxes)</u>
(1) Cash Grants under Part 1(b) of the Project	7,000,000	100% of the amount disbursed
(2) Goods, Works and Non-Consultant Services for Part 1(a), (c) and (d) of the Project	6,560,000	100%
(3) Consultants’ services		100%
(a) provided by MDODs under Service Agreements for Part 1 of the Project, including Training	4,700,000	
(b) for Parts 1 and 2 of the Project not provided by MDODs, including Training and Project audits	400,000	
(4) Operating Costs	600,000	100%

<u>Category</u>	<u>Amount of the Financing Allocated (expressed in SDR)</u>	<u>Percentage of Expenditures to be Financed (inclusive of Taxes)</u>
(5) Unallocated	640,000	
TOTAL AMOUNT	19,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made:
 - (a) prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$6,000,000 equivalent may be made for payments made prior to this date but on or after June 1, 2010 for Eligible Expenditures; or
 - (b) under Category (1) until: (i) the POM has been updated and formally adopted in accordance with Section I.F.1 of Schedule 2 to this Agreement; (ii) the Environmental and Social Management Framework shall have been prepared and disclosed in accordance with Section I.H.1(a) of Schedule 2 to this Agreement and the Resettlement Policy Framework shall have been prepared and disclosed in accordance with Section I.H.1(b) of Schedule 2 to this Agreement; and (iii) the first three (3) Cash Grant Agreements for the financing of Reconstruction Subprojects have been signed by the parties thereto.
2. The Closing Date is March 31, 2014.

APPENDIX**Section I. Definitions**

1. “Additional Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to BMPAD.
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, with the modifications set forth in Section III of this Appendix.
3. “Bank Safeguard Policies” mean the Bank’s operational policies and procedures set forth in the Bank’s Operational Manual under OP/BPs 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60 as said manual is published under www.WorldBank.org/opmanual.
4. “Beneficiary” means an urban community based organization on the Recipient’s territory (including, *inter alia*, special interest groups of women and youth under terms and conditions defined in the POM) which has met the eligibility criteria specified in the Project Operation Manual (as hereinafter defined) and as a result has been extended, or is to be extended, a Cash Grant (as hereinafter defined) for the carrying out of a Reconstruction Subproject (as hereinafter defined); and “Beneficiaries” means collectively all such persons.
5. “BMPAD” means *Bureau de Monétisation des Programmes d’Aide au Développement*, an entity of the Recipient established by law dated December 27, 2007 for the administration of foreign aid and the management of development projects financed through it, and published in the Recipient’s official gazette “*Le Moniteur*” on January 04, 2008.
6. “BMPAD Legislation” means the law establishing BMPAD dated December 27, 2007, as such legislation has been amended to the date of this Agreement.
7. “Cash Grant” means a grant provided by an MDOD on behalf of the Recipient under Part 1 (b) of the Project for the financing of Reconstruction Subprojects, in whole or in part.
8. “Cash Grant Agreement” means any of the agreements between an MDOD and a Beneficiary setting forth the terms and conditions under which a Cash Grant shall be made available to said Beneficiary, as referred to in Section I.D.2 of Schedule 2 to this Agreement.

9. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
10. “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 and May 2010.
11. “COPRODEP” means *Conseil du Projet de Développement Participatif*, a Project Development Council (established under the Project with membership drawn up primarily from community based-organizations’ representatives and including, *inter alia*, representatives of civil society, local and/or municipal government) which is responsible under the Project for the approval of Reconstruction Subprojects.
12. “Disadvantaged Urban Area” means a priority zone in the Recipient’s territory (*zone prioritaire*) defined in its *Appui à la Stratégie Nationale de la Commission Nationale pour la Démobilisation, le Désarmement et la Réinsertion* (CNDDR) dated July 13, 2007.
13. “Displaced Person” means a person who, on account of the execution of an activity under the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; “Displaced Persons” means all such persons.
14. “Emergency” means the extraordinary event of limited duration which was caused by the occurrence of a 7.0 magnitude earthquake in selected parts of the Recipient’s territory and which brought about unprecedented physical, social and economic damage to the Recipient and its population.
15. “Environmental and Social Management Framework” means the Recipient’s framework referred to in Section I.H.1(a) of Schedule 2 to this Agreement.
16. “Environmental and Social Management Plan” means the Recipient’s plan prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to an activity included under an annual work plan and budget approved by the Association in accordance with Section I.H.2(a) of Schedule 2 to this Agreement, that details: (a) the measures to be taken during the implementation and operation of such activity to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures.

17. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
18. “Gourdes” means the currency having legal tender on the territory of the Recipient.
19. “IEC” means Information, Education and Communication.
20. “MDOD” means a *Maître D’Ouvrage Délégué*, a service providing entity or individual, such as a non-governmental organization or a private institution, contracted under the Project in accordance with the provisions of Section III of Schedule 2 to this Agreement to appraise Reconstruction Subprojects and provide technical assistance in the course of their implementation by Beneficiaries.
21. “Non-consultant services” means in respect of Category (2), services to be contracted for, *inter alia*, the carrying out of IEC campaigns and activities related to the carrying out of surveys.
22. “Operating Costs” means, in respect of Category (4), the incremental operating expenses, based on annual budgets approved by the Association, incurred by the BMPAD, on account of Project administration, supervision, monitoring and evaluation, as operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, contractual staff costs, travel and supervision costs, *per diem*, but excluding the salaries and indemnities of officials and public servants of the Recipient’s civil service.
23. “Original Financing Agreement” means the financing agreement for an Urban Community Driven Development Project entered into between the Recipient and the Association, dated June 30, 2008, as amended to the date of this Agreement (Grant No. H394-0-HT).
24. “Original Project” means the project described in Schedule 1 to the Original Financing Agreement.
25. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006 and May 2010.
26. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated September 30, 2010 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.

27. “Project Coordinating Unit” or “PCU” means the Project Coordinating Unit established within BMPAD, referred to in Section I.A.1 of Schedule 2 to this Agreement, or any successor thereto acceptable to the Association.
28. “Project Operation Manual” or “POM” means the Project operational manual dated April 29, 2008 for the Original Project, as updated for the purpose of the Project, and formally adopted by the Recipient, BMPAD and the other Project stakeholders in accordance with Section I.F.1 of Schedule 2 to this Agreement.
29. “Reconstruction Subproject” means a subproject for the repairs of houses assessed as structurally solid and on-site reconstruction of houses either destroyed or damaged beyond repair in the Selected Area.
30. “Resettlement Action Plan” means the Recipient’s plan prepared and disclosed in accordance with the Resettlement Policy Framework with respect to an activity included under an annual work plan and budget approved by the Association in accordance with Section I.H.2(b) of Schedule 2 to this Agreement, which, *inter alia*: (a) contains a census survey of Displaced Persons and valuation of their assets; (b) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation; and (c) contains a timetable and budget for the implementation of such measures.
31. “Resettlement Policy Framework” means the Recipient’s framework referred to in Section I.H.1(b) of Schedule 2 to this Agreement.
32. “Safeguard Documents” means collectively the Environmental and Social Management Framework, the Resettlement Policy Framework, as well as the Environmental and Social Management Plans and the Resettlement Action Plans prepared for specific activities carried out under the Project, if any.
33. “Selected Area” means the neighborhood known as “*Delmas 32*” in Port-au-Prince, and any other neighborhoods which may be selected by the Recipient during Project implementation and acceptable to the Association.
34. “Service Agreement” means any of the agreements between BMPAD and a selected MDOD under the Project, as further referred to in Section I.C.1 of Schedule 2 to this Agreement.
35. “Training” means in respect of Category 3(a) and (b) of the table in Section IV.A.2 of Schedule 2 to this Agreement: (a) 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; (b) course fees; (c)

training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.

Section II. Modification to the General Conditions

The modification to the General Conditions is as follows:

In section 6.02(1), the term “Project Implementing Entity” includes BMPAD.

Section III. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”