

CONFORMED COPY

GRANT NUMBER H432-0-HT

Financing Agreement

(Emergency Bridge Reconstruction and Vulnerability Reduction Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated February 12, 2009

GRANT NUMBER H432-0-HT

FINANCING AGREEMENT

AGREEMENT dated February 12, 2009, 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 twelve million eight hundred thousand Special Drawing Rights (SDR12,800,000) (“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 objectives of the Project. To this end, the Recipient shall:
- (a) carry out Parts 1, 2 and 3 of the Project through MTPTC in collaboration with selected Participating Agencies of the Recipient; and
 - (b) cause BMPAD to carry out Part 4 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 — 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of Suspension consists of the following, namely, that the BMPAD Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of BMPAD to perform any of its obligations derived from this Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Subsidiary Agreement has been entered into between the Recipient and BMPAD.
 - (b) The Operational Manual, including therein the EMF and the RAF, has been adopted by MTPTC on behalf of the Recipient.
- 5.02. The Additional Legal Matter consists of the following, namely that the 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 (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 May 18, 2010.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its Minister of Economy and Finance.

- 6.02. The Recipient's Address is:

Ministère de l'Economie et des Finances
Palais des Ministères
Port-au-Prince
Republic of Haiti
Facsimile: (509) 229 917 32

- 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/ Daniel Dorsainvil

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Yvonne M. Tsikata

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to: (i) assist the Recipient in restoring access on selected critical points of its transport system following the FGHI Emergency, and (ii) reduce vulnerability to national disasters by strengthening its NDRMS.

The Project consists of the following parts:

Part 1: Implementing a Program of Bridge Reconstruction

The carrying out of civil works, including therewith the acquisition of goods, equipment and the provision of technical advisory services, for the physical restoration of selected bridges of the Recipient's territory that have collapsed as a result of the FGHI Emergency.

Part 2: Improving the Resilience of Transport Infrastructure

The physical restoration of bridges and road sections in selected areas of the Recipient's territory that have been damaged and/or weakened as a result of the FGHI Emergency, through:

- 2.1. the carrying out of relevant repair and consolidation works; and
- 2.2. the implementation of a pilot program under the Project with respect to the provision of grants to Beneficiary CBOs for the carrying out of Transport Infrastructure Maintenance Subprojects and the development thereunder of income-generating opportunities for Beneficiary CBO members.

Part 3: Strengthening Transport System Asset Management

The provision of support for the institutional capacity building in transport asset management of selected staff of MTPTC at central and decentralized levels.

Part 4: Operational Strengthening of NDRMS

The provision of technical advisory services to: (a) strengthen vulnerability reduction capacities in selected stakeholders of NDRMS for, *inter alia*, the preparation, implementation and monitoring of the Recipient's post-disaster recovery and reconstruction plans; and (b) carry out studies about vulnerability reduction in selected disaster-prone areas of the Recipient's territory.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall ensure that MTPTC:
 - (a) executes agreements (Letters of Undertaking) for each Participating Agency in the Project, therein setting forth the respective obligations of the parties thereunder, notably with respect to the relevant parts of the Project assigned to the concerned Participating Agency for implementation, including in connection therewith, the provision of technical advisory services, the acquisition of goods and the carrying out of works in relation thereto, all in accordance with the guidelines set forth in the Operational Manual; and
 - (b) exercises its rights and carries out its obligations under each such Letter of Undertaking in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing, and, except as the Association shall otherwise agree, ensures that the Recipient shall not assign, amend, abrogate, waive or fail to enforce any such Letter of Undertaking or any provision thereof.
2. The Recipient shall maintain within MTPTC throughout the implementation of the Project a Project coordinating unit (UCE) comprising a special emergency team (*cellule d'urgence*):
 - (a) having staff adequate in numbers and with functions and resources at all times satisfactory to the Association, including a procurement specialist, an accountant and an international bridge specialist to be selected, in accordance with the provisions of Section III of Schedule 2 to this Agreement and appointed to UCE not later than 4 months after the Effective Date;
 - (b) responsible for the effective implementation of the Project, including procurement, financial management, audit, and monitoring and evaluation in relation thereto; and
 - (c) responsible for: (i) submitting through MTPTC, annual draft Project work plans and budget to the Association for its prior review and approval; and (ii) carrying out the implementation of the Project, taking into account the Association's views and recommendations thereon.

3. The Recipient shall, not later than 4 months after the Effective Date, appoint as advisor to the minister in charge of MTPTC and maintain thereafter at all times during the implementation of the Project, a financial management specialist to ensure proper financial coordination between MTPTC and the Participating Agencies under the Project.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make parts of the proceeds of the Financing available to BMPAD under a subsidiary agreement entered into between the Recipient and BMPAD, under terms and conditions approved by the Association (“Subsidiary Agreement”) among which, the requirement that:
 - (a) the positions of General Manager (“*Directeur General*”) and Administrative and Financial Manager (“*Directeur Administratif et Financier*”) created in BMPAD Legislation be staffed at all times during Project implementation with agents having functions, qualifications and experience satisfactory to the Association; and
 - (b) a Project coordinating unit (PCU) be specifically maintained in BMPAD for purposes of the Project and during the implementation thereof, with staff appointed in accordance with the provisions of Section III of Schedule 2 to this Agreement and having at all times during Project implementation, terms of reference, functions and resources satisfactory to the Association, such unit to be made responsible for the implementation coordination and supervision of Part 4 of the Project, including therein, the overall procurement, financial management, audit, monitoring and evaluation and reporting aspects in relation to the carrying out of Part 4 of the Project.
2. The Recipient shall exercise its rights and carry out its obligations under the 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 Subsidiary Agreement or any of its provisions.

C. Implementation Document

1. The Recipient shall adopt an operational manual for the Project, 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:

- (a) (i) the detailed description of all institutional arrangements and Project implementation activities by all parties considered under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto;
 - (b) the Project administrative, financial, accounting, auditing, procurement and disbursement procedures, including all relevant standard documents;
 - (c) a construction manual to guide works under Parts 1 and 2 of the Project (which manual shall include, *inter alia*, the Environmental Management Framework and the Resettlement Action Framework for the Project, provisions for erosion control, forests, pest control, protection of cultural property, first aid instructions and restriction on the use of child labor);
 - (d) (i) the selection criteria for the Beneficiary CBOs; (ii) the eligibility criteria for the Transport Infrastructure Maintenance Subprojects; and (iii) the standard models for the Community Grant Agreements;
 - (e) the processing arrangements and the responsible parties for the appraisal, selection, approval, financing and implementation of the Transport Infrastructure Maintenance Subprojects;
 - (f) the capacity building and training activities to be carried out for purposes of the Project;
 - (g) the plan for the monitoring, evaluation and supervision of the Project; and
 - (h) the performance indicators for the Project.
2. The Recipient shall: (a) maintain the Operational Manual throughout Project implementation; (b) take all measures necessary to ensure that the Project is carried out in conformity with the Operational Manual; and (c) only amend the Operational Manual, from time to time, with the Association's prior consent.
3. In the event of a conflict between any provision of the Operational Manual and any one under this Agreement, the provisions of this Agreement will prevail.

D. Transport Infrastructure Maintenance Subprojects

1. The Recipient shall, through MTPTC, for purposes of the implementation of the activities set forth in Part 2.2 of the Project, ensure that all of the following requirements and commitments in this Section D.1 are met, satisfactory to the Association, in respect of each Beneficiary CBO determined eligible to participate in any activity under this Agreement. To this end, the Recipient shall

enter into an agreement with each eligible Beneficiary CBO, satisfactory to the Association, therein setting forth the respective obligations of the parties thereunder, notably with respect to the preparation and implementation of a Transport Infrastructure Maintenance Subproject.

2. Pursuant to each Community Grant Agreement, the Recipient shall make a grant to a Beneficiary CBO in accordance with eligibility criteria and procedures set forth in the OM and which shall include the following:
 - (a) Subject to the provisions of paragraph (c) (i) hereunder, the grant shall consist in a transfer of financial resources to a Beneficiary CBO on a non-reimbursable basis.
 - (b) The grants shall be made to Beneficiary CBOs for the carrying out of small-scale civil works towards the maintenance and or rehabilitation of transport infrastructure, all as further set forth in the OM. The Beneficiary CBOs shall have to contribute to the economic costs of the Transport Infrastructure Maintenance Subprojects, if any, in the proportion set forth in the OM.
 - (c) The Recipient 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 CBO to use the proceeds of the Financing for its Transport Infrastructure Maintenance Subproject, or obtain a refund of all or any part of the amount of the Financing then withdrawn, upon the Beneficiary CBOs' failure to perform any of its obligations under the Community Grant Agreement; and
 - (ii) require the Beneficiary CBO to:
 - (A) carry out the Transport Infrastructure Maintenance Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, 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 loan proceeds other than the Recipient;
 - (B) provide, promptly as may be needed, the resources required for the purpose;

- (C) procure the goods, works and services to be financed out of the Financing in accordance with the provisions of this Agreement;
 - (D) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Association, the progress of the Transport Infrastructure Maintenance Subproject and the achievement of its objectives;
 - (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Transport Infrastructure Maintenance Subproject; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
 - (F) enable the Recipient and the Association to verify compliance with the Community Grant Agreement and any relevant records and documents in relation thereto; and
 - (G) 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 exercise its rights under each Community 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 ensure that Beneficiary CBOs shall not assign, abrogate or waive the Community Grant Agreements or any of their provisions.

E. Other Implementation Arrangements

- 1. The Recipient shall ensure that:
 - (a) all contractors and consultants providing goods or carrying out works and services under the Project carry out their activities under the Project

with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the EMF and RAF, the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient, and the applicable provisions of the Operational Manual; and

- (b) all bidding documents and contracts under the Project incorporate the environmental and social standards satisfactory to the Association and provide the Recipient with the right of the Recipient to, *inter alia*, upon the contractor's or consultant's failure to perform any of its obligations under the applicable contract: (i) suspend or terminate the right of any contractor or consultant to receive or use the proceeds of the Financing; and (ii) obtain a refund of all or any part of the amount of the Financing withdrawn as of then.

2. The Recipient shall, through MTPTC, ensure that:

- (a) the Transport Infrastructure Maintenance Subprojects are identified, appraised, selected, approved, implemented, managed and evaluated in accordance with the procedures set forth or referred to in the OM;
- (b) (i) technical audits regarding the implementation of the Transport Infrastructure Maintenance Subprojects are carried out by an independent auditor semi-annually with respect to the relevant activities of each Beneficiary CBO and; (ii) to that end, not later than 3 months after the Effective Date, a technical auditor is selected and appointed in accordance with the provisions of Section III of Schedule 2 to this Agreement; (iii) thereafter, within 4 months following the end of each calendar semester ending June 30 and December 31, the ensuing audit reports are furnished to the Association for its review and comments, after which the implementation of the Transport Infrastructure Maintenance Subprojects is subsequently carried out, taking into account the views and recommendations of the Association in that respect.

3. The Recipient shall: (i) select and appoint in accordance with the provisions of Section III of Schedule 2 to this Agreement, independent experts to undertake a review of the quality of the civil works carried out by the Recipient since September 01, 2008 and for which retroactive financing is requested out of the Proceeds of this Financing; and (ii) for purposes of Section IV.B.1(a)(i), furnish to the Association promptly thereafter a certification of the quality control of the said civil works.

4. The Recipient shall, in respect of Beneficiary CBOs found lacking in financial management capacity during the appraisal of the relevant Transport Infrastructure Maintenance Subproject, ensure that said Beneficiary CBOs receive adequate financial management training prior to any funds being made available to them under the relevant Community Grant Agreement.

F. Anti-Corruption

The Recipient shall ensure for itself and shall cause BMPAD and Beneficiary CBOs to ensure for themselves and for any party they will have entered into an agreement with (or shall have caused anyone to enter into an agreement with) for the purpose of the implementation of any portion of the Project, that the Project or any relevant part thereof is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

G. Safeguards

The Recipient shall ensure that the Project and its respective Parts are carried out and caused to be carried out in accordance with the EMF and RAF prepared for the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall for itself through UCE of MTPTC and shall cause BMPAD through its PCU to monitor and evaluate the progress of the relevant parts of the Project ascribed to them and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each Project Report shall consolidate the activities of MTPTC and BMPAD and cover the period of one calendar quarter, and shall be furnished to the Association by MTPTC not later than 45 (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 December 31, 2013.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain for itself, through MTPTC, and shall cause to be maintained in PCU of BMPAD, and in each Beneficiary CBO, 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 through MTPTC, prepare and furnish to the Association as part of the Project Report, not later than forty five days after the end of each calendar quarter, consolidated interim unaudited financial reports for the Project covering the quarter and including the financial reports prepared by PCU of BMPAD in respect of BMPAD implementation of Part 4 of the Project, all in form and substance satisfactory to the Association.
3. The Recipient shall for itself, through MTPTC with respect to Parts 1, 2 and 3 of the Project, and shall cause BMPAD in respect of Part 4 of the Project and Beneficiary CBOs in respect of Part 2.2 of the Project, to have their respective Financial Statements for the Project audited, all in accordance with the provisions of Section 4.09 (b) of the General Conditions and pursuant to terms and procedures set forth in the OM. Each audit of the Recipient, BMPAD and Beneficiary CBO's Project's Financial Statements shall cover the period of one semester in each fiscal year of the Recipient commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Project Financial Statements for the Recipient, BMPAD and those for the Beneficiary CBOs for each such period shall be furnished to the Association not later than four months after the end of each such period.
4. For purposes of Paragraph 3 above, the Recipient shall, through MTPTC for Beneficiary CBOs under Part 2.2 of the Project, and shall cause BMPAD to appoint in respect of Part 4 of the Project, not later than four months after the Effective Date, the independent auditors referred to in Section 4.09 (b) (i) of the General Conditions, selected with terms of reference 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, Works and Non-consultant services.** All goods, works and Non-consultant 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 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, Works and Non-consultant services

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

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 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) Goods, works, Non-consultant services, consultants' services, Training and Operating Costs for Part 1 of the Project | 3,220,000 | 100% |
| (2) Goods, works, Non-consultant services, consultants' services Training and Operating Costs for: | | 100% |
| (a) Part 2.1 of the Project | 2,840,000 | 100% |
| (b) Part 2.2 of the Project | 320,000 | |
| (3) Goods, Non-consultant services, consultants' services, Training and Operating Costs for Part 3 of the Project | 750,000 | 100% |
| (4) Goods, Non-consultant services, consultants' services and Operating Costs for Part 4 of the Project | 2,300,000 | 100% |
| (5) Refund of Preparation Advance | 3,080,000 | Amount payable pursuant to Section 2.07 of the General Conditions |
| (6) Unallocated | 290,000 | |
| TOTAL AMOUNT | 12,800,000 | |

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement, except that withdrawals, up to an aggregate amount not to exceed SDR 1,000,000 equivalent, may be made for payments made within one year prior to this date but in any case on or after September 01, 2008, for Eligible Expenditures under: (i) Category 1, subject to the provisions of Section I.E.3 of Schedule 2 to this Agreement; and (ii) Categories 2, 3 and 4 of the table above;
 - (b) payments made under Category 1 of the table above, until and unless a Letter of Undertaking satisfactory in form and substance to the Association shall have been agreed by MTPTC with a Participating Agency under the relevant Part of the Project; and
 - (c) payments made under Category 2(b) of the table above, until and unless:
 - (i) Community Grant Agreements shall have been entered into between the Recipient and Beneficiary CBOs for the implementation of Transport Infrastructure Maintenance Subprojects in accordance with the procedures, terms and conditions referred to in Section I.D of this Schedule and set forth in detail in the OM, as shall be evidenced by the first 3 Community Grant Agreements furnished to the Association for its prior approval.
2. The Closing Date is June 30, 2013.

APPENDIX

Section I. Definitions

1. “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.
2. “Beneficiary CBO” means a community-based organization established and operating pursuant to the laws of the Recipient which has been found eligible under the Project to receive a grant for the financing of a Transport Infrastructure Maintenance Subproject (as hereinafter defined).
3. “BMPAD” means *Bureau de Monétisation des Programmes d’Aide au Développement*, an entity of the Recipient created for the administration of foreign aid and the management of development projects financed through such aid, legally established through law dated December 27, 2007, published in the Recipient’s official gazette “*Le Moniteur*” on January 04, 2008 and made responsible under this Agreement for the implementation of Part 4 of the Project.
4. “BMPAD Legislation” means the Recipient’s law dated December 27, 2007, establishing BMPAD as an entity with full legal personality under the administrative supervision of MEF.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Community Grant Agreement” means the agreement entered into between the Recipient and a Beneficiary CBO for the implementation of a Transport Infrastructure Maintenance Subproject as referred to in Section I.D.1 of Schedule 2 to this Agreement
7. “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.
8. “Environmental Management Framework” and “EMF” mean the environmental management framework of the Recipient to be adopted as part of the Operational Manual not later than the Effective Date, setting forth therein the guidelines and the framework for mitigating potential harmful environmental and social (including resettlement) effects of Project implementation.
9. “FER” means *Fonds d’Entretien Routier*, the Recipient’s road maintenance fund established by Law of the Recipient dated December 18, 2002 and a Participating Agency under this Agreement.

10. “FGHI Emergency” means the extraordinary events of limited duration which were caused by the successive occurrence of natural disasters in the territory of the Recipient, ascribed to the passage there during the months of August and September 2008, of 4 tropical storms and/or hurricanes referred to as “Fay”; “Hanna”; “Gustav” and “Ike”, which together and individually, brought about substantial physical, social and economic damage to the Recipient’s transport infrastructure and population.
11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006) with the modifications set forth in Section II to this Appendix.
12. “Letter of Undertaking” means any of the agreements for the implementation of the Project referred to in Section I.A.1 of Schedule 2 to this Agreement.
13. “MEF” means *Ministère de l’Economie et des Finances*, the Recipient’s Ministry of Economy and Finance.
14. “MTPTC” means *Ministère des Travaux Publics, des Transports et de la Communication*, the Recipient’s Ministry of Public Works, Transport and Communication, and for purposes of this Agreement, the *Unité Centrale d’Exécution*, the Project implementing unit within said ministry. Each reference to the MTPTC in this Agreement shall be deemed a reference to the *Unité Centrale d’Exécution* within MTPTC.
15. “NDRMS” means the Recipient’s National Disaster Risk Management System, adopted in August 1999.
16. “Non-consultant services” means in respect of categories 1, 2 3 and 4 of the disbursement table in Section IV.A.2 of Schedule 2 to this Agreement, services to be contracted for, *inter alia*, activities related to the carrying out of awareness campaigns and other communication strategies.
17. “Operating Costs” means, in respect of Categories 1, 2, 3 and 4 of the table in Section IV.A.2 of Schedule 2 to this Agreement, the incremental expenses incurred on account of Project implementation, including office equipment and supplies, reasonable commercial banking charges and fees, 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 Project operational manual for the Project referred to in Section I.C.1 of Schedule 2 to this Agreement.

19. “Participating Agency” means FER and any other agency agreed with the Association for collaboration with MTPTC, as further described in the Operational Manual.
20. “PCU” means the Project coordinating unit established within BMPAD, as further specified in Section I.B.1 (b) of Schedule 2 to this Agreement.
21. “Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on November 5, 2008 and on behalf of the Recipient on November 13, 2008.
22. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
23. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated October 31, 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.
24. “Resettlement Action Framework” and “RAF” mean the plan of actions for the resettlement of people potentially displaced on account of the Project in the territory of the Recipient, to be prepared and adopted not later than the Effective Date and to included as a schedule to the Operational Manual
25. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement, pursuant to which the Recipient shall make parts of the proceeds of the Financing available to BMPAD.
26. “Training” means in respect of Categories 1, 2 and 3 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.
27. “Transport Infrastructure Maintenance Subproject” means a specific project for the provision of small-scale civil works for transport infrastructure and/or for income generation directly related to the carrying out of civil works for transport infrastructure maintenance and rehabilitation, which project is proposed by a Beneficiary CBO and determined eligible pursuant to the criteria, terms and conditions set forth in the OM and to be carried out by, or for the benefit of, such Beneficiary CBO, utilizing the proceeds the Financing.

28. “UCE” means the Project coordinating unit within MTPTC referred to in Section I.A.2 of Schedule 2 to this Agreement.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance*

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. Paragraph (1) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

... (1) *Ineligibility*. The Association has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association, as a result of a determination by the Association that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”