Financing Agreement

(Cap-Haïtien Urban Development Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
AGREEMENT dated March 22, 2020 between REPUBLIC OF HAITI ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of assisting in financing the project described in Schedule 1 to this Agreement ("Project"). 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) apply to and form 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 a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to forty million and five hundred thousand Special Drawing Rights (SDR 40,500,000) ("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 III of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Payment Dates are February 15 and August 15 in each year.

2.05. The Payment Currency is Dollar.
(b) the Association’s Electronic Address is:

Telex: 248423 (MCI)  
Facsimile: 1-202-477-6391  
E-mail: aabreu@worldbank.org

AGREED as of March 22, 2020.

REPUBLIC OF HAITI

By

Authorized Representative

Name: MICHEL PATRICK BOISVERT
Title: MINISTER OF ECONOMY AND FINANCE
Date: 3/22/2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: JAVIER SUAREZ
Title: ACTING COUNTRY DIRECTOR
Date: 3/22/2020
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall: (a) carry out Parts 1, 2 and 4 of the Project through MTPTC; and (b) cause Part 3 of the Project to be carried out by the Coordinating Authority; all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

4.02. For purposes of Section 10.05 (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 Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister of Economy and Finance.

5.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

Ministère de l’Economie et des Finances
Palais des Ministères
5, Avenue Charles Sumner/Turgeon
Port-au-Prince
République d’Haïti; and

(b) the Recipient’s Electronic Address is:

Facsimile: (+509) 229 917 32
E-mail: cabinet@mef.gouv.ht

5.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association’s address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and
SCHEDULE 1

Project Description

The objective of the Project is to improve selected urban infrastructure and public spaces to support a more livable and resilient Cap-Haïtien City Region.

The Project consists of the following parts:

Part 1: Urban Infrastructure Investments

Support the Recipient to carry out large urban infrastructure investments; and neighborhood upgrading investments, including preparation of required feasibility studies, environmental and social studies, detailed designs, construction works and construction supervision, which will support: the upgrading of open and green areas, such as parks, playgrounds, squares and waterfronts; and/or the rehabilitation of roads and associated infrastructure, such as drainage, sidewalks, pedestrian walkways, street lightning, and bike paths; the rehabilitation of facades or public buildings and the rehabilitation or expansion of basic infrastructure, such as water supply and sanitation networks.

Part 2: Capacity Building

Support the Recipient to carry out infrastructure planning, technical studies and activities under Part 1 by strengthening its capacity and the capacity of the Municipality of Cap-Haïtien to maintain urban infrastructure investments, to implement small urban management initiatives, and to manage its tourism destinations.

Part 3: Contingency Emergency Response Component

Provision of support upon occurrence of an Eligible Emergency.

Part 4: Project Management and Implementation Support

Support Project management and implementation as needed by the Project Implementation Unit, including: (a) hiring specialized staff or consultants for Project implementation; (b) carrying out monitoring and evaluation activities; (c) carrying out reporting and audits; (d) conducting capacity building and training activities linked to Project implementations for procurement, safeguards, monitoring and evaluation, communication, citizen engagement, technical and financial management; and (e) covering operating costs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest the overall responsibility for the implementation of the Project in MTPTC and ensure that: (a) MTPTC shall carry out Parts 1, 2 and 4 of the Project; and (b) the Coordinating Authority shall carry out Part 3 of the Project; all in accordance with the Operational Manual, the ESCP and the CER Operations Manual, as applicable.

2. The Recipient shall operate and maintain, at all times during the implementation of the Project, the Project Implementing Unit under the administrative authority of MTPTC, with functions, staffing and resources satisfactory to the Association, as further detailed in the Operational Manual.

3. The Recipient shall ensure that the Project Implementing Unit shall be responsible for the day-to-day administration, overall planning, coordination, fiduciary (procurement, disbursement, safeguards and financial management), monitoring evaluation reporting and communication of Project activities; as further detailed in the Operational Manual.

B. Operational Manual

1. The Recipient shall carry out the Project in accordance with a manual (the Operational Manual), satisfactory in form and substance to the Association, which consists of different schedules setting forth rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of the Project, including the following:

   (a) the detailed description of all Project activities, 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) the monitoring indicators for the Project; and

   (d) The grievance mechanisms and the code of ethics and conduct.

2. The Operational Manual shall only be amended from time to time in consultation with, and after approval of, the Association. In case of any conflict between the
terms of the Operational Manual and those of this Agreement, the terms of this
Agreement shall prevail.

C. Implementation Arrangements for Part 3 of the Project (Contingent
Emergency Response)

1. In order to ensure the proper implementation of Part 3 of the Project (“CER Part”),
the Recipient shall take the following measures:

(a) prepare and furnish to the Association for its review and approval, an
operations manual ("CER Operations Manual") which shall set forth
detailed implementation arrangements for the CER Part, including:
(i) designation of terms of reference for, and resources to be allocated to,
the entity to be responsible for coordinating and implementing the CER
Part ("Coordinating Authority"); (ii) specific activities which may be
included in the CER Part, Eligible Expenditures required therefore
("Emergency Expenditures"), and any procedures for such inclusion;
(iii) financial management arrangements for the CER Part;
(iv) procurement methods and procedures for Emergency Expenditures to
be financed under the CER Part; (v) documentation required for
withdrawals of Emergency Expenditures; (vi) environmental and social
safeguard management frameworks for the CER Part, consistent with the
Association’s policies on the matter; and (vii) any other arrangements
necessary to ensure proper coordination and implementation of the CER
Part;

(b) afford the Association a reasonable opportunity to review the proposed
CER Operations Manual;

(c) promptly adopt the CER Operations Manual for the CER Part as shall have
been approved by the Association;

(d) ensure that the CER Part is carried out in accordance with the CER
Operations Manual; provided, however, that in the event of any
inconsistency between the provisions of the CER Operations Manual and
this Agreement, the provisions of this Agreement shall prevail; and

(e) not amend, suspend, abrogate, repeal or waive any provision of the CER
Operations Manual without prior approval by the Association.

2. The Recipient shall, throughout the implementation of the CER Part, maintain
the Coordinating Authority, with adequate staff and resources satisfactory to the
Association.
3. The Recipient shall undertake no activities under the CER Part (and no activities shall be included in the CER Part) unless and until the following conditions have been met in respect of said activities:

   (a) the Recipient has determined that an Eligible Emergency has occurred, has furnished to the Association a request to include said activities in the CER Part in order to respond to said Eligible Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

   (b) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CER Operations Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.

D. Anti-Corruption

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

E. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.

2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:

   (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;

   (b) sufficient funds are available to cover the costs of implementing the ESCP;

   (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

   (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Association shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. The Recipient shall:

(a) take all measures necessary on its part to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, including RAPs, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) promptly notify the Association of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, gender-based violence and violence against minors, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

4. The Recipient shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five days after the end of each calendar semester covering said calendar semester as further detailed in the Operational Manual.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:
### Table

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Parts 1 and 2 of the Project</td>
<td>36,090,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Emergency Expenditures under Part 3 of the Project (CER Part)</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Parts 4 of the Project</td>
<td>3,760,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Resettlement compensation and assistance under Part 1 of the Project</td>
<td>650,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>40,500,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

### B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Section III A above, no withdrawal shall be made:

   (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed SDR 200,000 may be made for payments made twelve months prior to this date for Eligible Expenditures under Categories (1) and (3); or

   (b) under Category (2), for Emergency Expenditures, unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:

   (i) the Recipient has determined that an Eligible Emergency has occurred, has furnished to the Association a request to include said activities in the CER Part in order to respond to said Eligible Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

   (ii) the Recipient has prepared and disclosed all safeguards instruments required for said activities, and the Recipient has implemented any actions which are required to be taken under said
instruments, all in accordance with the provisions of Section I.C of this Schedule 2;

(iii) the Recipient’s Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.C of this Schedule 2, for the purposes of said activities; and

(iv) the Recipient has adopted the CER Operations Manual in form, substance and manner acceptable to the Association and the provisions of the CER Operations Manual remain - or have been updated in accordance with the provisions of Section I.C of this Schedule 2 so as to be appropriate for the inclusion and implementation of said activities under the CER Part.

(c) under Category (4) unless the pertinent RAP has been prepared, consulted, adopted, and published by the Recipient in form and substance satisfactory to the Association, and in accordance with Section I.E of this Schedule.

2. The Closing Date is March 31, 2027.

Section IV. Other Undertakings

A. The Recipient shall, through MTPTC, cause the Project Implementing Unit to ensure that any and each urban infrastructure investment and neighborhood upgrading investment to be carried out during Project implementation under Part 1 of the Project, is duly discussed and agreed between the Parties before activities are included in the procurement plans. To this end, the Recipient shall include in each Project Report, a list of all urban infrastructure investments and neighborhood upgrading investments discussed and approved by the Association, as further detailed in the Operational Manual.

B. 1. The Recipient shall, no later than six (6) months after the Effective Date, hire under terms of reference and in form and substance satisfactory to the Association, the MDOD, and thereafter operate and maintain during the implementation of the Project, the MDOD with functions, staffing and resources satisfactory to the Association, as further detailed in the Operational Manual.

2. Without limitation to the provisions of Sections I.A.1 and I.A.2 of this Schedule, the Recipient shall ensure that the MDOD shall, if applicable (as determined by the Association), assist in the carrying out of selected activities under Parts 1 and 2 of the Project; as further detailed in the Operational Manual.
APPENDIX

Definitions

1. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.


3. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

4. "CER" means Contingency Emergency Response, to be carried out, if needed, under Part 3 of the Project.

5. "CER Operations Manual" means the Recipient's manual for the CER Part referred to in Section I.C.1 of Schedule 2 to this Agreement, to be adopted by the Recipient for the CER Part of the Project in accordance with the provisions of said Section, as such manual may be amended from time to time with the prior written consent of the Association.

6. "CER Part" or "CER Part of the Project" each means Part 3 of the Project.

7. "Coordinating Authority" means the entity or entities designated by the Recipient in the CER Operations Manual and approved by the Association pursuant to Section I.C.1 (a)(i) of Schedule 2 to this Agreement, to be responsible for coordinating the CER Part of the Project.

8. "Eligible Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient associated with natural or man-made crisis or disaster.

9. "Emergency Expenditure" means any of the Eligible Expenditures set forth in the CER Operations Manual in accordance with the provisions of Section I.C.1(a) (ii) of Schedule 2 to this Agreement and required for the activities included in the CER Part of the Project.

10. "Environmental and Social Commitment Plan" or the acronym "ESCP" means the Recipient’s environmental and social commitment plan, acceptable to the Association, dated January 23, 2020, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures,
institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Association, and such term includes any annexes or schedules to such plan.


13. “MDOD” means Maître d’Ouvrage Délégué, the Recipient’s delegated implementation agency referred to in paragraph B of Section IV in Schedule 2 to this Agreement.


15. Municipality of Cap-Haïtien means a municipality of about 270,000 people on the north coast of the Recipient territory and capital city of the Department of Nord.

16. “Operating Costs” means reasonable and necessary incremental expenses incurred on account of Project implementation, including office supplies, vehicle rental, operation and maintenance, insurance costs, bank charges, office administration and rental costs, utilities, travel, per diem and supervision costs and salaries of locally contracted employees (excluding salaries of the Recipient’s civil service staff), and as approved by the Association.
17. "Operational Manual" means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement, as may be revised from time to time with the Association's prior and written approval.

18. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.

19. "Project Implementation Unit" means "Unité Centrale d'Exécution", the Recipient's unit within MTPTC referred to in paragraph 2 of Section I.A of Schedule 2 to this Agreement.

20. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

21. "Training" means expenditures incurred by the Recipient in connection with carrying out training activities under the Project, including travel costs and *per diem* for local trainees, study tours, workshops, conferences, rental of facilities and equipment and training materials and related supplies.