

OFFICIAL DOCUMENTS

GRANT NUMBER D2720-HT

Financing Agreement

(Resilient Productive Landscapes Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER D2720-HT

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date, 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) 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, the Appendix to this Agreement or in the Appendix to the GEF Grant Agreement (in respect of activities under Part 1.3 of the Project).

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, a grant, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to ten million six hundred thousand Special Drawing Rights (SDR 10,600,000) ("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 January 15 and July 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out: (a) Parts 1 through 3 of the Project through MARNDR and MdE; and (b) Part 4 of the Project through 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 Additional Conditions of Effectiveness consist of the following:
- (a) the GEF Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled; and
 - (b) the Project Implementation Manual has been adopted in form and substance satisfactory to the Association.
 - (c) the Recipient has issued a legal opinion satisfactory to the Association, by counsel acceptable to the Association, indicating that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient, and is legally binding upon the Recipient in accordance with its terms.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.03. 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 fifteen (15) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

5.02. 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:	E-mail:
(+509) 229 917 32	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

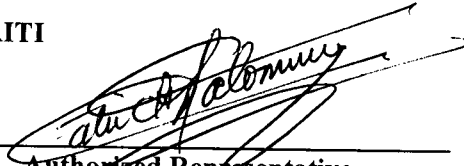
(b) the Association's Electronic Address is:

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

AGREED as of the Signature Date.

REPUBLIC OF HAITI

By



Authorized Representative

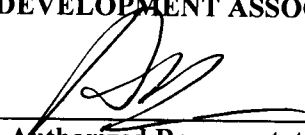
Name: Jude Felix Patrick Salomon

Title: Minister of Finance

Date: April 13, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Anabela Fbreu

Title: Country Director

Date: April 13, 2018

SCHEDULE 1

Project Description

The objectives of the Project are to (a) improve the adoption of resilience-enhancing agricultural and landscape management practices in selected sub-watersheds; and (b) enable the Recipient to respond promptly and effectively to an Eligible Emergency.

The Project consists of the following parts:

Part 1: Strengthening of Institutional and Organizational Capacities for Landscape Level Interventions

Support the Recipient to: (a) adopt agriculture and environment joint landscapes policy and action plans towards resilient agriculture and ecosystems; (b) fill skills and knowledge gaps required to implement the mandates of MdE and MARNDR; (c) foster partnerships and communication; (d) strengthen institutional capacity to analyze climate related data for improved planning and climate related disaster risk prevention; and (e) fund the set-up of the National Trust Fund that will provide financing for climate adaptation for Climate Adaptation Sub-projects.

1.1. Institutional Capacity Building

Support: (a) the development of a joint MdE/MARNDR master plan for resilient landscapes, building on existing policies and action plans as well as recent international commitments under the climate change and climate adaptation global agendas (including NAPA and NDC implementation); (b) the technical trainings within the Recipient's key line Ministries, including MARNDR and MdE, at the national level and at the local level with the branches of line ministries, as well as in the local governments and other relevant stakeholders in selected sub-watersheds, to carry out their mandate towards sustainable landscapes management, including exchange visits in-country and abroad to share landscapes restoration and management experiences; and students sponsorships for masters degrees related to landscape, ecosystems and environmental fields; and (c) capacity building in cartography, satellite imaging data collection and analysis for the development and dissemination of spatial decision support tools; and establishing linkages with global networks of expertise in this field offering options to get high resolution agro-meteorological data.

1.2. Support to National Level Sustainable Landscape Management Approach to Agriculture and Watershed Management

Support: (a) Haiti Takes Root to develop and/or update its strategy and action plans, and operate its secretariat; (b) the establishment and operation of the National Committee for Climate Change in charge of steering, monitoring and reporting on activities to be implemented under the NDC; and (c) the development and/or the implementation of

detailed participatory sub-watersheds management plans in the selected sub-watersheds and their update.

1.3. Sustainable Financing of Resilient Productive Landscapes and Environmental Investments

Support the Recipient's participation in CBF by financing: (a) the set-up of the National Trust Fund to receive funds from CBF on a yearly basis, complementing other donors' contributions and (b) an endowment to said CBF to enable the National Trust Fund to finance the carrying out of Climate Adaptation Sub-projects, which consist of, *inter alia*, strengthening or improved management of physical and natural systems assets; adoption of diversified, climate-resilient livelihood options; and adoption of climate-resilient technologies and practices.

Part 2: Investments to Strengthen the Establishment of Resilient Agricultural Production and Practices

Support individual farmers, agricultural entrepreneurs and communities within selected sub-watersheds to establish more resilient agricultural productions and practices, adapted to the agro-ecological contexts, and prioritized according to participatory planning exercises and investments plans, supported by scientific expertise, in order to provide individual, and, to the maximum extent possible, landscape-level collective co-benefits from increased soil quality, water retention capacity and biodiversity while supporting actions aimed at improving the revenues and livelihoods from better market access and improved food availability and nutritional quality, required to reduce the vulnerability of people and ecosystems; and the establishment or rehabilitation of small infrastructures for increased farmers and landscape level resilience.

2.1. Investments in Resilient, Sustainable Agriculture and Ecosystems

Support the carrying out of activities at individual and community levels that focus on increasing climate resilience of agricultural production systems in selected sub-watersheds, through the Farmers' Subsidy Schemes, which include, *inter alia*: (a) the development of a limited menu of "technical packages" (including inputs, such as tree seedlings, seeds, stakes, fences; and services, such as grafting, and technical assistance) adapted to specific agro-ecological zones, as well as planning documents, and experts inputs; (b) the development of participatory investments plans identifying priority investments, their geographical locations, and the costs to be covered under the Project; (c) the selection of beneficiaries according to participatory investments plans based on specific vulnerability criteria (including ecosystems and livelihoods) and their access to one of these technical packages over the course of the Project to allow the implementation of climate smart productions and practices; and (d) the set-up of farmer-field-schools for producers focusing on transferring knowledge and know-how on climate resilient productions and practices (such as planting following contour lines, improved tillage, boundary/live fences planting for wind and water erosion protection, soil coverage, inter-cropping, agroforestry systems

management, soil and water conservation, *inter alia*), as well as organizational and marketing approaches to add value to these productions through a Farmers' Subsidy Scheme.

2.2. Intensification, Diversification and Commercial Agriculture

Improve access to inputs and services from farmers, as well as marketing capacities and options, considered essential to ensure the profitability of investments, improve livelihoods and thereby contribute to sustain resilient landscapes by: (a) facilitating the mobilization of commercial credit; (b) supporting groups of producers within selected sub-watersheds to develop basic investments plans identifying key inputs (equipment and services) to be financed under the Project to improve the quality and quantity of products sold to intermediaries or directly placed on markets; and (c) supporting more advanced constituted groups of producers or small enterprises to increase their capacity to generate additional value to climate smart productions produced in selected sub-watersheds (e.g. addressing logistics, agro-processing, reduction of food losses aspects), through improved business/marketing skills, as well as improved infrastructures and equipment; all through a Market Support Facility.

2.3. Protection of Infrastructure and Watersheds

Support investments based on participatory investments plans (prepared under Part 2.1 of the Project) focusing on building infrastructure assets (through a Community Participatory Works Program) including, *inter alia*: (a) protect or rehabilitate small public infrastructures (including, *inter alia*, rural and access roads, river crossing structures); and (b) enhance water management in selected sub-watersheds (including small water harvesting infrastructures in gullies or slopes, rehabilitating small water catchments or small irrigation systems in plains, *inter alia*).

Part 3: Project Coordination, Monitoring and Evaluation

(a) Support Project coordination, monitoring and evaluation as well as all aspects of Project management, including fiduciary matters, knowledge management, communication, gender aspects, citizen engagement, preparation of Project reports and monitoring implementation of safeguards related measures; and (b) carry out assessments and studies for climate adaptation and resilient landscapes management knowledge enhancement, technical and financial audits, and Project impact evaluation studies.

Part 4: Contingency Emergency Response Component

Provision of support upon occurrence of an Eligible Emergency.

SCHEDULE 2

Project Execution

Section I. Implementation and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall operate and maintain, throughout Project implementation, a Project Implementation Unit (PIU) under the administrative authority of both MARNDR and MdE, to be established not later than three months after the Effective Date and located at the central and local levels through two sub-units, *i.e.*:
 - (a) the Project Implementation Unit at the Central Level (the PIU-C) located in Port-au-Prince, responsible for the overall implementation, management, monitoring and evaluation of the Project at the national level; and
 - (b) the Project Implementation Unit at the Local Level (the PIU-L) located in the Nippes Department; responsible for the implementation, management, monitoring and evaluation of Part 2 of the Project at the local level, both with qualified and experienced staff in sufficient numbers, as well as with adequate funds, facilities, services and other resources acceptable to the Association, as further detailed in the Project Implementation Manual.
2. The Recipient shall:
 - (a) establish not later than six months after the Effective Date and thereafter operate and maintain in form and substance satisfactory to the Association, as further detailed in the Project Implementation Manual and throughout Project implementation, a Project Steering Committee to be co-chaired by MdE and MARNDR, and with representatives from all line ministries and other key stakeholders in charge of the overall strategic guidance and oversight of the Project; and
 - (b) establish not later than six months after the Effective Date and thereafter operate and maintain in form and substance satisfactory to the Association, as further detailed in the Project Implementation Manual and throughout Project implementation, an Advisory Committee to be chaired by the PIU-C coordinator, and with representatives from key stakeholders in charge of operational guidance and regular follow-up on the implementation of the Project activities.

B. Project Implementation Manual

1. The Recipient shall carry out the Project, and/or cause the Project to be carried out, in accordance with the Project Implementation Manual, which consists 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) the detailed description of Project implementation activities, their sequencing and the prospective timetable and benchmarks in relation thereto;
 - (b) the Project administrative, accounting, auditing, reporting, financial, and disbursement procedures, including all pertinent standard documents and model contracts;
 - (c) the plan for capacity building and training activities under the Project;
 - (d) the plan for the monitoring, evaluation and supervision of the Project;
 - (e) (i) the eligibility criteria for Eligible Farmers to participate in the Farmers' Subsidy Scheme; and (ii) the conditions and procedures for receiving Farmers' Subsidy Scheme Payments;
 - (f) (i) the eligibility criteria for Eligible Beneficiaries to participate in the Market Support Facility; and (ii) the conditions and procedures for receiving Matching Grants under the Market Support Facility;
 - (g) (i) the eligibility criteria for Eligible Workers under the Community Participatory Works Program; and (ii) the conditions and procedures for receiving payments under said Community Participatory Works Program;
 - (h) the model forms of the Matching Grant Agreement; the Community Participatory Works Agreement; and the Farmers' Subsidy Agreement;
 - (i) the list of municipalities included in the Project;
 - (j) the Negative List;
 - (k) the Safeguards Documents;
 - (l) the grievance mechanisms and the code of conduct; and
 - (m) the performance indicators for the Project.

2. In the event that any provision of the Project Implementation Manual shall conflict with any of the provisions under this Agreement, the terms of this Agreement shall prevail.
3. The Project Implementation Manual may only be amended from time to time in consultation with, and with prior approval of, the Association.

C. Farmers' Subsidy Scheme

1. For purposes of carrying out the Farmers' Subsidy Scheme under Part 2.1 of the Project, the Recipient, through the PIU, shall:
 - (a) Select and appoint in a manner acceptable to the Association and pursuant to terms of reference previously agreed with the Association, one or several Operators, as the case may be, with whom a Service Agreement shall be entered into, satisfactory to the Association, with respect to the technical implementation of the Farmers' Subsidy Scheme;
 - (b) Cause the Operator to administer the Farmers' Subsidy Scheme, including procuring and distributing inputs as well as services, in accordance with the Project Implementation Manual and the Anti-Corruption Guidelines;
 - (c) (i) Select and appoint, in a manner satisfactory to the Association and pursuant to terms of reference previously agreed with the Association, a Financial Agent acceptable to the Association, to administer payments and financial transfers (Farmers' Subsidy Scheme Payments) under the Farmers' Subsidy Scheme for the benefit of individual Eligible Farmers; and (ii) enter into a Financial Agency Agreement satisfactory to the Association, with one or more Financial Agents, which shall incorporate, *inter alia*, the provisions of the Project Implementation Manual and the Anti-Corruption Guidelines;
 - (d) Cause the Financial Agent to make Farmers' Subsidy Scheme Payments, referred to in the previous paragraph, available to Eligible Suppliers of goods, works and services in accordance with detailed provisions, procedures, sequencing, and timing in relation thereto, set forth in the Project Implementation Manual and in accordance with the Anti-Corruption Guidelines, which shall include, *inter alia*, the following:
 - (i) Farmers' Subsidy Scheme Payments shall be released by the Financial Agent and made available to Eligible Suppliers upon evidence of delivery of eligible goods, works or services to Eligible Farmers (after initial validation of their registration in a national farmer registry) by the Operator, all as set forth in the Project Implementation Manual; and

- (ii) the validation of compliance by Eligible Farmers with the selected activities under Part 2.1 of the Project.
 - (e) Carry out independent external technical audits by auditors appointed by the PIU for that purpose, in a manner acceptable to the Association and pursuant to terms of reference satisfactory to the Association as described in the Project Implementation Manual; and
 - (f) Exercise its rights and carry out its obligations under each Service Agreement and/or Financial Agency Agreement, as applicable, in such manner as to protect the interest 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 amend, assign, abrogate, suspend, terminate, waive or fail to enforce any Service Agreement or any Financial Agency Agreement or any of their provisions.
- 2. In case of conflict among the provisions of any Service Agreement or any Financial Agency Agreement and those under this Agreement, the provisions of this Agreement shall prevail.
- 3. The Recipient shall cause the Operator to ensure that Eligible Suppliers provide Eligible Farmers with the goods, works and services needed to carry out the Activities, in accordance with eligibility criteria and procedures satisfactory to the Association and specified in the Project Implementation Manual.
- 4. Upon approval of an Activity proposal submitted by an Eligible Farmer, the Recipient, through the PIU, shall make a Farmers' Subsidy Scheme Payment available to the pertinent Eligible Farmer under a Farmers' Subsidy Agreement to be entered into between the Recipient and said Eligible Farmer, on terms and conditions satisfactory to the Association, and specified in the Project Implementation Manual.
- 5. The Recipient, through the PIU, shall exercise its rights and carry out its obligations under each Farmers' Subsidy Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the objectives of the Project. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce any Farmers' Subsidy Agreement or any of its provisions.

D. Market Support Facility

- 1. The Recipient, through the PIU, shall during Project implementation, operate and maintain a Market Support Facility under Part 2.2 of the Project with a structure, functions, responsibilities, and staff acceptable to the Association, and specified in the Project Implementation Manual.

2. The Recipient, through the PIU, shall appoint one or several Operators, as the case may be, based on terms of reference acceptable to the Association, to administer the Market Support Facility, including procuring and distributing inputs as well as services, in accordance with the Project Implementation Manual and the Anti-Corruption Guidelines to Eligible Beneficiaries.
3. The Recipient shall provide Matching Grants to Eligible Beneficiaries, in accordance with eligibility criteria and procedures satisfactory to the Association and specified in the Project Implementation Manual.
4. Upon approval of a Sub-project proposal submitted by an Eligible Beneficiary, the Recipient, through the PIU, shall make a Matching Grant available to the pertinent Eligible Beneficiary (either by transferring the resources to said Eligible Beneficiary or by procuring goods, equipment or services for said Eligible Beneficiary), under a Matching Grant Agreement to be entered into between the Recipient, through the PIU, and said Eligible Beneficiary, on terms and conditions satisfactory to the Association and specified in the Project Implementation Manual.
5. The Recipient, through the PIU, shall exercise its rights and carry out its obligations under each Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the objectives of the Project. Except as the Association shall otherwise agree, the Recipient, through the PIU, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Matching Grant Agreement or any of its provisions.

E. Community Participatory Works Program

For the purpose of carrying out the Community Participatory Works Program under Part 2.3 of the Project, the Recipient, through the PIU, shall:

1. Select and appoint in a manner satisfactory to the Association and pursuant to terms of reference previously agreed with the Association, one or several Operators with whom a Service Agreement shall be entered into, satisfactory to the Association, with respect to the technical supervision of the implementation of Part 2.3 of the Project, procuring and distributing inputs as well as services, and the payments to Eligible Workers under the Community Participatory Works Program.
2. Select under eligibility criteria detailed in the Project Implementation Manual, the Eligible Workers under the Community Participatory Works Program and execute with said Eligible Workers and thereafter maintain Community Participatory Works Agreements, under terms and conditions satisfactory to the Association, as further detailed in the Project Implementation Manual.

3. Exercise its rights and carry out its obligations under each Service Agreement, and/or each Community Participatory Works Agreement, as applicable, in such manner as to protect the interest 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 amend, assign, abrogate, suspend, terminate, waive or fail to enforce any Service Agreement or any Community Participatory Works Agreement or any of their provisions.
4. In case of conflict among the provisions of any Service Agreement, or any Community Participatory Works Agreement and those under this Agreement, the provisions of this Agreement shall prevail.

F. Climate Adaptation Sub-projects

The Recipient shall ensure, and shall cause the National Trust Fund to ensure that Climate Adaptation Sub-projects are carried out in accordance with the pertinent provisions set forth in the GEF Grant Agreement.

G. Contingency Emergency Response

In order to ensure the proper implementation of Part 4 of the Project ("Contingency Emergency Response Component" or "CERC Part"), the Recipient shall take the measures set forth below:

1. The Recipient, through the PIU, shall:
 - (a) prepare and furnish to the Association for its review and approval, a CERC Manual which shall set forth detailed implementation arrangements for the CERC 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 CERC Part ("Coordinating Authority"); (ii) specific activities which may be included in the CERC Part, Eligible Expenditures required therefor ("Eligible Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the CERC Part; (iv) procurement methods and procedures for Eligible Emergency Expenditures to be financed under the CERC Part; (v) documentation required for withdrawals of Eligible Emergency Expenditures; (vi) environmental and social safeguards management frameworks for the CERC Part, consistent with the Association's policies on the matter; and (vi) any other arrangements necessary to ensure proper coordination and implementation of the CERC Part;
 - (b) afford the Association a reasonable opportunity to review said proposed CERC Manual;

- (c) promptly adopt such CERC Manual for the CERC Part as shall have been approved by the Association;
 - (d) ensure that the CERC Part is carried out in accordance with the CERC Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERC Manual without prior approval by the Association.
- 2. The Recipient shall, throughout the implementation of the CERC Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.
- 3. The Recipient shall undertake no activities under the CERC Part (and no activities shall be included in the CERC 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 CERC 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;
 - (b) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CERC Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments; and
 - (c) the Recipient has ensured that no Emergency Recovery and Rehabilitation Sub-projects under the CERC Part falls under the prohibited activities mentioned in the Negative List.

H. Procurement of Emergency Expenditures under the CERC Part of the Project

The Recipient shall procure the Emergency Expenditures required for the CERC Part of the Project in accordance with the procurement methods and procedures set forth in the CERC Manual.

I. Safeguards

1. The Recipient, through the PIU, shall ensure that Parts 1 through 3 of the Project are carried out in accordance with the Safeguards Documents, including the guidelines, rules and procedures defined in said Safeguards Documents.
2. To this end, if an EMP or a RAP is required on the basis of the ESMF or the RPF, the Recipient shall specifically take the following actions, in a manner acceptable to the Association:
 - (a) such EMP, or RAP shall be prepared in accordance with the requirements of the ESMF or the RPF, consulted and disclosed locally and furnished to the Association for approval; and
 - (b) the pertinent Project activity shall be carried out in accordance with such EMP, or RAP as approved by the Association.
3. The Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of the ESMF, the RPF, the Pest Management Plan, any EMP or any RAP, giving details of:
 - (a) measures taken in furtherance of the Safeguards Documents, any EMP or any RAP;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Documents, any EMP or any RAP; and
 - (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the Safeguards Documents, any EMP or any RAP.
4. Without limitation to the provisions of Section I.I.1 of this Schedule, the Recipient shall, in a manner satisfactory to the Association, take the following actions:
 - (a) prior to commencement of any works under Parts 1 through 3 of the Project:
 - (i) prepare, in form and substance satisfactory to the Association, an EMP (based on the ESMF) and/or a RAP (based on the RPF) if required;
 - (ii) thereafter, except as otherwise agreed with the Association, submit the said EMP and/or said RAP (as the case may be), to the Association for review and approval;

- (iii) subsequently, adopt and disclose, in a manner acceptable to the Association, said EMP and/or said RAP (as the case may be); and
 - (iv) immediately thereafter, implement said EMP and/or RAP (as the case may be), all in accordance with their terms and in a manner acceptable to the Association; and
 - (b) Except as the Association shall otherwise agree in writing, the Recipient shall not amend or waive, or permit to be amended or waived, any provision of any EMP or any RAP.
5. The Recipient through the PIU shall ensure that the terms of reference for any consultancy in respect of any activity under Parts 1 through 3 of the Project shall:
- (a) duly incorporate, in the opinion of the Association, the requirements of the applicable Safeguards Policies then in force; and
 - (b) require that the advice conveyed through any such consultancy comply, in the opinion of the Association, with the requirement of the applicable Safeguards Policies then in force.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall furnish to the Association each Project Report not later than forty-five days after the end of each calendar quarter, covering said calendar quarter.

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:

<u>Category</u>	<u>Amount of the Grant Allocated (expressed in SDR)</u>	<u>Percentage of Expenditures to be Financed (inclusive of Taxes)</u>
(1) Goods, works, non-consulting services, consulting services, Training, Operating Costs for Parts 1.1; 1.2 and 1.3(a) of the Project	1,000,000	54%
(2) Resettlement compensation and assistance for Displaced Persons for Part 2 of the Project	100,000	100%
(3) Goods, works, non-consulting services, consulting services, Training, Operating Costs, and, Farmers' Subsidy Scheme Payments for Part 2.1 of the Project	4,600,000	77%
(4) Goods, works, non-consulting services, consulting services, Training, Operating Costs, Matching Grants, and Community Participatory Works Payment for Parts 2.2 and 2.3 of the Project	2,400,000	100%
(5) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Part 3 of the Project	2,500,000	100%
(6) Eligible Emergency Expenditures for Part 4 of the Project	0	100%
TOTAL AMOUNT	<u>10,600,000</u>	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. Notwithstanding the provisions of paragraph 1 above, no withdrawal shall be made for payments under Category (4), for Emergency Expenditures under Part 4 of the

Project, unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of 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 CERC 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;
- (b) 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.G.3(b) of this Schedule;
- (c) the Recipient's Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.G.2 of this Schedule, for the purposes of said activities; and
- (d) the Recipient has adopted the CERC Manual in form, substance and manner acceptable to the Association and the provisions of the CERC Manual remain, or have been updated in accordance with the provisions of Section I.G.1 of this Schedule so as to be appropriate for the inclusion and implementation of said activities under the CERC Part, including in relation to the Negative List.

3. The Closing Date is December 31, 2023.

SCHEDULE 3

Negative List

1. Dam construction, reconstruction, rehabilitation or strengthening.
2. Activities affecting negatively natural protected areas recognized as national or municipal areas (or buffer zones thereof), other than as required to mitigate damage caused by the Eligible Emergency.
3. Land clearance and leveling (when affecting critical natural habitats and natural land contours, natural habitats for this purpose being those water or land areas where most of the original plant and animal species are present), except for clearing or debris resulting from the Eligible Emergency.
4. Land reclamation (i.e., drainage of wetlands or filling of water bodies to create land).
5. Hazardous waste management and disposal, as well as manufacture, transport and use of pesticides classified as Pesticides Class I (highly toxic) and other hazardous and/or toxic materials (except small amounts of solvents, degreasing materials, paints, fuels, and the like used during construction). However, Pesticides Class II (medium toxicity) and Pesticides Class III (very low toxicity and not toxic to non-target organisms) may be purchased by the Recipient under the conditions defined in the project's Safeguards Documents, including the guidelines, rules and procedures defined in the said Safeguards Documents.
6. Activities involving industrial plants (large-scale) and industrial estates.
7. New road construction or major upgrading or realignment of roads (major means: changing the road category, in the opinion of the Association, such as, *inter alia*, from seasonal to all-weather or secondary to primary; or adding new lanes).
8. Activities which involve:
 - (i) (A) any river, canal, lake or similar body of water that forms a boundary between, or any river or body of surface water that flows through, two or more states, whether Association members or not; (B) any tributary or other body of surface water that is a component of any waterway described in (A) immediately above; and (C) any bay, gulf, strait or channel bounded by two or more states or, if within one state, recognized as a necessary channel of communication between the open sea and other states and any river flowing into such waters;

- (ii) hydroelectric, irrigation, flood control, navigation, drainage, water and sewerage, industrial and similar projects that involve the use or potential pollution of international waterways as described in paragraph (i) immediately above; and
 - (iii) detailed design and engineering studies of projects under paragraph (ii) immediately above, including those to be carried out by the Association as an executing agency or in any other capacity.
- 9. Activities of any type classifiable as category A for environmental purposes pursuant to Association's Safeguards Policy relating to Environmental Assessment (OP 4.01).
- 10. Conversion or degradation of critical natural habitats as defined in Annex A of the Association's Safeguards Policy relating to Natural Habitats (OP 4.04).
- 11. Transfer of ownership.
- 12. Financing of debts and liabilities.

APPENDIX

Definitions

1. "Activity" or "Activities" means any of the activities and/or investment carried out by Eligible Farmers under Part 2.1 of the Project.
2. "Advisory Committee" means *Comité Consultatif*, the Recipient's committee established and operating in accordance with the Project Implementation Manual and referred to in Section I.A.2(b) of Schedule 2 to this Agreement.
3. "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.
4. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. "CBF" means Caribbean Biodiversity Fund, a fund established as a charitable organization in accordance with the laws of the United Kingdom with legal personality and whose objective is to provide a sustainable flow of funds to support activities that contribute substantially to the conservation, protection and maintenance of biodiversity within the national protected areas systems or any other areas of environmental significance of its participating countries.
6. "CERC Manual" means the Immediate Response Mechanism Manual to be prepared by the Recipient under Part 4 of the Project.
7. "Climate Adaptation Sub-projects" means any of the activities and/or investment carried out through the National Trust Fund under Part 1.3(b) of the Project.
8. "Community Participatory Works Agreement" means any of the agreements referred to in Section I.E.2 of Schedule 2 to this Agreement.
9. "Community Participatory Works Payment" means an amount withdrawn from the proceeds of the Financing to pay Eligible Workers' salaries under the Community Participatory Work Program.
10. "Community Participatory Works Program" means the incentive-based mechanism under Part 2.3 of the Project, to support Eligible Workers who meet the eligibility criteria set forth in the Project Implementation Manual.
11. "Contingency Emergency Response Component" or "CERC Part" means Part 4 of the Project.

12. "Coordinating Authority" means the Recipient's entity or institution in charge of implementing Part 4 of the Project ("Contingency Emergency Response Component" or "CERC Part").
13. "Displaced Person" means a person who, on account of the execution of the Project had or would have been affected by an involuntary taking of land under the Project, which causes said Displaced Person to have his/her: (i) standard of living adversely affected; or (ii) right, title or interest in any construction, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently; and "Displaced Persons" means, collectively, all such Displaced Persons.
14. "Eligible Beneficiaries" means an Eligible Farmer, or any other actor, individual or entity involved in agricultural production value chains, acceptable to the Association which meets the criteria set forth in the Project Implementation Manual and in Section I.D.3 of Schedule 2 to this Agreement, to receive a Matching Grant under Part 2.2 of the Project, and "Eligible Beneficiary" means any of said Eligible Beneficiaries.
15. "Eligible Emergency" means the imminent or actual occurrence of a natural or man-made crisis or disaster, which, in the opinion of the Association, has the capacity to cause major adverse economic and/or social impacts in the Recipient's agriculture or environmental sectors.
16. "Eligible Emergency Expenditures" means the Eligible Expenditures required to finance the cost of the approved goods, works and services necessary under Part 4 of the Project to respond to an Eligible Emergency.
17. "Eligible Farmer" or "Eligible Farmers" means an individual farmer, a group of farmers, a rural entrepreneur or community, or a rural entity operating in any one of the Recipient's selected sub-watersheds and which are eligible to benefit from the Farmers' Subsidy Scheme.
18. "Eligible Supplier" means suppliers registered in the National Registry of Agricultural Producers and Suppliers (*Registre National des Exploitants Agricoles et Fournisseurs*) developed and maintained by MARNDR for the delivery of goods and services under the Farmers' Subsidy Scheme.
19. "Eligible Workers" means any person, persons or communities who are eligible under the Community Participatory Works Program to receive a Community Participatory Works Payment.

20. "Emergency Recovery and Rehabilitation Sub-project" means an investment activity under Part 4 of the Project, consisting of a combination of works, goods or technical advisory services, aimed at responding to damage caused by an Eligible Emergency which meets the criteria set forth in the CERC Manual.
21. "Environmental and Social Management Framework" or "ESMF" means the Recipient's environmental and social management framework dated November 6, 2017 acceptable to the Association (included in the Project Implementation Manual), disclosed in the Recipient's territory and at the Association's *Infoshop* on November 9, 2017, as adopted by the Recipient, giving details of a program of actions, measures and policies designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, along with the procedural and institutional measures needed to implement such actions, including the guidelines for protection of natural habitats and forests, as said framework may be amended from time to time with the prior consent of the Association.
22. "Environmental Management Plan" or "EMP" means an environmental management plan prepared, consulted, adopted and published by the Recipient based on the ESMF, found acceptable to the Association, and setting forth the detailed modalities for environmental management under the Project.
23. "Farmers' Subsidy Agreement" means any of the agreements referred to in Section I.C.4 of Schedule 2 to this Agreement.
24. "Farmers' Subsidy Scheme" means the incentive-based grant mechanism under Part 2.1 of the Project to support Eligible Farmers who have met the eligibility criteria set forth in the Project Implementation Manual.
25. "Farmers' Subsidy Scheme Payment" means a grant made out of the proceeds of the Financing to Eligible Suppliers for the benefit of Eligible Farmers under the Farmers' Subsidy Scheme.
26. "Financial Agency Agreement" means the agreement or agreements to be entered into between the Recipient and one or more Financial Agents for the purpose of administering Farmers' Subsidy Scheme Payments, referred to in Section I.C.1(c)(ii) of Schedule 2 to this Agreement.
27. "Financial Agent" means the financial entity or entities to administer the Farmers' Subsidy Scheme Payments.
28. "GEF Grant Agreement" means the agreement dated the same date as this Agreement, between the Recipient and the International Bank for Reconstruction and Development ("World Bank") providing a grant to assist in financing the Project.

29. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated July 14, 2017.
30. "Haiti Takes Root" means the Recipient's initiative established and operating since 2016 in cooperation with several international partners to facilitate engagement, coordination, learning, monitoring and synergies focused on watershed management and reforestation in the Recipient's territory.
31. "Integrated Pest Management Plan" or "IPMP" means the Recipient's pest management plan dated November 6, 2017, (included in the Project Implementation Manual), disclosed in the Recipient's territory and at the Association's *Infoshop* on November 9, 2017, as adopted by the Recipient, giving details of a program of actions, measures and policies on managing pests in agriculture project areas and activities, as such plan may be amended, updated or revised from time to time with the agreement of the Association.
32. "Market Support Facility" or "MSF" means the Recipient's competitive agriculture innovation and extension market support facility, referred to in Part 2.2 of the Project.
33. "MARNDR" means "*Ministère de l'agriculture, des ressources naturelles et du développement rural*", the Recipient's Ministry of Agriculture, Natural Resources and Rural Development, and any successor thereto.
34. "Matching Grant" means a grant (in cash or in kind) made, or to be made out of the proceeds of the Financing to carry out any given Subproject.
35. "Matching Grant Agreement" means any of the agreements referred to in Section I.D.4 of Schedule 2 to this Agreement.
36. "MdE" means "*Ministère de l'environnement*", the Recipient's Ministry of Environment, and any successor thereto.
37. "NAPA" means National Adaptation Program of Actions, a program developed under the United Nations Framework Convention on Climate Change for least developed countries, aimed at identifying priority activities that respond to urgent and immediate climate change adaptation needs.
38. "National Committee for Climate Change" means *Comité National sur le Changement Climatique*, the Recipient's national committee in charge, *inter alia*, of monitoring the progress of NDC, established and operating in accordance with the provisions of the Project Implementation Manual.

39. “National Trust Fund” means *Fonds Haitien pour la Biodiversité*, the Recipient’s national trust fund for biodiversity and climate adaptation to be created under Part 1.3(a) of the Project.
40. “NDC” means the Nationally Determined Contributions, communicated to the secretariat of the United Nations Framework Convention on Climate Change, in accordance with the decisions of the Conference of the Parties (“COP 21”).
41. “Negative List” means the list, approved by the Association, and included in Schedule 3 to this Agreement and in the Project Implementation Manual specifying the activities which are not eligible for financing under the Project.
42. “Operating Costs” means reasonable costs, as shall have been approved by the Association, for the incremental expenses incurred on account of Project implementation, consisting of, communication costs, office supplies and maintenance, minor office refurbishing, and equipment maintenance, utilities, document duplication/printing, consumables, travel cost and *per diem* for Project staff for travel linked to the implementation of the Project, (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).
43. “Operator” and “Operators” means one or all qualified entities contracted under the Project pursuant to a Service Agreement, acceptable to the Association, to implement the operation of the Farmers’ Subsidy Scheme (under Part 2.1 of the Project), the Market Support Facility (under Part 2.2 of the Project), or Community Participatory Works Program (under Part 2.3 of the Project).
44. “Pesticide Class I” means pesticide class I, which includes class I(a) (extreme toxicity) and I(b) (very high toxicity) as defined by the World Health Organization Recommended Classification of Pesticides by Hazard and Guidelines to Classification, 2004.
45. “Pesticide Class II” means pesticide class II (moderate toxicity) as defined by the World Health Organization Recommended Classification of Pesticides by Hazard and Guidelines to Classification, 2004.
46. “Pesticide Class III” means pesticide class III (very low toxicity) as defined by the World Health Organization Recommended Classification of Pesticides by Hazard and Guidelines to Classification, 2004.
47. “PIU” or “Project Implementation Unit” means collectively the “PIU-C” and the “PIU-L”.
48. “PIU-C” or “Project Implementation Unit at the Central Level” means *Unité de Gestion de Projet Centrale*, referred to in Section I.A.1 of Schedule 2 to this Agreement.

49. “PIU-L” or “Project Implementation Unit at the Local Level” means *Unité de Gestion de Projet Locale*, referred to in Section I.A.1 of Schedule 2 to this Agreement.
50. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for Borrowers under Investment Project Financing”, dated July 1, 2016 as revised in November 2017.
51. “Project Implementation Manual” means the manual to be adopted by the Recipient in form and substance satisfactory to the Association, as referred to in Section I.B.1 of Schedule 2 to this Agreement, as said manual may be amended from time to time with the agreement of the Association.
52. “Resettlement Action Plan” or “RAP” means the Recipient’s resettlement action plan, or plans to be adopted by the Recipient based on the RPF, found acceptable to the Association and setting forth the detailed modalities for resettlement and compensation of Displaced Persons under the Project.
53. “Resettlement Policy Framework” or “RPF” means the Recipient’s framework dated November 6, 2017 (included in the Project Implementation Manual), disclosed in the Recipient’s territory and at the Association’s *Infoshop* on November 9, 2017, as adopted by the Recipient, and setting forth the modalities for resettlement and compensation of, *inter alia*, Displaced Persons, including guidelines for the preparation of any RAP under the Project, as said framework may be amended from time to time with the agreement of the Association.
54. “Safeguards Documents” means collectively the ESMF, the IPMP and the RPF.
55. “Safeguards Policies” means the Association’s operational policies and procedures, set forth in the Association’s operational manual and identified as OP/BP 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36 and 4.37, as said manual is published under www.WorldBank.org/opmanual.
56. “Service Agreement” means the agreements between the Recipient, through the PIU and each selected Operator under the Farmers’ Subsidy Scheme, the Market Support Facility or the Community Participatory Works Program.
57. “Signature Date” means the latest of the two dates on which the Recipient and the Association signed this Agreement and such definition applied to all references to “the date of the Financing Agreement” in the General Conditions.
58. “Steering Committee” means *Comité de Pilotage* the Recipient’s committee established and operating in accordance with the Project Implementation Manual and referred to in Section I.A.2(a) of Schedule 2 to this Agreement.

59. "Sub-project" means any of the activities and/or investment under Part 2.2 of the Project.
60. "Training" means the reasonable costs, as shall have been approved by the Association, for training and workshops, conducted under the Project, including tuition, travel and subsistence costs for training participants, costs associated with securing the services of trainers and speakers, rental of training and workshop facilities, preparation and reproduction of training materials, and other costs directly related to training course or workshop preparation and implementation (but excluding goods and consultants' services).
61. "United Nations Framework Convention on Climate Change" means the international environmental treaty adopted on May 9, 1992 at the Earth Summit in Rio de Janeiro, that entered into force on March 21, 1994, and aimed at protecting the climate system for present and future generations.