



Q 937 0001

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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October 21, 2014

Her Excellency
Marie Carmelle Jean-Marie
Minister of Economy and Finance
Ministry of Economy and Finance
5, Avenue Charles Sumner
Port-au-Prince
Republic of Haiti

Re: HAITI: Advance Agreement for Sustainable Rural and Small Towns
Water and Sanitation Project
Preparation Advance No. Q9370001

Dear Minister,


In response to the request for financial assistance made on behalf of the Republic of Haiti ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank's Project Preparation Facility in an amount not to exceed three million United States Dollars (\$3,000,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to increase sustainable access to water supply and sanitation in rural areas and small towns in zones affected by cholera ("Project"), for the carrying out of which the Recipient intends to request the World Bank's financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received this countersigned copy within thirty (30) after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

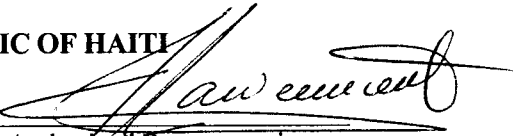
INTERNATIONAL DEVELOPMENT ASSOCIATION

for By 
Mary Barton-Dock
Special Envoy to Haiti
Latin America and the Caribbean Region

AGREED:

REPUBLIC OF HAITI

By:


Authorized Representative

Name:

Marie Carmelle Jean-Horé

Title:

Minister of Economy and Finance

Date:

November 6th 2014

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012;
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006;
- (3) "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;
- (4) "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 and revised in July 2014; and
- (5) "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 and revised in July 2014.

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility dated July 31, 2010 (“Standard Conditions”), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the following additional terms have the following meanings:

(a) “CAEPA” means the Recipient’s local water and sanitation committees (*Comité d’Approvisionnement en Eau Potable et Assainissement*).

(b) “DINEPA” means *Direction Nationale de l’Eau Potable et de l’Assainissement*, the Recipient’s National Directorate for Potable Water and Sanitation established pursuant to Law No. CL01-2009-001, dated March 11, 2009 and published in *Le Moniteur* on March 25, 2009, as amended to the date of this Agreement.

(c) “Operating Costs” means the incremental expenses incurred under the Activities on account of Project implementation, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel and *per diem*, excluding the salaries of the Recipient’s civil service.

(d) “Selected Localities” means localities for which preliminary engineering designs and socio-economic assessments will be conducted, as a result of the application of selection criteria at the feasibility study stage.

(e) “Social Mobilization” means a set of activities to: (i) ensure that water supply systems and sanitation users are consulted in all phases of the project and that conditions are created to allow services to be provided on a sustainable basis; (ii) create all necessary relationships among stakeholders for joint activities; and (iii) strengthen the capacity of stakeholders who will be involved in all phases of the project.

(f) “Training and Workshops” means reasonable expenditures (other than those for consultants’ services) incurred by the Recipient in connection with the carrying out of training Activities, including travel costs and *per diem* of workshop facilitators and participants; rental of training facilities, preparation, acquisition, reproduction and distribution of training and workshop materials.

(g) “World Bank’s Safeguards Policies” means the World Bank’s operational policies and procedures set forth in the World Bank’s Operational Manual under OP/BPs 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60 as said manual is published under www.WorldBank.org/opmanual.

Article II
Execution of the Activities

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:

(a) Provision of consultants' services for the preparation of: (i) feasibility studies for the identification of potential localities to benefit from water and sanitation interventions; and (ii) preliminary engineering designs and socio-economic assessments for the Selected Localities.

(b) Provision of training, non-consulting services and consultants' services for the initiation of social mobilization activities in the Selected Localities, including the selection of professional operators for the water supply systems, and the election of CAEPAs.

(c) Provision of consultants' services for the initiation of hygiene promotion and sanitation activities in the Selected Localities.

(d) Provision of training for DINEPA's deconcentrated structures to increase their capacity and readiness in sector reform principles, hygiene promotion and sanitation.

(e) Provision of consultants' services to assist DINEPA in the development of safeguard instruments and baseline data, as well as for the definition of sanitation interventions.

(f) The set-up of the project implementation structure at the central DINEPA level (including the provision of consultants' services to support its staff), and at the regional DINEPA levels (including the provision of consultants' services and goods).

(g) The financing of DINEPA's Operating Costs.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient, through DINEPA, shall carry out the Activities in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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.

2.03. **Institutional and Other Arrangements.** (a) For purposes of carrying out the Activities, the Recipient shall ensure that DINEPA maintain at all times during Project implementation professional staff in adequate numbers and with terms of reference, qualifications and functions acceptable to the World Bank, to perform all Project's related functions including, *inter alia*, procurement, financial management and reporting.

(b) When any Activity may have implications for or could affect environmentally or socially sensitive areas, the Recipient shall ensure that the terms of reference for any consultancies related to studies, technical assistance or capacity building under this Agreement, as well as for the preparation of environmental and social frameworks, management plans and other instruments required by World Bank's Safeguard Policies, shall be satisfactory to the World Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the

requirements of the World Bank's Safeguard Policies, as applied to the advice conveyed through such technical assistance and capacity building activities.

2.04. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.06. **Procurement**

(a) General. All goods, non-consulting services and consultants' services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in:

- (i) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised in July 2014 ("Procurement Guidelines"), in the case of goods and non-consulting services;
- (ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised in July 2014 ("Consultant Guidelines") in the case of consultants' services; and
- (iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Activities in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the

Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

- (c) Particular Methods of Procurement of Goods and Non-consulting Services
 - (i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of National Competitive Bidding, subject to using standard bidding documents agreed with the World Bank.
 - (ii) The following methods, other than National Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (A) Shopping, and (B) Direct Contracting.

- (d) Particular Methods of Procurement of Consultants' Services
 - (i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
 - (ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-source Selection of consulting firms; (F) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (G) Procedures set for in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (H) Selection of Individual Consultants; and (I) Single-source procedures for the Selection of Individual Consultants.

- (e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III Withdrawal of the Advance

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance ("Category"), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Advance Allocated (expressed in Dollars)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consultants' services, Training and Operating Costs under the Activities in Section 2.01 of this Agreement	3,000,000	100%
TOTAL AMOUNT	<u>3,000,000</u>	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Refinancing Date.** The Refinancing Date is July 1, 2015.

**Article IV
Terms of the Advance**

4.01. **Refinancing under the Refinancing Agreement:** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be paid to the World Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.

4.02. **No Repayment in the absence of a Refinancing Agreement:** Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.

**Article V
Recipient's Representative; Addresses**

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 9.02 of the Standard Conditions is its Minister of Economy and Finance.

5.02. **Recipient's Address.** The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Economy and Finance
5, Avenue Charles Sumner
Port-au-Prince
Republic of Haiti

Facsimile:

(+509) 229 917 32

5.03. **World Bank's Address.** The World Bank's Address referred to in Section 9.01 of the Standard Conditions is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

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