

**OFFICIAL
DOCUMENTS**

GRANT NUMBER H944-HT

Financing Agreement

(Cultural Heritage Preservation and Tourism Sector Support Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated

July 9

, 2014

GRANT NUMBER H944-HT

FINANCING AGREEMENT

AGREEMENT dated *July 3*, 2014, entered into between the REPUBLIC OF HAITI (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions, or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to twenty nine million one hundred thousand Special Drawing Rights (SDR 29,100,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are February 15 and August 15 in each year.
- 2.05. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out: (a) Parts A, B, C and E of the Project through MEF; and (b) Part D of the Project through the Coordinating Authority, all in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Recipient has adopted the Operations Manual in form and substance satisfactory to the Association.
 - (b) The Institutional Arrangements have been signed by the parties thereto.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than the eighteen (18) months after the Association's approval of the Financing which expires on November 19, 2015.
- 4.02. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) 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. The Recipient's Address is:

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

5.03. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

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

REPUBLIC OF HAITI

By



Authorized Representative

Name: MARIE CARMELE JEAN-MARIE

Title: MINISTER of ECONOMY & FINANCES

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Mary Bastar-Dock

Title: Special Envoy

SCHEDULE 1

Project Description

The objectives of the Project are to: (a) increase the attractiveness of the cultural heritage sites in North of Haïti for tourists; (b) improve the living environment for the residents living in North of Haiti; and (c) support the Recipient's capacity to respond promptly and effectively to an Eligible Emergency, as needed.

The Project consists of the following parts:

Part A: Physical Cultural Heritage Sites and Touristic Circuits in the PNH-CSSR and Cap Haitien Historic City Center

1. Conservation and the rehabilitation of the Citadelle Henry, the Palais de Sans Souci, the Chapelle de Sans Souci and Les Ramiers in the PNH-CSSR including the carrying out of structural strengthening, refurbishment, presentation, sanitation and safety improvement, through the carrying out of works and the provision of goods and consultants' services.
2. Support to the management of the PNH-CSSR, including: (a) the preparation and implementation of a management plan for the PNH-CSSR; and (b) developing the regulations covering the management of the PNH-CSSR, through the provision of goods and consultants' services.
3. Urban upgrading of the Cap Haitien historic city center including: (a) the conservation and rehabilitation of selected historic sites in Cap Haitien including the former prison, the Maison Antenor Firmin, the Alliance Française and the connecting streetscapes; (b) the development of architectural regulations and guidelines for the historic city center; (c) the carrying out of an inventory and designing an incentive regime to encourage the conservation of privately owned buildings for tourism use in eligible zones, through the carrying out of works and the provision of goods and consultants' services.
4. Strengthening the planning and management capacity of ISPAN and provision of technical assistance for the implementation of Parts A.1, A.2 and A.3 of the Project through the provision of goods, consultants' services and Training.

Part B: Local investments in Dondon, Milot and Cap Haitien

1. Improving the local urban infrastructure in Milot, Dondon and Cap Haitien to carry out investments selected based on a participatory decision-making mechanism through the carrying out of works and the provision of goods and consultants' services.

2. Preparing: (a) a solid waste management study in Milot and Dondon; and (b) sanitation and urban planning studies for Cap Haitien, through the provision of consultants' services.

3. Strengthening the capacity of the municipalities located in Milot, Dondon and Cap Haitien, through the provision of goods, consultants' services and Training.

Part C: Inclusive Tourism Sector Development Support

1. Strengthening the capacity of the Ministry of Tourism through: (a) the development of tourism sector planning and tourism circuits; (b) skills development; and (c) the upgrading of tourism statistics and enhancing sector coordination through the carrying out of small works and the provision of goods, consultants' services, and Training.

2. Strengthening the capacity of the DMO in: (a) developing tourism promotion strategies, marketing, and technical capacity; and (b) developing and upgrading tourism products, through the provision of goods, consultants' services and Training.

3. Enhancing the local engagement in cultural heritage tourism through: (a) the provision of Community Events and Tourism Grants to Beneficiaries for carrying out Sub-projects to develop tourism related services and products; and (b) the improvement of the capacity of the local communities to develop tourism related services and products, through the provision of goods, consultants' services and Training.

Part D: Contingent Emergency Response

Provision of support to respond to an Eligible Emergency, as needed.

Part E: Project Implementation, Evaluation and Monitoring

Provision of support to the UTE and ISPAN for the Project management, monitoring and evaluation, through the provision of goods, consultants' services, Training and 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 Parts A, B, C and E of the Project in MEF. Without limitation to the provisions of Section 3.01 of this Agreement, the Recipient shall ensure that MEF on behalf of the Ministry of Culture, the Ministry of Tourism and ISPAN, shall carry out Parts A, B, C and E of the Project in accordance with the Operations Manual. Except as the Association shall otherwise agree, the Recipient shall not amend, waive or fail to enforce the Operations Manual, or any provision thereof. In case of any conflict between the terms of this Agreement and those of the Operations Manual, the terms of this Agreement shall prevail. The Operations Manual shall include provisions detailing procedures and guidelines for the carrying out of Parts A, B, C and E of the Project, including, *inter alia*:
 - (a) the detailed description of Parts A, B, C and E of the Project implementation activities, including their sequencing and the prospective timetable and benchmarks in relation thereto, as well as the detailed institutional arrangements in respect thereof;
 - (b) Parts A, B, C and E of the Project's administrative, accounting, auditing, reporting, financial, procurement and disbursement procedures, including all pertinent standard documents and model contracts in relation thereto;
 - (c) procurement and contracting procedures consistent with Section III of this Schedule, to be applicable to the contracts for works, goods and services required for Parts A, B, C and E of the Project and to be financed out of the proceeds of the Financing;
 - (d) for the purpose of carrying out the investments under Part B.1 of the Project: (i) the selection criteria for the said investments; (ii) the rules and procedures for the review, approval and processing of the said investments; (iii) the participatory decision-making mechanisms to select Sub-projects; (iv) the accounting, disbursements, financial management, procurement, social and environmental procedures to be followed in carrying out the said investments; (v) a list of potential Sub-projects that may be financed under Part B.1 of the Project; and (vi) a negative list of activities that may not be financed under Part B.1 of the Project;

- (e) the plan and procedures for the monitoring and supervision of Parts A, B, C and E of the Project, including all environmental, economic and social aspects in relation thereto;
 - (f) the procedures for the review and approval of Financing proceeds withdrawal applications to the Association, in conformity with the additional instructions referred to in Section IV.A.1 of this Schedule; and
 - (g) the performance monitoring indicators for Parts A, B, C and E of the Project.
2. For the purpose of carrying out Parts A, B, C and E of the Project, MEF shall enter into, and maintain, throughout the duration of the Project, a separate appropriate institutional arrangement, satisfactory to the Association, with the Ministry of Culture, the Ministry of Tourism and ISPAN (the Institutional Arrangements). Each said arrangement shall, in accordance with the Operations Manual, include, *inter alia*, that:
- (a) MEF shall on behalf of the Ministry of Culture, the Ministry of Tourism and ISPAN, maintain UTE within MEF for the management of fiduciary aspects of Parts A, B, C and E of the Project. To this end, MEF shall cause UTE to: (i) appoint a Project director, a tourism specialist, a procurement specialist, an environmental specialist, and a social specialist, with all qualifications, experience and terms of reference acceptable to the Association, to respectively coordinate with the Ministry of Culture, the Ministry of Tourism and ISPAN, the management of the fiduciary aspects and to ensure that the procurement of works, goods, consultants' and non-consulting services under Parts A, B, C and E of the Project is conducted as per the Procurement Guidelines and Consultant Guidelines; (ii) enter into contracts with contractors and/or goods and/or service providers under terms and conditions acceptable to the Association; (iii) prepare, maintain and submit semi-annual Project progress reports to the Ministry of Culture, the Ministry of Tourism and ISPAN; (iv) prepare the Financial Statements; (v) have the Financial Statements audited in accordance with the provisions of Section II.B.3 of this Schedule; (vi) coordinate with the Ministry of Culture, the Ministry of Tourism and ISPAN and ensure that documents, reports and information are promptly provided to the Ministry of Culture, the Ministry of Tourism and ISPAN; (vii) ensure that Parts A, B, C and E of the Project are carried out in accordance with sound administrative, financial, engineering, accounting, environmental and social standards pursuant to the provisions of this Agreement, the applicable Safeguards Documents, the Anti-Corruption Guidelines and the Operations Manual; (viii) make available to the Ministry of Culture, the Ministry of Tourism, ISPAN and the auditors referred to in Section 4.09(b)(i) of the General

Conditions all documents, books, architectural plans, technical drawings and records pertaining to the activities under Parts A, B, C and E of the Project; and (ix) respond to queries, report findings and comments by the Ministry of Culture, the Ministry of Tourism, ISPAN and the auditors referred to in 4.09(b)(i) of the General Conditions;

- (b) in accordance with the Operations Manual, the Ministry of Culture, the Ministry of Tourism and ISPAN shall respectively promptly provide:
 - (i) technical guidance and support to UTE; and (ii) documents, reports and information required for the preparation of the Project progress reports.
- 3. For the purpose of ensuring the proper coordination and execution of the Project, the Recipient shall maintain the Steering Committee throughout Project implementation, with membership satisfactory to the Association. The functions of said Steering Committee shall include, *inter alia*: (a) overall supervision of the implementation of the Project; (b) inter-agency coordination to achieve the Project objectives; (c) review and approval of annual Project's budget; and (d) endorsement of annual audit reports and semi-annual progress reports.
- 4. The Recipient shall, through Ministry of Culture, cause ISPAN to conduct the technical supervision of the activities to be carried out under Part A of the Project in accordance with the Operations Manual and the pertinent Institutional Arrangement.
- 5. For the purpose of carrying out Part C.2 of the Project, the Recipient shall, through the Ministry of Tourism, enter into a Framework Agreement with the DMO, setting forth appropriate implementation arrangements, satisfactory to the Association.
- 6. The Recipient shall: (a) by not later than two years as of the Effective Date, submit the park management plan of PNH-CSSR prepared under Part A.2 (a) of the Project to the World Heritage Committee of the UNESCO for its review and approval; and (b) immediately after said plan has been approved, the World Heritage Committee of the UNESCO shall implement said park management plan in accordance with its terms.
- 7. The Recipient shall by not later than thirty (30) months as of the Effective Date designate, and thereafter maintain a park management authority for PNH-CSSR with adequate staffing and budgeting satisfactory to the Association.

B. Community Event and Tourism Grants under Part C.3 (a) of the Project

1. Community Event and Tourism Grants Manual

- (a) The Recipient shall:
 - (i) prepare under terms of reference satisfactory to the Association and furnish to the Association for its review and approval, a manual (the Community Event and Tourism Grants Manual), consistent with the provisions of this Agreement, setting forth, *inter alia*: (A) the eligibility criteria for a Beneficiary to receive a Community Event and Tourism Grant; (B) the rules and procedures for the review, approval and processing of the Community Event and Tourism Grants; (C) the accounting, disbursements, financial management, procurement, social and environmental procedures to be followed in the administration of the Community Event and Tourism Grants; (D) a list of Sub-projects that may be financed under the Community Event and Tourism Grants; and (E) a negative list of activities that may not be financed under the Community Event and Tourism Grants; and
 - (ii) afford the Association a reasonable opportunity to review such manual, and thereafter shall promptly adopt such manual as shall have been approved by the Association (“Community Event and Tourism Grants Manual”).
- (b) To assist in the preparation of the Community Event and Tourism Grants Manual, the Recipient, through UTE, shall employ consultants in accordance with Section III of Schedule 2 to this Agreement.
- (c) Without limitation on the foregoing, each Community Event and Tourism Grant shall be reviewed by a committee comprised of technical experts from the public and private sector, with qualifications and experience satisfactory to the Association and under terms of reference satisfactory to the Association (“Community Event and Tourism Grant Selection Committee”).
- (d) Notwithstanding any provision of this Agreement to the contrary, in the event of any conflict between the Community Event and Tourism Grants Manual and this Agreement, the provisions of this Agreement shall govern.

2. Eligibility Criteria for the Community Event and Tourism Grants

No Beneficiary shall be eligible for a Community Event and Tourism Grant, unless the Recipient shall have determined, on the basis of an appraisal conducted by the Community Event and Tourism Grant Selection Committee, in accordance with provisions of the Community Event and Tourism Grants Manual and of this Agreement, that the proposed Beneficiary of such Community Event and Tourism Grant and the proposed Sub-project for which the Community Event and Tourism Grant is to be made satisfy the following eligibility criteria, as further elaborated in the Community Event and Tourism Grants Manual:

- (a) The proposed Beneficiary: (i) is a privately owned entity, *or a private person*, or a group of micro, small or medium scale enterprise, associations or local producers; and (ii) has prepared a proposal acceptable to the Recipient and the Association, setting forth the components proposed to be included in the Sub-project, and a financing plan for such Sub-project to be developed on the basis of the Community Event and Tourism Grants Manual.
- (b) The proposed Sub-project: (i) is economically and financially viable, technically feasible and environmentally sound; (ii) has been developed on the basis of the Community Event and Tourism Grants Manual; (iii) has been developed in accordance with the Safeguard Documents; and (iv) is in compliance with all laws and regulations of the Recipient.

3. Community Event and Tourism Grants

Upon the approval of any given Sub-project, and prior to carrying out said Sub-project, the Recipient shall make a Community Event and Tourism Grant to the respective Beneficiary under an agreement (the Community Event and Tourism Grant Agreement), on terms and conditions approved by the Association, which shall include the following:

- (a) The Community Event and Tourism Grant shall: (i) be made on a grant basis; and (ii) not exceed an amount equivalent to ten thousand Dollars (US\$10,000).
- (b) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
 - (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Community Event and Tourism Grant, or obtain a refund of all or any part of the amount of the Community Event and Tourism Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Community Event and Tourism Grant Agreement; and

- (ii) require each Beneficiary to: (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient and with the Safeguard Documents; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works, non-consulting services, consultants' services and Training to be financed out of the Community Event and Tourism Grant in accordance with the provisions of this Agreement and the Community Event and Tourism Grants Manual; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives; (E) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and (F) prepare and furnish to the Recipient and the Association, all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
- (c) The Recipient shall exercise its rights and carry out its obligations under each Community Event and Tourism Grant Agreement, in such manner as to protect the interests of the Recipient, and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce any Community Event and Tourism Grant Agreement or any of its provisions.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the ESMF, EMP(s), PCRMP, PF, RPF and RAP(s). The Recipient shall not assign, amend, abrogate or waive the ESMF, EMP(s), PCRMP, PF, RPF and/or RAP(s) or any provision thereof, without the prior approval of the Association.
2. For purposes of carrying out any works under the Project, the Recipient shall: (a) prior to the issuance of the bidding documents for the works contract for each

site, prepare and submit to the Association for its approval: (i) the proposed design and site for said works and, the related site-specific EMP in form and substance satisfactory to the Association; and (ii) the draft contract for said works to ensure that the provisions of the PCRMP, and the said site-specific EMP are adequately included in said contract; (b) prior to the signing of the contract for said works, prepare and submit to the Association for its approval, the site-specific land acquisition and/or resettlement action plan(s) (RAP(s)) in form and substance satisfactory to the Association; and (c) if applicable, prior to the commencement of the works, ensure that the pertinent RAP has been implemented in accordance with its terms and in a manner acceptable to the Association.

3. The Recipient shall: (a) ensure that all activities undertaken for the purpose of carrying out of the Project comply with environmental standards and guidelines satisfactory to the Association; (b) ensure that the selection of any site under the Project is done in accordance with the provisions of the ESMF; (c) ensure the complete implementation of the EMPs in a manner acceptable to the Association, including all necessary measures to minimize and to mitigate any adverse environmental impacts caused by the implementation of the Project; and (d) maintain UTE's environmental unit with competent staff in adequate numbers and with such responsibilities and functions acceptable to the Association as shall enable UTE to manage, coordinate and monitor the implementation of the EMPs.
4. The Recipient shall: (a) ensure that UTE prepares RAPs according to the RPF; (b) maintain or cause to be maintained by UTE, and publicize or cause to be publicized by UTE, the availability of, grievance procedures to hear and determine fairly and in good faith, in accordance with the RPF, all complaints raised in relation to the implementation of the RAPs by those being resettled (as that term is defined in the RAP) or by those in host communities who are adversely affected by the implementation of the RAP, and take all measures necessary to implement the determinations made under such grievance procedures; (c) cause UTE to employ a resettlement expert, satisfactory to the Association, to conduct an ex post review of the implementation of the RAPs; (d) cause UTE to furnish promptly to the Association, the findings and recommendations for follow up action resulting from each such review; and (e) cause UTE to implement all such recommendations for follow-up action as are agreed with the Association.
5. The Recipient shall ensure that any restrictions imposed in the management plan of the PNH-CSSR on the use of, or access to, the natural resources within the parameters of PNH-CSSR, would be subject to the provisions of the PF.
6. 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 PF, any environmental management plan or similar safeguard instrument, and any resettlement action plan, giving details of:

- (a) measures taken in furtherance of the ESMF, the RPF, the PF, any environmental assessment or similar safeguard instrument, and any resettlement action plan or PF action plan;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESMF, the RPF, the PF, any environmental management plan or similar safeguard instrument, and any resettlement action plan or PF action plan; 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 ESMF, the RPF, the PF, any environmental management plan or similar safeguard instrument, and any resettlement action plan or PF action plan.
7. For purposes of carrying out the Project, the Recipient shall cause UTE to ensure that the terms of reference of any consultancy contract entered under the Project shall be satisfactory to the Association, following its review thereof, and to that end, such terms of reference shall duly incorporate the requirement of the Association's Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance.

E. Implementation Arrangements for Part D of the Project (Contingent Emergency Response)

1. In order to ensure the proper implementation of Part D 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.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and Section I.D.7 of this Schedule and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one

calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General 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 was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; and (c) Direct Contracting.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts 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) Selection of UNESCO; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

E. Procurement of Emergency Expenditures

Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for the CER Part of the Project shall be procured in accordance with the procurement methods and procedures set forth in the CER Operations Manual.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants’ services and Training for Part A of the Project	15,798,210	100%
(2) Goods, works, non-consulting services, consultants’ services and Training for Part B of the Project	4,528,000	100%
(3) Goods, works, non-consulting services, consultants’ services and Training for: (a) Part C.1 of the Project (b) Part C.2 of the Project (c) Subprojects under Part C.3 of the Project	1,067,000 873,000 647,000	100%

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(4) Goods, works, non-consulting services, and consultants' services for the CER Part	647,000	100%
(5) Goods, non-consulting services, consultants' services, Training and Operating Costs for Part E of the Project	3,230,000	100%
(6) Refund of Preparation Advance	2,309,790	100%
TOTAL AMOUNT	<u>29,100,000</u>	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement;
 - (b) under Category (3)(b) unless and until: (i) the DMO has been duly established and staffed in a manner satisfactory to the Association; and (ii) the Framework Agreement has been signed by the parties thereto, in form and in substance satisfactory to the Association;
 - (c) under Category (3)(c) unless and until UTE has adopted the Community Event and Tourism Grants Manual satisfactory in form and substance to the Association; and
 - (d) under Category (4), for Emergency Expenditures under Part D of the Project, 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.E.3 (b) of this Schedule;
 - (iii) the Recipient's Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.E.2 of this Schedule, 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.E.1 of this Schedule so as to be appropriate for the inclusion and implementation of said activities under the CER Part.
2. Without limitation to the provisions of Section IV.B.1 (d) immediately above, if no Eligible Emergency has occurred for a period of forty-eight (48) months after the Effective Date, or such later date as the Association shall establish, the Association may, upon request of the Recipient and as the Association may deem appropriate, reallocate the proceeds of the Grant allocated to Category (4) to other Categories.
 3. The Closing Date is August 31, 2020.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
2. “Association’s Safeguard Policies” means the Association’s operational policies and procedures set forth in the Association’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.
3. “Beneficiary” means an entity or a person that satisfies the eligibility criteria set forth in the Community Event and Tourism Grants Manual referred to in Section I.B of Schedule 2 to this Agreement to receive a Community Event and Tourism Grant.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “CER” means contingent emergency response.
6. “CER Operations Manual” means the Recipient’s manual for the CER Part referred to in Section I.E of Schedule 2 to this Agreement, as such manual may be amended from time to time with the prior written consent of the Association.
7. “CER Part” means Part D of the Project.
8. “Community Event and Tourism Grant” means a grant made out of the proceeds of the Financing to a Beneficiary for a Subproject, in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.
9. “Community Event and Tourism Grant Agreement” means any of the agreements referred to in Section I.B.3 of Schedule 2 to this Agreement; and such term includes all schedules and agreements supplemental to any Community Event and Tourism Grant Agreement.
10. “Community Event and Tourism Grant Selection Committee” means the committee referred to in Section I.B.1 (c) of Schedule 2 to this Agreement.
11. “Community Event and Tourism Grants Manual” means the Recipient’s manual referred to in Section I.B.1 (a) of Schedule 2 to this Agreement, as the same may be revised from time to time with the prior written approval of the Association.

12. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
13. "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.E.1 of Schedule 2 to this Agreement, to be responsible for coordinating the CER Part of the Project.
14. "DMO" means the destination management organization, a partnership of the public and private sector actors in the North of the Recipient's territory, including the Ministry of Tourism, to be duly established by the Recipient in a manner acceptable to the Association.
15. "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 a natural or man-made crisis or disaster.
16. "Emergency Expenditure" means any of the Eligible Expenditures set forth in the CER Operations Manual in accordance with the provisions of Section I.E.1 of Schedule 2 to this Agreement and required for the activities included in the CER Part of the Project.
17. "Environmental and Social Management Framework" or "ESMF" means the Recipient's framework dated December 19, 2013, acceptable to the Association, setting forth the modalities for environmental and social screening and procedures/actions for the preparation and implementation of environmental assessments and management plans under the Project, and such term includes all schedules and annexes to the ESMF.
18. "Environmental Management Plan" or "EMP" means the environmental management plan(s) prepared or to be prepared and disclosed by the Recipient in accordance with the Environmental and Social Management Framework with respect to the Project activities in accordance with Section I.D of Schedule 2 to this Agreement. Such plan(s) shall specify: (a) the measures to be taken during the implementation and operation of such activity, to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels; (b) the guidelines for the adoption of pest management measures in all applicable activities; and (c) the actions needed to implement such measures.
19. "Framework Agreement" means the agreement referred to in Section I.A.5 of Schedule 2 to this Agreement.
20. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.

21. "Institutional Arrangements" means the arrangements satisfactory to the Associations entered into as per Section I.A.2 (a) of Schedule 2 to this Agreement.
22. "ISPAN" means the Recipient's National Cultural Heritage Institute (*l'Institut de Sauvegarde du Patrimoine National*) established by virtue of Presidential Decree dated March 28, 1979, and any legal successor thereto.
23. "MEF" means the Recipient's Ministry of Economy and Finance, and any legal successor thereto.
24. "Ministry of Culture" means the Recipient's Ministry of Culture and any legal successor thereto.
25. "Ministry of Tourism" means the Recipient's Ministry of Tourism and any legal successor thereto.
26. "Operating Costs" means reasonable and necessary incremental expenses incurred by the Recipient with respect to Project implementation, management and monitoring, including the costs of staff salaries (excluding salaries of the Recipient's civil service staff), communication, editing, printing and publication, translation, vehicle operation and maintenance, bank charges, local travel costs and field trip expenses, office rentals, utilities, equipment and supplies.
27. "Operations Manual" means the Recipient's manual referred to in Section I.A.1 of Schedule 2 to this Agreement, as said manual may be updated and/or amended from time to time with the agreement of the Association.
28. "Physical Cultural Resources Management Plan" or "PCRMP" means the Recipient's plan for the management of physical cultural resources dated December 17, 2013, acceptable to the Association which includes: (a) measures to avoid or mitigate any adverse impacts on physical cultural resources; (b) provisions for managing chance finds; (c) any necessary measures for strengthening institutional capacity for the management of physical cultural resources; and (d) a monitoring system to track the progress of these activities.
29. "PNH-CSSR" means the Recipient's National Historic Park (*Parc National Historique*) - Citadelle-Sans Souci-Ramiers.
30. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on May 28, 2013 and on behalf of the Recipient on June 13, 2013.
31. "Process Framework" or "PF" means the process framework referred to in Section I.D of Schedule 2 to this Agreement, satisfactory to the Association, to

be prepared and implemented by the Recipient for carrying out activities under the Project dated March 13, 2014.

32. "Procurement Guidelines" means 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.
33. "Procurement Plan" means the Recipient's procurement plan for the Project, dated March 14, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
34. "Resettlement Action Plan" or "RAP" means a resettlement action plan, satisfactory to the Association, to be prepared and implemented by the Recipient for carrying out activities under the Project in accordance with the Resettlement Policy Framework (as hereinafter defined), to set out, *inter alia*, the principles and objectives, the affected persons' eligibility criteria, compensation, assistance and rehabilitation entitlements, as well as the monitoring and reporting arrangements in conformity with the Resettlement Policy Framework (as hereinafter defined).
35. "Resettlement Policy Framework" or "RPF" means the Recipient's framework, dated December 17, 2013 satisfactory to the Association, defining the modalities for land acquisition, resettlement and rehabilitation of displaced persons under the Project and describing the policies, procedures, plans and actions (including the RAPs), and institutional measures related to land acquisition and other social impacts that may arise during the Project and other phases related to the Project, and satisfactory to the Association.
36. "Safeguard Documents" means collectively the Environmental and Social Management Framework, the Resettlement Policy Framework, the Process Framework, the Physical Cultural Resources Management Plan, the Environmental Management Plans and the Resettlement Action Plan prepared for specific activities carried out under the Project, if any.
37. "Steering Committee" means the committee referred to in Section I.A.3 of Schedule 2 to this Agreement.
38. "Sub-project(s)" means any eligible community event or activity to develop tourism related services and products under Part C.3 (a) of the Project.
39. "Training" means expenditures (other than those for consultants' services) incurred by the Recipient under the Project to finance: (a) reasonable travel, room, board and *per diem* expenditures as incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b)

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

40. "UNESCO" means the United Nations Educational, Scientific and Cultural Organization.
41. "UTE" means the Recipient's *Unité Technique d'Exécution*, MEF's Project implementation unit, and any successor or successors thereto acceptable to the Association.
42. "World Heritage Committee of the UNESCO" means the intergovernmental committee for the protection of the cultural and natural heritage of outstanding universal value, established under the convention concerning the Protection of the World Cultural and Natural Heritage adopted by the General Conference of the UNESCO at its seventeenth session on November 16, 1972.