The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Attention: Ms. Mary Barton-Dock, Country Director

Re: Grant No. TF015662-Haiti Reconstruction Fund
Economic Reconstruction and Growth Development Policy Operation
Fight Against Drug Trafficking and Terrorism

Dear Ms. Mary Barton-Dock:

1. In connection with the Haiti Reconstruction Fund Grant Agreement (the Grant Agreement) of even date herewith between the Republic of Haiti (the Recipient) and the International Development Association (the Association), acting as a Partner Entity of the Haiti Reconstruction Fund (the Trust Fund), for a grant in the amount of ten million United States dollars (US$10,000,000) (the Grant) to be provided in support of the above-captioned operation, I am writing on behalf of the Recipient to set forth the following:

(a) We acknowledge that the Trust Fund receives from time to time contributions from various donors which are managed by the Association as a Trustee of the Trust Fund pursuant to relevant Administration Agreement with each donor. Pursuant to the terms of those Administration Agreements, the Trustee enters into Transfer Agreements with Partner Entities (such as United Nations agencies, the Inter American Development Bank and the Association) to transfer the Trust Fund’s funds to these Partner Entities. Thereafter, the Partner Entities enter into Grant Agreements with Implementing Entities (such as United Nations agencies, nongovernmental organizations and the Recipient’s Ministries) to finance the Activities, as such term is defined in the Standard Provisions Applicable to the Trust Fund Administration Agreements (the Standard Provisions), previously approved by the Trust Fund’s Steering Committee.

(b) We understand that the Standard Provisions provide, inter alia, that each Partner Entity is required, pursuant to its respective Transfer Agreement with the Trustee, to:

(i) undertake to use reasonable efforts, consistent with its policies and procedures, including those pertaining to combating financing for terrorists, to ensure that the Trust Fund funds provided to the Partner Entity by the Trustee are used for their intended purposes and are not diverted to terrorists or their agents;

(ii) refrain from using Trust Fund funds for the purpose of any payment to persons or entities, or for the import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, including under United Nations Security Council Resolution 1373 and related resolutions;
(iii) confirm that, given the activities to be funded with the funds provided to the Partner Entity, the Partner Entity does not believe that any such funds would be diverted to drug traffickers and their conspirators; and

(iv) include provisions corresponding to subparagraphs (i) – (iii) above in any sub-grant agreements that the Partner Entity enters into with entities to which the Partner Entity makes Trust Fund funds available.

(c) On the Recipient’s behalf, we hereby represent and warrant, for the benefit of the Association, acting as a Partner Entity, that no Grant funds will be diverted to (A) any terrorists or their agents, or (B) any drug traffickers or their conspirators as such funds will be utilized only for lawful expenditures envisaged under the Recipient’s budget in accordance with a development program more fully described in the Recipient’s Letter of Development Policy to the Association dated May 10, 2013, in connection with this operation.

2. It is our understanding that, in making the Grant, the Association may rely on the representations and warranties set forth or referred to in this letter.

Very truly yours,

REPUBLIC OF HAITI

By

[Signature]

Authorized Representative