

## **Change Request - Additional Financing**

**CHANGE REQUEST - ADDITIONAL FINANCING**

Change Request - Additional Financing <sup>[a]</sup>			
<b>Country/Region</b>	HAITI/CID	<b>CIF Project ID#</b>	<b>Auto Generated by CCH</b>
<b>For Regional/Global (country classification)</b> Please list all applicable sub-countries under Regional/Global country tagging (semicolon “;”)			
<b>Tier<sup>1</sup></b>	<input checked="" type="checkbox"/> Tier 1	<input type="checkbox"/> Tier 2	<input type="checkbox"/> Tier 3
<b>Project/Program Title (same as in CCH)</b>	Additional solar photovoltaic capacity to further replace fossil fuel in the Caracol Industrial Park of Haiti and neighboring communities		
<b>Source of Funding</b>	<input type="checkbox"/> CTF (DPSP III, IV/GESP, V/FW, ACT) <input type="checkbox"/> FIP <input type="checkbox"/> PPCR <input checked="" type="checkbox"/> SREP <input type="checkbox"/> REI <input type="checkbox"/> NPC		
<b>Additional Financing Amount(s)</b>	USD 1,900,000		
<b>Type of CIF Investment:</b>	<input checked="" type="checkbox"/> Public <input type="checkbox"/> Private		
<b>Is this a private sector program composed of sub-projects?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>IP/Concept Endorsement Date</b>	Signing of original grant agreement: 28 November 2024		
<b>Date of Committee Approval/Estimated Committee Approval</b>	<i>Original: September 2025</i>		<i>Proposed: October 2025</i>
<b>Date of MDB Board Approval or Committee/Estimated MDB Board Approval</b>	<i>Original:</i>		<i>Change request:</i>
<b>CIF Pipeline Management and Cancellation Policy</b>	<a href="#">Link</a> Is this an exceptional request (a waiver to the 18-month extension limit) <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
<b>Details on previous extension request(s)</b>	1 <sup>st</sup> – Original:	Revised:	Approved on:
	2 <sup>nd</sup> – Original:	Revised:	Approved on:
	3 <sup>rd</sup> – Original:	Revised:	Approved on:

<sup>1</sup> Country Tier definition as Per FY25 approved [Pricing policy](#) (page 8,9,19-25)

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<b>CIF Financial Terms and Conditions Policy</b>	<a href="#">Link</a> Is this request in accordance with the CIF Financial Terms and Conditions Policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (if no, please specify detailed information under the justification section)			
<b>Financial Products, Terms and Amounts</b>				
	<b>USD (million)</b>		<b>EUR (million)<sup>[b]</sup></b>	
	<b>Original</b>	<b>Additional Financing Request</b>	<b>Original</b>	<b>Additional Financing Request</b>
PPG (Project Preparation Grant)				
Grant	2.5	1.81		
MDB Project Implementation and Supervision Services (MPIS) <sup>2</sup>	0.12	0.09		
Senior loan				
First loss guarantee				
Second loss guarantee				
Equity				
Senior loan in local currency hedged				
Senior loan in local currency unhedged <b>(EXCEPTIONAL REQUEST)</b>				
Subordinated debt/loan/ mezzanine instrument with income participation				
Subordinated debt/loan / mezzanine instrument with income participation local currency unhedged <b>(EXCEPTIONAL REQUEST)</b>				
Subordinated debt/loan /mezzanine instrument with convertible features				
'Convertible/contingent recovery' grant/loan/guarantee (loans convertible to grants or vice versa)				
Convertible Loans (convertible to equity only)				
For loans and guarantees – is this a revolving structure? <sup>[3]</sup> <input type="checkbox"/> Yes <input type="checkbox"/> No				
<b>Specify local currency type here</b>				

<sup>2</sup> MPIS - CIF Operational Modalities For New Strategic Programs [here](#)

<sup>3</sup> With a revolving structure, after the loan or guarantee matures, instead of returning the funds to the Trustee, the funds are redeployed as a new loan or guarantee.

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Other (please specify)				
<b>Total</b>	<b>2.5</b>	<b>1.9</b>		
<b>Co-financing</b>				
	<b>Please specify as appropriate</b>	<b>Original</b>	<b>Proposed Changes</b>	
MDB 1	Inter-American Development Bank (IDB)	<b>31.5</b> (Grant Facility for Haiti-GRF – HA-L1140)	<b>36.5</b> (Grant Facility for Haiti-GRF – HA-L1140)	
		<b>2.65</b> (Clean Technology Fund – HA-G1048)	<b>2.65</b> (Clean Technology Fund – HA-G1048)	
Government	United States Agency for International Development (USAID)	<b>6.5</b> (HA-G1045)	<b>4.74</b> (HA-G1045)	
Private Sector				
Bilateral				
Others (please specify)				
<b>Total Co-financing</b>		<b>40.65</b>	<b>43.89</b>	
<b>Implementing MDB(s) (please enter full name, job title and email address)</b>				
MDB Headquarters Focal Point/s		Gloria Visconti ( <a href="mailto:gloriav@iadb.org">gloriav@iadb.org</a> ) Mariel Juarez ( <a href="mailto:marielj@iadb.org">marielj@iadb.org</a> )		
MDB Task Team Leader (TTL)		Jesús Tejeda ( <a href="mailto:jesust@iadb.org">jesust@iadb.org</a> )		
<b>National Implementing Agency (please enter full name, job title and email address)</b>				
Country Focal Point/s		Jean-Mary M. GEORGES Junior Directeur Exécutif Unité Technique d'Exécution <a href="mailto:jmgeorges@ute.gouv.ht">jmgeorges@ute.gouv.ht</a>		
<b>Brief Description of Project/Program (including proposed objectives and expected outcomes) <sup>[c][d]</sup></b>				

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## Description

This additional financing aims to increase the amount of IDB's ongoing Investment Grant (IGR) financed by SREP "Additional solar photovoltaic capacity to further replace fossil fuel in the Caracol Industrial Park of Haiti and neighboring communities" (GRT SX-21245-HA; HA-G1060). The IGR HA-G1060 is expected to provide 1.4MWp of additional solar photovoltaic (PV) capacity serving the *Parc Industriel* de Caracol (PIC) and the communities in the surrounding area ("the Project").

IDB approved the IGR HA-G1060 in November 2024, as a parallel budget of US\$2,500,000, to build upon the "Improving Electricity Access in Haiti" program ("the Program") in execution since November 2019 ([4900/GR-HA](#); HA-L1140 and [GRT/CF-17708-HA](#); HA-G1045). The Project focuses on Component II of the Program, which fosters the supply of electricity with renewable energy (RE) in the PIC and surrounding communities. **The IGR HA-G1060 reached full eligibility in June 2025 and completed a first disbursement of US\$1,026,852 in August 2025 (41% of the grant's total amount), which is executed by the Unité Technique d'Exécution of the Ministry of Finance to fund the design, purchase, and delivery of 1.4MWp of solar PV modules (630W; 2,236 units), inverters and structures. The disbursement of the remaining balance is expected in the first half of 2026 for the installation and commissioning of the system.**

The general objective of the Program is to increase reliable electricity access in Haiti for economic development and to strengthen electricity sector governance. The initial total cost of the Program was US\$38,000,000, of which US\$31,500,000 was provided by the IDB Grant Facility (GRF) (HA-L1140) and US\$6,500,000 by the United States Agency for International Development (USAID) (HA-G1045) as a Project Specific Grant (PSG). In December, 2021, thanks to the contribution of the Clean Technology Fund (CTF), the Bank approved an additional budget of US\$2,650,000 to provide storage capacity up to 5MVA/10MWh ([GRT/TC-19125-HA](#); HA-G1048), reaching a total amount of US\$40,650,000.

In parallel with the original approval of IGR HA-G1060 by CIF, the Program was modified in July 2024 following a request from the Government of Haiti. The modification aimed to adjust key result indicators, evidence the impact of Haiti's fragile environment on execution, extend the expiration date of the financing until December 2026, and increase IDB's funding by US\$5,000,000, reaching a total amount US\$45,650,000. **In April 2025, the financing of the PSG HA-G1045 was terminated by USAID, inducing a loss of US\$1,762,390.00 for the Program, and reducing its total amount to US\$43,887,610.**

The respective contributions from all funding sources are summarized in Table 1 below.

**Table 1. Sources of funding**

Sources of funding	Original (USD)	Additional financing (USD)	Total (USD)
<b>Co-financing</b>			
IDB (HA-L1140)	36,000,000	0	36,000,000
IDB/CTF (HA-G1048)	2,650,000	0	2,650,000
USAID (HA-G1045)	6,500,000	(1,762,390)	4,737,610
<b>Total co-financing</b>	<b>45,650,000</b>	<b>(1,762,390)</b>	<b>43,887,610</b>
<b>SREP</b>			
IDB/SREP (HA-G1060)	2,500,000	1,900,000	4,400,000
<b>Total including SREP</b>	<b>48,150,000</b>	<b>137,610*</b>	<b>48,287,610</b>

*\*The difference between the amount cancelled by USAID and additional financing from SREP will be allocated to MIPS (US\$90,000) and contingency (US\$47,610).*

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### The infrastructure funded by the Program

The PIC is a mixed-use light manufacturing park and industrial free zone in the northeast. The PIC electrical system is the backbone of the northeast electrical network. Its electricity supply depends on a 10MW diesel Thermal Power Plant (TEP) operated since 2012 by the National Rural Electric Cooperative Association (NRECA). However, between 2019 and 2023, rising fuel costs and inflation<sup>4</sup> have driven the cost of subsidized electricity up by 58%, undermining the competitiveness of the PIC and the provision of service to communities of the northeast.<sup>5</sup> Thus, the rationale behind Component II is to ensure an uninterrupted, cleaner, and sustainable electricity supply at a competitive tariff to the PIC tenants and residential users outside the park.

The Program is expected to replace up to 55% of fossil fuel consumption with RE in the first year of operation and to achieve a lower and more stable industrial tariff of 26.2 cents/kWh, and a residential tariff of about 31.5 cents/kWh on average. This is done by installing and commissioning a Solar Photovoltaic Plant (SPP) of 12MWp and 5MW/10MWh Battery Energy Storage System (BESS) for grid frequency regulation. The SPP will create a hybrid power grid in combination with the existing TEP and will be operated by an international firm selected through an international competitive process, following IDB procurement policies. The contract was signed in April 2024 and became fully effective in July 2024, upon provision of the required construction guarantee, and the fulfillment of all condition precedents by the parties. Considering this advance, the opportunity opened for the Project to increase the solar generation capacity in the PIC from 12MWp by up to 1.6MWp and exceed 13MWp of total capacity, through a new IGR financed by SREP (GRT SX-21245-HA; HA-G1060). Construction started in January 2025.

### Additional financing

Considering the existing SREP contribution, the additional financing aims to secure the original investment and ensure the delivery of the entire 13.4MWp solar PV and BESS system in the PIC despite the partial cancellation of the USAID-funded grant. The SREP contribution remains unchanged and is expected to increase RE participation from 55% to 58% in the first year (+902MWh), further reducing CO2 emissions by approximately 7.6% over the first 12 months (698 t CO2 eq). Over 20 years, the additional capacity supported by SREP is expected to generate an extra 21,069MWh of solar electricity (1,053kWh annual average) and prevent 16,282 tons of CO2 emissions (814 t CO2 eq annual average), while achieving more sustainable industrial and residential tariffs.

### Summary of Proposed Changes <sup>[c][d]</sup>

Original	Proposed Changes
Total grant amount: US\$2,500,000	Total grant amount: US\$4,310,000

### Detailed Justification/Challenges/Reason(s) for the amendment [c][d]

#### Grant amount

The objective of the additional financing is to bridge the financing gap caused by the withdrawal of USAID and ensure all financial commitments can be honored for the delivery of the infrastructure funded by the Program in the PIC according to the contract in execution. The additional amount requested from SREP will fully restore the original budget, without any reduction or scale back in the contract's scope of work.

<sup>4</sup> [IMF, 2024](#)

<sup>5</sup> Without a subsidy, the average cost of electricity in this area would reach more than 50 cents/kWh.

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Does the change requested affect the scope of expected results/indicators reported for the project? (Yes/No)	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If yes, please list all changes and provide a short explanation for each.)	
Summary of Proposed Changes to expected results/indicators <sup>[c]</sup> <sup>[d]</sup>	
Original	Proposed Changes
<b>Result</b> Proposed incremental solar PV capacity of the Project: 1.67MWp	<b>Result</b> Incremental solar PV capacity as per construction contract amended: 1.4MWp
<b>Core indicators</b> <b>SREP 1:</b> Annual electricity output from renewable energy, as a result of SREP interventions (MWh) <b>Solar:</b> 3.6% (This corresponds to 1,061.6MWh in the first year and to about 24,630MWh over 20 years)	<b>Core indicators</b> <b>SREP 1:</b> Annual electricity output from renewable energy, as a result of SREP interventions (MWh) <b>Solar:</b> 3% (This corresponds to 902MWh in the first year and to about 21,069MWh over 20 years)
<b>Core indicators</b> <b>SREP 4:</b> Proposed installed capacity from renewable energy, as a result of SREP interventions (MW) <b>Direct:</b> 1.67MWp <b>Indirect:</b> 12MWp <b>Total:</b> 13.67MWp	<b>Core indicators</b> <b>SREP 4:</b> Contracted installed capacity from renewable energy, as a result of SREP interventions (MW) <b>Direct:</b> 1.4MWp <b>Indirect:</b> 12MWp <b>Total:</b> 13.4MWp
<b>Co-benefit indicators</b> <b>SREP Co-Benefit 3:</b> GHG emissions avoided (t CO <sub>2</sub> eq) 19,058 over the life of Project	<b>Co-benefit indicators</b> <b>SREP Co-Benefit 3:</b> GHG emissions avoided (t CO <sub>2</sub> eq) 16,282 over the life of Project
Detailed Justification/Challenges/Reason(s) for the changes in expected results/indicators <sup>[c]</sup> <sup>[d]</sup>	

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### Solar PV capacity and related indicators

The original modelling commissioned by IDB anticipated that the installation of 1.67MWp in incremental solar PV capacity would not require any major upgrade in the transformers and main electrical equipment of the 12MWp solar power plant. It was therefore envisaged that the total amount of the SREP grant would be used to maximize the additional solar PV capacity. However, during the negotiations with the construction contractor (and future operator of the PIC power system), the contractor advised that for security reason the final design should consider an extension of the capacity of the transformers from 12.6MVA to 15MVA. Given the cost of this upgrade, the achievable incremental solar PV capacity funded by SREP was adjusted from 1.67MWp to 1.4MWp in the contract amendment signed between UTE and the contractor in June 2025. The core and co-benefit indicators impacted by this modification were revised accordingly.

### Next Steps to Justify Request for an Extension and Ensure Approval by the Proposed Target Date (Describe all activities to be completed during the extension)

No extension requested.

#### Version: October 2024

Link to Documents Management – [here](#)

CCH – [here](#)

CIF Website – [here](#)

CIF Pipeline Management and Cancellation Policy - [here](#)

CIF Financial Terms and Conditions Policy updated for FY24 - [here](#)

CIF Operational Modalities For New Strategic Programs - [here](#)

FY25 Pricing Policy - [here](#)

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