

2011 Regional Disaster Vulnerability Act 22 545
 Reduction Project Loan Authorisation

ARRANGEMENT OF CLAUSES

1. Short title
2. Authority to raise loan

SCHEDULE

546 Act 22

Regional Disaster Vulnerability
Reduction Project Loan Authorisation

2011



GRENADA

ACT NO. 22 OF 2011**I assent,**

21st September, 2011.

CARLYLE ARNOLD GLEAN
Governor-General.

AN ACT to authorize the Minister of Finance to borrow from the International Development Association an amount equivalent to six million two hundred thousand Special Drawing Rights (SDR 6,200,000), and from the International Bank for Reconstruction and Development an amount of eight million two hundred thousand United States Dollars (\$8,200,000).

[30th September, 2011].

WHEREAS the Government of Grenada deems it desirable to reduce vulnerability to natural hazards and climate change impacts in Grenada;

WHEREAS it is necessary for the Government of Grenada to secure funding to provide for same;

WHEREAS section 49 of the Public Finance Management Act No. 27 of 2007, authorises the Minister of Finance to secure a liability by borrowing for the purposes specified therein, including for any purpose of a capital nature;

AND WHEREAS the Minister of Finance proposes to borrow, on behalf of the Government of Grenada the sum of an amount equivalent to six million two hundred thousand Special Drawing Rights (SDR 6,200,000) from the International Development Association, and an amount of eight million two hundred thousand United States Dollars (\$8,200,000) from the International Bank for Reconstruction and Development, for the purposes aforementioned;

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives and by the authority of the same as follows:

Short title.

1. This Act may be cited as the

REGIONAL DISASTER VULNERABILITY
REDUCTION PROJECT LOAN AUTHORISATION
ACT, 2011.

Authority to
raise loan.

2.—(1) The Minister of Finance is hereby authorised to raise a loan of:

- (a) an amount equivalent to six million two hundred thousand Special Drawing Rights (SDR 6,200,000) from the International

(b) Development Association; and
 an amount of eight million two hundred
 thousand United States Dollars (\$8,200,000)
 from the International Bank for
 Reconstruction and Development,

for the purpose of reducing vulnerability to natural hazards
 and climate change impacts in Grenada.

(2) All monies borrowed under this Act shall be
 effected and secured pursuant to the terms and conditions
 specified in the Schedule.

SCHEDULE

Legal Department
 CONFIDENTIAL DRAFT
 (Subject to Change)
 E. Mwenda
 May 11, 2011

NEGOTIATED DRAFT

CREDIT NUMBER ____-GD

Financing Agreement

(Regional Disaster Vulnerability Reduction Project)

between

GRENADA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated _____, 2011
CREDIT NUMBER _____-GD

FINANCING AGREEMENT

AGREEMENT dated _____, 2011, entered into between GRENADA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS: (A) the Recipient and the International Bank for Reconstruction and Development, acting as an implementing entity of the Pilot Program for Climate Resilience (Pilot Program for Climate Resilience (PPCR)) under the Strategic Climate Fund, intend to enter into a grant agreement (PPCR Grant Agreement) for the purpose of making a grant to the Recipient to assist in financing Parts A, B and D of the Project on the terms and conditions set forth in the PPCR Grant Agreement; and

(B) the Recipient and the International Bank for Reconstruction and Development, acting as an implementing entity of the Strategic Climate Fund (SCF), intend to enter into a loan agreement (SCF Loan Agreement) for the purpose of providing a loan to the Recipient to assist in financing Parts A, B and D of the Project on the terms and conditions set forth in the SCF Loan Agreement;

NOW THEREFORE, 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 credit in an amount equivalent to six million two hundred thousand Special Drawing Rights (SDR 6,200,000)

(variously, “Credit” and “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 ($\frac{1}{2}$ of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent ($\frac{3}{4}$ of 1%) per annum.
- 2.05. The Payment Dates are May 15_ and November 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall carry out the Project 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 Condition of Effectiveness consists of the following, namely that, the PPCR Grant Agreement and the SCF Loan Agreement have been executed and delivered and all conditions precedent to the effectiveness or to the right of the Recipient to make withdrawals under said PPCR Grant Agreement or SCF Loan Agreement (other than the effectiveness of this Agreement) have been fulfilled.

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- 4.02. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than eighteen (18) months after the Association's approval of the Credit.
- 4.03. 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 years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its Minister responsible for Finance.
- 5.02. The Recipient's Address is:

Ministry of Finance
Financial Complex
The Carenage
St. George's
GRENADA

Facsimile:
1-473-440-4115

- 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	248423 (MCI)	1-202-477-6391
Washington, D.C.		

AGREED at _____, _____, as of the day and year first above

written.

Confidential draft

GRENADA

By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to measurably reduce vulnerability to natural hazards and climate change impacts in the Recipient's territory and in the Eastern Caribbean Sub-region.

The Project constitutes the first phase of the Program, and consists of the following parts:

Part A: Prevention and Adaptation Investments

1. Carrying out of selected infrastructure investments, and related supporting studies, including: (a) identified Community infrastructure; (b) rehabilitation and construction of bridges; and (c) improving resilience to climate risks in water supply system, all through the provision of works, technical advisory services, operating costs and acquisition of goods.
2. Design and retrofitting of selected public buildings to improve disaster resilience, and supporting studies, including: (a) rehabilitation of selected schools' buildings; and (b) rehabilitation of selected public accommodation for the elderly, all through the provision of works, technical advisory services, operating costs and acquisition of goods.

Part B: Regional Platforms for Hazard and Risk Evaluation and Applications for Improved Decision Making

1. Building the regional capacity for assessment of natural risks and integration of such assessment into policy and decision making process for the development of investments, disaster risk mitigation and disaster response across sectors, through the

provision of technical advisory services, training and acquisition of goods.

2. Facilitating regional collaboration including, knowledge sharing and learning process to develop and apply construction standards and methods for critical public infrastructure and urban flood mitigation and strengthen regional collaboration for urban and flood risk reduction, all through the provision of technical advisory services, training and acquisition of goods.
3. Reducing the risk for regional interconnectivity and carrying out related supporting studies, including: (a) improving the international airport to maintain an adequate emergency response capability and to comply with the international operational standards, through the provision of works, technical advisory services, training and acquisition of goods.

Part C: Natural Disaster Response Investments

Carrying out of Emergency Recovery and Reconstruction Subprojects under an agreed action plan of activities (Agreed Action Plans of Activities) designed as a mechanism to implement the Recipient's rapid response to an Emergency.

Part D: Project Management and Implementation Support

Strengthening and developing the institutional capacity for Project management, including: (a) preparation of designs and tender documents; (b) preparation of Project reports; (c) processing of contracts and tender evaluation; (d) coordination of participating line ministries; (e) supervision of the quality of works; (f) training of staff in Project management and implementation support; (g) capacity building for accreditation to the United National Framework Convention on Climate Change (UNFCCC) Climate Adaptation Fund; and (h) related activities on Project management and implementation, all through the provision of technical advisory services, training, operating costs and acquisition of goods.

SCHEDULE 2

Project Execution

SECTION I. IMPLEMENTATION ARRANGEMENTS

A. Institutional Arrangements1. Project Steering Committee

- (a) The Recipient shall ensure that the Project Steering Committee is maintained at all times during the implementation of the Project, with a composition, mandate, and in form and substance satisfactory to the Association.
- (b) Without limitation to sub-paragraph (a) immediately above, the Recipient shall ensure that the Project Steering Committee will be responsible for providing policy guidance to ensure prompt and efficient implementation of the Project, including, inter alia: (i) reviewing progress made towards achieving the Project's objective; (ii) facilitating the coordination of Project activities, and making recommendations for removal of any obstacles to the implementation of the Project; and (iii) providing comments on reports and reviews prepared by the Project Coordinating Unit under the Project.

2. Project Coordination Unit

- (a) The Recipient shall maintain, at all times during the implementation of the Project, a project coordination unit (the Project Coordination Unit or PCU) within the Recipient's Ministry of Finance, with functions, staffing and resources satisfactory to the Association.
- (b) Without limitation to the provisions of Section I.A.1 of this Schedule, the PCU shall be responsible for day-to-day administration of overall planning, coordination, the technical, fiduciary (i.e, procurement and financial management), environmental and social safeguards compliance, coordination, monitoring, evaluation, reporting and communication of the activities under the Project, all in accordance with the provisions of this Agreement and the Project Operational Manual.

B. Project Operational Manual

- 1. The Recipient shall not later than one month of the Effective Date, adopt the Project Operational Manual in form and substance satisfactory to the Association, containing detailed arrangements and procedures for: (a) institutional coordination

and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) environmental and social safeguard guidelines; (e) monitoring, evaluation, reporting and communication; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall carry out the Project in accordance with the provisions of the Project Operational Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Operational Manual without the prior written agreement of the Association.

C. Action Plans for Emergency Recovery and Reconstruction Subprojects under Part C of the Project

1. In an event of an Emergency, the Recipient shall: (a) clearly establish a causal relationship between the relevant Emergency and the need to withdraw the proceeds of the Credit allocated to Category (2); and (b) prepare and furnish to the Association a program of activities proposed for financing (“Proposed Action Plan of Activities”).
2. The Recipient shall exchange views with the Association on the Proposed Action Plan of Activities, and shall thereafter adopt, and carry out such plan of activities as shall have been agreed with the Association, as such plan may be subsequently revised with the agreement of the Association (“Agreed Action Plans of Activities”).
3. Subject to Section I.C.5 of this Schedule 2, an investment activity shall qualify as an Emergency Recovery and Reconstruction Subproject only if:
 - (a) it is initiated in response to an Emergency, and the Recipient has not rescinded the National Disaster Declaration;
 - (b) it aims to repair or reconstruct streets, roads, bridges, transportation and other infrastructure damaged by the event of Emergency in question, re-establish telecommunications infrastructure, re-establish urban or rural solid waste, water supply and sanitation (including urban drainage) infrastructure damaged

by the event of Emergency in question; repair, re-equip, construct or reconstruct homes, schools, clinics, hospitals or works of cultural significance or other communal structures damaged by the event of Emergency in question; remove and dispose debris resulting from the event of Emergency in question (but only if such removal and disposal is not an end in itself but constitute an integral part of an infrastructure repair, reconstruction or re-establishment activity itemized herein); restore the productive assets damaged by the event of Emergency in question of uninsured low-income producers; replace, with similar species, vegetation destroyed by the event of Emergency in question, or repair or mitigate damage caused by the event of Emergency to a national natural protected area or buffer zone thereof (all the above in such a way as to take into account the reasons for the damage suffered in the disaster and to ensure that the infrastructure re-establishment through the Emergency Recovery and Reconstruction Subproject is environmentally sound in a way that reduces its vulnerability to possible social disasters);

- (c) the Association has reviewed and approved the Emergency Recovery and Reconstruction Subproject prior to such a Subproject's initiation if the Subproject: (i) is estimated to cost in excess of \$750,000 equivalent; (ii) would affect or take place in a national or municipal protected area or buffer zone thereof that has no official management plan in place; (iii) is estimated to cost in excess of \$300,000 equivalent and involves re-establishment or reconstruction of infrastructure before it was damaged by the event of Emergency in question; or (iv) is estimated to cost in excess of \$300,000 equivalent and involves repair, re-establishment or reconstruction of infrastructure in such a way that the resulting infrastructure would have greater production output capacity (by ten percent or more; such as in the case of a water treatment plant, using a measurement of treated water volume per unit of time) and/or greater service capacity (by ten percent or more; such as in the case of a school or clinic, using the measurement of classrooms and beds) than the original pre-damage infrastructure;
- (d) without limitation to the provisions of Section I.E of this Schedule 2, the implementation of the Emergency Recovery and Reconstruction Subproject and/or the terms of reference for any consultancy in respect of any such activity shall be satisfactory to the Association following its review thereof and, to that end, the implementation of such an activity and/or any such terms

of reference shall duly comply with the requirements of the Bank Safeguard Policies then in force; and

- (e) the requirements set forth in subparagraphs (a) to (d) of this paragraph have been met with respect to the Emergency Recovery and Reconstruction Subproject, and contracts for the execution thereof have been awarded and signed (and on-site work under such contracts has commenced) after forty-five (45) calendar days (but no more than one hundred and eighty (180) calendar days, have passed since the issuance of the Natural Disaster Declaration referred to in subparagraph (a) of this paragraph.
- 4. On an exceptional basis, the 45 calendar day limit set forth in paragraph 3(e) of this Section, as well as the 180 calendar day limit set forth in said paragraph, may, before the relevant limit expires, be extended in writing by the Association for a particular commencement of any Emergency Recovery and Reconstruction Subproject if the nature of the disaster is such as to justify, in the Association's opinion, delays in the commencement of such Emergency Recovery and Reconstruction Subproject on-site work (such as when disaster conditions, for example non-receding flood waters, persist on-site long after the issuance of the Natural Disaster Declaration.
- 5. No Emergency Recovery and Reconstruction Subproject or component thereof may involve any of the activities set forth in Schedule 4 to this Agreement.

D. Anti-Corruption

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

E. Environmental and Social Safeguards

- 1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental Management Framework (EMF), and the Resettlement Policy Framework (RPF), respectively, including the guidelines, rules and procedures defined in said EMF and RPF. To this end, the Recipient shall, specifically take the following actions in a manner acceptable to the Association:

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- (a) if an environmental management plan or similar safeguard instrument would be required on the basis of the EMF: (i) such environmental management plan or similar safeguard instrument shall be prepared in accordance with the requirements of the EMF, disclosed locally and furnished to the Association for approval; and (ii) if applicable, the rehabilitation, retrofitting or construction activity shall be carried out in accordance with such environmental management plan or similar safeguard instrument as approved by the Association; and
 - (b) if a resettlement action plan would be required on the basis of the Resettlement Policy Framework: (i) said resettlement action plan shall be prepared in accordance with the requirements of the Resettlement Policy Framework, disclosed locally and furnished to the Association for approval; and (ii) no works for rehabilitation, retrofitting or construction shall commence until (A) all measures required to be taken under said resettlement action plan have been taken in accordance with the terms of said plan and in a manner acceptable to the Association; and (B) the Recipient has furnished to the Association a report in form and substance satisfactory to the Association, on the status of compliance with the requirements of said resettlement action plan.
 2. The Recipient shall ensure that all measures required for carrying out any environmental assessment or similar safeguard instrument, and any resettlement action plan are taken in a timely manner.
 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 EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan, giving details of:
 - (a) measures taken in furtherance of the EMF, the RPF, any environmental assessment or similar safeguard instrument, and any resettlement action plan;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement 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

EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan.

4. Specific Environmental Covenant for Part B.1 of the Project

The Recipient shall ensure that the terms of reference for any consultancy in respect of any Project activity for assessment of natural risks under Part B.1 of the Project, shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.

SECTION II. PROJECT MONITORING, REPORTING AND EVALUATION

A. Project Reports

1. 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 on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of six calendar months, and shall be furnished to the Association not later than forty five days after the end of the period covered by such report.
2. Without limitation to the provisions of Section 4.08 (b) of the General Conditions, the Recipient shall: (a) on or about the date twenty four (24) months after the Effective Date, submit to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of the mid-term report, taking into account the monitoring and evaluation activities performed pursuant to Section II.A.1 of this Schedule, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and (b) review with the Association the mid-term report, on or about the date one month after its submission, and thereafter take all measures required to ensure the efficient implementation of the Project and the achievement of its objective, based on the conclusions and recommendations of the mid-term report and the Association's views on the matter.

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3. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six months before the Closing Date.

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 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the calendar quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have the Project's 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.

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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 the Procurement Guidelines, or 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 goods, works and Non-Consulting Services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding; (c) Shopping; and (d) 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 assignments which are specified in the Procurement Plan: (a) Quality Based Selection; (b) Selection under a Fixed Budget; (c) Selection based on Consultants' Qualifications; (d) Least-Cost Selection; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (f) Sole Source Procedures for selection of firms; and (g) Sole Source Procedures for the Selection of Individual Consultants set forth in paragraph 5.4 of the Consultant Guidelines.
- D. Review by the Association of Procurement Decisions**
1. 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.

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2. All terms of reference for consultants' services, regardless of contract value, shall be subject to the Association's prior review.

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 Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, Non-consulting services, consultants' services, Training and Operating Costs for Parts A, B and D of the Project	4,630,000	32%

(2) Goods, works, Non-consulting services, and consultants' services for Emergency Recovery and Reconstruction Subprojects under Part C of the Project	620,000	100%
(3) Refund of Preparation Advance	950,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT		

For the purpose of the table set forth in this Section IV.A.2:

- (a) the term "Training" means the cost associated with the training and workshops approved by the Association, for reasonable expenditures (other than expenditures for consultants' services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses; and
- (b) the term "Operating Costs" means the incremental expenses incurred on account of Project management, 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.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

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- (a) for payments made prior to the date of this Agreement; or
- (b) under Category (2) in respect of any given Emergency Recovery and Reconstruction Subproject unless the Recipient has: (i) met the requirement referred to in Section I.C.1 of this Schedule 2; and (ii) the relevant Emergency Recovery and Reconstruction Subproject is included in the Agreed Action Plan of Activities, together with a budget and a financing plan for said subproject, all in form and substance satisfactory to the Association.
2. Without limitation to the provisions of Section B.1 (b) immediately above, if no Emergency has occurred for a period of forty-eight 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 Credit allocated to Category (2) to Category (1).
3. The Closing Date is December 31, 2016.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15:	
commencing November 15, 2021 to and including May 15, 2031	1.25%
commencing November 15, 2031 to and including May 15, 2046	2.5%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of

the General Conditions.

SCHEDULE 4

Emergency Recovery and Reconstruction Subprojects Negative List

1. Dam construction, reconstruction, rehabilitation or strengthening.
2. Activities affecting natural protected areas recognized as national or municipal protected areas (or buffer zones thereof), other than as required to mitigate damage caused by the 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 of debris resulting from the Emergency.
4. Land reclamation (i.e., drainage of wetlands or filing of water bodies to create land).
5. Hazardous waste management and disposal, as well as manufacture, transport and use of pesticides and other hazardous and/or toxic materials (except small amounts of solvents, degreasing materials, paints, fuels and the like used during construction).
6. River training (i.e., realignment, contraction or deepening of an existing river channel, or excavation of a new river channel).
7. Activities involving industrial plants (large-scale) and industrial estates.
8. New road construction or major upgrading or realignment of roads (major means: changing the road category, such as from seasonal to all-weather or secondary to primary; adding new lanes; or changing road surface).
9. New irrigation, drainage and flood control works.
11. (a) 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.

(b) The activities set forth in subparagraph 10(a) of this Schedule 4, shall not be prohibited under the Project:

(i) if a bordering state formally expressed in writing to the Association and the Recipient its no-objection to such activities; or

(ii) if: (A) for any ongoing scheme, projects involving additions or alterations that require rehabilitation, or other changes that in the judgment of the Association (I) will not adversely change the quality or quantity of water flows to the other riparians; and (II) will not be adversely affected by the other riparians' possible water use. The exception in (ii) herein shall apply only to minor additions or alterations to the ongoing scheme; it does not cover works and activities that would exceed the original scheme, change its nature, or so alter or expand its scope and extent as to make it appear a new or different scheme; (B) water resource surveys and feasibility studies on or involving international waterways. However, if the Recipient decides to finance the activities mentioned in (B) herein as part of any Emergency Recovery and Reconstruction Subproject, then such activities shall include in the terms of reference for the activities an examination of any potential riparian issues; or (C) any project that relates to a tributary of an international waterway where the tributary runs exclusively in one state and the state is the lowest downstream riparian, unless there is concern that the project could cause appreciable harm to other states.

www.WorldBank.org/opmanual.

4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006 and May 2010.
6. “Displaced Person” means a person who, on account of the execution of the Project had or would have their: (i) standard of living adversely affected; or (ii) access to, or right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) business, occupation, work or place of residence or habitat adversely affected; and “Displaced Persons” means, collectively, all such Displaced Persons.
7. “Eastern Caribbean Sub-region” means for the purpose of this Project, the following countries participating in the Program, namely, Antigua and Barbuda, Saint Kitts and Nevis, The Commonwealth of Dominica, Saint Lucia, Saint Vincent and the Grenadines and the Recipient.
8. “Emergency” means the occurrence of a natural disaster or an event of emergency within the Recipient's territory for which the Recipient has issued a National Disaster Declaration.
9. “Emergency Recovery and Reconstruction Subproject” means an investment activity under Part C of the Project, consisting of a combination of works, goods or technical advisory services, aimed at responding to damage caused by an Emergency and meeting the criteria set forth Section I.C.3 through 5 of Schedule to this Agreement.
10. “Environmental Management Framework” or “EMF” means the Recipient's framework, acceptable to the Association, dated November _____, 2010, and published on March 18, 2011 and March 21, 2011, respectively, setting forth the modalities for environmental 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 Environmental Management Framework.
11. “General Conditions” means the “International Development Association General

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20. “Project Coordination Unit” means the coordination unit referred to in Section I.A.2 of Schedule 2 to this Agreement.
21. “Project Operational Manual” means the Recipient's manual referred to in Section I.B.1 of Schedule 2 to this Agreement.
22. “Project Steering Committee” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.
23. “Proposed Action Plan of Activities” means the plan of activities referred to in Section I.C.1 of Schedule 2 to this Agreement.
24. “Resettlement Policy Framework” or “RPF” means the Recipient's framework dated April 2011, and published on April 28, 2011, acceptable to the Association, setting forth the modalities for resettlement and compensation of Dislocated Persons, including guidelines for the preparation of the resettlement plans, all under the Project, as the same may be amended from time to time with the agreement of the Association.
25. “Strategic Climate Fund (SCF) Loan Agreement” means the loan agreement of even date herewith referred to in clause (B) of the Preamble to this Agreement, as such loan agreement may be amended from time to time. “SCF Loan Agreement” includes all appendices, schedules and agreements supplemental to the SCF Loan Agreement.
26. “United National Framework Convention on Climate Change (UNFCCC) Climate Adaptation Fund” means the fund established by the Parties to the Kyoto Protocol on the UNFCCC to finance concrete adaptation projects and programs in developing countries that are Parties to the Kyoto Protocol.

Legal Department
CONFIDENTIAL DRAFT
(Subject to Change)
E. Mwenda
May 11, 2011

NEGOTIATED DRAFT

SCF-PPCR LOAN NUMBER TF_____

Article I
Standard Conditions; Definitions

- 1.01. The Standard 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 Standard Conditions, in the Appendix to this Agreement, or in the Financing Agreement in respect of Part C of the Project.

Article II
Loan

- 2.01. The World Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of eight million two hundred thousand United States Dollars (\$8,200,000) ("Loan"), to assist in financing Part A B and D of the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Loan is funded out of the resources made available to the World Bank as an implementing entity of the SCF. In accordance with Section 3.02 of the Standard Conditions, the Borrower may withdraw the Loan proceeds subject to the availability of such funds.
- 2.04. The Service Charge payable by the Borrower on the Withdrawn Loan Balance shall be equal to one-tenth of one percent (1/10 of 1%) per annum.
- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is USD.

Article III
The Project

- 5.03. The World Bank's Address referred to in Section 10.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED at _____, _____, as of the day and year first above written.

GRENADA

By

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
acting as an implementing entity of the Pilot Program for Climate
Resilience under the Strategic Climate Fund

By

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to measurably reduce vulnerability to natural hazards and climate change impacts in the Borrower's territory and in the Eastern Caribbean Sub-region.

The Project constitutes the first phase of the Program, and consists of the following parts:

Part A: Prevention and Adaptation Investments

1. Carrying out of selected infrastructure investments, and related supporting studies, including: (a) identified Community infrastructure; (b) rehabilitation and construction of bridges; and (c) improving resilience to climate risks in water supply system, all through the provision of works, technical advisory services, operating costs and acquisition of goods.
2. Design and retrofitting of selected public buildings to improve disaster resilience, and supporting studies, including: (a) rehabilitation of selected schools' buildings; and (b) rehabilitation of selected public accommodation for the elderly, all through the provision of works, technical advisory services, operating costs and acquisition of goods.

Part B: Regional Platforms for Hazard and Risk Evaluation and Applications for Improved Decision Making

1. Building the regional capacity for assessment of natural risks and integration of such assessment into policy and decision making process for the development of investments, disaster risk mitigation and disaster response across sectors, through the provision of technical advisory services, training and acquisition of goods.
2. Facilitating regional collaboration including, knowledge sharing and learning process to develop and apply construction standards and methods for critical public infrastructure and urban flood mitigation and strengthen regional collaboration for urban and flood risk reduction, all through the provision of technical advisory services, training and acquisition of goods.
3. Reducing the risk for regional interconnectivity and carrying out related supporting studies, including: (a) improving the international airport to maintain an adequate emergency response capability and to comply with the international operational standards, through the provision of works, technical advisory services, training and acquisition of goods.

Part C: Natural Disaster Response Investments

Carrying out of Emergency Recovery and Reconstruction Subprojects under an agreed action plan of activities (Agreed Action Plans of Activities) designed as a mechanism to implement the Borrower's rapid response to an Emergency.

Part D: Project Management and Implementation Support

Strengthening and developing the institutional capacity for Project management, including: (a) preparation of designs and tender documents; (b) preparation of Project reports; (c) processing of contracts and tender evaluation; (d) coordination of participating line ministries; (e) supervision of the quality of works; (f) training of staff in Project management and implementation support; (g) capacity building for accreditation to the United National Framework Convention on Climate Change (UNFCCC) Climate Adaptation Fund; and (h) related activities on Project management and implementation, all through the provision of technical advisory services, training, operating costs and acquisition of goods.

SCHEDULE 2

Project Execution

SECTION I. INSTITUTIONAL AND OTHER ARRANGEMENTS

A. Institutional Arrangements

1. Project Steering Committee

- (a) The Borrower shall ensure that the Project Steering Committee is maintained at all times during the implementation of the Project, with a composition, mandate, and in form and substance satisfactory to the World Bank.
- (b) Without limitation to sub-paragraph (a) immediately above, the Borrower shall ensure that the Project Steering Committee will be responsible for providing policy guidance to ensure prompt and efficient implementation of the Project, including, inter alia: (i) reviewing progress made towards achieving the Project's objective; (ii) facilitating the coordination of Project activities, and making recommendations for removal of any obstacles to the implementation of the Project; and (iii) providing comments on reports and reviews prepared by the Project Coordinating Unit under the Project.

2. Project Coordination Unit

- (a) The Borrower shall maintain, at all times during the implementation of the Project, a project coordination unit (the Project Coordination Unit or PCU) within the Borrower's Ministry of Finance, with functions, staffing and resources satisfactory to the World Bank.

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- (b) Without limitation to the provisions of Section I.A.1 of this Schedule, the PCU shall be responsible for day-to-day administration of overall planning, coordination, the technical, fiduciary (i.e. procurement and financial management), environmental and social safeguards compliance, coordination, monitoring, evaluation, reporting and communication of the activities under the Project, all in accordance with the provisions of this Agreement and the Project Operational Manual.

B. Project Operational Manual

1. The Borrower shall not later than one month of the Effective Date, adopt the Project Operational Manual in form and substance satisfactory to the World Bank, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) environmental and social safeguard guidelines; (e) monitoring, evaluation, reporting and communication; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.
2. The Borrower shall carry out the Project in accordance with the provisions of the Project Operational Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the World Bank shall otherwise agree, the Borrower shall not amend, abrogate, waive or fail to enforce any provision of the Project Operational Manual without the prior written agreement of the World Bank.

C. Action Plans for Emergency Recovery and Reconstruction Subprojects under Part C of the Project

The Borrower shall carry out Part C of the Project in accordance with the provisions of the Section I.C of Schedule 2 of the Financing Agreement.

D. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of 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 (“Anti-Corruption Guidelines”).

E. Environmental and Social Safeguards.

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1. The Borrower shall ensure that the Project is carried out in accordance with the Environmental Management Framework (EMF), and the Resettlement Policy Framework (RPF), respectively, including the guidelines, rules and procedures defined in said EMF and RPF. To this end, the Borrower shall, specifically take the following actions in a manner acceptable to the World Bank:
 - (a) if an environmental management plan or similar safeguard instrument would be required on the basis of the EMF: (i) such environmental management plan or similar safeguard instrument shall be prepared in accordance with the requirements of the EMF, disclosed locally and furnished to the World Bank for approval; and (ii) if applicable, the rehabilitation, retrofitting or construction activity shall be carried out in accordance with such environmental management plan or similar safeguard instrument as approved by the World Bank; and
 - (b) if a resettlement action plan would be required on the basis of the Resettlement Policy Framework: (i) said resettlement action plan shall be prepared in accordance with the requirements of the Resettlement Policy Framework, disclosed locally and furnished to the World Bank for approval; and (ii) no works for rehabilitation, retrofitting or construction shall commence until (A) all measures required to be taken under said resettlement action plan have been taken in accordance with the terms of said plan and in a manner acceptable to the World Bank; and (B) the Borrower has furnished to the World Bank a report in form and substance satisfactory to the World Bank, on the status of compliance with the requirements of said resettlement action plan.
 2. The Borrower shall ensure that all measures required for carrying out any environmental assessment or similar safeguard instrument, and any resettlement action plan are taken in a timely manner.
 3. The Borrower shall include in the Project Reports referred to in Section II.A of this Schedule adequate information on the implementation of the EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan, giving details of:
 - (a) measures taken in furtherance of the EMF, the RPF, any environmental assessment or similar safeguard instrument, and any resettlement action plan;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the EMF, the RPF, any environmental management plan

or similar safeguard instrument, and any resettlement 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 EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan.

4. Specific Environmental Covenant for Part B.1 of the Project

The Borrower shall ensure that the terms of reference for any consultancy in respect of any Project activity for assessment of natural risks under Part B.1 of the Project, shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.

SECTION II. PROJECT MONITORING, REPORTING AND EVALUATION

A. Project Reports; Completion Report

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of six calendar months, and shall be furnished to the World Bank not later than forty five days after the end of the period covered by such report.
2. Without limitation to Section 2.06 of the Standard Conditions, the Borrower shall:
 - (a) on or about the date twenty four (24) months after the Effective Date, submit to the World Bank a mid-term report, in such detail as the World Bank shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of the mid-term report, taking into account the monitoring and evaluation activities performed pursuant to Section II.A.1 of this Schedule, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and
 - (b) review with the World Bank the mid-term report, on or about the date one month after its submission, and thereafter take all measures required to ensure the efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the World Bank's views on the matter.

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3. The Borrower shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months before the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Borrower shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Borrower shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Borrower shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the World Bank 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 Loan 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 Loan 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 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.

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 goods, works and Non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding; (c) Shopping; and (d) 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 assignments which are specified in the Procurement Plan: (a) Quality Based Selection; (b) Selection under a Fixed Budget; (c) Selection based on Consultants' Qualifications; (d) Least-Cost Selection; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (f) Sole Source Procedures for selection of firms; and (g) Sole Source Procedures for the Selection of Individual Consultants set forth in paragraph 5.4 of the Consultant Guidelines.

D. Review by the World Bank of Procurement Decisions

1. 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.

SECTION IV. WITHDRAWAL OF LOAN PROCEEDS**A. General**

1. The Borrower may withdraw the proceeds of the Loan 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 Borrower (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 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 Loan (“Category”), the allocations of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, Non-consulting services, consultants' services and Training under Parts A, B and D of the Project	8,179,500	34%
(2) Management Fee	20,500	Amount payable in accordance with Section 2.04 of this Agreement and Section 4.01 (a) of the Standard Conditions
TOTAL AMOUNT	8,200,000	

For the purpose of the table set forth immediately above, the term “Training” means the cost associated with the training and workshops approved by the World Bank, for reasonable expenditures (other than expenditures for consultants' services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.

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2. The Closing Date is December 31, 2016.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Loan repayable (expressed as a percentage)
On each May 15 and November 15:	
commencing November 15, 2021 to and including May 15, 2031	1%
commencing November 15, 2031 to and including May 15, 2051	2%

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. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" published by the Bank in May 2004 and revised in October 2006 and May 2010.
4. "Displaced Person" means a person who, on account of the execution of the Project had or would have their: (i) standard of living adversely affected; or (ii) access to, or right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) business, occupation, work or

place of residence or habitat adversely affected; and “Displaced Persons” means, collectively, all such Displaced Persons.

5. “Eastern Caribbean Sub-region” means for the purpose of this Project, the following countries participating in the Program, namely, Antigua and Barbuda, Saint Kitts and Nevis, The Commonwealth of Dominica, Saint Lucia, Saint Vincent and the Grenadines and the Borrower.
6. “Environmental Management Framework” or “EMF” means the Borrower's framework, acceptable to the World Bank, dated November , 2010, and published on March 18, 2011 and March 21, 2011, respectively, setting forth the modalities for environmental 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 Environmental Management Framework.
6. “Financing Agreement” means the financing agreement for the Project between the Borrower and the International Development Association dated the same date as this Agreement, as such grant agreement may be amended from time to time. “Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.
8. “Ministry of Finance” means the Recipient's Ministry of Finance, Planning, Economy, Energy and Cooperatives, or any successor thereto.
9. “National Disaster Management Agency” means the Borrower's agency established in 1985, in charge of coordinating all disaster-related activities in the Borrower's territory, and operating as a department of the Office of the Borrower's Prime Minister.
10. “Non-consulting Services” means services which will be bid and contracted on the basis of performance or measurable physical outputs, such as logistical service expenses for capacity building events, printing or training materials (not otherwise covered as Training expenses) and media campaigns.
11. “Pilot Program for Climate Resilience (PPCR) Grant Agreement” means the grant agreement for the Project between the Borrower and the World Bank, acting as an implementing entity of the Pilot Program for Climate Resilience under the Strategic Climate Fund, dated the same date as this Agreement, as such grant agreement may be amended from time to time. “PPCR Grant Agreement” includes all appendices, schedules and agreements supplemental to the PPCR Grant Agreement

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12. “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” published by the Bank in May 2004 and revised in October 2006 and May 2010.
 13. “Procurement Plan” means the Borrower's procurement plan for the Project, dated May 3, 2011, 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.
 14. “Project Coordination Unit” means the coordination unit referred to in Section I.A.2 of Schedule 2 to this Agreement.
 15. “Project Operational Manual” means the Borrower's manual referred to in Section I.B.1 of Schedule 2 to this Agreement.
 16. “Project Steering Committee” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.
 17. “Program” means the program designed to support the participating Eastern Caribbean Sub-region countries to implement measures for the reduction of vulnerability to hazards and climate change impacts in their respective territories.
 18. “Standard Conditions” means the Standard Conditions for Loans Made by the World Bank Out of the Climate Investment Funds, dated July 31, 2010.
 19. “Resettlement Policy Framework” or “RPF” means the Borrower's framework dated April 2011, _____, and published on April 28, 2011, acceptable to the World Bank, setting forth the modalities for resettlement and compensation of Dislocated Persons, including guidelines for the preparation of the resettlement plans, all under the Project, as the same may be amended from time to time with the agreement of the World Bank.
 20. “United National Framework Convention on Climate Change (UNFCCC) Climate Adaptation Fund” means the fund established by the Parties to the Kyoto Protocol on the UNFCCC to finance concrete adaptation projects and programs in developing countries that are Parties to the Kyoto Protocol.

Legal Department
CONFIDENTIAL DRAFT
(Subject to Change)
E. Mwenda
May 11, 2011

588 Act 22

Regional Disaster Vulnerability
Reduction Project Loan Authorisation

2011

SCF-PPCR GRANT NUMBER TF _____

**Strategic Climate Fund
Pilot Program for Climate Resilience**

Grant Agreement

(Regional Disaster Vulnerability Reduction Project)

between

GRENADA

And

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Entity of the Pilot Program for Climate Resilience under
the Strategic Climate Fund

Dated _____, 2011

SCF-PPCR GRANT NUMBER TF _____

GRANT AGREEMENT

AGREEMENT dated _____, 2011, entered into between:

GRENADA (“Recipient”); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing entity of the Pilot Program for Climate Resilience (PPCR) under the Strategic Climate Fund.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

- 1.03. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010 (“Standard Conditions”), 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 Standard Conditions, in this Agreement or in the Financing Agreement in respect of Part C of the Project.

Article II
The Project

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to eight million United States Dollars (\$ 8,000,000) (“Grant”) to assist in financing Parts A, B and D of the Project.

-
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned PPCR under the Strategic Climate Fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

Article IV
Effectiveness; Termination

- 4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the following condition has been satisfied, namely that, the Financing Agreement and the SCF Loan Agreement have been executed and delivered and all conditions precedent to the effectiveness of said Financing Agreement and SCF Loan Agreement or to the right of the Recipient to make withdrawals under any such Agreement (other than the effectiveness of this Agreement) have been fulfilled.
- 4.02. As part of the evidence to be furnished pursuant to Section 4.01, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matter, namely, that on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.
- 4.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement (the "Effectiveness Deadline"), unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

- 4.05 Without prejudice to Section 4.04 of this Agreement, the Effectiveness Deadline shall in no case be later than eighteen (18) months after the World Bank's approval of the Grant which expires on _____.

Article V
Recipient's Representative; Addresses

- 5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister responsible for Finance.
- 5.02. The Recipient's Address is:

Ministry of Finance
Financial Complex
The Carenage
St. George's
GRENADA

Facsimile:
1-473-440-4115

- 5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED at _____, _____, as of the day and year first above written.

GRENADA

By

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT

acting as an Implementing Entity of the Pilot Program for Climate Resilience
under the Strategic Climate Fund

By

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to measurably reduce vulnerability to natural hazards and climate change impacts in the Recipient's territory and in the Eastern Caribbean Sub-region.

The Project constitutes the first phase of the Program, and consists of the following parts:

Part A: Prevention and Adaptation Investments

1. Carrying out of selected infrastructure investments, and related supporting studies, including: (a) identified Community infrastructure; (b) rehabilitation and construction of bridges; and (c) improving resilience to climate risks in water supply system, all through the provision of works, technical advisory services, operating costs and acquisition of goods.
2. Design and retrofitting of selected public buildings to improve disaster resilience, and supporting studies, including: (a) rehabilitation of selected schools' buildings; and (b) rehabilitation of selected public accommodation for the elderly, all through the provision of works, technical advisory services, operating costs and acquisition of goods.

Part B: Regional Platforms for Hazard and Risk Evaluation and Applications for Improved Decision Making

1. Building the regional capacity for assessment of natural risks and integration of such assessment into policy and decision making process for the development of investments, disaster risk mitigation and disaster response across sectors, through the provision of technical advisory services, training and acquisition of goods.
2. Facilitating regional collaboration including, knowledge sharing and learning process to develop and apply construction standards and methods for critical public infrastructure and urban flood mitigation and strengthen regional collaboration for urban and flood risk reduction, all through the provision of technical advisory services, training and acquisition of goods.
3. Reducing the risk for regional interconnectivity and carrying out related supporting studies, including: (a) improving the international airport to maintain an adequate emergency response capability and to comply with the international operational standards, through the provision of works, technical advisory services, training and acquisition of goods.

Part C: Natural Disaster Response Investments

Carrying out of Emergency Recovery and Reconstruction Subprojects under an agreed action plan of activities (Agreed Action Plans of Activities) designed as a mechanism to implement the Recipient's rapid response to an Emergency.

Part D: Project Management and Implementation Support

Strengthening and developing the institutional capacity for Project management, including: (a) preparation of designs and tender documents; (b) preparation of Project reports; (c) processing of contracts and tender evaluation; (d) coordination of participating line ministries; (e) supervision of the quality of works; (f) training of staff in Project management and implementation support; (g) capacity building for accreditation to the United National Framework Convention on Climate Change (UNFCCC) Climate Adaptation Fund; and (h) related activities on Project management and implementation, all through the provision of technical advisory services, training, operating costs and acquisition of goods.

SCHEDULE 2**Project Execution****SECTION I. IMPLEMENTATION ARRANGEMENTS****A. Institutional Arrangements****1. Project Steering Committee**

- (a) The Recipient shall ensure that the Project Steering Committee is maintained at all times during the implementation of the Project, with a composition, mandate, and in form and substance satisfactory to the World Bank.
- (b) Without limitation to sub-paragraph (a) immediately above, the Recipient shall ensure that the Project Steering Committee will be responsible for providing policy guidance to ensure prompt and efficient implementation of the Project, including, inter alia: (i) reviewing progress made towards achieving the Project's objective; (ii) facilitating the coordination of Project activities, and making recommendations for removal of any obstacles to the implementation of the Project; and (iii) providing comments on reports and reviews prepared by the Project Coordinating Unit under the Project.

2. Project Coordination Unit

- (a) The Recipient shall maintain, at all times during the implementation of the Project, a project coordination unit (the Project Coordination Unit or PCU) within the Recipient's Ministry of Finance, with functions, staffing and resources satisfactory to the World Bank.
- (b) Without limitation to the provisions of Section I.A.1 of this Schedule, the PCU shall be responsible for day-to-day administration of overall planning, coordination, the technical, fiduciary (i.e. procurement and financial management), environmental and social safeguards compliance, coordination, monitoring, evaluation, reporting and communication of the activities under the Project, all in accordance with the provisions of this Agreement and the Project Operational Manual.

B. Project Operational Manual

1. The Recipient shall not later than one month of the Effective Date, adopt the Project Operational Manual in form and substance satisfactory to the World Bank, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and

financial management; (c) procurement; (d) environmental and social safeguard guidelines; (e) monitoring, evaluation, reporting and communication; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall carry out the Project in accordance with the provisions of the Project Operational Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the World Bank shall otherwise agree, the Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Operational Manual without the prior written agreement of the World Bank.

C. Action Plans for Emergency Recovery and Reconstruction Subprojects under Part C of the Project

The Recipient shall carry out Part C of the Project in accordance with the provisions of the Section I.C of Schedule 2 of the Financing Agreement.

D. Anti-Corruption

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

E. Environmental and Social Safeguards.

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental Management Framework (EMF), and the Resettlement Policy Framework (RPF), respectively, including the guidelines, rules and procedures defined in said EMF and RPF. To this end, the Recipient shall, specifically take the following actions in a manner acceptable to the World Bank:
 - (a) if an environmental management plan or similar safeguard instrument would be required on the basis of the EMF: (i) such environmental management plan or similar safeguard instrument shall be prepared in accordance with the requirements of the EMF, disclosed locally and furnished to the World Bank for approval; and (ii) if applicable, the rehabilitation, retrofitting or construction activity shall be carried out in accordance with such environmental management plan or similar safeguard instrument as approved by the World Bank; and

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- (b) if a resettlement action plan would be required on the basis of the Resettlement Policy Framework: (i) said resettlement action plan shall be prepared in accordance with the requirements of the Resettlement Policy Framework, disclosed locally and furnished to the World Bank for approval; and (ii) no works for rehabilitation, retrofitting or construction shall commence until (A) all measures required to be taken under said resettlement action plan have been taken in accordance with the terms of said plan and in a manner acceptable to the World Bank; and (B) the Recipient has furnished to the World Bank a report in form and substance satisfactory to the World Bank, on the status of compliance with the requirements of said resettlement action plan.
2. The Recipient shall ensure that all measures required for carrying out any environmental assessment or similar safeguard instrument, and any resettlement action plan are taken in a timely manner.
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 EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan, giving details of:
- (g) measures taken in furtherance of the EMF, the RPF, any environmental assessment or similar safeguard instrument, and any resettlement action plan;
 - (h) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan; and
 - (i) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the EMF, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan.

4. Specific Environmental Covenant for Part B.1 of the Project

The Recipient shall ensure that the terms of reference for any consultancy in respect of any Project activity for assessment of natural risks under Part B.1 of the Project, shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.

SECTION II. PROJECT MONITORING, REPORTING AND EVALUATION**A. Project Reports; Completion Report**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of six calendar months, and shall be furnished to the World Bank not later than forty five days after the end of the period covered by such report.
2. Without limitation to Section 2.06 of the Standard Conditions, the Recipient shall:
(a) on or about the date twenty four (24) months after the Effective Date, submit to the World Bank a mid-term report, in such detail as the World Bank shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of the mid-term report, taking into account the monitoring and evaluation activities performed pursuant to Section II.A.1 of this Schedule, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and (b) review with the World Bank the mid-term report, on or about the date one month after its submission, and thereafter take all measures required to ensure the efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the World Bank's views on the matter.
3. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months before the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five days after the end of each calendar quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal

year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

SECTION III. PROCUREMENT

A. General

1. **Procurement and Consultant Guidelines.** All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
 - (a) 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” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Procurement Guidelines”), and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”) in the case of consultants' services; and
 - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).
2. **Definitions.** The capitalized terms used below in 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

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

1. **International Competitive Bidding.** Except as otherwise provided in 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 goods, works and Non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding; (c) Shopping; and (d) 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 assignments which are specified in the Procurement Plan: (a) Quality Based Selection; (b) Selection under a Fixed Budget; (c) Selection based on Consultants' Qualifications; (d) Least-Cost Selection; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (f) Sole Source Procedures for selection of firms; and (g) Sole Source Procedures for the Selection of Individual Consultants set forth in paragraph 5.4 of the Consultant Guidelines.

D. Review by the World Bank of Procurement Decisions

1. 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.

SECTION IV. WITHDRAWAL OF GRANT PROCEEDS**A. General**

1. The Recipient may withdraw the proceeds of the Grant 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 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 Grant ("Category"), the allocations of the amounts of the Grant 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 USD)	Percentage of Expenditures to be Financed inclusive of Taxes
(1) Goods, works, Non-consulting services, consultants' services and Training under Parts A, B and D of the Project	8,000,000	34%
TOTAL AMOUNT	8,000,000	

For the purpose of the table set forth immediately above, the term "Training" means the cost associated with the training and workshops approved by the World Bank, for reasonable expenditures (other than expenditures for consultants' services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2016.

APPENDIX

Definitions

1. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
2. “Displaced Person” means a person who, on account of the execution of the Project had or would have their: (i) standard of living adversely affected; or (ii) access to, or right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) business, occupation, work or place of residence or habitat adversely affected; and “Displaced Persons” means, collectively, all such Displaced Persons.
3. “Eastern Caribbean Sub-region” means for the purpose of this Project, the following countries participating in the Program, namely, Antigua and Barbuda, Saint Kitts and Nevis, The Commonwealth of Dominica, Saint Lucia, Saint Vincent and the Grenadines and the Recipient.
4. “Environmental Management Framework” or “EMF” means the Recipient's framework, acceptable to the World Bank, dated November 2010, and published on March 18, 2011 and March 21, 2011, respectively setting forth the modalities for environmental 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 Environmental Management Framework. “Financing Agreement” means the financing agreement for the Project between the Recipient and the International Development Association dated the same date as this Agreement, as such grant agreement may be amended from time to time. “Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.
5. “Ministry of Finance” means the Recipient's Ministry of Finance, Planning, Economy, Energy and Cooperatives, or any successor thereto.
6. “National Disaster Management Agency” means the Recipient's agency established in 1985, in charge of coordinating all disaster-related activities in the Recipient's territory, and operating as a department of the Office of the Recipient's Prime Minister. “Non-consulting Services” means services which will be bid and contracted on the basis of performance or measurable physical outputs, such as logistical service expenses for capacity building events, printing or training materials (not otherwise covered as Training expenses) and media campaigns.

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7. “Procurement Plan” means the Recipient's procurement plan for the Project, dated May 3, 2011, 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.
 8. “Project Coordination Unit” means the coordination unit referred to in Section I.A.2 of Schedule 2 to this Agreement.
 9. “Project Operational Manual” means the Recipient's manual referred to in Section I.B.1 of Schedule 2 to this Agreement.
 10. “Project Steering Committee” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.
 11. “Program” means the program designed to support the participating Eastern Caribbean Sub-region countries to implement measures for the reduction of vulnerability to hazards and climate change impacts in their respective territories.
 12. “Resettlement Policy Framework” or “RPF” means the Recipient's framework dated April 2011 _____, and published on April 28, 2011, acceptable to the World Bank, setting forth the modalities for resettlement and compensation of Dislocated Persons, including guidelines for the preparation of the resettlement plans, all under the Project, as the same may be amended from time to time with the agreement of the World Bank.
 13. “Strategic Climate Fund (SCF) Loan Agreement” means the loan agreement for the Project between the Recipient and the International Bank for Reconstruction and Development, acting as an implementing entity of the Strategic Climate Fund, dated the same date as this Agreement, as such loan agreement may be amended from time to time. “SCF Loan Agreement” includes all appendices, schedules and agreements supplemental to the SCF Loan Agreement.
 14. “United National Framework Convention on Climate Change (UNFCCC) Climate Adaptation Fund” means the fund established by the Parties to the Kyoto Protocol on the UNFCCC to finance concrete adaptation projects and programs in developing countries that are Parties to the Kyoto Protocol.

2011 Regional Disaster Vulnerability Act 22 603
 Reduction Project Loan Authorisation

Passed by the House of Representatives this 18th day of July, 2011.

ADRIAN C. A. HAYES
Clerk to the House of Representatives.

Passed by the Senate this 29th day of July, 2011.

ADRIAN C. A. HAYES
Clerk to the Senate.

GRENADA

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Reduction Project Loan Authorisation

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