

Date: 28-Jun-2024

Honourable Dennis Cornwall
Ministry of Finance
Financial Complex, The Carenage
St. George's
Grenada

Re: ***PROBLUE Grant No. TF0C1219***
Unleashing the Blue Economy of the Caribbean Project
Letter Agreement (re-sent to override previous version)

Dear Minister Cornwall:

In response to the request for financial assistance made on behalf of Grenada (“Recipient” or “Member Country”), I am pleased to inform you that the International Bank for Reconstruction and Development and International Development Association (collectively, the “Bank”), acting as administrator of the Global Program for the Blue Economy Multi-Donor Trust Fund (TF073194) (“PROBLUE”), proposes to extend to the Recipient, a grant in an amount not to exceed one million United States Dollars (USD 1,000,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

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Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement, and returning one duly executed copy to the Bank.

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By Lilia Burunciuc
Lilia Burunciuc
Country Director
Caribbean Country Management Unit
Latin America and the Caribbean Region

AGREED:
GRENADA

By Cornwall
Authorized Representative
Name Hon. Dennis Cornwall
Title Minister of Finance
Date 30-Aug-2024

Enclosures:

- (1) "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds" dated February 25, 2019
- (2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing", dated February 2017

PROBLUE Grant No.TF0C1219
ANNEX

Article I
Standard Conditions; Definitions

- 1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.
- 1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Section:
- (a) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, 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, and as of July 1, 2016.
 - (b) “Category” means a category set forth in the table in Section 3.01 of this Agreement.
 - (c) “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 2, 2024, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
 - (d) “Environmental and Social Standards” or “ESSs” means, collectively:
 - (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”;
 - (ii) “Environmental and Social Standard 2: Labor and Working Conditions”;
 - (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”;
 - (iv) “Environmental and Social Standard 4: Community Health and Safety”;
 - (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”;
 - (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”;
 - (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”;
 - (viii) “Environmental and Social Standard 8: Cultural Heritage”;
 - (ix) “Environmental and Social Standard 9: Financial Intermediaries”;
 - (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”;effective on October 1, 2018, as published by the Bank.
 - (e) “MoF” means the Recipient’s Ministry of Finance.
 - (f) “MoID” means the Recipient’s Ministry for Infrastructure Development, Transport and Implementation, or any successor thereto.

- (g) “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
- (h) “PIU” means Project Implementation Unit.
- (i) “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
- (j) “Project Operations Manual” or “POM” means the manual referred to in Section 2.04 of this Agreement developed by the Recipient pursuant to the Financing Agreement entered into between the International Development Association and the Recipient on June 4, 2022 for the Unleashing the Blue Economy of the Caribbean Project.
- (k) “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019, with the modifications set forth in the Appendix.
- (l) “Tourism Advisory Committee” or “TAC” means a committee convened and led by the Recipient’s Ministry of Tourism and Civil Aviation, or any legal successor thereto, composed of government and tourism private sector representatives, and mandated to discuss and resolve issues of regional, national, and local importance related to tourism.
- (m) “Training” means the reasonable costs associated with training under the Project, as agreed between the Recipient, through the MoID, and the Bank, and attributable to study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, including costs of training materials, space and equipment rental, travel, accommodation and *per diem* costs of trainees and trainers, trainers’ fees, and other training related miscellaneous costs.

Article II Project Execution

- 2.01. ***Project Objectives and Description.*** The objective of the Project is to strengthen the enabling environment for the blue economy, economic recovery, and resilience of selected coastal assets in participating countries and provide immediate and effective response to an eligible emergency.

The Project consists of the following parts:

- (a) Development and implementation of new tourism policy and action plan.
- (b) Establishment of a Tourism Advisory Committee (“TAC”) and preparation of requirements for TAC and tourism industry digital monitoring, evaluation, and data management systems.
- (c) Provision of capacity building to develop and implement a sustainable tourism plan.
- (d) Revision of the national waste policy and national plastic action plan.
- (e) Enhancement of policy for illegal fishing, monitoring, control, and surveillance.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. ***Institutional and Other Arrangements.*** The Recipient shall carry out the activities through the Project Implementation Unit (“PIU”) established within the MoID, with composition, staff in numbers and with qualifications, resources, terms of reference, and functions acceptable to the Bank, as further set forth in the POM; including the responsibility for: (a) ensuring that the requirements, criteria, policies, procedures, and organizational arrangements set forth in the POM are applied in carrying out the Project; (b) financial management; (c) procurement (including preparation and approval of bidding documents, bid evaluations and awards); (d) accounting; (e) compliance with social and environmental standards; (f) monitoring and evaluation of the Project; and (g) preparation of all Project reports (including interim financial reports).

2.04. ***Project Operations Manual.***

- (a) The Recipient shall carry out the Project in accordance with the provisions of the POM, in a manner and with contents acceptable to the Bank, including, *inter alia*: (i) detailed description, sequencing and timetable of all Project activities and expenditure categories; (ii) roles and responsibilities of relevant actors; (iii) procurement and financial management procedures; (iv) procedures for Project monitoring, supervision and evaluation, including the format and content of Project reports; (v) internal control mechanisms to manage, control, and conduct oversight; and (vi) Personal Data protocols to be used under the Project, which shall be in accordance with international best practices.
- (b) The following activities will not be eligible for financing under the Project: (i) activities that may cause long term, permanent and/or irreversible environmental or social adverse impacts; (ii) activities that have high probability of causing serious adverse effects to human health and/or the environment; (iii) activities that may have significant adverse social impacts and may give rise to significant social conflict; (iv) activities that may involve any resettlement or land acquisition, or adverse impacts on cultural heritage; and (v) any other

excluded activities set out in the ESCP. Some of the non-eligible activities include the financing of large dams, as well as power plants that involve gas or coal.

- (c) Except as the Bank may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend, waive, or otherwise fail to enforce the POM or any provision thereof.
- (d) In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

2.05. ***Environmental and Social Standards.***

- (a) The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph (a) above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:
 - (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (ii) sufficient funds are available to cover the costs of implementing the ESCP;
 - (iii) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall ensure that:
 - (i) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and

- (ii) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- (e) The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
- 2.06. ***Project Monitoring, Reporting and Evaluation.*** The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after each calendar semester, covering the calendar semester.

Article III Withdrawal of Grant Proceeds

- 3.01. ***Eligible Expenditures.*** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Consulting services and Training under the Project	965,000	100%
(2) Unallocated	35,000	
TOTAL AMOUNT	1,000,000	

- 3.02. ***Withdrawal Conditions.*** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.
- 3.03. ***Withdrawal Period.*** The Closing Date is September 30, 2025.

**Article IV
Effectiveness**

4.01. This Agreement shall become effective upon countersignature of this Agreement.

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

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.

5.02. **Recipient's Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Recipient's Address is:

Ministry of Finance
Financial Complex, The Carenage
St. George's, Grenada; and

(b) the Recipient's Electronic Address is:

Telephone:	Facsimile:	E-mail:
473-440-2731	473-440-4115/6	minister@mof.gov.gd

5.03. **Bank's Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423 (MCI) or 64145 (MCI)	1-202-477-6391	lburunciuc@worldbank.org

APPENDIX

Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Section 2.11, *Procurement* is deleted in its entirety and the remaining Section 2.12, *Anti-Corruption* in Article II is renumbered accordingly.
2. The reference to “Member Country” in Section 4.02(h) of the Standard Conditions and in this Agreement means Grenada.