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CREDIT NUMBER 7483-LC

# Financing Agreement

(OECS Skills and Innovation Project)

between

SAINT LUCIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

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**CREDIT NUMBER 7483-LC**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between SAINT LUCIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of assisting in financing the project described in Schedule 1 to this Agreement (“Project”). 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) apply to and form 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 a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of eleven million five hundred thousand Special Drawing Rights (SDR 11,500,000) (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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are April 1 and October 1 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 objectives of the Project. To this end, the Recipient shall, through MoE, carry out Part 2B, Part 3.3, and, if applicable, Part 4 of the Project (its “Respective Parts of the Project”) in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

**ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. For purposes of Section 10.05(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 twenty (20) years after the Signature Date.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient’s Representative is its Minister for Finance, Economic Development and Youth Economy.

- 5.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient’s address is:

Ministry of Finance, Economic Development and Youth Economy  
Office of the Prime Minister  
5th Floor, Greaham Louisy Administrative building,  
Waterfront, Castries, St. Lucia; and

- (b) the Recipient’s Electronic Address is:

Telephone:	Facsimile:	E-mail:
(758) 468-2111/2184	(758) 453-7352	<a href="mailto:pm.sec@govt.lc">pm.sec@govt.lc</a>

- 5.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association’s address is:

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

(b) the Association's Electronic Address is:

Telex: 248423 (MCI) Facsimile: (+1) 202 477 6391 E-mail: [lburunciuc@worldbank.org](mailto:lburunciuc@worldbank.org)

AGREED as of the Signature Date.

**SAINT LUCIA**

**By**

Philip J. Pierre

**Authorized Representative**

**Name:** Philip J. Pierre

**Title:** PRIME MINISTER

**Date:** 24-Feb-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

Lilia Burunciuc

**Authorized Representative**

**Name:** Lilia Burunciuc

**Title:** Country Director

**Date:** 14-Feb-2024

## SCHEDULE 1

### Project Description

The objectives of the Project are to (i) enhance youth transversal and advanced technical skills, strengthen regional collaboration in post-secondary education, and foster collaborative innovation; and (ii) in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the following parts:

#### **Part 1. Fostering Regional Collaboration for Skills and Innovation in the Post-Secondary Space**

- 1.1 Providing technical assistance to enhance harmonization, collaboration, and knowledge exchange among OECS member countries' post-secondary institutions, to improve teaching and learning of Priority Skills and innovation, by supporting the development of, *inter alia*:
- (a) an assessment of the post-secondary sector in OECS member countries, including, *inter alia*, aspects related to the organization and education service delivery, quality assurance, efficiency, equity, costs, financing, results, and performance;
  - (b) a regional strategic framework for post-secondary education to include actionable strategies to implement selected reforms in post-secondary education based on the assessment of the post-secondary sector developed under Part 1.1(a);
  - (c) a template for Regional Enhancement Plans (“REPs”);
  - (d) learning standards for Priority Skills, and learning assessment tools to measure students' proficiency in Priority Skills;
  - (e) harmonized standards for qualifications, evaluation, and professional development of faculty/instructors and leadership staff of post-secondary institutions;
  - (f) an online platform to host the OECS Virtual Campus and the Knowledge, Technology and Innovation Platform (“KTIP”) to promote regional collaboration in learning and employment opportunities, knowledge exchanges, networking, and in technology adoption and innovation between different stakeholders (e.g., faculty, researchers, and students of post-secondary institutions, entrepreneurs, public institutions, other private sector actors, the diaspora) in defined Priority Sectors; and

- (g) organizing events (e.g., workshop, seminar, competition, and/or hackathon) for users of the online platform developed under Part 1.1(f), around topics of interest to OECS member countries, to (i) share knowledge and promote collaboration; (ii) induce innovation; and/or (iii) attract potential investors.
- 1.2 Delivering Trainings to stakeholders on the use of the tools, standards, and platforms developed under Part 1.1.
- 1.3 Providing technical assistance to support the development of a regionally interoperable education management information system architecture for post-secondary education in OECS that, *inter alia*, collects, shares, streamlines, integrates, and analyzes regional data on post-secondary education in OECS member countries (including data on youths' education and specialization-related decisions and graduates' labor market outcomes).
- 1.4 Delivering Trainings to stakeholders on the use and maintenance of the architecture developed under Part 1.3.

## **Part 2. Strengthening Post-Secondary Institutions and Collaborative Innovation**

Developing the capacity of post-secondary institutions for strategic planning and implementation, improving learning environments, and fostering better skills by providing technical assistance to Selected Institutions in Participating Countries, and sponsoring collaborative innovation in Grenada (Part 2A) and Saint Lucia (Part 2B), including by:

### **A. Grenada**

- 2.1 Producing a comprehensive diagnostic of each Selected Institution by assessing, *inter alia*, its physical infrastructure, equipment, protocols, learning materials, program offerings, teaching practices, information systems, research and innovation activities, student services, internal quality assurance systems, governance mechanisms, project management capacity, collaboration and exchanges with other post-secondary institutions in the OECS, engagement with the private sector, specific constraints faced by students and teachers (e.g., individuals with disabilities), and labor market-related challenges faced by alumni.
- 2.2 Developing medium-term (5-year) REPs for each Selected Institution based on the template produced under Part 1.1(c) to develop: (a) strategic planning and implementation capacity with clear governance, financing, and monitoring and evaluation mechanisms; and (b) state-of-the-art learning environments for the benefit of students and faculty.
- 2.3 Implementing three (3) to five (5) priority areas identified under the REPs, which

may include financing of, *inter alia*, equipment and learning materials; repairs of laboratories and workshops (incorporating, to the extent possible, energy-efficient and climate-resilient features and materials); strengthening of information systems; training for teachers and administrative staff; research activities; establishing partnerships with private sector; knowledge exchange programs; and student services; and, the design and implementation of virtual laboratories (i.e., simulators) that use virtual and/or augmented reality.

- 2.4 Providing technical assistance and Trainings to Selected Institutions in Participating Countries related to, *inter alia*: (a) improving teaching and learning of Priority Skills, including skills that support the transition to low-carbon economies, particularly on how to use low-carbon technologies and business models; and (b) developing or enhancing program curricula.
- 2.5 Fostering improved teaching and learning of Priority Skills by procuring off-the-shelf software licenses that grant students and teachers in Selected Institutions access to remediation or specialized courses.
- 2.6 Facilitating school-to-work transition of students, particularly those enrolled in programs developed or enhanced by the Project through, *inter alia*: (a) developing career guidance strategies; (b) training students and alumni on how to identify and apply for relevant job opportunities using digital job search platforms; (c) conducting mentoring sessions for students and alumni on professional communication, networking and career exploration and planning; (d) organizing career fairs; and (e) providing Trainings to staff of the Selected Institutions on the labor market information available nationally and in the OECS region.
- 2.7 Conducting a comprehensive assessment of the policy, regulatory, and institutional gaps and constraints that hinder collaboration vis-à-vis research, technology adoption, and innovation among stakeholders in OECS member countries (e.g., post-secondary institutions, entrepreneurs, corporations, the diaspora, incubators, accelerators, and research centers), informed by: (a) a review of legal, operational and policy documents; and (b) focus groups on stakeholders' perceptions.
- 2.8 Providing actionable recommendations and technical assistance, informed by the assessment conducted under Part 2.7, to address prioritized constraints and gaps.
- 2.9 Providing Competitive Matching Grants to co-finance collaborative innovation Sub-projects developed by faculty and students of Participating Countries' post-secondary institutions and entrepreneurs from Participating Countries, leveraging the online platform referred to in Part 1.1(f).
- 2.10 Providing technical assistance, consulting services and Trainings to selected collaborative innovation Sub-projects to enhance managerial, entrepreneurship

and innovation capabilities.

- 2.11 Developing and executing an action plan for the implementation of Part 2.9 based on capacity building assessments of the entities involved in the Competitive Matching Grants implementation.

**B. Saint Lucia**

- 2.1 Producing a comprehensive diagnostic of each Selected Institution by assessing, *inter alia*, its physical infrastructure, equipment, protocols, learning materials, program offerings, teaching practices, information systems, research and innovation activities, student services, internal quality assurance systems, governance mechanisms, project management capacity, collaboration and exchanges with other post-secondary institutions in the OECS, engagement with the private sector, specific constraints faced by students and teachers (e.g., individuals with disabilities), and labor market-related challenges faced by alumni.
- 2.2 Developing medium-term (5-year) REPs for each Selected Institution based on the template produced under Part 1.1(c) to develop: (a) strategic planning and implementation capacity with clear governance, financing, and monitoring and evaluation mechanisms; and (b) state-of-the-art learning environments for the benefit of students and faculty.
- 2.3 Implementing three (3) to five (5) priority areas identified under the REPs, which may include financing of, *inter alia*, equipment and learning materials; repairs of laboratories and workshops (incorporating, to the extent possible, energy-efficient and climate-resilient features and materials); strengthening of information systems; training for teachers and administrative staff; research activities; establishing partnerships with private sector; knowledge exchange programs; and student services; and, the design and implementation of virtual laboratories (i.e., simulators) that use virtual and/or augmented reality.
- 2.4 Providing technical assistance and Trainings to Selected Institutions in Participating Countries related to, *inter alia*: (a) improving teaching and learning of Priority Skills, including skills that support the transition to low-carbon economies, particularly on how to use low-carbon technologies and business models; and (b) developing or enhancing program curricula.
- 2.5 Fostering improved teaching and learning of Priority Skills by granting students and teachers in Selected Institutions access to remediation or specialized courses, including by procuring off-the-shelf license.
- 2.6 Facilitating school-to-work transition of students, particularly those enrolled in programs developed or enhanced by the Project through, *inter alia*: (a) developing career guidance strategies; (b) training students and alumni on how



to identify and apply for relevant job opportunities using digital job search platforms; (c) conducting mentoring sessions for students and alumni on professional communication, networking and career exploration and planning; (d) organizing career fairs; and (e) providing Trainings to staff of the Selected Institutions on the labor market information available nationally and in the OECS region.

- 2.7 Conducting a comprehensive assessment of the policy, regulatory, and institutional gaps and constraints that hinder collaboration vis-à-vis research, technology adoption, and innovation among stakeholders in OECS member countries (e.g., post-secondary institutions, entrepreneurs, corporations, the diaspora, incubators, accelerators, and research centers), informed by: (a) a review of legal, operational and policy documents; and (b) focus groups on stakeholders' perceptions.
- 2.8 Providing actionable recommendations and technical assistance, informed by the assessment conducted under Part 2.7, to address prioritized constraints and gaps.
- 2.9 Providing Competitive Matching Grants to co-finance collaborative innovation Sub-projects developed by faculty and students of Participating Countries' post-secondary institutions and entrepreneurs from Participating Countries, leveraging the online platform referred to in Part 1.1(f).
- 2.10 Providing technical assistance, consulting services and Trainings to selected collaborative innovation Sub-projects to enhance managerial, entrepreneurship and innovation capabilities.
- 2.11 Developing and executing an action plan for the implementation of Part 2.9 based on capacity building assessments of the entities involved in the Competitive Matching Grants implementation.

### **Part 3. Project Management and Technical Assistance**

- 3.1 Provide support to the Regional Project Implementation Unit ("RPIU") for project management, including: (a) procurement; (b) financial management; (c) environmental and social requirements; (d) monitoring and evaluation; (e) reporting; (f) Trainings; (g) Operating Costs; and (h) conducting independent technical audits and the Project's independent financial audits.
- 3.2 Provide support to the Grenada Project Implementation Unit, for project management, including:
  - (a) (i) procurement; (ii) financial management; (iii) environmental and social requirements; (iv) monitoring and evaluation; (v) reporting; (vi) Trainings; and (vii) Operating Costs;

- (b) conducting independent technical audits and the Project's independent financial audits; and
  - (c) providing technical assistance to strengthen select aspects of Participating Countries' post-secondary education systems by, *inter alia*: (i) conducting surveys among stakeholders in Selected Institutions; (ii) assessing pathways between secondary and post-secondary education and providing recommendations on how to strengthen the link between these education levels; (iii) providing recommendations on how to develop sustainable financing mechanisms; and (iv) conducting an assessment on the barriers that boys face to participate in post-secondary education and providing recommendations to support boys overcome such barriers.
- 3.3 Provide support to the Saint Lucia Project Implementation Unit, for project management, including:
- (a) (i) procurement; (ii) financial management; (iii) environmental and social requirements; (iv) monitoring and evaluation; (v) reporting; (vi) Trainings; and (vii) Operating Costs;
  - (b) conducting independent technical audits and the Project's independent financial audits; and
  - (c) providing technical assistance to strengthen select aspects of Participating Countries' post-secondary education systems by, *inter alia*: (i) conducting surveys among stakeholders in Selected Institutions; (ii) assessing pathways between secondary and post-secondary education and providing recommendations on how to strengthen the link between these education levels; (iii) providing recommendations on how to develop sustainable financing mechanisms; and (iv) conducting an assessment on the barriers that boys face to participate in post-secondary education and providing recommendations to support boys overcome such barriers.

#### **Part 4. Contingency Emergency Response Component**

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Recipient, through MoE, shall:
  - (a) establish, no later than sixty (60) days after the Effective Date, and thereafter maintain throughout Project implementation, a Project Implementation Unit (“PIU”) with composition, staff in numbers and with qualifications, resources, terms of reference, and functions acceptable to the Association, as further set forth in the Project Operational Manual (“POM”), including: (i) a Project manager; (ii) a financial management specialist; (iii) a procurement specialist; and (iv) an environmental and social specialist;
  - (b) vest the responsibilities of the day-to-day coordination and implementation of the Recipient’s Respective Parts of the Project to the PIU, including the responsibility for: (i) ensuring that the requirements, criteria, policies, procedures, and organizational arrangements set forth in the POM are applied in carrying out the Respective Parts of the Project; (ii) financial management; (iii) procurement; (iv) accounting; (v) preparation of all Project reports (including interim financial reports); (vi) environmental and social risk management; (vii) monitoring and evaluation of the Project; and (viii) communications;
  - (c) appoint, no later than ninety (90) days after the Effective Date, and maintain throughout Project implementation, three (3) representatives to the Regional Steering Committee (“RSC”), with terms of reference and functions acceptable to the Association, as further set forth in the POM. The RSC will be responsible for, *inter alia*: (i) overseeing the implementation performance of activities that are of regional nature and provide overall policy guidance and ensure coordination and collaboration between regional and country stakeholders; (ii) assessing and approving the REP template and the draft REPs prepared by Selected Institutions; (iii) approving the Regional Grants Manual developed collaboratively between the Participating Countries, and the Competitive Matching Grants Agreement template; (iv) approving the action plan required in Part 2.11; and (v) approving the list of Priority Skills and Priority Sectors under the Project;

- (d) develop and adopt a POM, satisfactory to the Association, no later than forty-five (45) days after the Effective Date;
- (e) submit to the Association, as further detailed in the POM: (i) a by-yearly interim financial report within forty-five (45) days after the close of each six-month period; and (ii) an annual audit report within six (6) months of the close of the financial year; and
- (f) ensure adequate coordination between the PIU and the other Participating Country's PIU, as well as with the OECS's RPIU, in accordance with procedures set forth in the POM.

**B. Project Operational Manual**

1. The Recipient, through MoE, shall maintain the POM, in a manner and with contents acceptable to the Association, including, *inter alia*: (a) detailed description, sequencing and timetable of all Project activities and expenditure categories; (b) roles and responsibilities of relevant actors; (c) procurement and financial management procedures; (d) procedures for Project monitoring, supervision and evaluation, including the format and content of Project reports; (e) internal control mechanisms to manage, control, and conduct oversight; and (f) Personal Data protocols to be used under the Project, which shall be in accordance with international best practices.
2. The Recipient, through MoE, shall carry out its Respective Parts of the Project in accordance with the provisions of the POM.
3. Except as the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend, waive, or otherwise fail to enforce the POM or any provision thereof.
4. In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

**C. Regional Grants Manual**

1. The Recipient, through MoE, shall develop the Regional Grants Manual, validated by the Regional Steering Committee and in a manner and with contents acceptable to the Association, including, *inter alia*: (a) detailed arrangements and procedures in relation to the collaborative innovation Sub-projects, including the eligibility criteria, procedures, guidelines and templates for the selection, approval, administration and supervision of collaborative innovation Sub-projects; (b) terms and conditions for the provision of the Competitive Matching Grants, including eligibility criteria, application, appraisal, approval, disbursement procedures, and eligible expenses; and (c) a Competitive Matching Grants Agreement template.

2. Except as the Association may otherwise agree in writing, the Recipient, through MoE, shall not abrogate, amend, suspend, waive, or otherwise fail to enforce the Regional Grants Manual or any provision thereof.
3. In case of any conflict between the terms of the Regional Grants Manual and those of this Agreement, the terms of this Agreement shall prevail.

**D. Competitive Matching Grant Agreement**

1. The Recipient, through MoE, shall make Competitive Matching Grants to Eligible Beneficiaries in accordance with eligibility criteria and procedures detailed in the Regional Grants Manual.
2. The Recipient, through MoE, shall make each Competitive Matching Grant under a Competitive Matching Grant Agreement with the respective Eligible Beneficiary on terms and conditions approved by the Association, which shall include, *inter alia*, the following:
  - (a) detailed description of the collaborative innovation Sub-project, and the roles and responsibilities of the Eligible Beneficiary in carrying out the Sub-project;
  - (b) the Competitive Matching Grant shall be denominated in United States Dollars;
  - (c) the maximum amount of each Competitive Matching Grant to an individual shall be thirty thousand United States Dollars (\$30,000);
  - (d) the maximum amount of each Competitive Matching Grant to a legal entity shall be two hundred thousand United States Dollars (\$200,000);
  - (e) the Recipient, through MoE, shall obtain rights to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Eligible Beneficiary to use the proceeds of the Competitive Matching Grant, or obtain a refund of all or any part of the amount of the Competitive Matching Grant then withdrawn, upon the Eligible Beneficiary's failure to perform any of its obligations under the Competitive Matching Grant Agreement; and (ii) require each Eligible Beneficiary to:
    - (A) carry out the Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the

provisions of the Regional Grants Manual, the POM, the ESCP and the Anti-Corruption Guidelines applicable to recipients of financing proceeds other than the Recipient;

- (B) ensure that the Project does not finance any Excluded Expenditures, as defined in the Appendix of this Agreement;
  - (C) provide, promptly as needed, the resources whether in cash or in kind, required for the implementation of the collaborative innovation Sub-project;
  - (D) if applicable, procure the goods and services to be financed out of the Competitive Matching Grant in accordance with the provisions of this Agreement, and utilize such goods and services exclusively in carrying out the collaborative innovation Sub-project and for the objectives thereof;
  - (E) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the collaborative innovation Sub-project and the achievement of its objectives;
  - (F) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and eligible expenditures related to the collaborative innovation Sub-project; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
  - (G) enable the Recipient and the Association to inspect the collaborative innovation Sub-project and any relevant records and documents; and
  - (H) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
3. The Recipient, through MoE, shall exercise its rights under each Competitive Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Competitive Matching Grant.

4. Except as the Association shall otherwise agree, the Recipient, through MoE, shall not assign, amend, abrogate or waive any Competitive Matching Grant Agreement or any of its provisions.
5. In case of any conflict between the terms of the Competitive Matching Grant Agreement and those of this Agreement, the terms of this Agreement shall prevail.

**E. Environmental and Social Standards**

1. The Recipient, through MoE, shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient, through MoE, shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient, through MoE, shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) 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
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient, through MoE, shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, 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 Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if

any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Association 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.
5. The Recipient, through MoE, 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 Association.
6. The Recipient, through MoE, shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

#### **F. Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
- (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the



environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;

- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
  - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual nor the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingent Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

**Section II. Project Monitoring, Reporting and Evaluation**

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

**Section III. Withdrawal of the Proceeds of the Financing**

**A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Operating Costs, and Trainings for Parts 2B and 3.3 of the Project	8,434,000	100%
(2) Consulting services, non-consulting services, Trainings for Parts 2.10B and 2.11B of the Project; and Competitive Matching Grants for Part 2.9B	3,066,000	100%
(3) Emergency Expenditures for Part 4 of the Project	0	100%
<b>TOTAL AMOUNT</b>	11,500,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date;
  - (b) under Category (2) unless and until all of the following conditions have been met in respect of said expenditures: (i) the Recipient has developed and adopted the Regional Grants Manual and a Competitive Matching Grants Agreement template in form and substance acceptable to the

Association and the Regional Steering Committee; and (ii) the Recipient has developed and adopted an action plan, as required in Part 2.11B, in form and substance acceptable to the Association and the Regional Steering Committee.

- (c) under Category (3) unless and until all of the following conditions have been met in respect of said expenditures:
  - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (3); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
  - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.

2. The Closing Date is January 8, 2030.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each April 1 and October 1:	
commencing April 1, 2034 to and including October 1, 2043	<b>1%</b>
commencing April 1, 2044 to and including October 1, 2063	<b>2%</b>

\* 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 3.05(b) of the General Conditions.

## **APPENDIX**

### **Definitions**

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General 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.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “CERC Manual” means the manual referred to in Section F of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Operational Manual.
4. “Competitive Matching Grant” means the competitive matching grant that the Recipient shall grant to an Eligible Beneficiary pursuant to the Regional Grants Manual, as referred to in Schedule 2, Sections I.C and I.D of this Agreement, following the principles of transparency, independence, competitiveness, impartiality, and gender and ethnic inclusiveness.
5. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
6. “Eligible Beneficiary” means a student or faculty member from a Participating Country’s post-secondary institution or an entrepreneur from a Participating Country who fulfills the criteria to be established in the Regional Grants Manual referred to in Schedule 2, Section I.C of this Agreement.
7. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
8. “Emergency Action Plan” means the plan referred to in Section F of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
9. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section F of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.

10. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 20, 2023, 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.
11. “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 Association.
12. “Excluded Expenditure” means any expenditure:
  - (a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Bank or the Association has financed or agreed to finance, or which the Bank or the Association has financed or agreed to finance under another loan, credit, or grant;
  - (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Association by notice to the Recipient:

Group	Sub-group	Description of Item
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

- (c) for goods intended for a military or paramilitary purpose or for luxury consumption;
- (d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Recipient or international agreements to which the Recipient is a party, and any other goods designated as environmentally hazardous by agreement between the Recipient and the Association
- (e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;

- (f) with respect to which the Association determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or other recipient of the Loan proceeds, without the Recipient (or other such recipient) having taken timely and appropriate action satisfactory to the Association to address such practices when they occur;
  - (g) land acquisition; and
  - (h) civil works.
13. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (last revised on July 15, 2023).
  14. “Knowledge, Technology and Innovation Platform” or “KTIP” means a platform to foster knowledge exchanges, networking and collaboration in innovation-related activities within the OECS regional innovation ecosystem in the Project’s Priority Sectors. The KTIP will be closely connected to the OECS virtual campus.
  15. “MoE” means the Recipient’s Ministry of Education, Sustainable Development, Innovation, Science, Technology and Vocational Training, or any successor thereto.
  16. “OECS” means the Organisation of the Eastern Caribbean States established under the Treaty of Basseterre dated 1981, and operating also under the Revised Treaty of Basseterre dated 2010.
  17. “OECS Commission” means the executive body of the OECS.
  18. “OECS Virtual Campus” means a regional online platform for OECS post-secondary institutions to offer opportunities for learning, knowledge exchange, and networking between faculty, students, and other stakeholders, including the private sector.
  19. “Operating Costs” means reasonable costs, as shall have been approved by the Association, for the incremental expenses incurred on account of Project implementation, consisting of, *inter alia*, communication costs, office supplies and maintenance, rent, internet, minor office refurbishing, equipment maintenance, utilities, translation costs, document duplication/printing, consumables, vehicle operation and maintenance, bank fees, travel cost, accommodation costs (lodging), and *per diem* for Project staff for travel linked to the implementation of the Project, and other reasonable costs directly associated with the implementation of the Project (but excluding consulting services and salaries of officials of the Recipient’s civil service).
  20. “Participating Countries” means Grenada and the Recipient.



21. “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.
22. “PIU” means Project Implementation Unit.
23. “Priority Sectors” means strategic sectors of potential growth and/or those that contribute to low greenhouse gas (GHG) emissions and increase OECS countries’ resilience to natural disasters, as approved by the RSC and further specified in the POM.
24. “Priority Skill” means foundational and higher-order cognitive, socioemotional, digital, entrepreneurial, and managerial skills, as approved by the RSC and further specified in the POM.
25. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
26. “Regional Enhancement Plans” or “REPs” are defined as capacity-strengthening plans for selected post-secondary institutions in participating countries, which aim to: (i) develop capacity of post-secondary institutions for strategic planning and implementation with clear governance, financing, and monitoring and evaluation (M&E) mechanisms; and (ii) develop state-of-the-art learning environments in these post-secondary institutions that will also benefit students and/or faculty in other institutions in the region.
27. “Regional Grants Manual” means the manual prepared collaboratively between the implementing entities of the Participating Countries that sets the procedures, terms and conditions for the collaborative innovation Sub-projects and Competitive Matching Grants referred to in Schedule 2, Section I.C of this Agreement.
28. “Regional Project Implementation Unit” or “RPIU” means the unit within the OECS Commission in charge of implementing Part 1 of the Project.
29. “Selected Institutions” means the Sir Arthur Lewis Community College and the National Skills Development Center, or any legal successors thereto.

30. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
31. “Sub-project” means a collaborative innovation sub-project presented by an Eligible Beneficiary that aims to address challenges faced by the OECS region in prioritized sectors to be supported through Competitive Matching Grants, as per the guidelines to be established in the Regional Grants Manual referred to in Schedule 2, Sections I.C of this Agreement.
32. “Trainings” means the reasonable costs associated with training under the Project, as agreed between the Recipient, through MoE, and the Association, and attributable to study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, including, *inter alia*, 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.