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CREDIT NUMBER 7551-GD

# Financing Agreement

(Additional Financing for the Unleashing the Blue Economy of the Caribbean  
Project)

between

**GRENADA**

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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## **FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between GRENADA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”), for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement). 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 an amount equivalent to ten million United States Dollars (USD 10,000,000) (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 the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance, or such rate as may apply following a Currency Conversion.
- 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 objectives of the Project. To this end, the Recipient shall carry out 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 is twenty (20) years after the Signature Date.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is the Minister of Finance.
- 5.02. For purposes of Section 11.01 of the General 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. 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:

Facsimile:	E-mail:
1-202-477-6391	lburunciuc@worldbank.org

AGREED as of the Signature Date.

**GRENADA**

**By**

*Cornwall*

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**Authorized Representative**

**Name:** Hon. Dennis Cornwall

**Title:** Minister of Finance

**Date:** 30-Aug-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Lilia Burunciuc*

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**Authorized Representative**

**Name:** Lilia Burunciuc

**Title:** Country Director

**Date:** 28-Jun-2024

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are 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 Original Project.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Incorporation by Reference**

1. Section I.A (Institutional Arrangements), Section I.B (Project Operations Manual), Section I.C (Environmental and Social Standards), and Section I.D (Contingent Emergency Response Component) of Schedule 2 to the Original Financing Agreement, and the Definitions in the Appendix to the Original Financing Agreement (other than the terms “General Conditions” in paragraph 12), all as amended, are hereby incorporated by reference and shall apply, *mutatis mutandis*, to this Agreement.
2. The Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

##### **B. Preparedness Plan**

The Recipient shall ensure that no later than three (3) months after the Effective Date of this Agreement, a Preparedness Plan is prepared and adopted in form and substance acceptable to the Association.

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

1. 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.
2. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report, or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report, or document does not include Personal Data.

#### **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: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; 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 USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Trainings, and Operating Costs for the Project, except Parts 1.1 and 2.1 of the Project	10,000,000	100%
(2) Refund of Preparation Advance	0	Amount payable pursuant to Section 2.07(a) of the General Conditions
(3) Emergency Expenditures	0	100%
<b>TOTAL AMOUNT</b>	10,000,000	

**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; or
  - (b) under Category (3) for Emergency Expenditures, unless and until all the following conditions have been met in respect of said expenditures:
    - (A) the Recipient has determined that an Eligible 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.
2. The Closing Date is July 31, 2028.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each May 15 and November 15:	
commencing May 15, 2034 to and including November 15, 2043	<b>1%</b>
commencing May 15, 2044 to and including November 15, 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

### Section I. Definitions

1. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed as a percentage per annum.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “Contingency Emergency Response Manual” and the acronym “CER Manual” means the manual referred to in Section I.D of Schedule 2 to the Original Financing Agreement, to be adopted by the Recipient for Part 3 of the Project and form part of the POM in accordance with the provisions of said Section.
4. “Eligible 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.
5. “Emergency Expenditure” means any of the eligible expenditures set forth in the CER Manual in accordance with the provisions of Section I.D of Schedule 2 to the Original Financing Agreement, and required for Part 3 of the Project.
6. “Food Insecurity Crisis” means an event or events driven by natural disasters, economic shocks, and/or public health threats, which pose a significant threat of becoming a large-scale food security crisis within a country or across countries, in accordance with criteria acceptable to the Association.
7. “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), with the modifications set forth in Section II of this Appendix.
8. “Original Financing Agreement” means the financing agreement between the Recipient and the Association, dated June 4, 2022, for the purpose of providing original credit for the Original Project, as may be amended from time to time.
9. “Original Project” means the Project described in Schedule 1 to the Original Financing Agreement.
10. “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.

11. “Preparedness Plan” means the plan referred to in Section I.B of Schedule 2 to this Agreement, setting out the operational procedures to respond to and contain a Food Insecurity Crisis.
12. “Project Operations Manual” or “POM” means the manual referred to in Section I.B of Schedule 2 to the Original Financing Agreement.
13. “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.

**Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. Section 5.13 (Procurement) is deleted in its entirety and the remaining section in Article V is renumbered accordingly.
2. Section 3.04 (Interest Charge) is deleted in its entirety and the remaining Sections in Article III are renumbered accordingly, and all references to the Sections of Article III in any provision of the General Conditions are understood to be to such renumbered Sections.
3. Paragraph 66 (Interest Charge) in the Appendix is modified to read as follows:  
“66. “Interest Charge” means the interest charge for the purpose of Section 3.08.”