
CREDIT NUMBER 7107-GD

Financing Agreement

(Grenada Resilience Improvement Project)

between

GRENADA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 7107-GD

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between GRENADA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). 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 fifteen million Dollars (\$15,000,000) (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plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are June 15 and December 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 through the Ministry of Infrastructure Development, Public Utilities, Transport and Implementation (MOIID) with the assistance of the Ministry of Finance, Economic Development, Physical Development and Energy (MOF), 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 its Minister of Finance.

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

(a) the Recipient's address is:

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

(b) the Recipient's Electronic Address is:

Facsimile:	E-mail:
473-440-4115/6	ps@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:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

GRENADA

By

Gregory Bowen

Authorized Representative

Name: Gregory Bowen

Title: Minister for Finance

Date: 10-Jun-2022

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Lilia Burunciuc

Authorized Representative

Name: Lilia Burunciuc

Title: Country Director

Date: 09-Jun-2022

SCHEDULE 1

Project Description

The objectives of the Project are to increase the population's access to more disaster resilient, critical infrastructure, and in the event of an Eligible Crisis or Emergency, to provide an immediate response to the Eligible Crisis or Emergency.

The Project consists of the following parts:

Part 1: Interventions to increase disaster resilience of critical infrastructure

Increasing the resilience to the impacts of climate change and natural hazards of critical transport infrastructure by supporting: (a) the reconstruction of the Balthazar bridge across the Great River; and (b) interventions to stabilize the coast along the Eastern Main Road at Soubise and Marquis.

Part 2: Technical assistance for the development of strategies and designs for infrastructure resilience

Supporting technical assistance for the development of strategies and designs for infrastructure resilience including: (a) study of the flood risks and development of flood management strategy for the coastal city of Grenville; (b) assessment of road asset management practices and development of a road asset management strategy; (c) assessments of the River Road and Balthazar rock faces, and development of designs to manage rock fall and landslide risk; (d) assessments and designs for the climate and disaster resilient rehabilitation of selected cultural heritage buildings; and (e) (i) training of women facilitators, (ii) outreach, training, and advocacy activities about disaster risk management, preparedness and shelter management that specifically target women, and (iii) strengthening the capacity of women shelter coordinators to address the needs of women, girls, the disabled and the elderly.

Part 3: Contingent Emergency Response

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

Part 4: Project management and implementation support

Strengthening the institutional capacity for Project management 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. The Recipient, through the MOIID, shall be responsible for the overall implementation of the Project, with the assistance of: (a) the Accountant General Department (AGD) for the financial management functions under the Project; and (b) the Central Procurement Unit (CPU) for the procurement functions under the Project.
2. The Recipient shall establish and thereafter maintain during the implementation of the Project a Project Management Team (PMT) including key personnel from the MOIID, the MOF and other relevant line ministries, with a composition, functions, staffing and resources satisfactory to the Association, and which shall be responsible for management, implementation, coordination, monitoring and oversight of day-to-day Project activities, as further described in the Project Operations Manual.
3. The Recipient shall establish and thereafter maintain during the implementation of the Project a Technical Working Committee (TWC) with a composition, functions, staffing and resources satisfactory to the Association, that will report to the POC and which shall provide technical advice and support to the PMT of the Project, as further described in the Project Operations Manual.
4. The Recipient shall establish and thereafter maintain during the implementation of the Project a Project Oversight Committee (POC) with a composition, functions, staffing and resources satisfactory to the Association, which shall be responsible for monitoring the progress of Project implementation and reporting to the Recipient's Cabinet of Ministers, as further described in the Project Operations Manual.

B. Project Operations Manual

1. The Recipient shall carry out the Project in accordance with the provisions of a manual acceptable to the Association (the "Project Operations Manual" or "POM"), which shall include, *inter alia*: (a) a detailed description of Project activities and institutional arrangements for the Project; (b) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (c) the monitoring indicators for the Project; (d) the institutional and administrative mechanisms established to ensure inter-institutional coordination, including the

roles and responsibilities of the MOIID, the MOF, and other relevant ministries and agencies in the implementation of the Project; and (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the implementation of the Project.

2. 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.
3. In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

C. Environmental and Social Standards

1. The Recipient 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 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 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 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 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 shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and 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.

D. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 3 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
 - (a) a manual (“Contingent Emergency Response Manual” or “CER 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 Contingent Emergency Response Part is carried out in accordance with the CER Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CER Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CER Manual or 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 CER Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to the 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 CER 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 one month after the end of each calendar quarter, covering the calendar quarter.

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:

Category	Amount of the Credit Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training under Parts 1, 2, and 4 of the Project	15,000,000	100%
(2) Emergency Expenditures under Part 3 of the Project	0	100%
TOTAL AMOUNT	15,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$3,000,000 may be made for payments made prior to this date but on or after April 6, 2022, for Eligible Expenditures; or
 - (b) for Emergency Expenditures under Category 2 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 2; and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(ii) the Recipient has adopted the CER Manual and Emergency Action Plan, in form and substance acceptable to the Association.

2. The Closing Date is May 31, 2027.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 15 and December 15:	
commencing June 15, 2032, to and including December 15, 2041	1%
commencing June 15, 2042, to and including December 15, 2061	2%

* 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. “Accountant General’s Department” or “AGD” means the Recipient’s Accountant General’s Department within MOF, or any successor thereto acceptable to the Association.
2. “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.
3. “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 either as a positive or negative percentage per annum.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “Central Procurement Unit” or “CPU” means the Recipient’s Central Procurement Unit within MOF, or any successor thereto acceptable to the Association.
6. “Contingent Emergency Response Manual” or “CER Manual” means the manual referred to in Section I.D 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 Operations Manual.
7. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 3 of the Project to respond to an Eligible Crisis or Emergency.
8. “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.
9. “Emergency Action Plan” means the plan referred to in Section I.D 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.

10. “Emergency Expenditures” means any of the eligible expenditures set forth in the CER Manual referred to in Section I.D of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 6, 2022, 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.
12. “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 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.
13. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
14. “MOF” means the Recipient’s Ministry of Finance, Economic Development, Physical Development and Energy, or any successor thereto acceptable to the Association.
15. “MOIID” means the Recipient’s Ministry of Infrastructure Development, Public Utilities, Transport and Implementation, or any successor thereto acceptable to the Association.
16. “Operating Costs” means reasonable incremental expenditures acceptable to the Association that would not have been incurred by the Recipient absent the Project,

for Project administration costs, including, *inter alia*, operation and maintenance of office equipment, non-durable goods, and other costs directly associated with the Project as shall be agreed with the Association.

17. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
18. “Project Management Team” or “PMT” means the unit referred to in Section I.A.2 of Schedule 2 to this Agreement.
19. “Project Operations Manual” or “POM” means the manual referred to in Section I.B of Schedule 2 to this Agreement.
20. “Project Oversight Committee” or “POC” means the committee referred to in Section I.A.4 of Schedule 2 to this Agreement.
21. “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.
22. “Technical Working Committee” or “TWC” means the committee referred to in Section I.A.3 of Schedule 2 to this Agreement.
23. “Training” means expenditures in connection with Project-related training including, *inter alia*, transportation and lodging costs and per diem of trainers and trainees, training registration fees, training materials, rental of training facilities and equipment, and other training-related costs directly associated with the Project as shall be agreed with the Association.