

02-Dec-2021

The Honourable Camillo Gonsalves  
Minister of Finance, Economic Planning,  
and Information Technology  
2nd Floor, Administrative Centre  
Bay Street, Kingstown  
Saint Vincent and the Grenadines

Re: Caribbean Regional Resilience Building Facility  
Grant No. TF0B7008  
Strengthening Multi-Hazard, Emergency Preparedness and  
Response Systems in Saint Vincent and the Grenadines  
Letter Agreement

Excellency:

In response to the request for financial assistance made on behalf of Saint Vincent and the Grenadines (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association (“Bank”), acting as administrator of grant funds provided by European Commission (“Donor”) under the Caribbean Regional Resilience Building Facility Single-Donor Trust Fund (TF073227), proposes to extend to the Recipient a grant in an amount not to exceed *one million six hundred and fifty thousand Euro (€1,650,000)* (“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 Donor. 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 Donor[s] 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.

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  
Latin America and Caribbean Region

AGREED:  
SAINT VINCENT AND THE GRENADINES

By   
Authorized Representative

Name Camillo Gonsalves

Title Minister of Finance

Date 03-Dec-2021

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

**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) “Association” means the International Development Association.
- (c) “Category” means a category set forth in the table in Section 3.01 of this Agreement.
- (d) “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated October 28, 2021, 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.
- (e) “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 Bank.
- (f) “Financing Agreement” means the financing agreement entered into between the Association and the Recipient regarding the Project for a credit of forty million Dollars (\$40,000,000).
- (g) “Grants” means the grants under Part 1.1(a) of Section 2.01 below to be financed with proceeds of the Financing Agreement.

- (h) “MoFEP” means the Recipient’s Ministry of Finance, Economic Planning and Information Technology.
- (i) “Procurement Plan” means the Recipient’s plan as referred to in paragraphs 4.4 and 4.5 under the Procurement Regulations.
- (j) “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
- (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.
- (h) “Trainings” means the reasonable costs associated with training under the Project, as agreed between the Recipient through MoFEP, 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 objectives of the Project are to support the Recipient (a) provide short-term income support; (b) improve the Recipient’s capacity to prepare for and respond to emergencies; and (c) build back better critical services in the wake of the La Soufrière volcano eruption. The Project consists of the following parts:

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### **Part 1. Early recovery income support**

#### 1.1 Grants and support services

(a) Provision of Grants for six (6) months to Beneficiaries in furtherance of ongoing non-conditional emergency relief support initiated by the Recipient; and (b) enhancement of Recipient’s capacity to provide existing support services, family life education program (focused on life skills, including psychosocial support, health and hygiene and basic financial management), and a farming program to Beneficiaries, through *inter alia*, (i) provision of Trainings to Beneficiaries of the support services, (ii) goods and services (including hiring facilitators) needed to carry out the Trainings, and (iii) technical assistance (such as consultancies related to communications and implementation support by a project officer).

#### 1.2 Labor-intensive temporary employment

In the event of natural and/or climate disasters (such as volcanic eruption, floods, lahars and landslides), especially during the Recipient’s rain and hurricane seasons, and in furtherance of Recipient’s on-going public infrastructure maintenance efforts: (a) disbursement of Cash-for-Work to Beneficiaries under a temporary work program for

emergency response or recovery works for eligible small-scale public infrastructure; and (b) provision of Trainings for Cash-for-Work Beneficiaries to undertake the works, technical assistance needed to support the planning, preparation and supervision of the works, and goods (such as tools and safety equipment needed to undertake the works); and (c) technical assistance related to communications.

**Part 2. Restoration and Building Back Better of critical services, strengthening emergency preparedness and response capacity.**

2.1 Reconstruction planning incorporating climate change considerations

Enhancing Recipient's infrastructure resilience and emergency preparedness and response capacities against natural disasters and climate change by: (a) conducting technical and feasibility studies (including, to the extent possible, studies on mechanisms to improve resilience and promote decarbonization); (b) assessing floods, debris and mud flows and landslide risks; and (c) developing detailed engineering designs of infrastructure interventions of, *inter alia*, public facilities, transport infrastructure, water supply systems, agricultural centers and slope stabilization.

2.2 Restoration and reconstruction of critical infrastructure services

Restoring and rehabilitating eligible public infrastructure and enhancing its resilience vis-à-vis natural disasters and climate change through functional upgrades and climate-resistant designs, through the provision of goods, works and services, including, *inter alia*, (a) cleanup of volcanic ash and debris, (b) restoration of affected water supply systems, (c) river cleaning, (d) purchase and/or rental of machinery and equipment (including agricultural equipment and supplies for restoration of agriculture productivity), (e) reconstruction of schools, roads, drains, culverts, bridges, and emergency warehouses, and (f) restoration of transport infrastructure.

2.3 Strengthening of Emergency Preparedness and Response systems and capacity

Improving Recipient's capability to prepare systematically for and respond to potential natural disasters, climate change emergencies and compound emergencies through, *inter alia*, (a) conducting assessments on legal and institutional frameworks, human resources capacity, operational facilities (such as emergency shelters) and equipment, and information management system, (b) providing technical assistance (including Trainings) and purchasing goods to enhance capacities, (c) updating and harmonizing disaster preparedness and contingency plans at the national and local levels, (d) improving response, monitoring and data collection systems, and (e) enhancing multi-agency coordination, command and control, and communication capabilities.

**Part 3. Project Management**

3.1. Provision of support to the PSIPMU for project management expenditures, including: (a) procurement, (b) financial management, (c) monitoring and evaluation, (d) reporting, (e) safeguards and technical oversight, and (f) policy coordination.

3.2 Carrying out independent technical audits and the Project's independent financial audits.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient, through MoFEP, shall:

- (a) Carry out the Project in accordance with the provisions of: (i) Article II of the Standard Conditions; (ii) the Anti-Corruption Guidelines; and (iii) this Article II; and
- (b) Develop and adopt a Project Operational Manual, satisfactory to the Bank, no later than thirty (30) days as of the Effective Date.

2.03. **Procurement Plan.** The Procurement Plan shall set forth which contracts shall be financed with resources from this Agreement and which contracts shall be financed with resources from the Financing Agreement.

2.04. **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.
- (f) The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors and subcontractors to: (i) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (ii) 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.

2.05. **Documents; Records.** In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

2.06. **Project Monitoring, Reporting and Evaluation.** The Recipient shall ensure that each Project Report is furnished to the Bank not later than one month 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.



<b>Category</b>	<b>Amount of the Grant Allocated (expressed in Euro)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
Goods, works, consulting services and Trainings for the Project under Parts 2.3.	1,650,000	100%
<b>TOTAL AMOUNT</b>	<b>1,650,000</b>	<b>100%</b>

3.02. **Withdrawal Period.** The Closing Date is December 31, 2022.

#### **Article IV Effectiveness; Termination**

4.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied.

- (a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action; and
- (b) the Financing Agreement has been executed and all conditions precedent to its effectiveness have been fulfilled.

4.02. By signing the Agreement, the Recipient shall be deemed to represent and warrant that on the Signature Date, the Agreement has been duly authorized by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms, except where additional action is required to make such Agreement legally binding. Where additional action is required following the Signature Date, the Recipient shall notify the Bank when such additional action has been taken. By providing such notification, the Recipient shall be deemed to represent and warrant that on the date of such notification the Agreement is legally binding upon the Recipient in accordance with its terms.

4.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

4.05. Unless otherwise determined in its discretion by the Bank, this Agreement and all obligations of the parties under it shall terminate upon the termination of the Financing 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, Economic Planning and Information Technology.

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

(a) the Recipient's Address is:

Ministry of Finance, Economic Planning and Information Technology  
2nd Floor Administrative Complex P.O. Box 608  
Bay Street, Kingstown, St. Vincent; and

(b) the Recipient's Electronic Address is:

Phone number:	Facsimile:	E-mail:
784 4571343	784 4572943	<a href="mailto:office.finance@gov.vc">office.finance@gov.vc</a>

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

(a) the Bank's address is:

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@ <a href="mailto:Lburunciuc@worldbank.org">worldbank.org</a>