August 12, 2015

Dr. The Right Hon. Keith Mitchell
Prime Minister of Grenada
Minister for National Security, Public
Administration, Disaster Management,
Home Affairs and Implementation
Ministerial Complex
Botanical Gardens
St. George’s
Grenada W.I.

Re: Grenada: Credit No. 4985-GD (Regional Disaster Vulnerability Reduction Project)
Third Amendment to the Financing Agreement

Excellency:

We refer to the Financing Agreement between Grenada (the Recipient) and the International Development Association (the Association) dated September 20, 2011, as amended (the Financing Agreement). We also refer to the Recipient’s request dated July 20, 2015, to amend the Financing Agreement to permit the payment of insurance premiums for the fiscal year 2015-2016 as eligible expenditures under the Project. Capitalized terms used in this letter (Amendment Letter) and not defined herein have the meaning ascribed to them in the Financing Agreement.

We are pleased to inform you that the Association agrees with the Recipient’s request and proposes to amend the Financing Agreement as follows:

1. Part E of Schedule I to the Financing Agreement is hereby amended to read in its entirety as follows:

   "Part E: Payment of CCRIF Insurance Premiums"

   "Provision of financing for payment of 100 percent of the Recipient’s annual catastrophe risk insurance premiums under the CCRIF for coverage for the period May 30, 2013 to May 30, 2016."

2. The table set forth in Section IV, Part A, paragraph 2 of Schedule 2 to the Financing Agreement shall be replaced in its entirety with the following table:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Works, Non-consulting Services, Consultants’ Services,</td>
<td>3,304,600</td>
<td>32% for expenditures incurred prior to August 12, 2015,</td>
</tr>
<tr>
<td>Training and Operating Costs for Parts A, B and D of the Project</td>
<td></td>
<td>100% for expenditures incurred thereafter</td>
</tr>
<tr>
<td>(2) Goods, Works, Non-consulting Services, and Consultants’ Services</td>
<td>620,000</td>
<td>100%</td>
</tr>
<tr>
<td>for Emergency Recovery and Reconstruction Subprojects under Part C of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Refund of Preparation Advance</td>
<td>950,000</td>
<td>Amount payable pursuant to Section 2.07 of the General</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conditions</td>
</tr>
<tr>
<td>(4) Payments of CCRIF Insurance Premiums for coverage for the period</td>
<td>1,325,400</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,200,000</td>
<td></td>
</tr>
</tbody>
</table>

Except as stated herein, all the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

Please confirm your agreement with the foregoing Amendment Letter by signing and dating this Amendment Letter in the spaces provided below. This Amendment Letter will be executed in two counterparts, each of which shall be an original and one of which shall be returned to us. Upon receipt by the Association of the countersigned copy of this Amendment Letter, the Amendment Letter shall become effective as of the date of countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By ________________________________
Sophie Sirtaine
Director
Caribbean Country Management Unit
Latin America and the Caribbean Region
cc: Mr. Alister Smith, Executive Director, The World Bank Group
Ms. Janet Victoria Harris, Alternate Executive Director, The World Bank Group
Ms. Margaret Belfon, Project Coordinator, Project Coordination Unit
Cleared w/and cc.: A. Shayne, Lead Counsel (LEGLE); T.de Abreu, Finance Officer (WFALN); TACT Clearance Team; LC3 Clearance Team

Concurred by: A. Wellenstein, Practice Manager (GSURR)

Decided by S. Sirtaine, Country Director (LCC3C)

Distribution list: S. Sirtaine, G. Sotirova, O. Apodaca, F. Galrao (LCC3C); M. Montoliu, A. Wellenstein, N. Holm-Nielsen, T. Fisseha, A. Alwahti, G. Vivo, N. Callender, K. Charles, P. Acevedo (GSURR); A. Shayne, E. Ruguru Mwenda, V. Nwachukwu-Irondi, M. Ghumman, M. Png (LEGAM); P. Melo, M. Tambucho, T. de Abreu, R. Pantoja, J. Ribeiro (WFALN); TACT; OECS Country Team; WBdocs