July 16, 2012

The Hon. Dr. Ralph E. Gonsalves
Prime Minister and Minister of Finance and
Economic Planning, National Security,
Legal Affairs, Grenadines Affairs and Energy
Office of the Prime Minister
Administrative Centre
Kingstown
Saint Vincent and the Grenadines

Re: Saint Vincent and the Grenadines: Regional Disaster Vulnerability Reduction
Project-SCF-PPCR Loan Number TF011132
First Amendment to the Loan Agreement

Excellency:

Please refer to the SCF-PPCR Loan Agreement (TF011132) entered into between Saint
Vincent and the Grenadines (the Borrower) and the International Bank for Reconstruction and
Development, acting as an Implementing Entity of the Pilot Program for Climate Resilience
under the Strategic Climate Fund (the World Bank) dated September 9, 2011 (the Loan
Agreement). Capitalized terms used in this letter (Amendment Letter) and not defined herein
have the meaning ascribed to them in the Loan Agreement.

In response to the letter from the Borrower’s Director of Planning of the Ministry of
Finance and Economic Planning to the World Bank dated February 2, 2012 requesting an
amendment to the Loan Agreement, we are pleased to inform you that the World Bank agrees
with your request and hereby proposes to amend the Loan Agreement, as follows:

1. Section IV.A.2 of Schedule 2 to the Loan Agreement is hereby amended to read in its
entirety as follows:

“2. The following table specifies the categories of Eligible Expenditures that may be
financed out of the proceeds of the Loan (“Category”), the allocations of the
amounts of the Loan to each Category and the percentage of expenditures to be
financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</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, Training and Operating Costs under Parts A, B and D of the Project</td>
<td>3,000,000</td>
<td>15%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>3,000,000</td>
<td></td>
</tr>
</tbody>
</table>
For the purpose of the table set forth immediately above, the term:

(a) “Training” means the cost associated with the training and workshops approved by the World Bank, for reasonable expenditures (other than expenditures for consultants’ services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses; and

(b) “Operating Costs” means the incremental expenses incurred on account of Project management, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel and per diem, excluding the salaries of the Borrower’s civil service.”

Please confirm your agreement with the foregoing amendments by signing and dating this Amendment Letter in the spaces provided below. Henceforward, all other provisions of the Loan Agreement, except as amended through this Amendment Letter shall remain in full force and effect. This Amendment Letter shall be executed in two counterparts, each of which shall be an original.

Upon confirmation, please return one fully executed original to us. The provisions set forth in this Amendment Letter shall become effective as of the date of the countersignature upon receipt by the World Bank of the countersigned original of this Amendment Letter.

Please also note that the restructuring paper which reflects the World Bank’s approved Project modifications dated June 25, 2012 will be disclosed on the World Bank’s external Website.

Sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Entity of the Pilot Program for Climate Resilience under the Strategic Climate Fund

By

Françoise Clottes
Director
Caribbean Country Management Unit
Latin America and the Caribbean Region