Sint Maarten: Hurricane Irma Reconstruction, Recovery and Resilience Grant Agreement

(Sint Maarten Emergency Recovery Project I)

between

SINT MAARTEN

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

acting as administrator of Sint Maarten: Hurricane Irma Reconstruction, Recovery and Resilience Trust Fund

Dated July 11, 2018
SINT MAARTEN: HURRICANE IRMA RECONSTRUCTION, RECOVERY AND RESILIENCE GRANT AGREEMENT

AGREEMENT dated July 11, 2018 entered into between:

SINT MAARTEN ("Recipient"); and


RECOGNIZING, this Agreement, including its schedules and appendix, is not an international treaty and will not be registered as a treaty under Article 102 of the United Nations Charter.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. 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 Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed fifty-five million two hundred thousand United States Dollars ($55,200,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund ("Trust Fund") for which the World Bank receives periodic contributions from the donor to the Trust Fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the Trust Fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following:

The World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred that would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank showing that: (a) the Minister of General Affairs has been authorized and thus has the legal capacity to carry out the Project, through the Interim Recovery Committee, on behalf of the Recipient in accordance with this Agreement; and (b) the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

5.02. As part of the evidence to be furnished pursuant to Section 5.01, the Recipient shall furnish to the World Bank an opinion satisfactory to the World Bank, of counsel acceptable to the World Bank, or if the World Bank so requests, a certificate
satisfactory to the World Bank of a competent official of the Recipient, showing, on behalf of the Recipient, that the Minister of General Affairs has been authorized and thus has the legal capacity to carry out, through the Interim Recovery Committee, the Project on behalf of the Recipient in accordance with this Agreement, and that this 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.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article VI**

**Recipient's Representative; Addresses**

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of General Affairs.

6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Soualiga Road #1
Pond Island, Great Bay
Sint Maarten
6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: Facsimile:
248423 (MCI) or 1-202-477-6391
64145 (MCI)

AGREED at Philipsburg, Sint Maarten as of the day and year first above written.

SINT MAARTEN

By

Authorized Representative

Name: Leona MARLIN-ROHE
Title: PRIME MINISTER
MINISTER OF GENERAL AFFAIRS

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
administrator of the Sint Maarten: Hurricane
Reconstruction, Recovery and Resilience Trust Fund

By

Authorized Representative

Name: Taheen SAYED
Title: Country Director, LCS3C
SCHEDULE 1
Project Description

The objective of the Project is to contribute to Sint Maarten’s immediate emergency recovery needs and strengthen institutional capacity to manage recovery and reconstruction.

The Project consists of the following parts:

Part 1. Emergency measures for the recovery of disaster first responders and preparedness facilities.

(a) Critical disaster preparedness and response infrastructure repairs and improvements.

Provision of support to improve the national emergency response and disaster preparedness system, including:

(i) repairing and expansion of the Recipient’s emergency operations center;

(ii) repairing of selected national police force office building infrastructure;

(iii) repairing and provision of equipment to designated shelters; and

(iv) reestablishment of the operational capacity of the Recipient’s national meteorological services to support disaster risk management, through the provision of support in designing a resilient operations building and replacing damaged equipment.

(b) First responders’ emergency equipment.

Provision of:

(i) vehicles (including fire trucks, ambulances, support vehicles, and evacuation bus) and related equipment, and repairs to damaged equipment, that are necessary to support fire and ambulance services and improve response and operational readiness;

(ii) communication equipment, including satellite phones, to improve the Recipient’s emergency communications network;

(iii) priority vehicles to replace vehicles destroyed by hurricane or where critical need is identified, which may include such vehicles
(iv) a Lidar terrain and bathymetric modeling program.

(c) **Training and Institutional Strengthening.**

Provision of:

(i) training and technical assistance, to the Recipient’s relevant ministries, focusing on incident command and shelter management;

(ii) specialized training to emergency medical responders;

(iii) assistance in the establishment of community based emergency management committees and other related activities; and

(iv) training and workshops for government officials to promote greater understanding of the national disaster response plan and its implementation.

**Part 2. Restoration and Increasing Resilience of Water and Electricity Infrastructure.**

(a) **Restoration of Electricity Services.**

Restoration of electricity services and improvement of said services’ performance in future disaster events through, *inter alia*:

(i) acceleration of the trenching program to move remaining utilities underground;

(ii) repairing and upgrading of transformers including transformer station houses;

(iii) repairing and replacement of street lighting;

(iv) repairing and replacement of current electrical meters damaged by Hurricane Irma; and
(v) repairing, updating, expansion, and construction of the utility’s substations to increase their resilience and improve the power system performance under diverse disturbance situations.

(b) Increasing Resilience of the Water System.

Increasing of the Recipient’s water storage capacity to between two and four days, and strengthening of the Recipient’s water system’s resilience to hurricane and other climate shocks through, *inter alia*:

(i) repairing, upgrading, and increasing the water storage capacity;
(ii) repairing and replacing pump units including pump houses; and
(iii) replacing and/or improving the resilience of installed micrometers.

(c) Updating of GEBE Business Plan.

Provision of technical assistance to improve GEBE’s performance and accountability to users through, *inter alia*: (i) provision of institutional support; (ii) revision of GEBE’s planning mechanisms; (iii) provision of technical assistance on financial, operational and commercial management; (iv) updating of GEBE’s business plan; and (v) carrying out of feasibility studies and technical designs of key identified investments to be supported.


(a) Roof Repair Program.

Provision of support to VROMI to make minor repairs, with improved technical standards, to roofs of damaged houses of the most vulnerable households selected based on administrative, socio-economic and economic criteria and procedures acceptable to the World Bank.

(b) Emergency Support to the Sint Maarten Housing Development Foundation (“SMHDF”).

Provision of support to SMHDF to:

(i) repair severely damaged housing stock used by low-income families; and
(ii) provide technical assistance to support the design of a proposed housing complex.

(c) Public Building Repairs.

Provision of support to:

(i) repair damaged Public Buildings, including schools, sports and community centers, national monuments, and other public buildings;

(ii) support the cost of temporary relocation;

(iii) conduct the survey and design for Public Buildings requiring major renovation or new construction; and

(iv) carry out, as needed, demolition for reconstruction and/or the removal of debris hazards.


(a) Support to the Interim Recovery Committee ("IRC").

Provision of technical capacity building and Operating Costs to the IRC for the management and implementation of projects financed by the Sint Maarten: Hurricane Irma Reconstruction, Recovery and Resilience Trust Fund, during the period of establishment for the National Recovery Program Bureau ("NRPB"), and for a transition period following the NRPB's establishment.

(b) Support to the NRPB.

Provision of support to the NRPB for the management and implementation of projects financed by the Trust Fund, including the provision of staffing acceptable to the World Bank, and Operating Costs, all necessary for timely and efficient implementation of the projects under the Trust Fund, and for establishing a sustainable, long-term institutional framework.

(c) Emergency Financial Protection Measures.

Provision of financing for the payment of the Recipient’s Participation Fee to participate in the CCRIF SPC ("CCRIF") and two Annual Premiums for catastrophe risk insurance with CCRIF.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. Without limitation to the provisions of Article II of the Standard Conditions and except as the World Bank shall otherwise agree, the Recipient shall, as relevant, maintain throughout Project implementation, with composition, resources, terms of reference and functions acceptable to the World Bank, the IRC and, subsequently, the NRPB, once established by the Recipient, to report to the Minister of General Affairs, and to be responsible for:

   (a) the implementation of the Recipient’s National Recovery and Resilience Plan and specifically to manage the program of projects financed by the Trust Fund, including: (i) overseeing the implementation of the work plans approved by the Program Steering Committee; (ii) coordinating with line ministries, utilities and relevant stakeholders; (iii) managing the NRPB personnel; (iv) reporting to the Minister of General Affairs, and the Program Steering Committee; (v) day-to-day monitoring of the overall program portfolio, including financial commitment and disbursement, and identifying and addressing gaps in implementation; and (vi) carrying out reconstruction functions required for sound program management; and

   (b) in respect to the Project:

   (i) the management, coordination and implementation of the Project, including the Project’s (A) technical, administrative, procurement, environmental and social safeguards, disbursement, and financial management, (B) contract management in coordination with relevant line ministries, utilities and third parties, (C) community engagement and communications, (D) financial and technical audits, and (E) monitoring, reporting and evaluation responsibilities, as specified in the Project Operations Manual ("POM");

   (ii) the assurance of the proper application in the Project of the requirements, criteria, policies, procedures and organizational arrangements set forth in this Agreement, the POM, and the Safeguard Instruments; and
(iii) coordination with the following agencies in preparation and implementation of the technical aspects of the respective activities:

(A) for Part 1 of the Project, the Ministry of General Affairs, VSA, TEATT, the Ministry of Education, Culture, Youth and Sport, the Ministry of Justice, the Ministry of Finance, and VROMI, for the relevant respective activities; and

(B) for Part 2 of the Project, GEBE;

(C) for Part 3 (a) of the Project, VSA and VROMI;

(D) for Part 3 (b) of the Project, SMHDF; and

(E) for Part 3 (c) of the Project, VROMI.

2. In carrying out Part 1 (b) (iii) of the Project, the Recipient, through its Council of Ministers, shall identify the ministries and agencies to receive replacement priority vehicles based on the most urgent need, acceptable to the World Bank.

3. In carrying out of Part 2 of the Project, the Recipient shall cause GEBE, through the GEBE Subsidiary Agreement, to maintain, at all times during the execution and until completion of the Project, responsibilities, structure and functions satisfactory to the World Bank and with adequate resources and with adequate qualifications, for the purposes of carrying out its responsibilities under the Project, including those related to Project monitoring, evaluation and reporting.

4. In carrying out Part 3 (a) of the Project, the Recipient, through VSA, shall select beneficiaries in accordance with selection criteria and processes acceptable to the World Bank, and such criteria and processes shall be set forth in the POM once their acceptability have been confirmed by the World Bank.

5. In carrying out Part 3 (b) of the Project, the Recipient shall cause SMHDF, through the SMHDF Subsidiary Agreement, to maintain, at all times during the execution and until completion of the Project, responsibilities, structure and functions satisfactory to the World Bank and with adequate resources and with adequate qualifications, for the purposes of carrying out its responsibilities under the Project, including those related to Project monitoring, evaluation and reporting.

6. In carrying out Part 4 (c) of the Project, the Recipient shall:

(a) make the proceeds of the Grant available to the CCRIF, pursuant to a participation agreement ("Participation Agreement") and an insurance
agreement ("Insurance Agreement") executed by the Recipient and the CCRIF, under terms and conditions satisfactory to the World Bank;

(b) exercise its rights under the Participation Agreement and Insurance Agreement in such manner as to protect the interests of the Recipient, the World Bank and the Trust Fund and to accomplish the purposes of the Grant; except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Participation Agreement or the Insurance Agreement or any of their provisions.

7. The Recipient shall appoint or ensure the appointment of representatives to, and ensure the appropriate participation in and support of, the Program Steering Committee.

B. Subsidiary Agreements

1. By not later than sixty (60) days after the date of this Agreement, to facilitate the carrying out of Part 2 of the Project, the Recipient shall execute a subsidiary agreement with GEBE ("GEBE Subsidiary Agreement"), under terms and conditions approved by the World Bank; the GEBE Subsidiary Agreement shall include inter alia:

(a) the technical and fiduciary roles and responsibilities of IRC and subsequently the NRPB, acceptable to the World Bank;

(b) GEBE’s undertaking to comply with the fiduciary, environmental and social safeguards, and technical requirements applicable to the Project, in accordance with the provisions of this Agreement and the POM;

(c) GEBE’s undertaking to carry out Part 2 of the Project in accordance with the provisions of the Anti-Corruption Guidelines, including, as relevant, ensuring that any contractor that will receive proceeds from the Grant, through an agreement with GEBE, has expressly agreed to comply with the provisions of the Anti-Corruption Guidelines, including the World Bank’s right to inspect all accounts, records and other documents relating to the Project that are required to be maintained pursuant to the Grant Agreement and to have them audited by, or on behalf of, the World Bank; and

(d) the Recipient’s undertaking to make, as may be appropriate and consistent with the terms of this Agreement, the necessary proceeds of the Grant available to GEBE.

2. By not later than sixty (60) days after the date of this Agreement, to facilitate the carrying out of Part 3 (b) of the Project, the Recipient shall execute a subsidiary
agreement with SMHDF ("SMHDF Subsidiary Agreement"), under terms and conditions approved by the World Bank; the SMHDF Subsidiary Agreement shall include inter alia:

(a) the technical and fiduciary roles and responsibilities of IRC and subsequently the NRPB, acceptable to the World Bank;

(b) SMHDF's undertaking to comply with the fiduciary, environmental and social safeguards, and technical requirements applicable to the Project, in accordance with the provisions of this Agreement and the POM;

(c) SMHDF's undertaking to carry out Part 3 (b) of the Project in accordance with the provisions of the Anti-Corruption Guidelines, including, as relevant, ensuring that any contractor that will receive proceeds from the Grant, through an agreement with SMHDF, has expressly agreed to comply with the provisions of the Anti-Corruption Guidelines, including the World Bank's right to inspect all accounts, records and other documents relating to the Project that are required to be maintained pursuant to the Grant Agreement and to have them audited by, or on behalf of, the World Bank; and

(d) the Recipient's undertaking to make, as may be appropriate and consistent with the terms of this Agreement, the necessary proceeds of the Grant available to SMHDF.

3. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreements in such manner as to protect the interests of the Recipient, the World Bank and the Trust Fund, and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreements or any of their provisions.

C. Project Operations Manual

1. By not later than fourteen (14) days after the date of this Agreement, the Recipient shall have finalized the POM, in substance and form, and in a manner acceptable to the World Bank.

2. The Recipient shall carry out the Project in accordance with the POM, which shall consist of different schedules setting forth rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of the Project. The POM shall include, inter alia, provisions on the following:

(a) the detailed description of all Project activities supported under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto;
(b) the parties responsible for carrying out the respective parts of the Project;
(c) the detailed qualification and selection criteria and processes, as relevant, for the respective parts of the Project;
(d) the safeguards arrangements, including the grievance redress mechanism, for the Project;
(e) the financial management arrangements for the Project;
(f) the coordination arrangements between the relevant parties for the day-to-day execution of the Project; and
(g) Project monitoring, evaluation, reporting, and communications.

2. The POM may not be assigned, amended, abrogated or waived, or permitted to be assigned, amended, abrogated or waived, or any provision thereof, in a manner which, in the opinion of the World Bank, may materially and adversely affect the implementation of the Project; the POM may only be amended in consultation with, and after approval of, the World Bank. In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

D. Annual Work Plan and Budget

The Recipient shall:

(a) prepare and furnish to the World Bank not later than April 1st of each year during the implementation of the Project, a proposed Annual Work Plan and Budget containing: (i) all activities to be carried out under the Project during the following year; (ii) a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing; and (iii) any training activities that may be required under the Project including (A) the type of training, (B) the purpose of the training, and (C) the cost of the training;

(a) afford the World Bank a reasonable opportunity to exchange views with the Recipient on each such proposed Annual Work Plan and Budget, and shall thereafter ensure that the Project is implemented with due diligence during said following year, in accordance with such Annual Work Plan and Budget as shall have been approved by the World Bank; and

(c) not make or allow to be made any change to the approved Annual Work Plan and Budget without the World Bank's prior written approval.
E. Safeguards

1. By not later than thirty (30) days after the date of this Agreement, the Recipient shall, after proper public consultation, adopt and publicly disclose an Environmental Management Plan ("EMP"), and any Abbreviated Resettlement Action Plan(s) ("ARAP(s)") and Hazard Risk Assessment(s), for the Project, all of which shall be in form and substance satisfactory to the World Bank.

2. Following the Recipient’s adoption and public disclosure of the EMP, ARAP(s), and Hazard Risk Assessment(s) (collectively, “Safeguard Instruments”), the Recipient shall incorporate and thereafter maintain Safeguard Instruments in the POM, all to the satisfaction of the World Bank.

3. Without limitation to the provisions of Section 2.01 of the Standard Conditions, the Recipient shall carry out the Project in accordance with the provisions of the Safeguard Instruments, and to this end, shall maintain throughout Project implementation, dedicated teams to ensure the Project’s compliance with the Safeguard Instruments, all of which shall be acceptable to the World Bank.

4. Civil works under the Project shall begin: (a) only after the requisite Safeguard Instruments have been prepared, properly consulted on, adopted and publicly disclosed; and (b) in the case of any Involuntary Resettlement, only after the respective Displaced Persons have been compensated in accordance with the relevant ARAP(s).

5. In carrying out Parts 1 and 2 of the Project, the Recipient shall ensure that the activities involve no land acquisition or Involuntary Resettlement, and shall immediately inform the World Bank of any circumstances that have arisen or that may arise concerning: (a) the Recipient’s legal possession of a proposed or selected site; or (b) the possibility of Involuntary Resettlement on a proposed or selected site, recognizing that any civil works related to Parts 1 and 2 of the Project that are carried out under such circumstances shall not be eligible for Grant financing under this Agreement.

6. In carrying out Part 3 of the Project, the Recipient shall take all necessary actions to minimize, to the extent possible, any Involuntary Resettlement and shall make all necessary payments of compensation in accordance with the relevant ARAP(s) prior to the commencement of any of the related civil works.

7. Prior to the selection of consultants for technical advisory services or contractors for civil works, the Recipient shall submit to the World Bank for no-objection the terms of reference for such services, which shall incorporate the requirements of the World Bank’s Safeguard Policies then in force.
8. The Recipient shall ensure that: (a) any technical advice conveyed through technical assistance financed under this Agreement complies with the requirement of the relevant Safeguard Policies then in force; (b) all contractors carrying out the Project perform their work in accordance with the technical and environmental practices applicable to the Project, in accordance with the World Bank’s Safeguard Policies, and as set forth in the Safeguard Instruments, and under terms of reference and with qualifications and experience necessary to satisfactorily carry out the design and construction of the Project, and all of which shall be acceptable to the World Bank; and (c) any contracts for civil works under the Project include Codes of Conduct, for local and international contractors, their staff, guest workers, laborers, and government employees, in form and substance acceptable to the World Bank.

9. The Recipient shall ensure that the Safeguard Instruments, and any provision thereof, shall not be amended, suspended, abrogated, terminated or waived or permitted to be amended, suspended, abrogated, terminated or waived, except with the prior written consent of the World Bank.

10. Not later than thirty days (30) days following the Effective Date, the Recipient shall establish, and thereafter maintain and publicize throughout Project implementation, a Project feedback and grievance redress mechanism, in form and substance satisfactory to the World Bank, to hear and determine fairly and in good faith all feedback and complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by said feedback and grievance redress mechanism, in a manner satisfactory to the World Bank.

11. The Recipient shall:

(a) as soon as reasonably practicable, but not later than five (5) calendar days after the occurrence of a Significant Event, inform the World Bank by any electronic means of the nature of the incident, accident, or circumstance and any effect or impact (whether on-site or off-site) resulting or likely to result there from;

(b) as soon as reasonably practicable, but not later than thirty (30) days after such Significant Event, provide the World Bank with a summary report that includes a description of such Significant Event, and the measures, if any, that the Recipient is taking or plans to take to address such Significant Event and to prevent any future similar event; and

(c) keep the World Bank informed of the on-going implementation of the said measures and plans.
F. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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 (“Anti-Corruption Guidelines”).

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. For the period of Project implementation through December 31, 2019, each such audit of the Financial Statements shall cover the period of six months of the Recipient’s fiscal year, and thereafter each such audit shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
Section III.  Procurement

A. By not later than fourteen (14) days after the date of this Agreement, the Recipient shall finalize and publicly disclose an initial procurement plan for the Project ("Procurement Plan"), which shall be in form and substance satisfactory to the World Bank.

B. All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the "World Bank Procurement Regulations for IPF Recipients" dated July 2016, revised November 2017 ("Procurement Regulations"), and the provisions of the Recipient's procurement plan for the Project ("Procurement Plan") provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

Section IV.  Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "Disbursement Guidelines for Investment Project Financing" dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant 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 Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services, Training, and Operating Costs under sub-Parts 1 (a) (iv), 1 (b), 1 (c), 2 (c), 3 (b) (ii), and 4 (a)-(b) of the Project, and the Participation Fee and Annual Premiums under Part 4 (c) of the Project.</td>
<td>19,450,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Works under sub-Parts 1 (a) (i)-(iii), 2 (a)-(b), 3 (b) (i), and 3 (c) of the Project.</td>
<td>28,750,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Works under sub-Part 3 (a) of the Project.</td>
<td>7,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>55,200,000</td>
<td></td>
</tr>
</tbody>
</table>

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 date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $11,040,000 may be made for payments made prior to this date but on or after December 13, 2017, for Eligible Expenditures under Category (2), following an Environmental and Social Safeguards Audit, satisfactory to the World Bank, showing that the pertinent obligations set forth in this Agreement, as applicable to each Eligible Expenditure, have been complied with;
(b) under Category 2 until the relevant Safeguard Instruments have been adopted, made public, and incorporated into the POM in accordance with subsections I.E.1 and I.E.2 of Schedule 2 to this Agreement; and

(c) under Category 3, until (i) the requirements set forth in subsection IV.B.1(b) of this Schedule are established, and (ii) the criteria and processes for the selection of beneficiaries under Part 3(a) of the Project are determined to be acceptable by the World Bank in accordance with Section I.A.4 of Schedule 2 to this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 1, 2023.
APPENDIX

Definitions

1. “Abbreviated Resettlement Action Plan(s)” or “ARAP(s)” means an abbreviated resettlement action plan or plans that: (a) is used when the Project affected persons are not physically displaced and less than 10 percent of their productive assets are lost, or when fewer than 200 persons are displaced; and (b) covers the minimum elements of (i) a census survey of displaced persons and valuation of assets, (ii) description of compensation and other resettlement assistance to be provided, (iii) consultations with displaced persons about acceptable alternatives, (iv) institutional responsibility for implementation and procedures for grievance redress, (v) arrangements for monitoring and implementation, and (vi) a timetable and budget, and as said plan may be amended from time to time with the prior approval of the World Bank.

2. “Annual Premium” means the annual premium to be paid by the Recipient for catastrophe risk insurance with CCRIF as set forth in an Insurance Agreement.

3. “Annual Work Plan and Budget” means the work plan and budget prepared annually by the Recipient and approved by the World Bank in accordance with Section I.D of Schedule 2 to this Agreement; “Annual Work Plans and Budgets” means more than one such Annual Work Plan and Budget.


5. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.

6. “CCRIF SPC” or “CCRIF” means the insurance facility established pursuant to the Memorandum and Articles of Association, amended and restated by special resolution dated May 27, 2014 and registered in the Cayman Islands, and formerly known as the Caribbean Catastrophe Risk Insurance Facility.

7. “Codes of Conduct” means the codes of conduct referred to in Section I.E.8 of Schedule 2, detailing, *inter alia*, measures and standards of professional conduct for people working on the Project, including with regard to preventing sexual harassment and responding to matters of violence (including gender-based violence, and violence against minors), and included in the Environment Management Plan and shared with workers and community.
8. "Department of Tourism" means the department within the Recipient's Ministry of Tourism, Economic Affairs, Transport and Telecoms that is responsible for matters concerning tourism in the Recipient's territory.

9. "Displaced Person" means a person who, on account of the execution of the Project, is or will be subject to Involuntary Resettlement.


11. "Environmental and Social Safeguards Audit" means an instrument to determine the nature and extent of environmental and social safeguard areas of concern and compliance at an existing facility and proposes and justifies appropriate measures to mitigate areas of concern, estimates the costs of the measures, and recommends a schedule for implementing them.

12. "Environmental Management Plan" or "EMP" means the plan adopted by the Recipient, pursuant to the provisions of Section I.E of Schedule 2 to this Agreement, in respect of activities to be carried out by the Recipient under the Project; such plan defines the detailed measures to manage potential environmental and social risks and mitigate, reduce and/or offset adverse environmental and social impacts associated with the implementation of said activities under the Project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as the same may be amended and supplemented from time to time with the prior approval of the World Bank.

13. "GEBE" means the limited liability company "NV Gemeenschappelijk Elektriciteitsbedrijf Bovenwindse Eilanden", the sole utility company producing and distributing electricity and distributing water in the territory of the Recipient, of which the Recipient is the sole shareholder pursuant to the register of shareholders of the country of Sint Maarten.

14. "GEBE Subsidiary Agreement" means the subsidiary agreement referred to in Section I.B.1 of Schedule 2 to this Agreement.

15. "Hazard Risk Assessment(s)" means an assessment or assessments used to identify, analyze and control hazards associated with the presence of dangerous materials and conditions at a Project site.

16. "Inspection Department Economic Affairs" or "IDEZ" means Inspectie Department Economische Zaken, the economic inspection department under the Ministry of Tourism, Economic Affairs, Transport and Telecoms.

17. "Insurance Agreement" means the agreement referred to in Section I.A.6 of Schedule 2 to this Agreement, which serves as the basis upon which the Recipient
shall make the proceeds of the Grant available to the CCRIF for the payment of Annual Premiums under Part 4 (c) of the Project.

18. “Interim Recovery Committee” or “IRC” means the committee of the same name established under the Recipient’s Minister of General Affair’s office, or any legal successor or successors thereto.

19. “Involuntary Resettlement” means: (a) the involuntary taking of land resulting in (i) relocation or loss of shelter, (ii) loss of assets or access to assets, and (iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of such person.

20. “Meteorological Department Sint Maarten” means the department of the same name under the Ministry of Tourism, Economic Affairs, Traffic and Telecommunication.

21. “Ministry of Education, Youth and Sports” means the Recipient’s ministry of the same name or any legal successor or successors thereto.

22. “Ministry of Finance” means the Recipient’s ministry of the same name or any legal successor or successors thereto.

23. “Ministry of General Affairs” means the Recipient’s ministry of the same name or any legal successor or successors thereto.

24. “Ministry of Justice” means the Recipient’s ministry of the same name or any legal successor or successors thereto.

25. “Ministry of Public Health, Social Development and Labor” or “VSA” means Volksgezondheid, Sociale Ontwikkeling en Arbeid, the Recipient’s ministry of the same name or any legal successor or successors thereto.

26. “Ministry of Public Housing, Spatial Planning, Environment and Infrastructure” or “VROMI” means Volkshuisvesting Ruimtelijke Ordening, Milieu en Infrastructuur, the Recipient’s ministry of the same name or any legal successor or successors thereto.

27. “Ministry of Tourism, Economic Affairs, Traffic and Telecommunication” or “TEATT” means the Recipient’s ministry of the same name or any legal successor or successors thereto.

28. “National Recovery Program Bureau” or “NRPB” means the bureau of the same name to be established by law through the “Temporary National Ordinance on the National Recovery Program Bureau” as an independent administrative agency of
the Recipient, for the purpose of managing the Trust Fund and implementing projects financed under the Trust Fund, or any legal successor or successors thereto.

29. “National Recovery and Resilience Plan” means the plan pursuant to Article 2 of the “Temporary National Ordinance on the National Recovery Program Bureau”, enacted for the purpose of listing and prioritizing the short-, medium- and long-term needs for the recovery of Sint Maarten and to give an indication of the funds, costs and investments required to meet these needs.

30. “Operating Costs” means reasonable incremental expenses directly incurred on account of the implementation, management, and monitoring of the projects carried out under the Trust Fund, including: staff compensation and social and pension benefits for staffing set forth in a staffing plan satisfactory to the World Bank; project audits; office supplies; office rental; publication of procurement notices; vehicle rental; office and equipment maintenance and repair; communication; translation and interpretation; travel and supervision costs; subscription to publications and databases; publication fees; ownership of intellectual property rights; and other miscellaneous expenses directly associated with the Project and agreed between the World Bank and the Recipient.

31. “Participation Agreement” means the agreement referred to in Section I.A.6 of Schedule 2 to this Agreement, which serves as the basis upon which the Recipient shall make the proceeds of the Grant available to the CCRIF for the payment of the Recipient’s Participation Fee under Part 4 (c) of the Project.

32. “Participation Fee” means the Recipient’s entrance fee to participate in CCRIF as set forth in the Participation Agreement.

33. “Procurement Plan” means the Recipient’s procurement plan for the Project, prepared by the Recipient, and satisfactory to the World Bank, pursuant to Section III.A of Schedule 2 to this Agreement, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.


35. “Program Steering Committee” means the steering committee established as the governance body of the Trust Fund, consisting of a representative of the Recipient, a representative from the Netherlands Ministry of Interior and Kingdom Relations, and a representative of the World Bank, that serves to: (a) endorse strategic priorities and annual work plans and budgets of the Trust Fund financed program; and (b) monitor the program’s annual progress.
36. "Project Operations Manual" or "POM" means the Project Operations Manual referred to in Section I.C of Schedule 2 to this Agreement, as the said manual may be amended from time to time, with the prior written approval of the World Bank, and such term includes any schedules to the POM.

37. "Public Buildings" means buildings that are owned, maintained or insured by the Government of Sint Maarten that provide a critical public service.

38. "Safeguard Instruments" means collectively the EMP, ARAP(s) and Hazard Risk Assessment(s).

39. "Sint Maarten Housing Development Foundation" or "SMHDF" means the foundation of the same name that pursuant to a performance agreement with the Recipient, dated June 23, 1997, provides social housing in the territory of the Recipient.

40. "SMHDF Subsidiary Agreement" means the subsidiary agreement referred to in Section I.B.2 of Schedule 2 to this Agreement.


42. "Subsidiary Agreements" means the subsidiary agreements referred to in Section I.B of Schedule 2 to this Agreement.

43. "Training" means reasonable expenditures (excluding costs of consultants’ services) incurred for Project-related study tours, training courses, seminars, workshops and other training activities, including costs associated with securing the services of trainers, preparation and reproduction of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, and other training related miscellaneous costs, all based on an Annual Work Plan and Budget agreed with the World Bank.


45. "World Bank’s Safeguard Policies" means the World Bank’s operational policies and procedures set forth in the World Bank’s operational manual under Operational Policies and Bank Procedures 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50, and 7.60, as said manual is published under www.WorldBank.org/opmanual.