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: Regional Disaster Vulnerability Reduction Project
SCF-PPCR Grant Number TF010204
Amendment to the Grant Agreement

Excellency:

Please refer to the SCF-PPCR Grant Agreement (TF010204) entered into between Grenada (the Recipient) 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 20, 2011 (the Grant Agreement). Capitalized terms used in this letter (Amendment Letter) and not defined herein have the meaning ascribed to them in the Grant Agreement.

In response to the Bank team’s discussions with the Recipient’s authorities with respect to amending the Grant Agreement as set forth below, we are pleased to inform you that the World Bank agrees with your request and hereby proposes to amend the Grant Agreement, as follows:

1. Section IV.A.2 of Schedule 2 to the Grant 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 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, Works, Non-consulting Services, Consultants’ Services, Training and Operating Costs under Parts A, B and D of the Project</td>
<td>8,000,000</td>
<td>34% for expenditures incurred prior to August 12, 2015, 100% for expenditures incurred thereafter</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>8,000,000</td>
<td></td>
</tr>
</tbody>
</table>
Expenditures incurred under the Operating Costs Category shall be deemed “Eligible Expenditures” effective from November 1, 2011.

For the purpose of the above, the term:

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

(b) “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.”

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

“2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is December 31, 2018.”

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 Grant 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. This Amendment Letter shall become effective as of the date of the countersignature.

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
Sophie Sirtaine
Director
Caribbean Country Management Unit
Latin America and the Caribbean Region
AGREED AND CONFIRMED:

GRENADA

By: [Signature]

Authorized Representative

Name: TIMOTHY ANTOINE

Title: PERMANENT SECRETARY

Date: August 26, 2015