Financing Agreement

(OECS Regional Tourism Competitiveness Project)

between

SAINT VINCENT AND THE GRENADINES

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 16, 2017
FINANCING AGREEMENT

AGREEMENT dated May 16, 2017, entered into between SAINT VINCENT AND THE GRENADINES ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount of five million Dollars ($5,000,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are March 15 and September 15 in each year.
2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions and in coordination with the other two (2) Participating Countries, and shall enter into the Subsidiary Agreement with Saint Lucia for the purposes of implementation of Part A. 2 (a) of the Project.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following:

The Grenada Loan Agreement and Saint Lucia Financing Agreement have been executed and all conditions precedent to the effectiveness of said Loan Agreement and Financing Agreement (other than the effectiveness of this Agreement) have been fulfilled.

4.02 The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.03 For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V— REPRESENTATIVE; ADDRESSES

501. The Recipient’s Representative is its Minister of Finance.

502. The Recipient’s Address is:

Office of the Prime Minister
Administrative Building
Bay Street, Kingstown
Saint Vincent and the Grenadines

Facsimile: (784) 456-2430

503. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: Facsimile:

248423 (MCI) 1-202-477-6391
AGREED at District of Columbia, United States of America, as of the day and year first above written.

SAINT VINCENT AND THE GRENADINES

By

[Signature]
Authorized Representative

Name: H.E. Lou-Ann Gilchrist
Title: Ambassador

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]
Authorized Representative

Name: Tahseen Sayed
Title: Country Director, Latin America and Caribbean Region
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) facilitate the movement of tourists within the Participating Countries using ferries; (b) improve selected tourism sites; and (c) strengthen implementation capacity for regional tourism market development.

The Project consists of the following parts:

Part A: Facilitation of the Movement of People

1. Establishment of a single regional space for immigration and customs regulations for international tourists, including:
   (a) at the national level, through:
       (i) the rehabilitation and upgrading of domestic ferry terminals of the Recipient to convert them into international terminals; and
       (ii) the provision and installation of the equipment needed for immigration and customs clearance and security enhancement in the Recipient’s ferry terminals.
   (b) at the regional level through provision of technical assistance for:
       (i) the country-level implementation of decisions made at a regional level for the facilitation of the movement of people and goods, including the implementation of any revisions to the existing regional immigration system, to the OECS Treaty or other treaties of the Participating Countries for the creation of a single economic space, and any other policy/regulatory changes aimed at the facilitation of the movement of people and goods that would require country-level implementation; and
       (ii) introduction of a simplified immigration and customs clearance system for the Participating Countries’ ferry vessels that would allow them to submit their customs declarations and other required documents in the form of electronic notifications, prior to arrival to their destination (“Sail Clear” system).
2. Development of a pilot regional ferry system corridor, including:

(a) establishing a temporary Ferry Services Fund for providing Ferry Services Incentives to selected ferry operators to encourage ferry transportation within the territories of the Participating Countries;

(b) providing technical assistance, software and hardware for development of a centralized ferry scheduling system;

(c) providing technical assistance to review the legal, institutional and operational framework related to water transport, safety standards and their enforcement; and

(d) supporting the dialogue between the Recipient’s government and ferry operators.

Part B: Pilot Tourism Investments

1. Provision of the assistance to the Recipient with the development of its marine-based tourism sector through:

(a) upgrading of anchorage site infrastructure; and

(b) conducting a precursor study and development of a road map for the establishment of the Maritime Training Institute and for attaining Standards of Training, Certification and Watchkeeping for Seafarers.

2. Carrying out of infrastructure improvements and rehabilitation works for the Fort Charlotte historic site and the bridge leading to the Fort, including preparation of technical studies and design plans for such improvements and works.

Part C: Market Development and Promotion Capacity Building

1. Providing assistance to the Recipient in strengthening its tourism market development capacity, including, inter alia, the preparation and implementation of its tourism development plan, tourism environmental planning and management, financial and economic impact assessment, strengthening its social media presence, enhancing online presence and carrying out outreach work.

2. Carrying out of the activities to develop and implement a regional market development program for attracting new markets and consolidating
existing ones, including preparing a regional market strategy and developing an IT platform for the region’s travel marketing, training and participating in regional trade fares.

Part D: Project Implementation Support

1. Strengthening the capacity of the PSIPMU and Project implementing agencies for Project management and coordination, including monitoring and evaluation, audits, recruitment of relevant staff, Training and financing of Incremental Operating Costs.

2. Carrying out the Project impact evaluation.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. *Regional Steering Committee*

The Recipient shall carry out the Project in coordination with other Participating Countries and to that effect shall establish, jointly with other Participating Countries, not later than ninety (90) days from the date of this Agreement, the Regional Steering Committee with a composition, mandate, and terms of reference satisfactory to the Association and shall delegate its representatives to said Committee.

2. *Project Steering Committee*

(a) The Recipient shall, not later than by May 1, 2017, establish and thereafter maintain at all times during the implementation of the Project, a PSC with a composition, mandate, terms of reference and resources satisfactory to the Association.

(b) The PSC shall meet at least twice a year and shall be responsible for providing oversight on Project implementation, including, *inter alia*: (i) assessing Project results and recommending adjustments where needed; (ii) facilitating coordination of Project activities and ensuring synergies with other projects activities, and (iii) incorporating the recommendations of the Regional Steering Committee into the Project.

3. *Public Sector Investment Programme Management Unit*

(a) The Recipient shall maintain and operate, at all times during the implementation of the Project, the PSIPMU with the structure, functions, terms of reference, resources and competent staff, all satisfactory to the Association and adequate to carry out both the national and regional Project related activities.

(b) To ensure the effective implementation of the Project, the Recipient shall, not later than by May 1, 2017, recruit the Project Manager, with the experience and qualifications, and under terms of reference, all satisfactory to the Association.
B. Project Operational Manual

1. The Recipient shall implement the Project in accordance with the Project Operational Manual.

2. Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend or waive the Project Operational Manual, or any provision thereof.

3. In the event of any inconsistency between the provisions of the Project Operational Manual and the provisions of this Agreement, the provision of this Agreement shall prevail.

C. Ferry Services Fund

1. In implementing Part A (2) (a) of the Project, the Recipient shall:
   (a) select each Ferry Operator in accordance with eligibility criteria set forth in the Ferry Services Fund Manual;
   (b) enter into a Ferry Services Agreement, consistent with the model agreement set forth in the Ferry Services Fund Manual, with each Ferry Operator for the purposes of provision to the respective Ferry Operator of Ferry Services Incentives; and
   (c) exercise its right and carry out its obligations under each Ferry Service Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project, and, except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce any Ferry Services Agreement or any provision thereof.

2. In case of any inconsistency among the provisions of the Ferry Services Agreement, the Ferry Services Fund Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Subsidiary Agreement

1. To facilitate the carrying out of Part A. 2 (a) of the Project, the Recipient shall make part of the proceeds of the Financing in the amount of two hundred thousand Dollars ($200,000) available to Saint Lucia under a subsidiary agreement between the Recipient and Saint Lucia, under terms and conditions approved by the Association ("Subsidiary Agreement").
2. The resources to be provided by the Recipient to Saint Lucia under the Subsidiary Agreement referred to in paragraph 1 above shall be used exclusively for the purposes of Part A. 2 (a) of the Project and in accordance with the criteria, procedures and requirements set forth in the Ferry Services Fund Manual.

3. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate of fail to enforce the Subsidiary Agreement or any provisions thereof.

E. Anti-Corruption

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

F. Safeguards

1. The Recipient shall implement the Project in accordance with the relevant Safeguards Instruments, and, to that end, shall:

   (a) if any activity under the Project would require the adoption of any Supplemental Social and Environmental Safeguard Instrument:

      (i) prepare: (A) such Supplemental Social and Environmental Safeguard Instrument in accordance with ESMF and RPF; (B) furnish such Supplemental Social and Environmental Safeguard Instrument to the Association for review and approval; and (C) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument prior to implementation of the activity; and

      (ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument;

   (b) if any activity under the Project would involve Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under the respective Supplemental Social and Environmental Safeguard Instrument, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for
relocation, have been implemented in compliance with the provisions of said instrument, and in a manner acceptable to the Association.

2. Without limitation to the provisions of paragraph 1 above, prior to contracting of works for each proposed site under the Project, the Recipient shall: (a) submit to the Association for its prior approval: (i) the proposed design, including site location, for said works and, where required by the respective Safeguard Instrument or local legislation, as applicable, any related environmental documents which may include licenses and permits; and (ii) the proposed contract for said works to ensure that the provisions of the respective Supplemental Social and Environmental Safeguard Instrument are adequately included in said contract; and (b) ensure that such works are carried out in accordance with the respective Safeguard Instrument.

3. The Recipient shall ensure that no works for a specific part of the Project requiring resettlement and/or land acquisition are commenced until the respective Supplemental Social and Environmental Safeguard Instrument for said part of the Project is fully implemented.

4. The Recipient shall not assign, amend, abrogate or waive Safeguards Instruments or any provision thereof, without the prior approval of the Association. In the event of any inconsistency between the provisions of any Safeguards Instrument and the provisions of this Agreement, the provisions of this Agreement shall prevail.

5. The Recipient, through the PSIPMU, shall ensure that the terms of reference for any consultancies related to the technical assistance provided under the Project shall duly incorporate the requirement of the Association’s Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover a period of six (6) months, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Credit shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; (c) Procurement under Framework Agreements in accordance with
procedures which have been found acceptable to the Association; (d) Direct Contracting; and (e) Force Account.

C. Particular Methods of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants' Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of UNOPS; (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

E. Procurement of Incremental Operating Costs

Given the nature of expenditures under the Incremental Operating Costs category, such expenditures may be procured in accordance with the established administrative procedures of the Recipient acceptable to the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association 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 Financing (“Category”), the allocations of the
amounts of the Credit 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 Credit (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Training and Incremental Operating Costs for the Project</td>
<td>4,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Ferry Services Incentives under Part A. 2 (a) of the Project</td>
<td>200,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>5,000,000</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 $50,000 may be made for payments made prior to this date but on or after February 1, 2017, for Eligible Expenditures under Category (1); or

   (b) under Category (2) for Ferry Services Incentives to eligible Ferry Operators, unless the Recipient has: (i) entered into the Subsidiary Agreement, in form and substance satisfactory to the Association, and all conditions precedent to the effectiveness of said Subsidiary Agreement (other than the effectiveness of this Agreement) have been fulfilled; and (ii) adopted the Ferry Services Fund Manual, satisfactory to the Association.

2. The Closing Date is September 1, 2023.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 15 and September 15:</td>
<td></td>
</tr>
<tr>
<td>commencing September 15, 2027 to and including March 15, 2037</td>
<td>1%</td>
</tr>
<tr>
<td>commencing September 15, 2037 to and including March 15, 2057</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
APPENDIX

Section I. Definitions

1. “Affected Person” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood; and “Affected Persons” means the plural thereof.


3. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

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


6. “ESMF” means the Environmental and Social Management Framework prepared and adopted by the Recipient for the purposes of the Project, satisfactory to the Association, and disclosed in the Recipient’s country on October 31, 2016 and in the Association’s Infoshop on November 7, 2016, which sets forth, inter alia, (a) the modalities for site-specific environmental screening, including measures for chance finding of cultural property, pest management, protection of natural habitats; (b) guidelines for the identification of existing environmental and social conditions and potential direct and indirect environmental and social impacts and risks resulting from the carrying out of the Project; (c) guidelines for the carrying out of environmental assessments and the preparation of Environmental Management Plans, when applicable; (d) recommendation of mitigation measures for each negative impact identified; (e) measures for enhancing each identified positive impact; and (f) guidelines for the preparation of environmental and social monitoring plans for tracking the application of the mitigation measures, as said
framework may be amended from time to time with the Association’s prior approval.

7. “Environmental Management Plan” or “EMP” means a site specific environmental management plan, satisfactory to the Association, to be prepared by the Recipient pursuant to the provisions of ESMF, as such plan may be amended from time to time with the prior written approval of the Association, and “EMPs” means the plural thereof.

8. “Ferry Operator” means a ferry operator selected for the purposes of the Ferry Services Fund under Part A. 2 (a) of the Project in accordance with the criteria and procedures set forth in the Ferry Services Fund Manual.

9. “Ferry Services Agreement” means an agreement executed or proposed to be executed between the Recipient and each Ferry Operator pursuant to Section I. C 2 of Schedule 2 to this Agreement and consistent with the model agreement set forth in the Ferry Services Fund Manual.

10. “Ferry Services Fund” means a temporary financial facility to be established by the Participating Countries under Part A. 2 (a) of the Project for the purposes of facilitating ferry transportation within the territories of the Participating Countries, including provision of financial incentives to selected Ferry Operators.

11. “Ferry Services Fund Manual” means a manual to be prepared by the Recipient for the purposes of operation of the Ferry Services Fund and satisfactory to the Association, which shall include, inter alia, the objectives and description of the activities to be facilitated and encouraged by the Fund, the criteria and procedures for the selection of Ferry Operators, technical, operational, safety and environmental standards, requirements and procedures to be complied with by Ferry Operators, as well as a Model Ferry Services Agreement, as such Manual may be amended from time to time with the Association’s prior agreement.

12. “Ferry Services Incentives” means temporary monetary payments to be paid to Ferry Operators pursuant to the respective Ferry Services Agreement on a periodic basis from the Ferry Services Fund in accordance with the procedures and at rates set forth in the Ferry Services Fund Manual, with such rates taking into account, inter alia, the number and the length of the routes serviced by the respective Ferry Operator within the determined period of time.

13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

14. “Grenada Loan Agreement” means the loan agreement for the Project between Grenada and the Bank, dated the same date as this Agreement, as such loan
agreement may be amended from time to time. “Grenada Loan Agreement” includes all appendices, schedules and agreements supplemental to the Loan Agreement.

15. “Incremental Operating Costs” means incremental costs incurred by the PSIPMU on account of the Project coordination, implementation and monitoring, including expenditures for vehicles operation and maintenance, office supplies and consumables, utilities, communication, translation and interpretation, bank charges, Project related travel, including per diem and accommodation (but excluding salaries of the Recipient’s civil servants) and other miscellaneous costs directly associated with the Project implementation, all based on periodic budgets acceptable to the Association.

16. “IT” means information technology.


18. “Participating Countries” means jointly Grenada, Saint Vincent and the Grenadines and Saint Lucia, and “Participating Country” means any one of these countries.


20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 23, 2017 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

21. “Project Operational Manual” means the manual prepared by the Recipient for the purposes of the Project and satisfactory to the Association, which shall contain a detailed description of the Project, procedures for implementation of the Project, institutional arrangements, all consistent with the provisions of this Agreement and with applicable laws and regulations and including, inter alia, timetables of actions required to be carried out under the Project, staffing, the fiduciary, technical and operational aspects and procedures, including the financial management procedures (budgeting, accounting and internal control, disbursement and flow of funds, financial reporting, annual reports, internal and external audit arrangements procedures and including the Project specific chart of accounts), procurement procedures, the ESMF and the RPF, monitoring and evaluation arrangements, and other fiduciary and administrative arrangements and necessary terms of reference, as the same may be amended from time to time by agreement with the Association.
22. "Project Steering Committee" or "PSC" means the committee established by the Recipient for the purposes of overall Project guidance and supervision and referred to in paragraph 2 of Section I. A of Schedule 2 to this Agreement.

23. "Public Sector Investment Programme Management Unit" or "PSIPMU" means the unit within the Recipient’s Ministry of Economic Planning, Sustainable Development, Industry, Information and Labour, and referred to in paragraph 3 of Section I. A of Schedule 2 to this Agreement.

24. "Regional Steering Committee" means the committee established by the Recipient jointly with the other two Participating Countries for the purposes of coordination of the Project regional activities and referred to in paragraph 1 of Section I. A of Schedule 2 to this Agreement.

25. "Resettlement Action Plan" or "RAP" means a site specific resettlement action plan, satisfactory to the Association, to be prepared by the Recipient pursuant to the provisions of RPF for compensation, resettlement and rehabilitation of Affected Persons, in connection with the works to be implemented under the Project, as such plan may be amended from time to time with the prior written approval of the Association, and “RAPs” means the plural thereof.

26. "Resettlement Policy Framework" or "RPF" means the document prepared by the Recipient for the purposes of the Project, satisfactory to the Association, and disclosed in the Recipient’s country on October 31, 2016 and in the Association’s InfoShop on November 7, 2016, defining the modalities for resettlement under the Project, including land acquisition, and describing the policies, procedures, plans and actions (including preparation of Resettlement Action Plans), and institutional measures related to land acquisition and other social impacts that may arise during the Project implementation, as said framework may be amended from time to time with the Association’s prior approval.

27. "Safeguards Instruments" means ESMF, RPF and all Supplemental Social and Environmental Safeguard Instruments, and “Safeguards Instrument” means any one of these instruments.


29. "Saint Lucia Financing Agreement" means the agreement between Saint Lucia and the Association for the Project, dated the same date as this Agreement, as such agreement may be amended from time to time. “Saint Lucia Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.
30. "Subsidiary Agreement" means the Subsidiary Agreement entered into between the Recipient and Saint Lucia for the purposes of Part A.2 (a) of the Project pursuant to Section I.D of Schedule 2 to this Agreement.

31. "Supplemental Social and Environmental Safeguard Instrument" means any EMP, RAP, physical cultural heritage resource management plan or other site specific supplemental social and environmental safeguard instruments as may be required under the terms of ESMF or RPF, and "Supplemental Social and Environmental Safeguard Instruments" means the plural thereof.

32. "Training" means Project related 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.

33. "UNOPS" means the United Nations Office for Project Services.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

   "Section 3.02. Service Charge and Interest Charge

   (a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

   (b) Interest Charge. The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."

2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".

3. The Appendix is modified by inserting a new paragraph 32 with the following
definition of "Interest Charge", and renumbering the subsequent paragraphs accordingly:

"32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02 (b)."

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to Section 3.02 with Section 3.02 (a).