Financing Agreement
(First Phase of the Caribbean Regional Communications Infrastructure Program – CTU Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

CARIBBEAN TELECOMMUNICATIONS UNION

Dated June 26, 2012
FINANCING AGREEMENT

AGREEMENT dated June 26, 2012, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and CARIBBEAN TELECOMMUNICATIONS UNION ("Recipient").

WHEREAS (A) the Recipient and the Participating Countries have agreed to participate in a program designed to facilitate the Participating Countries connectivity to regional broadband networks through a submarine cable and terrestrial infrastructure to enable the Participating Countries to increase access to quality and affordable information and communication technology services ("Caribbean Regional Communications Infrastructure Program" or "Program");

(B) the Recipient, having satisfied itself as to the feasibility and priority of the project ("Project", as described in Schedule I hereto) under the first phase of the Program, has requested the Association to assist in the financing of the Project; and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend the Grant to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE 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 grant in an amount equivalent to two million Special Drawing Rights (SDR 2,000,000) ("Financing") to assist in financing the 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 Payment Dates are February 15 and August 15 in each year.

2.05. 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.

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 — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) The Agreement for the Establishment of the Recipient has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of the Recipient to perform any of its obligations under this Agreement.

(b) The treaty for the establishment of ECTEL has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of ECTEL to perform any of its obligations under the Implementing Agreement.

(c) The Memorandum and Articles of Association, and status of incorporation of CKLN pursuant to the Companies Act No. 109 of 2004, of Grenada, have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of CKLN to perform any of its obligations under the Implementation Agreement.

(d) At least two of the following agreements, namely, the Grenada Financing Agreement, or the Saint Lucia Financing Agreement, or the Saint Vincent and the Grenadines Financing Agreement shall have failed to become effective.
(e) (i) The right to withdraw the proceeds of any financing under either, the Grenada Financing Agreement, or the Saint Lucia Financing Agreement, or the Saint Vincent and the Grenadines Financing Agreement has been suspended, canceled or terminated, in whole or in part, pursuant to the terms of the relevant agreement; or (ii) any financing under any of the agreements mentioned in (i) herein has become due and payable prior to its agreed maturity.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The respective Implementation Agreements, in form and substance satisfactory to the Association, have been executed on behalf of the Recipient, CKLN and ECTEL, respectively.

(b) The Recipient has prepared and adopted, the Project Implementation Manual, in form and substance satisfactory to the Association.

(c) The respective Technical Agreements, in form and substance satisfactory to the Association, have been executed and delivered on behalf of the Recipient and at least two of the Participating Countries, respectively.

(d) The Recipient has: (i) established the Project Coordination Unit, in form and substance satisfactory to the Association; and (ii) appointed to said unit a Project coordinator and a procurement specialist and a financial management specialist, all in accordance with Section III of Schedule 2 to this Agreement.

5.02. The Additional Legal Matter consists of the following, namely, that the respective Implementation Agreements have been duly authorized or ratified by the Recipient and CKLN and ECTEL, respectively, and each said Implementation Agreement is legally binding upon the Recipient and CKLN and ECTEL, in accordance with their respective terms.

5.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than eighteen (18) months after the Association’s approval of the Grant, which shall expire on November 22, 2013.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Secretary General.
6.02. The Recipient’s Address is:

Caribbean Telecommunications Union
Victoria Park Suites (3rd Floor)
14-17 Victoria Square
Port of Spain
Trinidad and Tobago

Facsimile:
1-868-623-1523

6.03. The Association’s Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C.
AGREED at the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Françoise Clottes

Title: Country Director

CARIBBEAN TELECOMMUNICATIONS UNION

By

Authorized Representative

Name: Bernadette Lewis

Title: Secretary General
SCHEDULE 1

Project Description

The objective of the Project is to facilitate the implementation of the Program by increasing coordination, harmonizing policies and strategies, and transferring knowledge among the Participating Countries.

The Project constitutes the first phase of the Program, and consists of the following parts:

Part A: Regional Connectivity

1. Expanding the regional broadband backbones and the broadband backbones of the Participating Countries that are eligible for financing by the Association, by providing technical assistance and co-ordination support in connection with: (a) the design, deployment, regulation, use and interface of the respective national and regional networks; (b) the development of regulatory frameworks for the management and regulation of submarine fiber cable systems and cross border infrastructure; (c) monitoring compliance with the social and environmental safeguards under the Program; and (d) the expansion of internet exchange points (IXPs), including building public awareness, on the benefits of establishing IXPs, developing framework and regulatory instruments for connecting respective national IXPs to create a regional IXP.

2. Carrying out a program of activities for technical assistance and capacity building for the ECTEL to, inter alia: (a) develop and strengthen the regional legal and regulatory enabling environment for telecommunications focused on: (i) enhancing the competitiveness of the telecommunications market and promoting the interests of end-users; and (ii) ensuring an open and non-discriminatory access to communications infrastructure, infrastructure sharing and cost-based access rules; and (b) manage other issues affecting the regulation of submarine fiber cable systems and cross border infrastructure.

3. Expanding regional research and education networks to connect to the CKLN, including: (a) facilitating the dimensioning of the design of the regional backbones to ensure that they fit within the broader regional framework of C@ribnet; (b) identifying organizational gaps, providing support for generating research and education networks for the Participating Countries that are eligible for financing by the Association; and (c) designing harmonized policies to promote access to and ensure sustainability of available bandwidth.
Part B: ICT-led Innovation

1. Supporting the regional IT industry, including: (a) facilitating the development of state of the art regional centers of excellence; (b) facilitating the development of common strategies, policies, regulatory and incentive structures to support a multi-lingual regional information technology (IT) and IT-enabled services (ITES) industry; (c) designing and implementing standardized skills, certification and training of trainer programs for IT and ITES; and (d) promoting regional network of IT and technology incubators and technology centers, and identification of business and investment opportunities in the IT and ITES sector.

2. Facilitating CKLN to leverage usage of C@ribnet for innovation and skills development activities.

Part C: Implementation Support

Strengthening the capacity of the Recipient, CKLN and ECTEL for implementation, management, coordination, monitoring and evaluation of the Project, including hiring core staff for the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Regional Steering Committee

(a) The Recipient shall ensure that the Regional Steering Committee is established, not later than sixty (60) days after the Effective Date, and thereafter is maintained at all times during the implementation of the Project, with a composition, mandate, and in form and substance satisfactory to the Association.

(b) Without limitation to sub-paragraph (a) immediately above, the Recipient shall ensure that the Regional Steering Committee will be responsible for providing policy guidance to ensure prompt and efficient implementation of the Project, including, inter alia: (i) reviewing progress made towards achieving the Project's objective; (ii) facilitating the coordination of Project activities, and making recommendations for removal of any obstacles to the implementation of the Project; (iii) providing comments on reports and reviews under the Project; and (iv) providing a forum for the respective Participating Countries to exchange views on the related activities under the respective projects.

2. Coordination with Participating Countries

(a) To facilitate coordination with the following Participating Countries, namely, Grenada, Saint Lucia and Saint Vincent and the Grenadines, respectively, the Recipient shall enter into an agreement with each Participating Country (the Technical Agreement), in form and substance satisfactory to the Association, setting forth, inter alia, the terms of the Recipient's coordination with each Participating Country in the implementation of the regional activities under the Project and the Program.

(b) To facilitate coordination with, and participation of the Dominican Republic in the meetings of the CTU member countries relating to the Project, the Recipient shall, not later than sixty (60) days after the Effective Date, conclude a memorandum of understanding with the Dominican Republic (the "Memorandum of Understanding"), in form and substance satisfactory to the Association, setting forth, inter alia, the terms of the Dominican Republic's participation and coordination with
the Recipient in the implementation of the regional activities under the Project and the Program.

(c) The Recipient shall exercise its rights and carry out its obligations under each Technical Agreement and the Memorandum of Understanding, respectively, in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce any Technical Agreement or the Memorandum of Understanding or any provision of said Technical Agreement or the Memorandum of Understanding.

3. **Project Coordination Unit (PCU)**

(a) The Recipient shall establish and thereafter maintain, at all times during the implementation of the Project, the PCU with functions, staffing and resources satisfactory to the Association.

(b) Without limitation to the provisions of Section I.A.1 of this Schedule, the PCU shall be responsible for the day-to-day administration of the overall planning, coordination, the technical, fiduciary (i.e., procurement and financial management), environmental and social safeguards compliance, coordination, monitoring, evaluation, reporting and communication of the activities under the Project, all in accordance with the provisions of this Agreement and the Project Implementation Manual.

B. **Implementation Agreements**

1. To facilitate the carrying out of the Project, the Recipient shall coordinate closely the implementation of Parts A.3 and B.2 of the Project with CKLN, and Part A.2 of the Project with ECTEL, respectively. To this end, the Recipient and CKLN and ECTEL, respectively, shall outline the understanding as to such cooperation under respective agreements (“Implementation Agreements”), between the Recipient and CKLN and ECTEL, respectively, each said Implementation Agreement under terms and conditions approved by the Association, which shall include the terms and conditions set forth in Schedule 3 to this Agreement.

2. The Recipient shall exercise its rights and carry out its obligations under each Implementation 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 or fail to enforce any Implementation Agreement or any of its provisions.
C. **Project Implementation Manual**

1. The Recipient shall carry out the Project in accordance with the provisions of the Project Implementation Manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) environmental and social safeguard guidelines; (e) monitoring, evaluation, reporting and communication; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual without the prior written agreement of the Association; provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. **Anti-Corruption**

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

E. **Environmental and Social Safeguards**

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the ESMF and the RPF.

2. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF and the RPF or any provision thereof without prior approval in writing by the Association, subject to the same approval requirements as applicable to the adoption of the said instruments.

Section II. **Project Monitoring, Reporting and Evaluation**

A. **Project Reports**

1. 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 the indicators acceptable to the Association. Each Project Report shall cover the period of six calendar months, and shall be furnished to the Association not later than forty-five (45) days 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. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each six calendar months, interim unaudited financial reports for the Project covering the six calendar months, 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 four months after the end of such period.

4. The Recipient shall, not later than six months after the Effective Date, appoint the external auditors for the Project, in accordance with the provisions of Section III.C of this Schedule.

Section III. **Procurement**

A. **General**

1. **Goods and Non-consulting Services.** All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing 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 Financing 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 and Non-consulting Services**

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

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; and (c) Direct Contracting.

**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) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) 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.

**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 11 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 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 SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants' services and Training for the Project</td>
<td>1,550,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Operating Costs for the Project</td>
<td>450,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,000,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of this Section IV.A.2:

(a) the term "Training" means the cost associated with the training and workshops, approved by the Association, 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 and by training facilitators; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses;

(b) the term "Operating Costs" means the incremental expenses, approved by the Association, on account of Project implementation, including office equipment and supplies, vehicle operation and maintenance, coordination of activities costs, communication costs, office administration costs, utilities, travel, per diem, part salaries of the PCU staff (including the PCU staff assigned from time to time by CKLN or ECTEL, respectively), but excluding regular salaries of the officials of the Recipient; and

(c) the term "non-consulting services" means the cost associated with the services which will be bid and contracted on the basis of performance or measurable physical outputs, such as logistical service expenses for capacity building events, printing or training materials (not otherwise covered as Training expenses) and media campaigns.
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed one hundred thirty-five thousand SDR (SDR 135,000) may be made for payments made within one year prior to this date, but in no case prior to March 8, 2012, for Eligible Expenditures under Category (2).

2. The Closing Date is February 1, 2017.
SCHEDULE 3

Terms and Conditions of the respective Implementation Agreements

Each Implementation Agreement shall contain, *inter alia*, the following provisions:

A. The obligations of the Recipient:

1. to take all necessary measures to facilitate, throughout Project implementation, the cooperation of CKLN, and/or ECTEL, pursuant to the pertinent Implementation Agreement;

2. to take or permit to be taken all actions to enable the CKLN, or ECTEL, as the case may be, to comply with its obligations referred to in Section C of this Schedule;

3. to ensure that the Projects are carried out with CKLN’s assistance for the implementation of Parts A.3 and B.2 of the Project, and ECTEL’s support for the implementation of Part A.2 of the Project, respectively, in accordance with the provisions of the Anti-Corruption Guidelines; and

4. not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce any Implementation Agreement or any provision of any said Implementation Agreement, except as may otherwise be agreed by the Association.

B. The right of the Recipient to take remedial actions against either CKLN or ECTEL in case that either CKLN or ECTEL shall have failed to comply with any of its obligations under any Implementation Agreement (which actions shall previously be agreed with the Association).

C. The obligations of CKLN or ECTEL:

1. to cooperate and coordinate with the Recipient in the carrying out of Parts A.3 and B.2 of the Project, in the case of CKLN, and Part A.2 in the case of ECTEL, all in accordance with the provisions of this Agreement, the pertinent Implementation Agreement and the Project Implementation Manual;

2. to provide the Recipient with the implementation assistance as may be required, in compliance with the provisions of the Anti-Corruption Guidelines in connection with the Parts of the Project referred to in paragraph 1 immediately above;
3. to provide to the Recipient, the expertise resident within either CKLN, or ECTEL, as the case may be, including, if necessary, assigning on a part-time basis, respective CKLN or ECTEL official(s) to the Project Coordination Unit;

4. not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce any Implementation Agreement or any provision thereof, unless previously agreed by the Recipient and the Association; and

5. to take or permit to be taken all actions to enable the Recipient to comply with its respective obligations referred to in this Agreement and/or in any Implementation Agreement, as the case may be.
APPENDIX

Section I. Definitions


3. “Caribbean Knowledge and Learning Network Limited” and “CKLN” mean the Caribbean Knowledge and Learning Network Limited established and operating pursuant to the Companies Act No. 109 of 2004, of Grenada, as amended thereof, and any successor thereto.

4. “C@ribnet” means Caribbean network managed by the CKLN.

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


7. “Eastern Caribbean Telecommunications Authority” and “ECTEL” mean the entity established under the treaty establishing the Eastern Caribbean Communications Authority dated May 4, 2000, as amended thereof, and any successor thereto.

8. “Environmental and Social Management Framework” or “ESMF” means the framework titled: “Environmental and Social Management Framework: Regional Communications Infrastructure Program (RCIP) Phase I: Grenada, St. Vincent and Grenadines and St. Lucia (CARCIP)”, acceptable to the Association, dated December 2011, and published on February 29, 2012 and on March 2, 2012, respectively, setting forth the modalities for environmental screening and
procedures/actions for the preparation and implementation of environmental assessments and management plans under the Project, and such term includes all schedules and annexes to the Environmental and Social Management Framework, as the same may be amended from time to time with the agreement of the Association.

9. “Fiscal Year” means the fiscal year of the Recipient commencing January 1 and ending on December 31 of each year.

10. “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.

11. “Grenada Financing Agreement” means the financing agreement entered into or to be entered into between Grenada and the Association for the financing of the activities related to the Program, as set forth in Schedule 1 to said agreement.

12. “ICT” and “IT” mean information communications technology, and information technology, respectively.

13. “Implementation Agreement” means each agreement referred to in Section 1.1 of Schedule 2 to this Agreement, and the term, “Implementation Agreements” means collectively, all such agreements.


15. “Memorandum and Articles of Association” means the Memorandum and Articles of Association of CKLN filed with the Registrar of Companies of Grenada on October 4, 2004, and the Restated Articles of Association filed with said Registrar on the same date, all establishing the CKLN as a company limited by guarantee, and registered with said Registrar as Caribbean Knowledge and Learning Network Limited.

16. “Memorandum of Understanding” means the memorandum referred to in Section I.A.2(b) of Schedule 2 to this Agreement.

17. “Participating Countries” means the following countries that are participating in this first phase of the Program, namely, Dominican Republic, Grenada, Saint Lucia and Saint Vincent and the Grenadines.

19. "Procurement Plan" means the Recipient's procurement plan for the Project, dated March 16, 2012, 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.

20. "Program" means the program described in the Whereas clause (A) of the Preamble of this Agreement.

21. "Project Coordination Unit" means the coordination unit referred to in Section I.A.3 (a) of Schedule 2 to this Agreement.

22. "Project Implementation Manual" means the Recipient's manual referred to in Section I.C.1 of Schedule 2 to this Agreement.

23. "Regional Steering Committee" means the committee referred to in Section I.A.1 (a) of Schedule 2 to this Agreement.

24. "Resettlement Policy Framework" or "RPF" means the framework titled: "Resettlement Planning Framework: Regional Communications Infrastructure Program (RCIP) Phase 1: Grenada, St. Vincent and Grenadines and St. Lucia (CARCIP)" dated January 2011, and published on March 1, 2012 and on March 2, 2012, respectively, acceptable to the Association, setting forth the modalities for resettlement and compensation of any persons who may be affected or displaced under the Project as determined by the Association, and the guidelines for the preparation and implementation of the respective resettlement action plans, as the same may be amended from time to time with the agreement of the Association.

25. "Saint Lucia Financing Agreement" means the financing agreement entered into or to be entered into between Saint Lucia and the Association for the financing of certain activities related to the Program.

26. "Saint Vincent and the Grenadines Financing Agreement" means the financing agreement entered into or to be entered into between Saint Vincent and the Grenadines and the Association for the financing of certain activities related to the Program.

27. "Technical Agreement" means each agreement referred to in Section I.A.2 (a) of Schedule 2 to this Agreement, and the term, "Technical Agreements" means collectively, all such agreements.
Section II. Modifications to the General Conditions

The provisions of the General Conditions are modified as follows:

1. Section 2.06 is modified to read as follows:

   "Section 2.06. Financing Taxes

   The use of any proceeds of the Financing to pay for Taxes levied by, or in the territory of, the Participating Countries on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted by the Financing Agreement, is subject to the Association's policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Financing specified in the Financing Agreement, as required to ensure consistency with such policy of the Association."

2. Sections 3.03, 3.04 and 3.08 are deleted in their entirety, and Sections 3.05, 3.06, 3.07, 3.09 and 3.10 are re-numbered, respectively, as Sections 3.03, 3.04, 3.05, 3.06 and 3.07.

3. Paragraphs (b) and (c) of the newly re-numbered Section 3.07 are modified to read as follows:

   "(b) All Financing Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Participating Countries, and without deduction for, and free from, any Taxes levied by, or in the territory of, the Participating Countries.

   (c) The Legal Agreements shall be free from any Taxes levied by, or in the territory of the Participating Countries, or in connection with their execution, delivery or registration."

4. In Section 4.11, paragraph (a) is modified to read as follows:

   "Section 4.11. Visits

   "(a) The Recipient shall take all action necessary or useful to ensure that the Participating Countries afford all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Financing or the Project."
5. Section 5.01 is modified to read as follows:

"Section 5.01. Financial and Economic Data

The Recipient shall furnish to the Association all such information as the Association shall reasonably request with respect to its own financial condition as well as with respect to the financial and economic conditions in the territory of the Participating Countries, including the balance of payments and their External Debt as well as that of their political or administrative subdivisions and of any entity owned or controlled by, or operating for the account or benefit of, the Participating Countries or any such subdivision, and of any institution performing the functions of a central bank or exchange stabilization fund, or similar functions, for the Participating Countries."

6. Section 6.02 is modified as follows:

(a) Paragraphs (d)(i)(ii) on Cross-Suspension are modified to read as follows:

"(i) The Association or the Bank has suspended in whole or in part the right of the Recipient or of one or more Participating Country to make withdrawals under any agreement with the Association or with the Bank because of a failure, respectively, by the Recipient or of one or more Participating Countries to perform any of its obligations under such agreement.

(ii) The Bank has suspended in whole or in part the right of any borrower to make withdrawals under a loan agreement with the Bank guaranteed by a Participating Country because of a failure by such borrower to perform any of its obligations under such agreement."

(b) Paragraph (j) on Membership is modified to read as follows:

"(j) Membership. Any one or more of the Participating Countries: (i) have been suspended from membership in or ceased to be a member of the Association; or (ii) have ceased to be a member of the International Monetary Fund."

7. Paragraph (a) of Section 8.01 is modified to read as follows:

"(a) The execution and delivery of each Legal Agreement on behalf of the Recipient which is a party to such Legal Agreement have been duly authorized by all necessary corporate action."
8. The Appendix (Definitions) is modified as follows:

(a) Paragraphs 23, 29, 33 and 45 are modified to read as follows:

"23. “External Debt” means any debt which is or may become payable in a Currency other than the Currency of the Participating Countries”.

"29. “Foreign Expenditure” means an expenditure in the Currency of any country other than the Participating Countries for goods, works or services supplied from the territory of any country other than the Participating Countries.”

"33. “Local Expenditure” means an expenditure: (a) in the Currency of the Participating Countries; or (b) for goods, works or services supplied from the territory of any Participating Country; provided, however, that if the Currency of the Participating Countries is also that of another country from the territory of which goods, works or services are supplied, an expenditure in such Currency for such goods, works or services shall be deemed to be a Foreign Expenditure.”

"45. “Recipient” means the party to the Financing Agreement to which the Financing is extended.”

(b) New definitions 61 and 62 are added to read as follows:

“61. “Participating Countries” means the countries that are participating in the Program and are eligible for financing by the Association, namely, Grenada, Saint Lucia, and Saint Vincent and the Grenadines.

62. “Program” means the program referred to in the Financing Agreement in support of which the Financing for the Project is made.”