The Honourable Allen M. Chastanet
Prime Minister
Minister for Finance, Economic Growth, Job Creation,
External Affairs and Public Service
Office of the Prime Minister
5th Floor, Graeham Louisy Administrative Building
Waterfront, Castries
Saint Lucia

Dear Prime Minister:

Re: Saint Lucia: Disaster Vulnerability Reduction Project
    – Amendments to Loan Agreement (SCF-PPCR Loan Number TF017101), and
    Grant Agreement (SCF-PPCR Grant Number TF017143) – Amendment Letter

We refer to the Loan Agreement and Grant Agreement, both listed below, for the Disaster Vulnerability Reduction Project ("Project"), that were entered into between Saint Lucia ("Recipient") and the International Development Association ("Association"):

- Loan Agreement, Strategic Climate Fund ("SCF") through the Pilot Program for Climate Resilience ("PPCR") Loan Number TF017101, dated July 16, 2014 ("SCF-PPCR Loan Agreement"); and

- Grant Agreement, SCF-PPCR Grant Number TF017143, dated July 16, 2014 ("SCF-PPCR Grant Agreement").

We also refer to the Financing Agreement entered into between the Recipient and the Association ("Financing Agreement"), and the Grant Agreement entered into between the Recipient and the Association, acting as administrator of the Saint Lucia Disaster Vulnerability Reduction Project – EDF Trust Fund ("EDF Grant Agreement"), both for the purpose of providing additional financing in support of the Project. In line with (a) the changes introduced to the Project through the Financing Agreement and the EDF Grant Agreement, and (b) and the changes in implementation arrangements introduced by the Recipient, the SCF-PPCR Loan Agreement and the SCF-PPCR Grant Agreement are hereby amended as follows:

1. Article II, Section 2.01 – of each the SCF-PPCR Loan Agreement and SCF-PPCR Grant Agreement – is amended to read in its entirety as follows:

   "The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall: (a) carry out Parts A, B, D and E of the Project through the
Department of Economic Development, Transport and Civil Aviation ("DEDTCA") of the Ministry of Economic Development, Housing, Urban Renewal, Transport and Civil Aviation ("MoED"); and (b) cause Part C of the Project to be carried out by Saint Lucia Development Bank ("SLDB") ("Project Implementing Entity"), all in accordance with the provisions of Article IV of the General Conditions, the Project Agreement and the Subsidiary Agreement."

2. Article VI, Section 6.02 – of each the SCF-PPCR Loan Agreement, and the SCF-PPCR Grant Agreement – is amended to read in its entirety as follows:

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

Ministry of Finance, Economic Growth,
Job Creation, External Affairs and Public Service
5th Floor, Gresham Louisy - Administrative Building
Waterfront, Castries
Saint Lucia, West Indies"

3. Schedule 1 – to each the SCF-PPCR Loan Agreement, and the SCF-PPCR Grant Agreement – is replaced in its entirety with the Project description provided in Annex 1 of this Amendment Letter.

4. Section I.A.2, 3 and 4 of Schedule 2 – to each the SCF-PPCR Loan Agreement and the SCF-PPCR Grant Agreement – is replaced in its entirety with the provisions provided in Annex 2 of this Amendment Letter.

5. Section I.C.1 of Schedule 2 – to each the SCF-PPCR Loan Agreement and the SCF-PPCR Grant Agreement – is replaced to read in its entirety as follows:

"The Recipient shall carry out the Project, in accordance with the provisions of the Project Operations Manual (supplemented by the operational manuals for Parts C and D of the Project) containing detailed arrangements and procedures for the Project: (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."

6. Section I.F.4 of Schedule 2 – to each the SCF-PPCR Loan Agreement and the SCF-PPCR Grant Agreement – is amended to read in its entirety as follows:

"Specific Environmental Covenant for the Project

The Recipient shall ensure that the terms of reference for any consultancy in respect of any activity under the Project shall be satisfactory to the Association following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Association’s Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance."
7. Section II.A.1 of Schedule 2 – to each the SCF-PPCR Loan Agreement and the SCF-PPCR Grant Agreement – is amended to read in its entirety as follows:

"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 in support of the Project. Each Project Report shall cover the period of six (6) calendar months, and shall be furnished to the Association not later than forty five (45) calendar days after the end of the period covered by such report."

8. The Appendix – to each the SCF-PPCR Loan Agreement and the SCF-PPCR Grant Agreement – is hereby amended as set forth below, and, as relevant, the remaining sections of the Appendix are renumbered accordingly:

(a) replacement in its entirety of the definition for “Displaced Persons” with a definition to read as follows:

"‘Displaced Person’ means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in: (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 such person must move to another location; or (ii) the involuntary restriction to access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person, and ‘Displaced Persons’ means, collectively, the plural thereof."

(b) insertion of the term “DEDTCA” and its definition to read as follows:

"‘Department of Economic Development, Transport and Civil Aviation’ or ‘DEDTCA’ means the Recipient’s Department of Economic Development, Transport and Civil Aviation, within MoED, or any successor thereto."

(c) insertion of the term “DSD” and its definition to read as follows:

"‘DSD’ means the Recipient’s Department of Sustainable Development and Environment Division, within the MoEIGRSD, or any successor thereto."

(d) replacement in its entirety of the definition for “Emergency” and its definition to read as follows:

"‘Emergency’ means: (a) for the purpose of Parts A and B of the Project, the natural disaster that occurred within the Recipient’s territory on December 24 and 25, 2013, for which the Recipient issued an activation of the National Emergency Management Plan on December 26, 2013; and (b) for the purpose of Part D of the Project, the occurrence of a natural disaster or an event of emergency within the Recipient’s territory for which the Recipient has issued a Natural Disaster Declaration or activation of the National Emergency Management Plan."
replacement in its entirety of the definition for “Environmental Assessment” and “EA” with a definition to read as follows:

“‘Environmental Assessment’ or ‘EA’ means the Recipient’s report for the Project dated December 2013 (disclosed in-country on January 14, 2014, and through the Association’s external website on January 14, 2014), and updated on March 17, 2016, (disclosed in-country on March 17, 2016, and through the Association’s external website on March 22, 2016), describing the set of avoidance, mitigation, enhancement, monitoring, and institutional measures to be taken under any Project activity for rehabilitation or construction to avoid, mitigate, offset, or reduce adverse environmental and social impacts to acceptable levels, or to enhance positive impacts.”

replacement in its entirety of the definition for “Environmental Management Framework” and “EMF” with a definition to read as follows:

“‘Environmental Management Framework’ or ‘EMF’ means the Recipient’s framework, acceptable to the Association, dated December 2013 (disclosed in-country on January 14, 2014, and through the Association’s external website on January 14, 2014), and updated on March 17, 2016 (disclosed in-country on March 17, 2016, and through the Association’s external website on March 22, 2016), 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 Management Framework.”

insertion of the term “MoED” and its definition to read as follows:

“‘MoED’ means the Recipient’s Ministry of Economic Development, Housing, Urban Renewal, Transport and Civil Aviation, or any successor thereto.”

insertion of the term “MoEIGRSD” and its definition to read as follows:

“‘MoEIGRSD’ means the Recipient’s Ministry of Education, Innovation, Gender Relations and Sustainable Development, or any successor thereto.”

deletion of the term “MoF” and its definition;

deletion of the term “MoSDEST” and its definition;

deletion of the terms “National Development Unit” and “NDU” and the related definition;

replacement in its entirety of the definition for “Procurement Plan” with a definition to read as follows:

“‘Procurement Plan’ means the Recipient’s procurement plan for the Project, which comprise the procurement plan dated September 3, 2016 (covering procurement financed by the Original Financing Agreement, the Original SCF-PPCR Loan Agreement, and the Original SCF-PPCR Grant Agreement),
and the procurement plan dated October 7, 2016 (covering procurement under this Grant Agreement and the Financing Agreement), 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.”

(m) replacement in its entirety of the definition for “Project Coordination Unit” and “PCU” with a definition to read as follows:

“‘Project Coordination Unit’ or ‘PCU’ means a coordination unit within the MoED, and referred to in Section I.A.3 of Schedule 2 to this Agreement, or any successor thereto.”

(n) replacement in its entirety of the definition for “Project Operations Manual” with a definition to read as follows:

“‘Project Operations Manual’ means the Recipient’s operations manual for the Project, dated April 13, 2016, and referred to in Section I.C.1 of Schedule 2 to this Agreement.”

(o) replacement in its entirety of the definition for “Resettlement Policy Framework” and “RPF” with a definition to read as follows:

“‘Resettlement Policy Framework’ or ‘RPF’ means the Recipient’s framework, acceptable to the Association, dated December 2013 (disclosed in-country on January 14, 2014, and through the Association’s external website on March 3, 2014), and updated on March 14, 2016 (disclosed both in-country and through the Association’s external website on March 16, 2016), setting forth the modalities for resettlement and compensation of Displaced Persons, including guidelines for the preparation of the resettlement plans, all under the Project, as the same may be amended from time to time with the agreement of the Association.”

(p) deletion of the term “SDED” and its definition.

(q) replacement in its entirety of the definition for “World Bank Safeguard Policies” with a definition to read as follows:

“‘World Bank Safeguard Policies’ means the World Bank’s operational policies and procedures set forth in the Bank’s Operational manual under OP/SPs 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.”

Except as stated herein, all the terms and conditions of the SCF-PPCR Loan Agreement and the SCF-PPCR Grant Agreement shall remain unchanged and in full force and effect.

Please confirm your agreement with the foregoing Amendments by signing and dating this Amendment Letter in the spaces provided below. This Amendment Letter will be executed in two counterparts, each of which shall be an original and one of which shall be returned to us. Upon receipt by the Association of the countersigned copy of this Amendment Letter, the Amendments shall become effective as of the date of countersignature.
Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By __________________________
Tahseen Sayed
Country Director
Caribbean Country Management Unit
Latin America and the Caribbean Region

AGREED AND CONFIRMED:

SAINT LUCIA

By: __________________________
Authorized Representative

Name: H.E. Anton Edmunds
Title: Ambassador of St. Lucia
Date: July 19, 2017
cc: Mr. Alister Smith, Executive Director, The World Bank Group
Ms. Janet Victoria Harris, Alternate Executive Director, The World Bank Group
Mr. Richard MacLeish, RDVRP Project Coordinator, Central Planning Division
SCHEDULE 1

Project Description

The objective of the Project is to reduce vulnerability to natural hazards and climate change impacts in the Recipient’s territory.

The Project consists of the following parts:

Part A: Risk Reduction and Adaptation Measures

1. Carrying out of selected structural and non-structural flood and landslide risk reduction interventions and climate adaptation measures to improve the Recipient’s resilience against current and future climate shocks, including reconstruction of selected critical public infrastructure that was damaged from an event of Emergency, which consists of, inter alia: (a) reinforcement of flood control infrastructure; (b) climate resilience rehabilitation and retrofitting of selected damaged road sections, including drainage improvement, slope stabilization and selected road bridges; (c) retrofitting and climate resilient rehabilitation of selected priority emergency shelters; (d) climate resilient rehabilitation of selected deteriorating water supply infrastructure; (e) retrofitting and rehabilitation of selected schools and health centers; and (f) relevant national plans, policies and strategies, such as an integrated watershed management plan, and climate change public awareness and education strategy, all through the provision of works, technical advisory services, operating costs and acquisition of goods.

2. Carrying out of studies, including: (a) development of operational and maintenance plans (including a bridge maintenance plan); (b) risk assessment to support engineering design options, and final detailed design solutions; and (c) integrated hazard and climate analyses to inform Project designs, all through the provision of technical advisory services and acquisition of goods.

3. Carrying out of selected transport infrastructure investments and related studies, including: (a) the reconstruction of (i) Piaye Bridge, and (ii) Venus – Anse La Raye Road, which were damaged from an event of Emergency; and (b) technical assessments and studies, and supervision of the proposed works.

Part B: Technical Assistance for Improved Assessment and Application of Disaster and Climate Risk Information in Decision Making

Building of institutional capacity for open systems or platforms for creating, sharing, analyzing and using disaster risk and climate change data, and information for improved decision making and engineering for risk reduction and climate change adaptation, including: (a) creation of a high resolution digital topographical and bathymetric model for the Recipient; (b) sea level rise modeling and coastal flood and erosion risk mapping; (c) design and deployment of meteorological, hydrological, and sea level rise monitoring networks; (d) deployment of an environmental health surveillance system; and (e) strengthening of regional capacity to promote safe and uniform building standards and harmonize geospatial data standards in the Eastern Caribbean sub-region, all through the provision of technical advisory services, operating costs, training and acquisition of goods.
Part C: Climate Adaptation Financing Facility

Establishment of a pilot financing mechanism to promote increased climate resilience under a climate adaptation financing facility (Climate Adaptation Financing Facility or CAFF), including the provision of retail concessional loans (Sub-loans) through the SLDB to eligible households and private firms or businesses (Eligible Beneficiaries), to finance climate adaptation investments to build resilience of assets and livelihoods, intended to reduce risks associated with catastrophic hydro-meteorological shocks (Climate Adaptation Subprojects).

Part D: Contingent Emergency Response

Carrying out of Emergency Recovery and Reconstruction Subprojects under an agreed action plan of activities (Agreed Action Plan of Activities) designed as a mechanism to implement the Recipient’s response to an Emergency.

Part E: Project Management and Implementation Support

Strengthening of the institutional capacity for Project management and implementation, including: (a) staffing the DEDTCA and Project Coordination Unit (PCU); (b) building the technical capacity of DEDTCA, PCU and the DSD; (c) training of DEDTCA, PCU and DSD staff, and strengthening the respective capacity for management, supervision, monitoring and evaluation of specific Project activities; (d) carrying out technical and Project audits; and (e) carrying out EDF Trust Fund donor visibility activities, all through the provision of technical advisory services, training, operating costs and acquisition of goods.
ANNEX 2

2. Ministry of Economic Development, Housing, Urban Renewal, Transport and Civil Aviation (MoED); DEDTCA

The Recipient shall: (a) maintain, at all times during the implementation of the Project, DEDTCA within the MoED, with functions, staffing and resources satisfactory to the Association; and (b) through DEDTCA, be responsible for monitoring and evaluation of activities of the Project, in accordance with the provisions of this Agreement and the Project Operations Manual.

3. Project Coordination Unit

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

(b) Without limitation to the provisions of Section I.A.2 of this Schedule, the PCU shall be responsible for day-to-day administration of overall planning, coordination, technical and fiduciary aspects, environmental and social safeguards compliance, and reporting and communication of the activities under the Project, all in accordance with the provisions of this Agreement and the Project Operations Manual.

4. DSD; MoEIGRSD

Without limitation to the provisions of Section I.A.2 and I.A.3 of this Schedule, and for the purpose of ensuring the prompt and efficient implementation of the Project, the Recipient, through DEDTCA and the PCU, shall carry out the Project in close coordination with DSD. To this end, DSD, as the focal point for the Recipient’s climate change issues, shall be responsible for reporting and communicating all activities under the Project and financed through the Original Financing, the SCF-PPCR Loan, the SCF-PPCR Grant and this Financing, respectively, in accordance with the Project Operations Manual.

B. Project Operations Manual

1. The Recipient shall carry out the Project, in accordance with the provisions of the Project Operations Manual (supplemented by the operational manuals for Parts C and D of the Project) containing detailed arrangements and procedures for the Project: (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 Operations 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 Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.