Dr. Len Ishmael  
Director General  
Organisation of Eastern Caribbean States Secretariat  
Morne Fortune  
P. O. Box 179, Castries  
St. Lucia, W. I.

Re: SIDS: Grant No.TF014856  
Eastern Caribbean Energy Regulatory Authority Project

Dear Dr. Ishmael:

In response to the request for financial assistance made on behalf of Organisation of Eastern Caribbean States Secretariat ("OECS" or "Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as administrator of grant funds provided under the Support for Small Island Developing States (SIDS) DOCK Support Program Multi-Donor Trust Fund, proposes to extend to the Recipient for the benefit of ECERA Member Countries and OECS Participating Countries, a grant in an amount not to exceed three hundred thousand United States Dollars (USD300,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

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

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.
Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By__

Sophie Sirtaine
Director
Caribbean Country Management Unit
Latin America and the Caribbean Region

AGREED:

ORGANIZATION OF EASTERN CARIBBEAN STATES SECRETARIAT

By__

Authorized Representative
Name LEN ISHMAEL
Title DIRECTOR GENERAL
Date: 5 NOV 2013

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
(3) "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.
ANNEX

Article I
Standard Conditions; Definitions


1.02. Definitions. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement; and the following additional terms shall have the following meanings:

(a) "ECERA Member Countries" means the countries of Grenada and Saint Lucia.

(b) "OECS" means the Organisation of Eastern Caribbean States, an international organization duly established as a legal entity under the Treaty establishing the Organization of Eastern Caribbean States (Treaty of Basseterre, 1981) signed on June 18, 1981.

(c) "OECS Participating Countries" means any country which is a member of the OECS or the International Development Association and the International Bank for Reconstruction and Development which meets the criteria for participation.

(d) "Regional Energy Committee" means the committee established under the ECERA Project approved by the Board of Executive Directors of the International Development Association on September 23, 2011.

Article II
Project Execution

2.01. Project Objectives and Description. The purpose of this grant is to facilitate the wider participation of OECS Participating Countries in the ECERA Project which objective is to establish and operationalize a regional approach to the development of the electricity sector in Participating Countries.

The activities proposed under the Grant consist of the following parts:

(a) Carrying out outreach programs to deepen the engagement of ECERA Member Countries with their respective policy makers, utilities and stakeholders on the future role, benefits and costs of ECERA Project in the national regulation process.

(b) (i) Carrying out outreach programs to increase the participation of OECS Participating Countries in the Regional Energy Committee as observers, including their participation in the launch of the ECERA project; and provision of training, workshops, and consultation; and (ii) publicize promotional materials in other OECS Participating Countries.
2.03. **Institutional and Other Arrangements.** Prior to carrying out any activity in any given OECS Participating Country, the Recipient shall obtain the necessary permit to execute the Project activity in the said OECS Participating Country.

2.03. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

   (b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donors to visit any part of the OECS Participating Countries’ territory for purposes related to the Project.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

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

   (c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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 World Bank not later than six months after the end of such period.

2.06. **Procurement.** (a) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank 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 Consultants’ Services**

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services: (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 Individual Consultants; and (G) Single-source procedures for the Selection of Individual Consultants.

(c) **Review by the World Bank of Procurement Decisions.** All contracts shall be subject to Post Review by the World Bank.

### Article III

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (i) Article III of the Standard Conditions; (ii) this Section; and (iii) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of consultants’ services, Training, Workshops and Operating Cost inclusive of Taxes.

(b) For the purposes of this paragraph, the term: “Training and Workshops” means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants’ services).

(c) Operating Costs” means the sundry recurrent expenses, excluding salaries, directly related to the performance of Project activities, including the bank charges, office supplies, travel costs, travel per diems, accommodation and consumables.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is August 31, 2014.

### Article IV

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Director General of the OECS Secretariat.
4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

The Organisation of Eastern Caribbean States (OECS) Secretariat  
P. O. Box 179, Morne Fortune  
Castries  
Saint Lucia, W. I.

Facsimile: 758 453 1628

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Facsimile: 1-202-477-6391