Re: Sint Maarten Emergency Recovery Project I (Grant No. TF0A8079)
Amendments to the Grant Agreement

Dear Excellency:

We refer to the Sint Maarten: Hurricane Irma Reconstruction, Recovery and Resilience Grant Agreement for the above-referenced Project, between Sint Maarten (“Recipient”) and the International Bank for Reconstruction and Development (“World Bank”), dated July 11, 2018 (“Grant Agreement”). Reference is also made to your letter, dated January 29, 2019, requesting the World Bank to make certain amendments to the Grant Agreement.

We are pleased to inform you that, after due consideration, the World Bank concurs with the Recipient’s request to amend the Grant Agreement. Consequently, the Grant Agreement is hereby amended as follows:

Grant Agreement

1. Part 3 of the Project, as set forth in Schedule 1 to the Grant Agreement, shall be amended and replaced in its entirety, to read as follows:


(a) **Roof Repair Program.**

Provision of assistance to the Recipient, including Cash Compensation and Assistance, in support of making repairs to, and reconstruction of, damaged houses of the most vulnerable households selected based on administrative, socio-economic and economic criteria and procedures acceptable to the World Bank, and with improved technical standards.

(b) **Emergency Support to the Sint Maarten Housing Development Foundation (“SMHDF”).**

Provision of assistance to SMHDF, including Cash Compensation and Assistance, in support of:

(i) repairing severely damaged housing stock used by low-income families; and

(ii) providing technical assistance to support the design of a proposed housing complex.

(c) **Public Building Repairs.**
Provision of support to the Recipient:

(i) repair damaged Public Buildings, including schools, sports and community centers, national monuments, and other public buildings;

(ii) support the cost of temporary relocation;

(iii) conduct the survey and design for Public Buildings requiring major renovation or new construction; and

(iv) carry out, as needed, demolition for reconstruction and/or the removal of debris hazards.”

2. Part 4 of the Project, as set forth in Schedule 1 to the Grant Agreement, shall be amended to include the following additional sub-part (d), which shall read as follows:

“(d) Project Management

Provision of support to the Recipient in Project management, implementation, monitoring and evaluation, including technical assistance for technical assessments and studies, engineering design, and fiduciary and environmental and social safeguards support.”

3. Section I.E of Schedule 2 of the Grant Agreement is hereby amended to include the following provision that shall read as follows:

“12. The Recipient shall request retroactive financing of expenditures incurred for civil works under the Project only: (a) for contracts determined by the World Bank to be compliant with Section III.B of Schedule 2 to this Agreement; and (b) after the Recipient has carried out an Environmental and Social Safeguards Audit, satisfactory to the World Bank, showing full compliance of the pertinent obligations set forth in this Agreement, as applicable to each Eligible Expenditure.”

4. The table at Section IV.A.2 of Schedule 2 to the Grant Agreement is hereby amended, and replaced in its entirety, to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services, Training, and Operating Costs under sub-Parts 1 (a) (iv), 1 (b), 1 (c), 2 (c), 3 (b) (ii), and 4 (a)-(b) of the Project, and the Participation Fee and Annual Premiums under sub-Part 4 (c) of the Project.</td>
<td>1,363,711</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consulting services, Training, and Operating Costs under sub-Parts 1 (a) (iv), 1 (b), 1 (c), 2 (c), 3 (b) (ii), and 4 (a)-(b) and (d) of the Project, and the Participation Fee and Annual Premiums</td>
<td>18,086,289</td>
<td>100%</td>
</tr>
<tr>
<td>under sub-Part 4 (c) of the Project.</td>
<td>35,750,000</td>
<td>100%</td>
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<tr>
<td>(3) Works under sub-Parts 1 (a) (i)-(iii), 2 (a)-(b), 3 (a), 3 (b) (i), and 3 (c) of the Project, and Cash Compensation and Assistance under Part 3 of the Project.</td>
<td>35,750,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>55,200,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

5. Section IV.B.1 of Schedule 2 to the Grant Agreement is hereby amended and replaced in its entirety to read as follows:

   “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:

   (i) withdrawals for up to an aggregate amount not to exceed $5,000,000 may be made for payments made prior to this date but on or after December 13, 2017, for Eligible Expenditures under Category (2), except those related to the Participation Fee and Annual Premiums; and

   (ii) withdrawals up to an aggregate amount not to exceed $5,000,000 may be made for payments made prior to this date but on or after December 13, 2017, for Eligible Expenditures under Category (3), except those related to Cash Compensation and Assistance.”

6. The Appendix to the Grant Agreement is amended to include the following defined terms and, as relevant, the other defined terms listed in the Appendix are renumbered accordingly:

   “‘Cash Compensation and Assistance’ means cash compensation and/or other assistance (excluding land acquisition) extended under sub-Part 3 (a) and sub-Part 3 (b) of the Project to any Displaced Person for Project-related Involuntary Resettlement, in accordance with the terms, conditions and procedures set forth in the respective ARAP(s) and the POM.

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   ‘Environmental Management Plan’ or ‘EMP’ means the plan adopted and disclosed by the Recipient on December 14, 2018, and disclosed on the World Bank’s website on February 4, 2019, pursuant to the provisions of Section I.E of Schedule 2 to this Agreement, in respect of activities to be carried out by the Recipient under the Project; such plan defines the detailed measures to manage potential environmental and social risks and mitigate, reduce and/or offset adverse environmental and social impacts associated with the implementation of said activities under the Project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as the same may be amended and supplemented from time to time with the prior approval of the World Bank.

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   ‘Significant Event’ means: (a) any significant social, labor, health and safety, security or environmental incident, accident, or circumstance involving the Project, including, without limitation, explosions, spills, and any workplace accidents that result in death, serious or multiple injury, material pollution, or any violent labor unrest or dispute between the Recipient or security forces (assigned to protect the Project) and local communities, or any case of gender-based violence or violence against minors; or (b) any other
event or circumstance having, or which could reasonably be expected to have, a material adverse effect on the implementation or operation of the Project in accordance with the Safeguard Instruments.”

All terms and conditions of the Grant Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

Please confirm your agreement to the foregoing amendments by signing and dating two originals of this amendment letter and returning one fully signed original to us. The provisions of this amendment letter will become effective as of the date of your countersignature, upon receipt by the Bank of one fully countersigned original of this amendment letter.

Sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

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

CONFIRMED:

SINT MAARTEN

By: _______________________
Authorized Representative

Name: Leona Marlin-Romeo

Title: Minister of General Affairs of St Maarten

Date: 20-Apr-2019
cc:
Claret Connor
Director
Sint Maarten National Recovery Program bureau

Abel Knoottnerus
Treaty Lawyer/Senior Policy Advisor
Department of Foreign Relations, Sint Maarten (DBB)