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

Dear Prime Minister:

Re: Saint Lucia: Disaster Vulnerability Reduction Project  
Amendments to Legal Agreements

We refer to the Legal Agreements ("Legal Agreements") as follows:

- Financing Agreement (Credit No. 5493-LC) for the above-mentioned Disaster Vulnerability Reduction Project ("Project"), dated July 16, 2014, between the International Development Association ("Association") and Saint Lucia ("Recipient");

- Loan Agreement for the Strategic Climate Fund (Loan No. TF017101), dated July 16, 2014, between the International Development Association ("World Bank") (acting as an Implementing Entity of the Pilot Program for Climate Resilience under the Strategic Climate Fund) and Saint Lucia ("Borrower") ("SCF-PPCR Loan Agreement");

- Grant Agreement for the Strategic Climate Fund (Grant No. TFO 17143) Pilot Program for Climate Resilience, dated July 16, 2014, between the World Bank and the Recipient ("SCF-PPCR Grant Agreement"); and

- Saint Lucia Disaster Vulnerability Reduction Project – EDF Grant Agreement (Grant No. TF0A3651 – Additional Financing for the Disaster Vulnerability Reduction Project), dated July 19, 2017, between the World Bank (acting as administrator of the Saint Lucia Disaster Vulnerability Project – EDF Trust Fund) and the Recipient ("EDF Grant Agreement").

- Financing Agreement (Credit No. 5914-LC – Additional Financing) for the above-mentioned Project, dated July 19, 2017, between the Association and the Recipient;

We also refer to your letter, dated June 6, 2019, and to our subsequent discussions to amend specific provisions of the Legal Agreements. Accordingly, we propose to amend Legal Agreements in respect of the provisions as follows:

1. Part C in Schedule 1 to the Legal Agreements is amended to read as follows:

   "Part C: Climate Adaptation Financing Facility

   Establishing 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, private firms or businesses, and public sector entity (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).

2. The Closing Date in Section IV.B. of Schedule 2 to the Legal Agreements is revised to read as “December 15, 2021”.

3. A new Section V is hereby added in Schedule 2 to the Financing Agreement (Credit No. 5493-LC), Loan Agreement for the Strategic Climate Fund (Loan No. TF017101), Grant Agreement for the Strategic Climate Fund (Grant No. TF017143), Saint Lucia Disaster Vulnerability Reduction Project – EDF Grant Agreement (Grant No. TF0A3651) to read as follows:

“Section V. Other Undertakings

The Recipient agrees to carry out the following activities under Part A of the Project, in a manner satisfactory to the Association, in accordance with the following timetable, and as confirmed by the following evidence:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Evidence</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. RAP for Millet Intake and Pipe Rehabilitation activity</td>
<td>Final RAP submitted to the Bank</td>
<td>March 15, 2020</td>
</tr>
<tr>
<td>2. Designs finalized for the rehabilitation of the Road Anse-la-Raye to Venus have been completed</td>
<td>Confirmation from the Department of Infrastructure, Ports and Energy (DIPE) of: (a) receipt of final engineering designs for civil works for the Road Anse-la-Raye to Venus; and (b) approval of payment for said designs</td>
<td>June 30, 2020</td>
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<tr>
<td>3. Works contract for the rebuilding of Millet Intake has been signed</td>
<td>Executed copy of the works contract for rebuilding civil works on the rebuilding of Millet Intake</td>
<td>July 31, 2020</td>
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<td>4. Works contract for the reconstruction of the Highway Section at Micoud and Volet has been signed</td>
<td>Executed copy of the works contract for reconstruction civil works of the Highway Section at Micoud and Volet</td>
<td>August 31, 2020</td>
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<td>5. Works contract for the rehabilitation of the Road Anse-la-Raye to Venus has been signed</td>
<td>Executed copy of the works contract for rehabilitation civil works on the Road Anse-la Raye to Venus</td>
<td>September 30, 2020</td>
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<td>6. Works contract for the reconstruction of Piaye Bridge has been signed</td>
<td>Executed copy of the works contract for reconstruction civil works on Piaye Bridge</td>
<td>December 31, 2020</td>
</tr>
<tr>
<td>7. Completion of works at Millet Intake</td>
<td>Certificate of Substantial Completion signed by WASCO</td>
<td>May 31, 2021</td>
</tr>
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<td>8. Completion of works at Roblot Community Center</td>
<td>Certificate of Substantial Completion signed by DIPE</td>
<td>September 30, 2021</td>
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Section V of Schedule 2 to Financing Agreement (Credit No. 5914-LC – Additional Financing) is amended to read as follows:

"Section V. Other Undertakings"

(a) The Recipient and the Association hereby agree to amend the Original Financing Agreement as set forth in Schedule 4 to this Agreement.

(b) The Recipient agrees to carry out the following activities under Part A of the Project, in a manner satisfactory to the Association, in accordance with the following timetable, and as confirmed by the following evidence:

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5. The definition for “Eligible Beneficiary” in Appendix to the Legal Agreements is amended to read as follows:

“Eligible Beneficiary” means an approved private sector business or firm, public sector entity, which is registered pursuant to the laws of the Recipient, or an individual living within the territory of the Recipient, that is approved by the Project Implementing Entity on the basis of the eligibility criteria set forth in the CAFF Manual, to participate through the CAFF as a recipient of a Sub-loan for the purpose of carrying out a Climate Adaptation Subproject.”

6. Notwithstanding the provisions of Section II (Project Monitoring, Reporting and Evaluation) of Schedule 2 to the Legal Agreements, the Recipient shall, by no later than February 15, 2020, furnish a final audit report and a management letter to the Bank, for the period ending March 31, 2019.
7. In Article II, Section 2.01 of the Loan Agreement (TF017101) is amended to read as follows:

"2.01. The World Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of fifteen million United States Dollars ($15,000,000), to assist in financing the project described in Schedule 1 to this Agreement ("Project")."

Except as stated herein, all the terms and conditions of the Legal Agreements 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 World Bank/Association of the countersigned copy of this Amendment Letter, the amendments shall become effective as of the date of countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL DEVELOPMENT ASSOCIATION

By, 

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

AGREED AND CONFIRMED:

SAINT LUCIA

By: ____________________________

Authorized Representative

Name: Allen Chastanet

Title: Prime Minister

Date: 30\textsuperscript{th} December, 2019