Re: CARIBBEAN: EPIC Trust Fund for Caribbean Climate Innovation Center

InfoDev Grant No. TF 0A0081

Dear Sir:

In response to the request for financial assistance made on behalf of the Caribbean Industrial Research Institute (CARIRI) ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by the Government of Canada ("Donor") under the Support for Entrepreneurship Program for Innovation in the Caribbean ("EPIC") Multi-Donor Trust Fund (InfoDev Grant No. TF071619), proposes to extend a grant from the EPIC Trust Fund to the Recipient (for the benefit of several Member Countries within the Caribbean region) in an amount not to exceed one million five hundred thousand United States Dollars (US$1,500,000) ("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 Donor. 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 Donor 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 return 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 BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION

By

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

AGREED:
CARIRI

By: ______________________

Authorized Representative

Name: LINQWASH ALI SULAY

Title: CHIEF EXECUTIVE OFFICER

Date: 2015.04.22

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


(5) "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011
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:

(a) "Culturally Appropriate Participatory Protocol" means the document of said name prepared and disclosed by the Recipient for the Project on February 12, 2015, satisfactory to the World Bank, and describing measures to be taken to ensure the inclusion of all ethnic groups in access to Sub-grants under the Project.

(b) "Environmental Management Framework" or "EMF" means the Environmental Management Framework prepared and disclosed by the Recipient for the Project on September 10, 2014 satisfactory to the World Bank and describing the rules, guidelines and procedures to assess environmental impacts of the Project’s activities and defining measures to reduce, mitigate or offset adverse environmental impacts and enhance the positive impacts of the Project’s activities, as the same shall be amended from time to time with the prior approval of the World Bank.

(c) "Environmental Management Plan" or "EMP" means a site-specific Environmental Management Plan comprised of an environmental mitigation plan and environmental monitoring plan to be prepared and adopted by the Recipient pursuant to the EMF and to be implemented by the Recipient in accordance with the provisions of the Annex, Section 2.03 of this Agreement, satisfactory to the World Bank, wherein are set forth specific details of measures to manage identified or potential environmental risks and to mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of activities under the Project, together with an environmental and social baseline for each site, as the same may be amended and supplemented from time to time with the World Bank’s prior written approval.

(d) "EPIC Program", means Entrepreneurship Program for Innovation in the Caribbean ("EPIC"), a seven year CAD 20 Million program funded by the Government of Canada through the World Bank to build an enabling ecosystem to foster high-growth and sustainable enterprises throughout the Caribbean. EPIC is designed to create and grow innovative technology-enabled enterprises across the region by helping them overcome persistent market challenges in the Caribbean region.

(e) "Disputed Area" means an area that is in dispute between two or more claimants as stated in the World Bank operational policy on Projects in Disputed Areas.

(f) "The Consortium" means the Caribbean Industrial Research Institute in Trinidad and Tobago ("CARIRI") and Scientific Research Council in Jamaica ("SRC") operating under the Consortium Agreement entered into by CARIRI and SRC dated October 6, 2014 for purposes
of their mutual collaboration and coordination on the implementation of activities to be financed by this Grant Agreement.

(g) "Sub-grants" means the grants awarded to entrepreneurs through a competitive process as set forth in the Proof of Concept Grant competitions document and financed by this Grant, pursuant to the terms and conditions herein.

Article II
Project Execution

2.01. Project Objectives and Description. The objectives of the Grant are to continue the implementation of the Caribbean Climate Innovation Center ("CCIC") project and to build the capacity of the CCIC to support growth-oriented entrepreneurs in developing locally-appropriate solutions to climate change mitigation and adaptation in the Caribbean. Ultimately, this will contribute to the strengthening of the entrepreneurship ecosystem in the region.

The Project includes the following activities:

(a) Building a pipeline of growth-oriented entrepreneurs, including providing Sub-grants to entrepreneurs through a competitive and transparent process to regional sub-projects on an annual basis and providing these entrepreneurs with access to services provided by CCIC.

(b) Providing technical assistance and support to strengthen the capacities of entrepreneurs through a suite of services such as business incubation, marketing-related training, mentoring, market development services, product testing and prototyping services.

(c) Facilitating access to early-stage capital in conjunction with the Access to Finance component of the EPIC program by providing entrepreneurs with targeted pre-investment advisory services, investment facilitation and engagement with angel investors, etc.

(d) Capturing and disseminating knowledge obtained through market analyses and case studies in the area of climate technology and entrepreneurship development in the Caribbean and sharing said knowledge with other Climate Innovation Centers being setup by infoDev's Climate Technology Program around the world.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient and SRC (collectively, the "Consortium") shall carry out the Project through the CCIC 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.

2.03. Institutional and Other Arrangements.

(a) For the purposes of carrying out the Project, the Recipient shall cause CCIC CEO to maintain, at all times during Project implementation, adequate staffing with terms of reference, qualifications and functions acceptable to the World Bank, to perform all Project-related functions.

(b) Without limitation upon the provisions of Sections 2.02 and 2.03(a) above, the Recipient shall oversee the implementation of the CCIC, with the assistance of SRC, through a Management
Committee ("MC") comprised of seven (7) members: two (2) members representing CARIRI, two (2) members representing SRC and three (3) independent members, one of whom will be the chair of the MC.

(c) The Recipient shall ensure that the Project is carried out in accordance with the Environmental Management Framework and that the EMF is not amended, suspended, abrogated, repealed or waived without the prior approval of the World Bank.

(d) The Recipient shall ensure that:

(i) Sub-grants are not financed until an Environmental Management Plan, satisfactory to the World Bank, has been prepared for the Sub-grant’s proposed activities;

(ii) all Sub-grant activities are carried out in accordance with the applicable EMP;

(iii) any EMP deemed satisfactory to the World Bank is not amended, suspended, abrogated, repealed or waived without the prior approval of the World Bank; and

(v) where appropriate, applicants for Sub-grants are subject to an assessment and consideration under the policy on Projects in Disputed Areas.

(e) The Recipient shall ensure that the Project is carried out in accordance with the Culturally Appropriate Participatory Protocol and that said Protocol is not amended, suspended, abrogated, repealed or waived without the prior approval of the World Bank.

2.04. **Donor Visit.** 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 cause the respective Member Countries who will benefit from the activities under this Grant, to enable the representatives of the Donor to visit any part of the Member Countries territory for purposes related to the Project.

2.05. **Project Monitoring, Reporting and Evaluation.**

(a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of six (6) months, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.06. **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 as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, 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. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.07. **Procurement.** All goods, works, non-consulting services, and/or consulting services required for the Project and to be financed, fully or partially, out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 and revised July 2014 (“Procurement Guidelines”), and the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 and revised July 2014 (“Consultant Guidelines”).

2.08. Any contract for Eligible Expenditures to be financed in full or in part out of the proceeds of the Grant shall be included in the procurement plan prepared by the Recipient and approved by the Bank in accordance with the Procurement Guidelines and the Consultant Guidelines, prior to initiating the procurement process for any such contract.

**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: (a) Article III of the Standard Conditions; (b) this Section; and (c) 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 goods, works, non-consulting services, consultants’ services, Sub-grants, Training and Workshops, and Operating Costs inclusive of Taxes.

(b) For the purposes of this Section 3.01, the following definitions shall apply:

(i) “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); and

(ii) “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and *per diem* for Project staff for travel linked to the implementation of
the Project, and salaries of contractual staff for the Project (but excluding consultants' services and salaries of officials of the Recipient).

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, except that withdrawals up to an aggregate amount not to exceed US $75,000 (seventy-five thousand U.S. Dollars) may be made for payments made prior to this date but on or after October 1, 2014, for Eligible Expenditures allowed in this Grant Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06(c) of the Standard Conditions is November 30, 2017.

**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 its Chief Executive Officer.

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

Caribbean Industrial Research Institute  
University of the West Indies  
St Augustine Campus  
Trinidad and Tobago  

Facsimile: (868) 662-7177

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: 1-202-477-639