OFFICIAL DOCUMENTS

CREDIT NUMBER 5914-LC

Financing Agreement
(Additional Financing for the Disaster Vulnerability Reduction Project)

between

SAINT LUCIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 19, 2017
FINANCING AGREEMENT

AGREEMENT dated July 19, 2017, entered into between SAINT LUCIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association" or "World Bank") for the purpose of providing additional financing for activities related to the objectives of the Original Project.

WHEREAS the Recipient and the Association, acting as administrator of the Saint Lucia Disaster Vulnerability Reduction Project-EDF Trust Fund, intend to enter into a grant agreement ("EDF Grant Agreement") for the purpose of providing a grant in an amount of four million nine hundred forty thousand Euros (€4,634,190) ("EDF Grant") to the Recipient to assist in financing Parts A.3 and E of the Project, on the terms and conditions set forth in the EDF Grant Agreement.

NOW, THEREFORE, the Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in the amount one million six hundred twenty thousand Dollars ($1,620,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment; and (b) three-fourths of one percent (3/4 of 1%) per annum.
2.05. The Payment Dates are May 15 and November 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.

**ARTICLE III — PROJECT**

3.01. 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.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**ARTICLE IV — EFFECTIVENESS; TERMINATION**

4.01. The Additional Condition of Effectiveness consists of the following: namely that the EDF Grant Agreement has been executed and delivered and all conditions precedent to the effectiveness or to the right of the Recipient to make withdrawals under said EDF Grant Agreement (other than the effectiveness of this Agreement) have been fulfilled.

4.02. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

5.01. The Recipient’s Representative is the Minister of Finance.
5.02. The Recipient’s Address is:

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

Facsimile:
1-758-452-6700

5.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: 248423 (MCI)  Facsimile: 1-202-477-6391
AGREED at District of Columbia, United States of America as of the day and year first above written.

SAINT LUCIA

By

[Signature]

Authorized Representative

Name: H.E. Anton Edmunds
Title: Ambassador of St. Lucia

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Tahseen Sayed
Title: Country Director, Caribbean Country Management Unit, Latin America and the Caribbean Region
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.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Coordination Committee

(a) The Recipient shall ensure that the Project Coordination Committee is maintained at all times during the implementation of the Project, with a composition, mandate, and in form and substance satisfactory to the Association.

(b) Without limitation to sub-paragraph (a) immediately above, the Recipient shall ensure that the Project Coordination Committee will be responsible for providing policy guidance to ensure prompt and efficient implementation of the Project, including, inter alia, reviewing progress made towards achieving the Project’s objective.

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.

**C. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**D. Environmental and Social Safeguards**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental Management Framework ("EMF"), the Environmental Assessment ("EA"), and the Resettlement Policy Framework ("RPF"), respectively, including the guidelines, rules and procedures defined in said EMF, EA and RPF. To this end, the Recipient shall, specifically take the following actions in a manner acceptable to the Association:

   (a) if an environmental management plan or similar safeguard instrument would be required on the basis of the EMF: (i) such environmental
management plan or similar safeguard instrument shall be prepared in accordance with the requirements of the EMF, disclosed locally and furnished to the Association for approval; and (ii) if applicable, the pertinent Project activities shall be carried out in accordance with such environmental management plan or similar safeguard instrument as approved by the Association; and

(b) if a resettlement action plan would be required on the basis of the Resettlement Policy Framework: (i) said resettlement action plan shall be prepared in accordance with the requirements of the Resettlement Policy Framework, disclosed locally and furnished to the Association for approval; and (ii) no works in respect of such Project activities shall commence until: (A) all measures required to be taken under said resettlement action plan have been taken in accordance with the terms of said plan and in a manner acceptable to the Association; and (B) the Recipient has furnished to the Association a report in form and substance satisfactory to the Association, on the status of compliance with the requirements of said resettlement action plan.

2. The Recipient shall ensure that all measures required for carrying out the Environmental Assessment, any environmental management plan or similar safeguard instrument, and any resettlement action plan are taken in a timely manner.

3. The Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of the EMF, the EA, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan, giving details of:

(a) measures taken in furtherance of the EMF, the EA, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the EMF, the EA, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan; and

(c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the EMF, the EA, the RPF, any environmental management plan or similar safeguard instrument, and any resettlement action plan.
4. **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.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

1. 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.

2. Without limitation to the provisions of Section 4.08 (b) of the General Conditions, the Recipient shall: (a) on or about the date thirty (30) months after the Effective Date of this Agreement, submit to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of the mid-term report, taking into account the monitoring and evaluation activities performed pursuant to Section II.A.1 of this Schedule, setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and (b) review with the Association the mid-term report, on or about the date one month after its submission to the Association, and thereafter take all measures required to ensure the efficient implementation of the Project and the achievement of its objective, based on the conclusions and recommendations of the mid-term report and the Association’s views on the matter.

3. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project, and related plan required, pursuant to that Section shall be furnished to the Association not later than six months after the Closing Date.

**B. Financial Management, Financial Reports and Audits**

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each 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 Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; (e) Direct Contracting; (f) Force Account; (g) Well-established
Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (h) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the World Bank; and (i) Community Participation procedures which have been found acceptable to the World Bank.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (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 firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (g) Selection of Consultants under Indefinite Delivery Contract or Price Agreement; (h) Selection of Individual Consultants; and (i) Single-Source Procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

1. The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

2. All terms of reference for consultants’ services, regardless of contract value, shall be subject to the Association’s prior review.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services</td>
<td>1,620,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training and Operating Costs for Parts A.1, A.2, B, and E of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>1,620,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of the table set forth immediately above:

(a) the term "Operating Costs" means the incremental expenses incurred on account of Project management, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, bank charges under the designated account, office administration costs, utilities, travel and per diem, excluding the salaries of the Recipient’s civil service; and

(b) the term "Training" means the cost associated with the training and workshops approved by the Association, for reasonable expenditures (other than expenditures for consultants’ services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

(a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed USD 324,000 may be made for payments made prior to this date but on or after the date falling twelve months prior to the date of this Agreement, for Eligible Expenditures under the Project; and
(b) for payments made to finance any Project activity that the Bank has financed or agreed to finance under the EDF Grant Agreement, the Original Financing Agreement, the Original SCF-PPCR Grant Agreement, or the Original SCF-PPCR Loan Agreement.

2. The Closing Date is December 31, 2019.

Section V. Other Undertakings

The Recipient and the Association hereby agree to amend the Original Financing Agreement as set forth in Schedule 4 to this Agreement.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15:</td>
<td></td>
</tr>
<tr>
<td>commencing May 15, 2027 to and including November 15, 2036</td>
<td>1%</td>
</tr>
<tr>
<td>commencing May 15, 2037 to and including November 15, 2056</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
SCHEDULE 4

Amendment to the Original Financing Agreement

The Recipient and the Association hereby agree to amend the Original Financing Agreement as follows:

1. Article III, Section 3.01, of the Original Financing Agreement is amended to read in its entirety as set forth in Article III, Section 3.01, of this Agreement.

2. Article VI, Section 6.02, of the Original Financing Agreement is amended to read in its entirety as set forth in Article V, Section 5.02, of this Agreement.

3. Schedule 1 to the Original Financing Agreement is amended to read in its entirety as set forth in Schedule 1 of this Agreement.

4. Sections I.A.2, 3, and 4 of Schedule 2 to the Original Financing Agreement are amended to read in their entirety as set forth in Sections I.A.2, 3, and 4 of Schedule 2 of this Agreement.

5. Section I.C.1 of Schedule 2 to the Original Financing Agreement is amended to read in its entirety as set forth in Section I.B.1 of Schedule 2 of this Agreement.

6. Section I.F.4 of Schedule 2 to the Original Financing Agreement is amended to read in its entirety as set forth in Sections I.D.4 of Schedule 2 of this Agreement.

7. Section II.A.1 of Schedule 2 to the Original Financing Agreement is amended to read in its entirety as set forth in Section II.A.1 of Schedule 2 to this Agreement.

8. The Appendix to the Original Financing Agreement is hereby amended as follows, and, as relevant, the remaining sections of said Appendix are renumbered accordingly:

   (a) insertion of the term “DEDTCA” and its definition as set forth in paragraph 10 of the Appendix to this Agreement;

   (b) replacement in its entirety of the definition for “Displaced Persons” with the definition for said term as set forth in paragraph 11 of the Appendix to this Agreement;

   (c) insertion of the term “DSD” and its definition as set forth in paragraph 12 of the Appendix to this Agreement;
replacement in its entirety of the definition for "Emergency" with the
definition for the said term as set forth in paragraph 16 of the Appendix to
this Agreement;

replacement in its entirety of the definition for "Environmental
Assessment" and "EA" with the definition for said terms as set forth in
paragraph 18 of the Appendix to this Agreement;

replacement in its entirety of the definition for "Environmental
Management Framework" and "EMF" with the definition for said terms
as set forth in paragraph 19 of the Appendix to this Agreement;

insertion of the term "MoED" and its definition as set forth in paragraph 21
of the Appendix to this Agreement;

insertion of the term "MoEIGRSD" and its definition as set forth in
paragraph 22 of the Appendix to this Agreement;

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
the definition for said term as set forth in paragraph 32 of the Appendix to
this Agreement;

replacement in its entirety of the definition for "Project Coordination Unit"
and "PCU" with the definition for said terms as set forth in paragraph 34
of the Appendix to this Agreement;

replacement in its entirety of the definition for "Project Operations
Manual" with the definition for said term as set forth in paragraph 36 of
the Appendix to this Agreement;

replacement in its entirety of the definition for "Resettlement Policy
Framework" and "RPF" with the definition for said terms as set forth in
paragraph 37 of the Appendix to this Agreement;

deletion of the term "SDED" and its definition; and
(q) replacement in its entirety of the definition for "Association’s Safeguard Policies" with the definition for said term as set forth in paragraph 3 of the Appendix to this Agreement.
APPENDIX

Definitions

1. “Agreed Action Plan of Activities” means the plan of activities referred to in Section I.D.1 of Schedule 2 to the Original Financing Agreement.


3. “Association’s Safeguard Policies” means the Association’s operational policies and procedures set forth in the Bank’s Operational manual under OP/BPs 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.

4. “Basis Adjustment” means the Association’s standard basis adjustment for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

5. “CAFF Manual” means the Recipient’s manual referred to in Section I.C of Schedule 2 to the Original Financing Agreement.

6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

7. “Climate Adaptation Financing Facility” or “CAFF” means a revolving facility managed and operated by the Project Implementing Entity to provide financing out of the proceeds of the SCF-PPCR Loan to the Eligible Beneficiaries for financing Climate Adaptation Subprojects.

8. “Climate Adaptation Subproject” means any climate adaptation investment referred to in Part C of the Project.


10. “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.
11. "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.

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

13. "EDF Grant Agreement" means the grant agreement referred to in the preamble of this Agreement, as such grant agreement may be amended from time to time. "EDF Grant Agreement" includes all appendices, schedules and agreements supplemental to the EDF Grant Agreement.

14. "EDF Grant" means the grant referred to in the preamble of this Agreement.

15. "Eligible Beneficiary" means an approved private sector business or firm, 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.

16. "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.

17. "Emergency Recovery and Reconstruction Subproject" means an investment activity under Part D of the Project, consisting of a combination of works, goods or technical advisory services, aimed at responding to damage caused by an Emergency and meeting the criteria set forth Section 1.D.3 through 5 of Schedule 2 to the Original Financing Agreement.

18. "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.

19. “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.


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


25. “Original Financing” means the credit extended to the Recipient pursuant to the Original Financing Agreement.


27. “Original Project” means the Project described in: (a) Schedule 1 to the Original Financing Agreement; (b) Schedule 1 to the Original SCF-PPR Grant Agreement; and (c) Schedule 1 to the Original SCF-PPCR Loan Agreement, as amended.
28. "Original SCF-PPCR Grant Agreement" means the grant agreement for the Original Project between the Recipient and the World Bank, dated July 16, 2014 (SCF-PPCR Grant No. TF017143), as amended.


30. "PPCR Grant" means the grant referred to in paragraph A of the preamble to the Original Financing Agreement.


32. "Procurement Plan" means the Recipient's procurement plan for the Project, which comprises 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 Agreement and the EDF Grant 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.

33. "Project Coordination Committee" means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.

34. "Project Coordination Unit" or "PCU" means a coordination unit within the MoED, and referred to in Section I.A.3 (a) of Schedule 2 to this Agreement, or any successor thereto.


36. "Project Operations Manual" means the Recipient's operations manual for the Project, dated April 13, 2016, and referred to in Section I.B.1 of Schedule 2 to this Agreement.

37. "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.
38. “Saint Lucia Development Bank” or “SLDB” means the bank established and operating pursuant to Saint Lucia Development Bank Act (Law No. 12 of 2008), as amended, of the laws of the Recipient and includes any successors thereto.

39. “SCF-PPCR Loan” means the loan referred to in paragraph (B) of the preamble to the Original Financing Agreement.

40. “Sub-loan” means any loan made out of the proceeds of the SCF-PPCR Loan to an Eligible Beneficiary to carry out a Climate Adaptation Subproject.

41. “Subsidiary Agreement” means the agreement referred to in Section 1.B.1 of Schedule 2 to the Original SCF-PPCR Loan Agreement pursuant to which the Recipient shall on-lend part of the proceeds of the Original SCF-PPCR Loan to the Project Implementing Entity for the purpose of carrying out Part C of the Project.