Loan Agreement

(OECS Regional Tourism Competitiveness Project)

between

GRENADA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated April 20, 2017
LOAN AGREEMENT

AGREEMENT dated April 20, 2017, between GRENADA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank 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 — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of six million Dollars ($6,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
2.06. The Payment Dates are March 15 and September 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

**ARTICLE III — PROJECT**

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project in accordance with the provisions of Article V of the General Conditions and in coordination with the other two Participating Countries, and shall enter into the Subsidiary Agreement with Saint Lucia for the purposes of implementation of Part A. 2 (a) of the Project.
3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower 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:

The Saint Lucia Financing Agreement and Saint Vincent and the Grenadines Financing Agreement and all conditions precedent to the effectiveness of said Financing Agreements (other than the effectiveness of this Agreement) have been fulfilled.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V—REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is its Minister for Finance.

5.02. The Borrower’s Address is:

Ministry of Finance
Financial Complex
The Carenage
St. Georges
GRENADA

Facsimile:
1-473-440-4115

5.03. The Bank’s Address is:

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

Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
AGREED at District of Columbia, United States of America, as of the day and year first above written.

GRENADA

By

[Signature]

Authorized Representative

Name: Dr. The Right Hon. Keith Mitchell

Title: Prime Minister and Minister of Finance and Energy

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

[Signature]

Authorized Representative

Name: Tahseen Sayed Khan

Title: Country Director
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) facilitate the movement of tourists within the Participating Countries using ferries; (b) improve selected tourism sites; and (c) strengthen implementation capacity for regional tourism market development.

The Project consists of the following parts:

Part A: Facilitation of the Movement of People

1. Establishment of a single regional space for immigration and customs regulations for international tourists, including:

   (a) at the national level, through the rehabilitation of domestic ferry terminals of the Borrower to upgrade them into international terminals; and

   (b) at the regional level through the provision of technical assistance for:

       (i) the country-level implementation of decisions made at a regional level for the facilitation of the movement of people and goods, including the implementation of any revisions to the existing regional immigration system, to the OECS Treaty or other treaties of the Participating Countries for the creation of a single economic space, and any other policy/regulatory changes aimed at the facilitation of the movement of people and goods that would require country-level implementation; and

       (ii) introduction of a simplified immigration and customs clearance system for the Participating Countries' ferry vessels that would allow them to submit their customs declarations and other required documents in the form of electronic notifications, prior to arrival to their destination ("Sail Clear" system).

2. Development of a pilot regional ferry system corridor, including:

   (a) establishing a temporary Ferry Services Fund for providing Ferry Services Incentives to selected ferry operators to encourage ferry transportation within the territories of the Participating Countries;
(b) providing technical assistance, software and hardware for development of a centralized ferry scheduling system;

(c) providing technical assistance to review the legal, institutional and operational framework related to water transport, safety standards and their enforcement; and

(d) supporting the dialogue between the Borrower’s government and ferry operators.

Part B: Pilot Tourism Investments

1. Carrying out infrastructure improvements and rehabilitation works for the Fort George historic site, including preparation of technical studies and design plans for such investments and works.

2. Provision of assistance with the preparation of a tourism development framework for the Island of Carriacou.

Part C: Market Development and Promotion Capacity Building

1. Providing assistance to the Borrower in strengthening its tourism market development capacity, including, *inter alia*, the preparation and implementation of its tourism development plan, tourism environmental planning and management, financial and economic impact assessment, strengthening its social media presence, enhancing online presence and carrying out outreach work.

2. Carrying out the activities to develop and implement a regional market development program for attracting new markets and consolidating existing ones, including preparing a regional market strategy and developing an IT platform for the region’s travel marketing, training and participating in regional trade fares.

Part D: Project Implementation Support

1. Strengthening the capacity of the PCU and Project implementing agencies for Project management and coordination, including monitoring and evaluation, audits, recruitment of relevant staff, Training and financing of Incremental Operating Costs.

2. Carrying out the Project impact evaluation.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Regional Steering Committee

   The Borrower shall carry out the Project in coordination with other Participating Countries and to that effect shall establish, jointly with other Participating Countries, not later than ninety (90) days from the date of this Agreement, the Regional Steering Committee with a composition, mandate, and terms of reference satisfactory to the Bank and shall delegate its representatives to said Committee.

2. Project Steering Committee

   (a) The Borrower shall, not later than by May 1, 2017, establish and thereafter maintain at all times during the implementation of the Project, a PSC with a composition, mandate, terms of reference and resources satisfactory to the Bank.

   (b) The PSC shall meet at least twice a year and shall be responsible for providing oversight on Project implementation, including, inter alia: (i) assessing Project results and recommending adjustments where needed; (ii) facilitating coordination of Project activities and ensuring synergies with other projects activities, and (iii) incorporating the recommendations of the Regional Steering Committee into the Project.

3. Project Coordination Unit

   (a) The Borrower shall maintain and operate at all times during the implementation of the Project the PCU, with the structure, functions, terms of reference, resources and competent staff, all satisfactory to the Bank and adequate to carry out both the national and regional Project related activities.

   (b) To ensure the effective implementation of the Project, the Borrower shall, not later than by May 1, 2017, recruit the Project Manager, with the experience and qualifications, and under terms of reference, all satisfactory to the Bank.
B. Project Operational Manual

1. The Borrower shall implement the Project in accordance with the Project Operational Manual.

2. Except as the Borrower and the Bank may otherwise agree in writing, the Borrower shall not abrogate, amend, suspend or waive the Project Operational Manual, or any provision thereof.

3. In the event of any inconsistency between the provisions of the Project Operational Manual and the provisions of this Agreement, the provision of this Agreement shall prevail.

C. Ferry Services Fund

1. In implementing Part A. 2 (a) of the Project, the Borrower shall:
   
   (a) select each Ferry Operator in accordance with eligibility criteria set forth in the Ferry Services Fund Manual;
   
   (b) enter into a Ferry Services Agreement, consistent with the model agreement set forth in the Ferry Services Fund Manual, with each Ferry Operator for the purposes of provision to the respective Ferry Operator of Ferry Services Incentives; and
   
   (c) exercise its right and carry out its obligations under each Ferry Service Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Project, and, except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, waive, terminate or fail to enforce any Ferry Services Agreement or any provision thereof.

2. In case of any inconsistency among the provisions of the Ferry Services Agreement, the Ferry Services Fund Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Subsidiary Agreement

1. To facilitate the carrying out of Part A. 2 (a) of the Project, the Borrower shall make part of the proceeds of the Loan in the amount of two hundred thousand Dollars ($200,000) available to Saint Lucia under a subsidiary agreement between the Borrower and Saint Lucia, under terms and conditions approved by the Bank ("Subsidiary Agreement").
2. The resources to be provided by the Borrower to Saint Lucia under the Subsidiary Agreement shall be used exclusively for the purposes of Part A. 2 (a) of the Project and in accordance with the criteria, procedures and requirements set forth in the Ferry Services Fund Manual.

3. The Borrower shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, waive, terminate or fail to enforce the Subsidiary Agreement or any provisions thereof.

E. Anti-Corruption

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

F. Safeguards

1. The Borrower shall implement the Project in accordance with the relevant Safeguards Instruments, and, to that end, shall:

   (a) if any activity under the Project would require the adoption of any Supplemental Social and Environmental Safeguard Instrument:

      (i) prepare: (A) such Supplemental Social and Environmental Safeguard Instrument in accordance with ESMF and RPF; (B) furnish such Supplemental Social and Environmental Safeguard Instrument to the Bank for review and approval; and (C) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument prior to implementation of the activity; and

      (ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument; and

   (b) if any activity under the Project would involve Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under the respective Supplemental Social and Environmental Safeguard Instrument, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been implemented in compliance with the provisions of said instrument, and in a manner acceptable to the Bank.
2. Without limitation to the provisions of paragraph 1 above, prior to contracting of works for each proposed site under the Project, the Borrower shall: (a) submit to the Bank for its prior approval: (i) the proposed design, including site location, for said works and, where required by the respective Safeguard Instrument or local legislation, as applicable, any related environmental documents which may include licenses and permits; and (ii) the proposed contract for said works to ensure that the provisions of the respective Supplemental Social and Environmental Safeguard Instrument are adequately included in said contract; and (b) ensure that such works are carried out in accordance with the respective Safeguard Instrument.

3. The Borrower shall ensure that no works for a specific part of the Project requiring resettlement and/or land acquisition are commenced until the respective Supplemental Social and Environmental Safeguard Instrument for said part of the Project is fully implemented.

4. The Borrower shall not assign, amend, abrogate or waive Safeguards Instruments or any provision thereof, without the prior approval of the Bank. In the event of any inconsistency between the provisions of any Safeguards Instrument and the provisions of this Agreement, the provisions of this Agreement shall prevail.

5. The Borrower, through PCU, shall ensure that the terms of reference for any consultancies related to the technical assistance provided under the Project shall duly incorporate the requirement of the Bank’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

The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover a period of six (6) months, and shall be furnished to the Bank not later than one (1) month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. The Borrower shall prepare and furnish to the Bank 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 Bank.
3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank 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 Loan 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 Loan 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 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 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 procedures.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; (c) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Bank; (d) Direct Contracting; and (e) Force Account.
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 contracts 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 consulting firms; (f) Selection of UNOPS; (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Bank of Procurement Decisions**

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

E. **Procurement of Incremental Operating Costs**

Given the nature of the expenditures under the Incremental Operating Costs category, such expenditure may be procured in accordance with the established administrative procedures of the Borrower acceptable to the Bank.

**Section IV. Withdrawal of Loan Proceeds**

A. **General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank 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 Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.
### Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan 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>5,785,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training and Incremental Operating Costs for the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Ferry Services Incentives under Part A. 2 (a) of the Project</td>
<td>200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>15,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.08(c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,000,000</td>
<td></td>
</tr>
</tbody>
</table>

### 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 $100,000 may be made for payments made prior to this date but on or after March 1, 2017, for Eligible Expenditures under Category (1); or

   (b) under Category (2) for Ferry Services Incentives to eligible Ferry Operators, unless the Borrower has: (i) entered into the Subsidiary Agreement, in form and substance satisfactory to the Bank, and all conditions precedent to the effectiveness of said Subsidiary Agreement (other than the effectiveness of this Agreement) have been fulfilled; and (ii) adopted the Ferry Services Fund Manual, satisfactory to the Bank.

2. The Closing Date is September 1, 2023.
SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 15 and September 15 Beginning March 15, 2027 through September 15, 2046</td>
<td>2.44%</td>
</tr>
<tr>
<td>On March 15, 2047</td>
<td>2.40%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

   (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

   (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the
principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
APPENDIX

Section I. Definitions

1. “Affected Person” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (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 the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood; and “Affected Persons” means the plural thereof.


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


5. “ESMF” means the Environmental and Social Management Framework prepared and adopted by the Borrower for the purposes of the Project, satisfactory to the Bank, and disclosed in the Borrower’s country on November 1, 2016 and in the Bank’s Infoshop on November 7, 2016, which sets forth, inter alia, (a) the modalities for site-specific environmental screening, including measures for chance finding of cultural property, pest management, protection of natural habitats; (b) guidelines for the identification of existing environmental and social conditions and potential direct and indirect environmental and social impacts and risks resulting from the carrying out of the Project; (c) guidelines for the carrying out of environmental assessments and the preparation of Environmental Management Plans, when applicable; (d) recommendation of mitigation measures for each negative impact identified; (e) measures for enhancing each identified positive impact; and (f) guidelines for the preparation of environmental and social monitoring plans for tracking the application of the mitigation measures, as said framework may be amended from time to time with the Bank’s prior approval.

6. “Environmental Management Plan” or “EMP” means a site specific environmental management plan, satisfactory to the Bank, to be prepared by the Borrower pursuant to the provisions of ESMF, as such plan may be amended from time to time with the prior written approval of the Bank, and “EMPs” means the plural thereof.
7. "Ferry Operator" means a ferry operator selected for the purposes of the Ferry Services Fund under Part A.2 (a) of the Project in accordance with the criteria and procedures set forth in the Ferry Services Fund Manual.

8. "Ferry Services Agreement" means an agreement executed or proposed to be executed between the Borrower and each Ferry Operator pursuant to Section I. C of Schedule 2 to this Agreement and consistent with the model agreement set forth in the Ferry Services Fund Manual.

9. "Ferry Services Fund" means a temporary financial facility to be established by the Participating Countries under Part A.2 (a) of the Project for the purposes of facilitating ferry transportation within the territories of the Participating Countries, including provision of financial incentives to selected Ferry Operators.

10. "Ferry Services Fund Manual" means a manual to be prepared by the Borrower for the purposes of operation of the Ferry Services Fund and satisfactory to the Bank, which shall include, inter alia, the objectives and description of the activities to be facilitated and encouraged by the Fund, the criteria and procedures for the selection of Ferry Operators, technical, operational, safety and environmental standards, requirements and procedures to be complied with by Ferry Operators, as well as a Model Ferry Services Agreement, as such Manual may be amended from time to time with the Bank’s prior agreement.

11. "Ferry Services Incentives" means temporary monetary payments to be paid to Ferry Operators pursuant to the respective Ferry Services Agreement on a periodic basis from the Ferry Services Fund in accordance with the procedures and at rates set forth in the Ferry Services Fund Manual, with such rates taking into account, inter alia, the number and the length of the routes serviced by the respective Ferry Operator within the determined period of time.

12. "General Conditions" means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.

13. "Incremental Operating Costs" means incremental costs incurred by the PCU on account of the Project coordination, implementation and monitoring, including expenditures for vehicles operation and maintenance, office supplies and consumables, utilities, communication, translation and interpretation, bank charges, Project related travel, including per diem and accommodation (but excluding salaries of the Borrower’s civil servants) and other miscellaneous costs directly associated with the Project implementation, all based on periodic budgets acceptable to the Bank.

14. "IT" means information technology.

16. "Participating Countries" means jointly Grenada, Saint Vincent and the Grenadines and Saint Lucia, and "Participating Country" means any one of these countries.


18. "Procurement Plan" means the Borrower's procurement plan for the Project, dated January 23, 2017 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.

19. "Project Coordination Unit" or "PCU" means the Project Coordination Unit within the Borrower's Ministry of Finance and referred to in paragraph 3 of Section I. A of Schedule 2 to this Agreement.

20. "Project Operational Manual" means the manual prepared by the Borrower for the purposes of the Project and satisfactory to the Bank, which shall contain a detailed description of the Project, procedures for implementation of the Project, institutional arrangements, all consistent with the provisions of this Agreement and with applicable laws and regulations and including, inter alia, timetables of actions required to be carried out under the Project, staffing, the fiduciary, technical and operational aspects and procedures, including the financial management procedures (budgeting, accounting and internal control, disbursement and flow of funds, financial reporting, annual reports, internal and external audit arrangements procedures and including the Project specific chart of accounts), procurement procedures, the ESMF and the RPF, monitoring and evaluation arrangements, and other fiduciary and administrative arrangements and necessary terms of reference, as the same may be amended from time to time by agreement with the Bank.

21. "Project Steering Committee" or "PSC" means the committee established by the Borrower for the purposes of overall Project guidance and supervision and referred to in paragraph 2 of Section I. A of Schedule 2 to this Agreement.

22. "Regional Steering Committee" means the committee established by the Borrower jointly with the other two Participating Countries for the purposes of coordination of the Project regional activities and referred to in paragraph 1 of Section I. A of Schedule 2 to this Agreement.

23. "Resettlement Action Plan" or "RAP" means a site specific resettlement action plan, satisfactory to the Bank, to be prepared by the Borrower pursuant to the
provisions of RPF for compensation, resettlement and rehabilitation of Affected Persons, in connection with the works to be implemented under the Project, as such plan may be amended from time to time with the prior written approval of the Bank, and “RAPs” means the plural thereof.

24. “Resettlement Policy Framework” or “RPF” means the document prepared by the Borrower for the purposes of the Project, satisfactory to the Bank, and disclosed in the Borrower’s country on November 1, 2016 and in the Bank’s InfoShop on November 7, 2016, satisfactory to the Bank, defining the modalities for resettlement under the Project, including land acquisition, and describing the policies, procedures, plans and actions (including preparation of Resettlement Action Plans), and institutional measures related to land acquisition and other social impacts that may arise during the Project implementation, as said framework may be amended from time to time with the Bank’s prior approval.

25. “Safeguards Instruments” means ESMF, RPF and all Supplemental Social and Environmental Safeguard Instruments, and “Safeguards Instrument” means any one of these instruments.


27. “Saint Lucia Financing Agreement” means the agreement between Saint Lucia and the Association for the Project, dated the same date as this Agreement, as such agreement may be amended from time to time. “Saint Lucia Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.

28. “Saint Vincent and the Grenadines Financing Agreement” means the financing agreement between Saint Vincent and the Grenadines and the Association for the Project, dated the same date as this Agreement, as such financing agreement may be amended from time to time. “Saint Vincent and the Grenadines Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.

29. “Subsidiary Agreement” means the Subsidiary Agreement entered into between the Borrower and Saint Lucia for the purposes of Part A.2 (a) of the Project pursuant to Section I.D of Schedule 2 to this Agreement.

30. “Supplemental Social and Environmental Safeguard Instrument” means any EMP, RAP, physical cultural heritage resource management plan or other site specific supplemental social and environmental safeguard instruments as may be required
under the terms of ESMF or RPF, and “Supplemental Social and Environmental Safeguard Instruments” means the plural thereof.

31. “Training” means Project related study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers’ fees, and other training related miscellaneous costs.


Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.

2. Section 3.01. (Front-end Fee) is modified to read as follows:

“Section 3.01. Front-end Fee; Commitment Charge

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”

3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)”
5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).

6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.