Ms. Marieke van Schaik  
The Netherlands Red Cross  
Anna van Saksenlaan 50  
2593 HT The Hague  

Re: Grant No. TF0B1830  
Sint Maarten Red Cross Roof Repair Project  
Letter Agreement

Dear Madam:

In response to the request for financial assistance made on behalf of the Netherlands Red Cross ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("Bank"), acting as administrator of grant funds provided by the Government of the Netherlands ("Donor") under the Sint Maarten Hurricane Irma Reconstruction, Recovery and Resilience Program Single-Donor Trust Fund (TF073024), proposes to extend to the Recipient, for the benefit of Sint Maarten, a grant in an amount not to exceed three million six hundred twenty-four thousand United States Dollars (USD 3,624,000) ("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 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 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 this Agreement and returning one duly executed copy to the Bank.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By
Tahseen Sayed Khan
Director
Caribbean
Latin America and the Caribbean Region

AGREED:

THE NETHERLANDS RED CROSS

By
Authorized Representative

Name: Marieke van Schaik
Title: Secretary General of the Netherlands Red Cross

Date: 2019

Enclosures:

(1) “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds” dated February 25, 2019
(2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

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 Section:

(a) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, 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, and as of July 1, 2016.

(b) “Category” means a category set forth in the table in Section 3.01 of this Agreement.

(c) “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Bank, dated January 15, 2020, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

(d) “Environmental and Social Management Framework” or the acronym “ESMF” means the Recipient’s document, satisfactory to the Bank, which is part of the commitments of the ESCP, and sets out the processes, procedures, guidelines, and measures to address the potential environmental and social risks and impacts of the Project, including, inter alia: (a) the detail criteria and process for the selection of households for home roof repairs, and the confirmation of the said households’ voluntary decision to participate in the Project and temporarily relocate in return for a Per-diem, as may be relevant; and (b) the detail on provision of Per-diem to selected households in accordance with Sint Maarten’s emergency recovery program guidelines and on the basis of market research and cost estimates for basic daily expenses, including lodging, all in form and substance satisfactory to the Bank.


(f) "Operating Costs" means the incremental operating expenses directly incurred by the Recipient 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 Member Country's civil servants) and other miscellaneous costs directly associated with the Project implementation, all based on periodic budgets acceptable to the World Bank.

(g) "Per-diem" means the cash allowances for temporary relocation costs calculated and administered in accordance with established criteria set forth in the POM and the ESMF, acceptable to the Bank, that are paid to households which have voluntarily chosen to participate in the Project and to temporarily relocate for said purpose.

(h) "Procurement Regulations" means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.

(i) "Project Operations Manual" or "POM" means the Project Operations Manual dated December 11, 2019 and referred to in Section 2.02 (a) of the Annex to this Agreement, as the said manual may be amended from time to time, with the prior written approval of the World Bank, and such term includes any schedules to the POM.

(j) "Salaries" means salaries of the Recipient’s staff assigned to carry out Project activities; such salaries to be determined as reasonable and acceptable to the World Bank.

(k) "Standard Conditions" means the "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds", dated February 25, 2019

**Article II**

**Project Execution**

2.01. *Project Objectives and Description.* The objective of the Project is to repair roofs up to a safe standard for vulnerable households affected by Hurricane Irma.

The Project consists of the following parts:

**Part A: Roof Repair of Damaged Houses**

Provision of: (i) support for the repairing of approximately 200 damaged residential household roofs to safe standards; and (ii) daily Per-diems to the selected households for temporary relocation to a safe place during their home repair.
2.02. **Project Execution Generally.** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. **Institutional and Other Arrangements.**

(a) **Staffing:** Without limitation upon the provisions of Section 2.02 of the Annex to this Agreement, the Recipient shall maintain, at all times during the implementation of the Project, staff in numbers and with functions and qualifications acceptable to the World Bank.

(b) **Project Operations Manual (POM):** The Recipient shall carry out the Project in accordance with the POM, which shall consist of different schedules setting forth rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of the Project. The POM shall include, *inter alia,* provisions on the following:

1. the detailed description of all Project activities supported under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto;
2. staffing details of the Recipient to carry out the Project activities;
3. the detail criteria and process for the selection of households for home roof repairs, and the confirmation of the said households’ voluntary decision to participate in the Project and temporarily relocate in return for a Per-diem, as may be relevant;
4. the detail on provision of Per-diem to selected households in accordance with Sint Maarten’s emergency recovery program guidelines and on the basis of market research and cost estimates for basic daily expenses, including lodging, all in form and substance satisfactory to the Bank.
5. the environmental and social arrangements in accordance with the provisions of Article II Section 2.04 to this Agreement;
6. procurement and financial management arrangements for the Project;
7. Project monitoring, evaluation, reporting, and communications.

The POM may not be assigned, amended, abrogated or waived, or permitted to be assigned, amended, abrogated or waived, or any provision thereof, in a manner which, in the opinion of the World Bank, may materially and adversely affect the implementation of the Project; the POM may only be amended in consultation with, and after approval of, the World Bank. In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

2.04. **Environmental and Social Standards.**

(a) The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
(b) Without limitation upon paragraph (a) above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:

(i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;

(ii) sufficient funds are available to cover the costs of implementing the ESCP;

(iii) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

(iv) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

(c) The Recipient shall:

(i) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP [and the management tools and instruments referred to therein], all such reports in form and substance acceptable to the Bank, setting out, inter alia: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and

(ii) promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

(d) The Recipient shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

2.05. *Project Monitoring, Reporting and Evaluation.* The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after each calendar semester, covering the calendar semester.
Article III
Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, Per-diem, Salaries and Operating Costs under the Project</td>
<td>3,624,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>3,624,000</td>
<td></td>
</tr>
</tbody>
</table>

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 this Agreement, except that withdrawals up to an aggregate amount not to exceed $543,600 equivalent may be made for payments made prior to this date but on or after November 1, 2019, for Eligible Expenditures under the Project.

3.03. **Withdrawal Period.** The Closing Date is December 31, 2020.

Article IV
Additional Remedies

4.01. **Additional Event of Suspension.** The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following, namely that the legislation and regulations establishing and governing the operations of the Netherlands Red Cross in Sint Maarten, have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Netherlands Red Cross to perform any of its obligations under this Agreement.
Article V
Recipient’s Representative; Addresses

5.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Program Manager, Sint Maarten Recovery Program, Netherlands Red Cross.

5.02. **Recipient’s Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Recipient’s Address is:

Postbus 28120
2502 KC, The Hague
The Netherlands, and

(b) the Recipient’s Electronic Address is:

E-mail:

contactcenter@redcross.nl

5.03. **Bank’s Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank’s address is:

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

(b) the Bank’s Electronic Address is:

Telex: Facsimile:

248423 (MCI) or 1-202-477-6391
64145 (MCI)