Project Agreement

(Disaster Vulnerability Reduction Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

SAINT LUCIA DEVELOPMENT BANK

Dated July 16, 2014
PROJECT AGREEMENT

Agreement dated July 16, 2014, entered into between
INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank" or
"Association"), acting in its individual capacity but also in its capacity as an
implementing entity of the Pilot Program for Climate Resilience ("PPCR") under the
Strategic Climate Fund ("SCF") and SAINT LUCIA DEVELOPMENT BANK ("Project
Implementing Entity") ("Project Agreement") in connection with the Financing
Agreement, the SCF Loan and the PPCR Grant, all of the same date between Saint Lucia
(“Borrower” or “Recipient” as the case may be) and the World Bank. The World Bank
and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; STANDARD CONDITIONS;
DEFINITIONS

1.01. The General Conditions, the Standard Conditions, and the Standard Conditions
for Grants (all as defined in the Appendix to the Financing Agreement, in the
Appendix to the SCF Loan Agreement, and in the Appendix to the PPCR Grant
Agreement, respectively) 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 Financing Agreement, the
SCF Loan Agreement, the SCF Grant Agreement, the Standard Conditions, the
Standard Conditions for Grants, or the General Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the
Project. To this end, the Project Implementing Entity shall carry out Part C of
the Project ("Respective Part of the Project") in accordance with the provisions
of Article II of the General Conditions, the Standard Conditions, and the
Standard Conditions for Grants, as applicable, and shall provide promptly as
needed, the funds, facilities, services and other resources required for its
Respective Part of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and
except as the Association and the Project Implementing Entity shall otherwise
agree, the Project Implementing Entity shall carry out its Respective Part of the
Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is its Managing Director.
3.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INDEVAS  Telex: 248423(MCI)  Facsimile: 1-202-477-6391
Washington, D.C.

3.03. The Project Implementing Entity’s Address is:

Saint Lucia Development Bank
4 Bridge Street
P.O. Box CP 5900
Castries
Saint Lucia

Facsimile:

+758-453-3839
AGREED at District of Columbia, U.S.A., as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Sophie Siraine
Title: Director

SAINT LUCIA DEVELOPMENT BANK

By

Authorized Representative

Name: Sophia Johnny
Title: Ambassador of St. Lucia to the U.S.A.
SCHEDULE

Execution of the Project Implementing Entity's Respective Part of the Project

Section I. Implementation Arrangements

A. CAFF Manual and Subsidiary Agreement

1. Without limitation to the provisions of Section 2.01 of this Agreement, the Project Implementing Entity shall carry out Part C of the Project in accordance with the Subsidiary Agreement and the CAFF Manual.

2. Except as the World Bank shall otherwise agree, the Project Implementing Entity shall not: (a) assign, amend, terminate, abrogate waive or fail to enforce the Subsidiary Agreement, or any provision thereof; and (b) amend, abrogate, waive or fail to enforce any provision of the CAFF Manual.

3. The Project Implementing Entity shall exercise its rights and carry out its obligations under each Sub-loan Agreement in such manner as to protect the interests of the Borrower, the World Bank and the Project Implementing Entity and to accomplish the purposes of the SCF Loan. Except as the Borrower and the World Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive any Sub-loan Agreement or any of its provisions.

B. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Environmental and Social Safeguards

The Project Implementing Entity shall ensure that the Climate Adaptation Subprojects financed through the Sub-loans under Part C of the Project are carried out in accordance with the EMF, the EA, and the RPF respectively.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Project Implementing Entity shall monitor and evaluate the progress of Part C of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of six (6) calendar months, and shall be furnished to the World Bank not later than forty five (45) days after the end of the period covered by such report.

- 4 -
2. Without limitation to the provisions of Section 2.06 of the Standard Conditions, the Project Implementing Entity shall: (a) on or about the date thirty (30) months after the Effective Date, submit to the World Bank a mid-term report, in such detail as the World Bank shall reasonably request, documenting progress achieved in the carrying out of Part C 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, and setting out the measures recommended to ensure the efficient carrying out of Part C of the Project and the achievement of the objective thereof during the period following such date; and (b) review with the Borrower and World Bank the mid-term report, on or about the date one month after its submission to the World Bank, and thereafter take all measures required to ensure the efficient implementation of Part C of the Project and the achievement of its objective, based on the conclusions and recommendations of the mid-term report and the World Bank’s views on the matter.

3. The Project Implementing Entity shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions, and Section 4.08 (c) of the General Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Part of the Project.

2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Project Implementing Entity not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the World Bank.

Section III. Procurement

All goods, works, non-consulting services and consultants’ services required for the Project Implementing Entity’s Respective Part of the Project and to be financed out of the proceeds of the SCF Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the SCF Loan Agreement.