Mr. Peter Knip  
Director  
VNG International  
Nassaulaan 12  
2514 JS The Hague  
The Netherlands  

Re: Grant No. TF0B2229-SX  
Project Preparation Grant for the Proposed Civil Society  
Partnership Facility for Resilience Project  
Letter Agreement  

Dear Mr. Knip:  

This letter is in response to: (a) a request for financial assistance made on behalf of the VNG International, dated, December 10, 2019; and (b) the decision confirmed through a letter from the Prime Minister of Sint Maarten, dated January 10, 2020, to appoint VNG International, the international cooperation agency of the Netherlands’ Association of Municipalities (registered at Netherlands Chamber of Commerce through the Registration No. 809548252, dated June 30, 2016) operating in Sint Maarten, through its branch office “VNG INTERNATIONAL B.V.”, as the recipient (“Recipient”) of a grant from the International Bank for Reconstruction and Development (“Bank”).  

In reply to this request from the Recipient and a confirmation by Sint Maarten, I am pleased to inform you that the Bank, acting as administrator of grant funds provided under the Sint Maarten Hurricane Irma Reconstruction, Recovery and Resilience Program Single-Donor Trust Fund (TF073024), proposes to provide to the Recipient, for the benefit of Sint Maarten, an amount not to exceed one hundred forty seven thousand eight hundred sixty-seven United States Dollars (US$147,867) (“Grant”), under 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”). The Recipient shall utilize the funds so provided for the Project, which includes the provision of administration and management fee of the Recipient, as further referred to in the Annex.  

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:

VNG INTERNATIONAL

By

Authorized Representative

Name Peter Knop
Title Director
Date 03-03-2020

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) “Administration and Management Fee” means the costs incurred by the Recipient, on account of administration (administrative costs), and management of the Project activities, including its Operating Costs and time for staff of the Recipient that are assigned to work on a full-time basis on the Project.

(b) “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.

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

(d) “Civil Society Partnership Facility for Resilience Project” means the proposed project for the preparation of which the World Bank has made this Grant available to the Recipient.

(e) “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Bank, dated January 10, 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.

(g) “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 Sint Maarten’s civil servants), all based on periodic budgets acceptable to the World Bank.

(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.


Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to finance the preparation activities of proposed Civil Society Partnership Facility for Resilience Project.

The Project consists of the following parts:

(a) Support for the preparation of key documents and related technical assistance, including inter alia: (i) technical studies and documents needed to inform project preparation, such as procurement strategy document, operations and grants manual, and monitoring and evaluation system (including results framework); and (ii) environmental and social safeguard documents and plans for the proposed Civil Society Partnership Facility for Resilience Project.

(b) Facilitate start-up activities for selection of sub-projects/sub-grants under the proposed Civil Society Partnership Facility for Resilience Project.

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. 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.

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.
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 implementation of the ESCP, 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 one month after each semester, covering the report.

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) non-consulting services, consulting services’, Administration and Management Fee under the Project</td>
<td>147,867</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>147,867</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 $29,573.40 may be made for payments made prior to this date but on or after May 1, 2019, for Eligible Expenditures under Category (1).

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

**Article IV**

**Additional Remedies**

4.01. **Additional Events of Suspension.** The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) Legislation and regulations establishing and governing the operations of the VNG International in Sint Maarten, have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the VNG International to perform any of its obligations under this Agreement.

(b) World Rank has decided, at any time after consultation with the Recipient, to withdraw its financial support for the proposed Civil Society Partnership Facility for Resilience Project.

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

(a) the Recipient’s Address is:

VNG International  
Nassaulaan 12  
2514 JS The Hague  
The Netherlands

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  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America;

and

(b) the Bank’s Electronic Address is:

<table>
<thead>
<tr>
<th>Telex:</th>
<th>Facsimile:</th>
<th>E-mail:</th>
</tr>
</thead>
<tbody>
<tr>
<td>248423 (MCI) or 64145 (MCI)</td>
<td>1-202-477-6391</td>
<td><a href="mailto:TSayed@worldbank.org">TSayed@worldbank.org</a></td>
</tr>
</tbody>
</table>