

CHAPTER 279B
REGIONAL DISASTER VULNERABILITY
REDUCTION PROJECT LOAN
AUTHORISATION ACT

• Act • Subsidiary Legislation •

ACT

Act No. 22 of 2011

ARRANGEMENT OF SECTIONS

SECTION

1. Short title.
2. Authority to raise loan.

SCHEDULE

Financing Agreement between Grenada and the International Development Association

CHAPTER 279B

**REGIONAL DISASTER VULNERABILITY REDUCTION PROJECT
LOAN AUTHORISATION ACT**

An Act to authorise the Minister of Finance to borrow from the International Development Association an amount equivalent to six million two hundred thousand Special Drawing Rights (SDR 6,200,000), and from the International Bank for Reconstruction and Development an amount of eight million two hundred thousand United States Dollars (\$8,200,000).

[Act No. 22 of 2011.]

[30th September, 2011.]

Short title

1. This Act may be cited as the Regional Disaster Vulnerability Reduction Project Loan Authorisation Act.

Authority to raise loan

- 2.** (1) The Minister of Finance is hereby authorised to raise a loan of—
- (a) an amount equivalent to six million two hundred thousand Special Drawing Rights (SDR 6,200,000) from the International Development Association; and
 - (b) an amount of eight million two hundred thousand United States Dollars (\$8,200,000) from the International Bank for Reconstruction and Development,

for the purpose of reducing vulnerability to natural hazards and climate change impacts in Grenada.

(2) All monies borrowed under this Act shall be effected and secured pursuant to the terms and conditions specified in the Schedule.

SCHEDULE

Legal Department
CONFIDENTIAL DRAFT
(Subject to Change)

E. Mwenda
May 11, 2011

NEGOTIATED DRAFT

CREDIT NUMBER-GD

FINANCING AGREEMENT

(REGIONAL DISASTER VULNERABILITY REDUCTION PROJECT)

BETWEEN

GRENADA

AND

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated....., 2011

CREDIT NUMBER.....-GD

FINANCING AGREEMENT

AGREEMENT dated , 2011, entered into between GRENADA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

Whereas: (A) the Recipient and the International Bank for Reconstruction and Development, acting as an implementing entity of the Pilot Program for Climate Resilience (Pilot Program for Climate Resilience (PPCR)) under the Strategic Climate Fund, intend to enter into a grant agreement (PPCR Grant Agreement) for the purpose of making a grant to the Recipient to assist in financing Parts A, B and D of the Project on the terms and conditions set forth in the PPCR Grant Agreement; and

(B) the Recipient and the International Bank for Reconstruction and Development, acting as an implementing entity of the Strategic Climate Fund (SCF), intend to enter into a loan agreement (SCF Loan Agreement) for the purpose of providing a loan to the Recipient to assist in financing Parts A, B and D of the Project on the terms and conditions set forth in the SCF Loan 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 capitalised 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 an amount equivalent to six million two hundred thousand Special Drawing Rights (SDR 6,200,000) (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 ($\frac{1}{2}$ of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent ($\frac{3}{4}$ 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 and the Program. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

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 PPCR Grant Agreement and the SCF Loan Agreement have been executed and delivered and all conditions precedent to the effectiveness or to the right of the Recipient to make withdrawals under said PPCR Grant Agreement or SCF Loan 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 ninety (90) days after the date of this Agreement, but in no case later than eighteen (18) months after the Association's approval of the Credit.

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 its Minister responsible for Finance.

5.02. The Recipient's Address is:

Ministry of Finance
Financial Complex
The Carenage
St. George's
GRENADA

Facsimile: 1-473-440-4115

5.03. The Association's Address is:

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

Cable:

INDEVAS

Washington, D.C.

Telex:

248423 (MCI)

Facsimile:

1-202-477-6391

AGREED at, as of the day and year first above written.

Confidential draft

GRENADA

By

.....
Authorised Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

.....
Authorised Representative

By

.....
Authorised Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

.....
Authorised Representative

SCHEDULE 1

Project Description

The objective of the Project is to measurably reduce vulnerability to natural hazards and climate change impacts in the Recipient's territory and in the Eastern Caribbean sub-region.

The Project constitutes the first phase of the Program, and consists of the following parts.

PART A

Prevention and Adaptation Investments

1. Carrying out of selected infrastructure investments, and related supporting studies, including—
 - (a) identified Community infrastructure;
 - (b) rehabilitation and construction of bridges; and
 - (c) improving resilience to climate risks in water supply system, all through the provision of works, technical advisory services, operating costs and acquisition of goods.
2. Design and retrofitting of selected public buildings to improve disaster resilience, and supporting studies, including—
 - (a) rehabilitation of selected schools' buildings; and
 - (b) rehabilitation of selected public accommodation for the elderly, all through the provision of works, technical advisory services, operating costs and acquisition of goods.

PART B

Regional Platforms for Hazard and Risk Evaluation and Applications for Improved Decision Making

1. Building the regional capacity for assessment of natural risks and integration of such assessment into policy and decision making process for the development of investments, disaster risk mitigation and disaster response across sectors, through the provision of technical advisory services, training and acquisition of goods.
2. Facilitating regional collaboration including, knowledge sharing and learning process to develop and apply construction standards and methods for critical public infrastructure and urban flood mitigation and strengthen regional collaboration for urban and flood risk reduction, all through the provision of technical advisory services, training and acquisition of goods.
3. Reducing the risk for regional interconnectivity and carrying out related supporting studies, including—
 - (a) improving the international airport to maintain an adequate emergency response capability and to comply with the international operational standards, through the provision of works, technical advisory services, training and acquisition of goods.

PART C

Natural Disaster Response Investments

Carrying out of Emergency Recovery and Reconstruction Subprojects under an agreed action plan of activities (Agreed Action Plans of Activities) designed as a mechanism to implement the Recipient's rapid response to an Emergency.

PART D

Project Management and Implementation Support

Strengthening and developing the institutional capacity for Project management, including—

- (a) preparation of designs and tender documents;
- (b) preparation of Project reports;

- (c) processing of contracts and tender evaluation;
- (d) co-ordination of participating line ministries;
- (e) supervision of the quality of works;
- (f) training of staff in Project management and implementation support;
- (g) capacity building for accreditation to the United National Framework Convention on Climate Change (UNFCCC) Climate Adaptation Fund; and
- (h) related activities on Project management and implementation, 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 Steering Committee*.—(a) The Recipient shall ensure that the Project Steering 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 subparagraph (a) immediately above, the Recipient shall ensure that the Project Steering Committee will be responsible for providing policy guidance to ensure prompt and efficient implementation of the Project, including, *inter alia*—

- (i) reviewing progress made towards achieving the Project's objective,
- (ii) facilitating the co-ordination of Project activities, and making recommendations for removal of any obstacles to the implementation of the Project, and
- (iii) providing comments on reports and reviews prepared by the Project Co-ordinating Unit under the Project.

2. *Project Co-ordination Unit*.—(a) The Recipient shall maintain, at all times during the implementation of the Project, a project co-ordination unit (the Project Co-ordination Unit or PCU) within the Recipient's Ministry of Finance, with functions, staffing and resources satisfactory to the Association.

(b) Without limitation to the provisions of section I.A.1 of this Schedule, the PCU shall be responsible for day-to-day administration of overall planning, co-ordination, the technical, fiduciary (i.e., procurement and financial management), environmental and social safeguards compliance, co-ordination, monitoring, evaluation, reporting and communication of the activities under the Project, all in accordance with the provisions of this Agreement and the Project Operational Manual.

B. Project Operational Manual

1. The Recipient shall not later than one month of the Effective Date, adopt the Project Operational Manual in form and substance satisfactory to the Association, containing detailed arrangements and procedures for—

- (a) institutional co-ordination 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 organisational arrangements and procedures as shall be required for the Project.

2. The Recipient shall carry out the Project in accordance with the provisions of the Project Operational Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Operational Manual without the prior written agreement of the Association.

C. Action Plans for Emergency Recovery and Reconstruction Subprojects under Part C of the Project

1. In an event of an Emergency, the Recipient shall—

- (a) clearly establish a causal relationship between the relevant Emergency and the need to withdraw the proceeds of the Credit allocated to Category (2); and