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TF 015162

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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February 26, 2014

Mr. Stephen O'Malley
UNDP Resident Representative
for the OECS and Barbados
UN House, Marine Gardens
Christ Church
Barbados

Re: GFDRR Grant for Strengthening Capacity in Post-Disaster Needs Assessment (PDNA)
in the Caribbean
Grant No. TF015162

Dear Sir:

I am writing on behalf of the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") (collectively, the "World Bank") to indicate the Bank's agreement, as administrator of grant funds provided by the European Union, represented by the European Commission ("Donor") under the Global Facility for Disaster Reduction and Recovery (GFDRR) to make a grant in an amount not exceeding three hundred thirty five thousand four hundred and seventy five United States Dollars (U.S. \$335,475) ("Grant") to the United Nations Development Program in Barbados and the OECS ("Recipient") for the benefit of Barbados, Dominica, Grenada, Antigua and Barbuda, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines ("Participating Countries").

The Grant is made in response to the Recipient's request for financial assistance and for the purposes and on the terms and conditions set forth in the Annex to this Letter Agreement. Without limiting the generality of the foregoing, these terms and conditions include those of that certain Financial Management Framework Agreement between the World Bank and the United Nations, dated March 10, 2006 ("Financial Management Framework Agreement"), which are incorporated in this Letter Agreement to form a part hereof as if they were recited at length herein. The Recipient, by countersigning this Letter Agreement, acknowledges that it has received a copy of the Financial Management Framework Agreement and, if the Recipient was not an original signatory thereof, agrees that it is bound by the terms of the Financial Management Framework Agreement as if the Recipient had been an original party thereto. The Recipient represents, by confirming its agreement below, that: (i) it is authorized to contract and withdraw the Grant for the said purposes and on the said terms and conditions; and (ii) the references in sub-paragraphs (a) and (d) of paragraph 5 of the Annex to this Letter Agreement to the Recipient's financial regulations and rules are complete and accurate, and the Recipient makes this representation knowing that the Bank shall rely on it for purposes of deciding to make the Grant.

This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the Donors. The Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the

availability of such funds. Accordingly, the Bank shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred in connection with the Grant Agreement which exceed the amount made available to the World Bank for the purposes of the Grant.

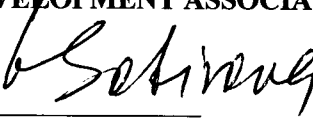
Please note that it is the Bank's policy to make publicly available this Letter Agreement and any information related thereto, after this Letter Agreement has become effective and the Recipient has given its consent to such disclosure. The Recipient, by countersigning this Letter Agreement, confirms its consent to such disclosure.

Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Letter Agreement. This Letter Agreement shall become effective as of the date of the countersignature, upon receipt by the Bank of the copy of this Letter Agreement countersigned by you.

Very truly yours,

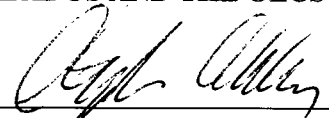
**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

INTERNATIONAL DEVELOPMENT ASSOCIATION

By 
P.P. Sophie Sirtaine
Director
Caribbean Country Management Unit
Latin America and the Caribbean Region

AGREED:

**UNITED NATIONS DEVELOPMENT PROGRAM
IN BARBADOS AND THE OECS**

By: 
Name: Stephen O'Malley
Title: Resident Representative
Date: 17 March 2014

Purposes, Terms, and Conditions of the Grant

1. *Purposes and Activities*

1.1. The purpose of the Grant is to strengthen the capacity of Participating Countries to: (i) systematically account for disaster loss information; and (ii) strengthen public investment in disaster risk reduction and strengthen post disaster recovery strategies ("Project").

The Project consists of the following activities:

(a) Carrying out of a workshop for participating countries and key stakeholders to define and implement post disaster needs assessments (PDNA), based on the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC) methodology.

(b) Strengthening of the capacity of participating countries to carry out PDNAs, including: (i) the review of current damage assessment processes; (ii) the provision of training with emphasis on data collection, interpretation and analysis; and (iii) the review of current damage assessment, needs analysis processes and recovery strategies in the participating countries.

(c) Creation of a sustainable mechanism for continued national and regional capacity development in PDNA, including: (i) the development and/or adaptation of a modular PDNA course aimed at integrating existing disaster risk management (DRM) curriculum into internet-based training modules; (ii) the implementing of a pilot training of the new developed module in the participating countries; and (iii) the development of a funding proposal to support the wider implementation.

2. *Implementation Generally*

2.1. The Recipient shall: (a) carry out the Activities with due diligence and efficiency, in accordance with the provisions of this Annex and consistent with 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; (b) promptly provide the funds, facilities, services and other resources required for that purpose; (c) furnish all information covering the Activities and the use of the proceeds of the Grant as the Bank shall reasonably request; (d) from time to time exchange views with the Bank's representatives on the progress and results of the Activities; (e) use its reasonable best efforts with the authorities of the Participating Countries to enable the Bank to visit the territory of the Participating Countries for purposes related to the Grant; and (f) cause all goods and services financed out of the proceeds of the Grant to be used exclusively for the purposes of the Grant. Without limitation on the foregoing, the Recipient shall, if the Bank shall so request, prepare and furnish to the Bank promptly upon completion of the Activities a report, in form and substance satisfactory to the Bank, on the results and impact of the Activities.

3. *Procurement*

3.1. Except as the World Bank shall otherwise agree, procurement of goods and consultants' services required for the carrying out of the Project and to be financed out of the proceeds of the Grant shall be governed by the provisions of the Attachment to this Annex, as said provisions may be further elaborated in a procurement plan approved by the World Bank ("Procurement Plan"), covering the initial 12 month period of implementation of the Project. The Recipient shall update the Procurement Plan in accordance with guidelines acceptable to the World Bank, and furnish

such update to the World Bank not later than 6 months after the date of the preceding Procurement Plan, for the World Bank's approval.

3.2. The Recipient shall ensure that all imported goods to be financed out of the proceeds of the Grant shall be insured against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and that any indemnity for such insurance is payable in a freely usable currency to replace or repair such goods. The Recipient shall ensure that any facilities relevant to the Activities are at all times operated and maintained in accordance with appropriate practices and that any repairs or renewals of such facilities are promptly made as needed.

4. ***Withdrawal of Grant Proceeds***

4.1. The amount of the Grant shall be credited to an account opened by the Bank on its books in the name of the Recipient ("Grant Account"), and may be withdrawn therefrom by the Recipient in accordance with the provisions of this paragraph 4, for expenditures in respect of the reasonable cost of goods, consultants' services, Training/Workshops and Operating Costs required for the Activities and to be financed out of the proceeds of the Grant (sometimes hereinafter referred to as "eligible expenditures"). Withdrawals from the Grant Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Agreement.

4.2. (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of this Section and such additional instructions as the World Bank may specify by notice to the Recipient, to finance 100% of Eligible Expenditures consisting of Consultants' services, Goods, Training/Workshops and Operating Costs."

(b) For purposes of this Section, the term:

(i) "Training/Workshops" means: (i) reasonable travel, room, board and *per diem* expenditures incurred by trainers, trainees and/or participants in connection with their participation in training and/or workshops; (ii) training or workshop facility rentals; (iii) training and workshop material preparation, acquisition, reproduction, printing and distribution expenditures; and (vi) dissemination costs.

(ii) "Operating Costs" means the incremental expenditures incurred by the Recipient as a result of Project implementation, management and monitoring, including communication costs, utilities, office supplies and overheads.

4.3. Notwithstanding the provisions of paragraph 4.2 above:

(a) No withdrawals shall be made from the Grant Account: (i) for payments made for expenditures prior to the date of signature of this Letter Agreement by the Bank ; or (ii) for the purpose of any payment to persons or entities, if such payment, to the Bank's knowledge, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;

(b) The Recipient may withdraw amounts of the Grant only to the extent that such amounts are available to the Bank from the Donor for the purposes of the Grant;

(c) No withdrawals shall be made from the Grant Account after May 30, 2016 or such later date that the Bank shall establish by notice to the Recipient ("Closing Date"). However, withdrawals may be made after the Closing Date for expenditures incurred prior to the Closing Date if the corresponding withdrawal application is received by the Bank within four months after the

Closing Date, after which time any amount of the Grant remaining unwithdrawn from the Grant Account shall be canceled; and

(e) If, in the Bank's opinion, an amount of the Grant allocated to any of the Categories in the table in paragraph 4.2 above will be insufficient to finance the expenditures under such Category, the Bank may, by written notice to the Recipient, reallocate to such Category an amount of the Grant then allocated to another Category which, in the Bank's opinion, will not be necessary to meet other expenditures.

4.4. When the Recipient shall desire to withdraw any amount from the Grant Account, it shall deliver to the Bank a written application for withdrawal of such amount in the form specified by the Bank. Withdrawal applications shall be: (a) signed on behalf of the Recipient by [authorized official] or such other person as he or she shall have authorized in writing; and (b) accompanied by such evidence in support of the application as the Bank shall reasonably request. Authenticated specimen signatures of the person authorized to sign withdrawal applications shall be provided with the first application bearing his or her signature. Each withdrawal application for an amount of the Grant and its supporting evidence must be sufficient in form and substance to satisfy the Bank that the Recipient is entitled to withdraw such amount from the Grant Account and that such amount is to be used in the carrying out of the Activities. The Bank shall pay the amounts withdrawn by the Recipient from the Grant Account only to or on the order of the Recipient.

4.5. Withdrawals from the Grant Account shall be made on the basis of the interim unaudited financial reports referred to in paragraph (c) of Section 5 and under such other terms and conditions as the Bank shall specify by notice to the Recipient contained in the Disbursement Letter addressed or to be addressed by the Bank to the Recipient for purposes of the Grant.

4.6. Withdrawals of the proceeds of the Grant shall be made in the currency of the Grant. The Bank, at the Recipient's request and acting as an agent of the Recipient, shall purchase with the currency of the Grant withdrawn from the Grant Account such currencies as shall be required to pay for expenditures to be financed out of the proceeds of the Grant. Whenever it shall be necessary, for the purposes of this Letter Agreement, to determine the value of one currency in terms of another, such value shall be as reasonably determined by the Bank.

5. *Accounts and Audits*

(a) The Recipient shall maintain or cause to be maintained a financial management system, including records and accounts, adequate to reflect the transactions related to the Project, in accordance with the requirements of the document Financial Regulations and Rules of the UNDP, as amended from time to time (hereinafter referred to as the Financial Regulations).

(b) The Recipient shall maintain in a separate account in its records ("Grant Control Account") a complete, true and faithful record of all the advances from the proceeds of the Grant and of all the expenditures paid from such advances.

(c) The Recipient shall prepare, on a quarterly basis, interim unaudited financial reports, in accordance with accounting standards established pursuant to the Financial Regulations and in the format agreed with the World Bank, adequate to reflect the operations, resources and expenditures related to the Project. The first said interim unaudited financial reports shall be furnished to the World Bank no later than 45 days after the end of the first semester after the effectiveness of this Letter Agreement, and shall cover the period from the incurrence of the first expenditure under the Grant through the end of such first semester; thereafter, each interim unaudited

financial report shall be furnished to the World Bank not later than 45 days after each subsequent semester, and shall cover such quarter.

(d) The Recipient shall ensure that the audit of the Project is governed by: (i) Regulations 7.1, 7.4 and 7.11 of the Financial Regulations and (ii) the Financial Management Framework Agreement. In particular, the Recipient shall have its financial statements audited in a manner acceptable to the World Bank. Each such audit of the financial statements shall cover the period of one fiscal year of the Recipient. The audited financial statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

(e) The Recipient shall retain, until at least one year after the World Bank has received the final interim unaudited financial report referred to in paragraph (b) of this Section 5 covering the quarter in which the last withdrawal from the Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing all expenditures in respect of which withdrawals from the Grant Account were made.

6. *Suspension and Cancellation*

6.1. The Bank may at any time, by notice to the Recipient, suspend the right of the Recipient to make further withdrawals from the Grant Account if any of the following events has occurred and is continuing: (a) the Recipient has failed to comply with any of its obligations herein specified; or (b) the right of the Recipient or the Participating Countries, or any other entity to which the Bank has made a loan with the guarantee of the Participating Countries, to make withdrawals under any loan agreement with the Bank or any development credit, grant or financing agreement with the International Development Association has been suspended; or (c) if, by notice sent jointly to the United Nations and the Recipient pursuant to paragraph (iv) of Section 9 of the Financial Management Framework Agreement, the Bank confirms that it reasonably believes the actions taken previously in accordance with said Section 9 have not been sufficient to fulfill its fiduciary obligation to ensure that the proceeds of the Grant were used for eligible expenditures; or (d) if, by notice sent jointly to the United Nations and the Recipient pursuant to sub-paragraph (a) of paragraph (iii) of Section 10 of the Financial Management Framework Agreement, the Bank confirms that alternative financial management arrangements mutually acceptable to the Bank and the relevant UN Organization were not reached within the period stipulated therein; or (e) if the Bank determines at any time that a reference in sub-paragraph (a) or (d) of paragraph 5 of the Annex to this Letter Agreement to the Recipient's financial regulations and rules is incomplete or inaccurate in any material respect.

6.2. The Bank may, by written notice to the Recipient, terminate the right of the Recipient to make further withdrawals from the Grant Account: (a) at any time after the right of the Recipient to make withdrawals from the Grant Account has been suspended pursuant to the provisions of paragraph 6.1 above; or (b) if the Recipient has failed to take action, satisfactory to the Bank, within six months after the effective date of this Agreement, to carry out the Activities.

Attachment I

Procurement

Section I. General

A. All goods shall be procured in accordance with the provisions of Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Procurement Guidelines"), in the case of goods.

B. All consultants' services shall be procured in accordance with Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines"), and with the provisions of this Attachment as the same may be elaborated in the Procurement Plan referred to in paragraph 3.1 of this Letter Agreement.

C. The procurement of goods and consultants' services required for the carrying out of the Project and to be financed out of the proceeds of the Grant shall be governed by the provisions of the Procurement Plan.

Section IV. Review by the World Bank of Procurement Decisions

The Procurement Plan referred to in paragraph 3.1 of this Letter Agreement shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.