
CREDIT NUMBER 5118-VC

Financing Agreement

**(First Phase of the Caribbean Regional Communications Infrastructure
Program – Saint Vincent and the Grenadines Project)**

between

SAINT VINCENT AND THE GRENADINES

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 26, 2012

FINANCING AGREEMENT

AGREEMENT dated June 26, 2012, entered into between SAINT VINCENT AND THE GRENADINES ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS (A) the Recipient and the Participating Countries have agreed to participate in a program designed to facilitate the Recipient's and the Participating Countries' connectivity to regional broadband networks through a submarine cable and terrestrial infrastructure to enable the Participating Countries to increase access to quality and affordable information and communication technology services ("Caribbean Regional Communications Infrastructure Program" or "Program");

(B) the Recipient, having satisfied itself as to the feasibility and priority of the project ("Project", as described in Schedule 1 hereto) under the first phase of the Program, has requested the Association to assist in the financing of the Project; and

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend the Credit to the Recipient upon the terms and conditions set forth in this 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 capitalized 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 three million nine hundred thousand Special Drawing Rights (SDR 3,900,000) (variously, "Credit" and "Financing") to assist in financing the 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 (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 (3/4 of 1%) per annum.
- 2.05. The Payment Dates are February 15 and August 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. 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 Conditions of Effectiveness consist of the following:
 - (a) The Recipient has prepared and adopted, or caused to be prepared and adopted, a Project Implementation Manual, in form and substance satisfactory to the Association.
 - (b) The Recipient has: (i) appointed a Project coordinator in accordance with Section III of Schedule 2 to this Agreement; and (ii) established the Project Steering Committee, in form and substance satisfactory to the Association.
 - (c) The Recipient has, in form and substance satisfactory to the Association, entered into and signed the Technical Agreement with the CTU.

- 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, which shall expire on November 22, 2013.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Recipient's Minister responsible for finance.

- 5.02. The Recipient's Address is:

Office of the Prime Minister
Administrative Centre
Kingstown
Saint Vincent and The Grenadines

Facsimile:
(784) 457 2152

- 5.03. The Association's Address is:

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

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

AGREED at the District of Columbia, United States of America, as of the day and year first above written.

SAINT VINCENT AND THE GRENADINES

By



Authorized Representative

Name: OMARI SEITU WILLIAMS

Title: MINISTER COUNSELOR

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Françoise Clottes

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to increase access to regional broadband networks and to advance the development of an ICT-enabled services industry in the territory of the Recipient and in the Caribbean region.

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

Part A: Regional Connectivity Infrastructure

1. Carrying out a program of activities for technical assistance and capacity building of the relevant Recipient's institutions for: (a) the design and implementation of public private partnership (PPP) arrangements, including transactional advice and validation of design and costs for broadband infrastructure; and (b) strengthening the legal and regulatory environment to harmonize the same at the regional level, and to provide effective regulation for the benefit of end-users, including infrastructure sharing and open and non-discriminatory access to the IXP and network infrastructure.
2. Developing the Recipient's national and cross-border infrastructure, under PPP arrangements, required to roll-out submarine and terrestrial broadband backbone networks to reduce communications infrastructure gaps and cost, including the establishment of a high speed broadband backbone network to connect major populated areas to existing regional broadband networks, and to increase cross-border connectivity.
3. Establishing a government intranet (virtual private network) to facilitate connectivity for the Recipient's public agencies.
4. Facilitating regional and local interconnection of internet traffic, including structuring of ownership and management of IXP to reduce the cost of connectivity and increase the quality of service.

Part B: ICT-led Innovation

1. Developing ICT centers of excellence to facilitate the growth of ICT-enabled industry in the Caribbean region.

2. Carrying out of a program of activities: (a) for skills development and certification (Training Plan) for eligible public and private training institutions and private entities (Beneficiaries), through the provision of Training Grants; and (b) for capacity building and business incubation to support development of local ICT small and medium enterprises (SMEs) (Business Plans) to promote the creation of new ICT-enabled industry, through the provision of Business Incubation Grants to eligible local ICT SMEs (Beneficiaries).

Part C: Implementation Support

Strengthening the institutional capacity for implementation, management, coordination, monitoring and evaluation of the Project, including recruiting key PSIPMU staff, and building the capacity for relevant key policy and regulatory institutions.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Regional Level

1. Collaboration with CTU

The Recipient shall, at all times during the implementation of the Project, ensure participation and adequate representation in the Regional Steering Committee, and shall maintain such representation with resources satisfactory to the Association.

2. Technical Agreement

(a) For purposes of maintaining adequate coordination with the CTU in the implementation of the regional activities under the Project and the Program, the Recipient shall enter into an agreement (the Technical Agreement) with the CTU, under terms and conditions acceptable to the Association.

(b) The Recipient shall exercise its rights and carry out its obligations under the Technical Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce the Technical Agreement or any provision thereof.

B. National Level

1. Project Steering Committee

(a) The Recipient shall establish, and thereafter operate and maintain, at all times during the implementation of the Project, a Project steering committee (the Project Steering Committee), with a composition, mandate, and in form and substance satisfactory to the Association.

(b) Without limitation to sub-paragraph (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 coordination of Project activities, and making recommendations for

removal of any obstacles to the implementation of the Project; (iii) providing comments on reports and reviews prepared by the PSIPMU under the Project; and (iv) approving the Business or Training Plans whose investment cost fall above the threshold specified in the Business Incubation and Training Grants Manual.

2. **PSIPMU**

- (a) The Recipient shall operate and maintain, at all times during the implementation of the Project, the PSIPMU within the Recipient's Ministry of Finance and Economic Planning, with functions, staffing and resources satisfactory to the Association.
- (b) Without limitation to the provisions of Section I.B.1 of this Schedule, the PSIPMU shall be responsible: (i) for fiduciary (*i.e.*, procurement and financial management), environmental and social safeguards compliance and coordination under the Project; and (ii) in coordination with the Project coordinator for day-to-day administration of overall planning, coordination, monitoring, evaluation, reporting and communication of the activities under the Project; all in accordance with the provisions of this Agreement and the Project Implementation Manual.
- (c) Without limitation to sub-paragraph (a) of this Part B.2, the Recipient shall maintain, at all times during the implementation of the Project, a Project coordinator housed within the Department of ICT for the purpose of, *inter alia*, coordinating and providing technical support to the PSIPMU, and liaising with relevant ministries, departments and other stakeholders.

3. **Business Incubation Grants and Training Grants Manager**

- (a) The Recipient shall appoint and maintain, at all times during the implementation of the Project, a firm or an individual to serve as the Business Incubation Grants and Training Grants Manager, respectively, with terms of reference and functions satisfactory to the Association.
- (b) Without limitation upon the provisions of paragraph 3 (a) of this Part B, the Business Incubation Grants and Training Grants Manager shall be responsible for: (i) appraising all proposed Business or Training Plans; (ii) approving, subject to the Project coordinator's no-objection, Business Incubation Grants or Training Grants, which fall below the threshold for approval by the Project coordinator, or recommending for approval by the Project coordinator or the Project Steering Committee, as the case may be, Business Incubation Grants or Training Grants, which exceed the thresholds for approval by the Project coordinator, as specified in the

Business Incubation and Training Grants Manual; and (iii) disbursing, administering, monitoring and reporting to the Project Steering Committee on all approved Business Incubation Grants or Training Grants, as the case may be, all in accordance with the provisions and procedures set forth in Part C of this Section and further detailed in the Business Incubation and Training Grants Manual.

C. Business Incubation Grants and Training Grants

1. General

The Recipient shall appraise, approve and monitor the respective Business Plans or Training Plans and administer the Business Incubation Grant or the Training Grants in accordance with the provisions and procedures set forth or referred to in this Part C and in more detail in the Business Incubation and Training Grants Manual.

2. Eligibility Criteria for Business Plans and Training Plans

No proposed Business Plan or Training Plan shall be eligible for financing under a Business Incubation Grant or a Training Grant out of the proceeds of the Financing unless the Business Incubation and Training Grants Manager, the Project coordinator or the Project Steering Committee, as the case may be, have determined, on the basis of an appraisal conducted by the Business Incubation and Training Grants Manager in accordance with this sub-paragraph and the guidelines set forth in the Business Incubation and Training Grants Manual, that the proposed Business or Training Plan satisfies the eligibility criteria specified below and set forth or referred to in more detail in the Business Incubation and Training Grants Manual, which shall include, *inter alia*, the following:

- (a) The proposed Business or Training Plan shall fall within the areas described under Part B.2 of the Project, and shall exclude any activities and expenditures specified as ineligible in the Business Incubation and Training Grants Manual;
- (b) the proposed Business or Training Plan shall be initiated by a Beneficiary which has the capacity to enter into a binding contract under the laws of the Recipient, and which has met the other eligibility criteria specified or referred to in the Business Incubation and Training Grants Manual, including the Beneficiary's agreement and ability to provide a minimum contribution in cash or in kind, as specified in the Business Incubation and Training Grants Manual;

- (c) the Beneficiary has adequate technical, financial management and procurement capacity to implement the proposed Business or Training Plan in compliance with the guidelines set forth in the Business Incubation and Training Grants Manual; and
- (d) the Beneficiary shall be eligible to receive a subsequent Business Incubation Grant or Training Grant if it has completed the preceding Business or Training Plan to the satisfaction of the Project Steering Committee, in accordance with the terms of the Business Incubation Grant Agreement, or Training Grant Agreement.

3. **Approval of Business or Training Plans**

The Recipient shall cause the Business Incubation and Training Grants Manager to carry out an appraisal of the compatibility of each proposed Business or Training Plan in accordance with the eligibility criteria and the technical, financial and procurement guidelines and procedures set forth in the Business Incubation and Training Grants Manual and, based on such appraisal: (a) approve the Business or Training Plan whose investment cost falls below the threshold specified in the Business Incubation and Training Grants Manual; (b) recommend for approval by the Project coordinator and the Project Steering Committee, as the case may be, the Business or Training Plan whose investment cost falls above the threshold specified in the Business Incubation and Training Grants Manual; and (c) without limitation to the foregoing, obtain the Association's no-objection prior to approving Business or Training Plans whose investment cost exceeds the threshold specified for that purpose in the Business Incubation and Training Grants Manual.

4. **Terms and Conditions of Business Incubation Grants or Training Grants**

A Business or Training Plan shall be carried out pursuant to a Business Incubation Grant Agreement, or a Training Grant Agreement, to be concluded between the Business Incubation and Training Grants Manager, on behalf of the Recipient, and the respective Beneficiary, prior to commencement of any activity under such Business or Training Plan, all under terms and conditions described or referred to in more detail in the Business Incubation and Training Grants Manual and satisfactory to the Association, which, *inter alia*, shall include the following:

- (a) the description of the activities to be implemented, including the outputs and performance targets to be achieved, and the arrangements for monitoring, evaluating and reporting on the implementation of the Business or Training Plan;

- (b) the obligation of the respective Beneficiary to contribute, in cash and/or in-kind, a minimum percentage of the projected Business or Training Plan cost as specified in the Business Incubation and Training Grants Manual;
- (c) the modalities of transfer of funds by the Business Incubation and Training Grants Manager to the respective Beneficiary for the financing of the Business or Training Plan;
- (d) the obligation of the respective Beneficiary to: (i) carry out the Business or Training Plan with due diligence and efficiency and in accordance with sound technical, engineering, environmental, financial, and managerial practices, and in accordance with the provisions of the Anti-corruption Guidelines and the pertinent provisions of this Agreement; and (ii) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the Business or Training Plan;
- (e) the requirement that the goods and consultants' services to be financed from the proceeds of the Business Incubation Grant or Training Grant shall be procured in accordance with procedures ensuring efficiency and economy and in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the Business or Training Plan;
- (f) the right of the Business Incubation and Training Grants Manager, on behalf of the Recipient, to: (i) inspect by itself, or jointly with the Association, if the Association shall so request, the goods, included in the Business or Training Plan, the operations thereof and any relevant records and documents; (ii) obtain all information as the Recipient, or the Association, shall reasonably request regarding the administration, operation and financial conditions of the respective Business or Training Plan; and (iii) suspend or terminate the right of the pertinent Beneficiary to use the proceeds of the Business Incubation Grant or Training Grant upon failure by said Beneficiary to perform any of its obligations under the Business Incubation Grant Agreement or the Training Grant Agreement; and
- (g) the obligation of the Business Incubation and Training Grants Manager, on behalf of the Recipient, to ensure that the Business or Training Plan is carried out in accordance with the Anti-Corruption Guidelines.

5. **Administration of Business Incubation Grant Agreements or Training Grant Agreements**

The Recipient shall cause the Business Incubation and Training Grants Manager to exercise its rights and carry out its obligations under the Business Incubation Grant Agreements or Training Grant Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing, and, except as the Association shall otherwise agree, the Recipient shall not permit the Business Incubation and Training Grants Manager to assign, amend, abrogate, waive, terminate or fail to enforce any Business Incubation Grant Agreement or Training Grant Agreement or any provision thereof.

D. **Project Implementation Manual and Business Incubation and Training Grants Manual**

1. The Recipient shall carry out the Project (except Part B.2 of the Project) in accordance with the provisions of the Project Implementation Manual, containing, *inter alia*, detailed arrangements and procedures for: (a) institutional coordination 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 organizational arrangements and procedures as shall be required for the Project.
2. The Recipient shall carry out Part B.2 of the Project in accordance with the provisions of the Business Incubation and Training Grants Manual, containing, *inter alia*: (a) detailed arrangements and procedures for management, supervision, monitoring, evaluation and reporting of the respective Business or Training Plans; (b) disbursement and funds flow arrangements; (c) procedures for procurement and financial management setting forth, *inter alia*, the procurement and financial management responsibilities of the respective Beneficiaries; (d) guidelines for the carrying out of the respective Business or Training Plans, including, the eligibility criteria for determining the Beneficiaries, and detailed procedures for the selection, approval and implementation of respective Business or Training Plans; and (e) a sample format of a Business Incubation Grant Agreement and of a Training Grant Agreement.
3. The Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Implementation Manual, or the Business Incubation and Training Grants Manual, without the prior written agreement of the Association; provided, however, that in case of any conflict between the arrangements and procedures set out in any of said manuals and the provisions of this Agreement, the provisions of this Agreement shall prevail.

E. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

F. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the ESMF and the RPF.
2. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF and the RPF or any provision thereof without prior approval in writing by the Association, subject to the same approval requirements as applicable to the adoption of the said instruments.
3. The Recipient shall ensure that, in respect of any Project activity that is site specific: (a) if an environmental and social impact assessment, or an environmental and social management plan, or a similar safeguard instrument would be required on the basis of the ESMF; and/or (b) if a resettlement action plan or similar safeguard instrument would be required on the basis of the RPF, all such environmental and social impact assessment, or environmental and social management plan, or strategic environmental assessment, or resettlement action plan, or similar safeguard instrument (Safeguard Instruments), as the case may be, is prepared as required under the ESMF or the RPF; (c) each such Safeguard Instrument is submitted to the Association for its review; (d) each such Safeguard Instrument is thereafter adopted and disclosed in accordance with the provisions of the ESMF or the RPF; and (e) each Safeguard Instrument is implemented in accordance with its terms.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of six (6) calendar months, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than four (4) months after the end of such period.
4. The Recipient shall, not later than six (6) months after the Effective Date, appoint the external auditors for the Project, in accordance with the provisions of Section III.C of this Schedule.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; (c) Direct Contracting; and (d) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association.

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. **General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<u>Category</u>	<u>Amount of the Credit Allocated (expressed in SDR)</u>	<u>Percentage of Expenditures to be Financed (inclusive of Taxes)</u>
(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for the Project (except Part B.2 of the Project)	2,190,000	100%
(2) Business Incubation Grants or Training Grants for goods and services for Business or Training Plans under Part B.2 of the Project	1,010,000	100% of the amount disbursed
(3) Refund of Preparation Advance	700,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	3,900,000	

For the purpose of this Section IV.A.2:

- (a) the term "Training" means the cost associated with the training and workshops, approved by the Association, for reasonable expenditures (other than expenditures for consultants' services), including: (i) travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training and by training facilitators; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses;
- (b) the term "Operating Costs" means the incremental expenses, approved by the Association, on account of Project implementation, including office equipment and supplies, rental of office space, vehicle operation and maintenance, communication costs, office administration costs, utilities, travel and *per diem*, excluding the salaries of the Recipient's civil servants; and

- (c) the term "non-consulting services" means the cost associated with the services which will be bid and contracted on the basis of performance or measurable physical outputs, such as logistical service expenses for capacity building events, printing or training materials (not otherwise covered as Training expenses) and **media campaigns**.

B. Withdrawal Conditions; Withdrawal Period

- 1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement; or
 - (b) in respect of any Business Incubation Grant, or any Training Grant under Category (2), unless the Recipient has: (i) contracted the Business Incubation and Training Grants Manager with qualifications and terms of reference satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement; and (ii) adopted the Business Incubation and Training Grants Manual in a manner acceptable to the Association.
- 2. The Closing Date is February 1, 2017.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15:	
commencing August 15, 2022 to and including February 15, 2032	1%
commencing August 15, 2032 to and including February 15, 2052	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

Definitions

1. "Agreement for the Establishment of the Caribbean Telecommunications Union" means the international agreement establishing the CTU (as hereinafter defined) as a regional organization signed respectively by its member countries on the dates mentioned herein as follows: Antigua and Barbuda on April 28, 1989, The Commonwealth of Bahamas on April 28, 1989, Barbados on March 14, 1990, the Commonwealth of Dominica on March 13, 1990, Grenada on April 25, 1990, Guyana on August 25, 1989, Jamaica on January 23, 1990, Saint Kitts and Nevis on July 19, 1990, Saint Lucia on March 14, 1990, Saint Vincent and the Grenadines on March 15, 1990, and by Trinidad and Tobago on September 19, 1989, as said Agreement is in force and effect in accordance with Article 26 of said Agreement.
2. "Anti-Corruption Guidelines" means 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.
3. "Beneficiary" means a public or private sector entity (including a technology training center)/SME, established and operating under the laws of the Recipient, or an individual engaged in IT or ITES services, which has met the eligibility criteria specified in the Business Incubation and Training Grants Manual (as hereinafter defined) and, as a result, has been extended, or is to be extended, a Business Incubation Grant or a Training Grant (all as hereinafter defined) for the carrying out of a Business or Training Plan (as hereinafter defined).
4. "Business Incubation Grant" means a grant made or proposed to be made out of the proceeds of the Financing by the Recipient, through the Business Incubation and Training Grants Manager (as hereinafter defined), to a Beneficiary for the purpose of financing a Business Plan in accordance with the provisions of Section I.C of Schedule 2 to this Agreement.
5. "Business Incubation Grant Agreement" means an agreement entered into, or to be entered into, between the Business Incubation and Training Grants Manager, on behalf of the Recipient, and a Beneficiary, for the purpose of extending a Business Incubation Grant to such Beneficiary on the terms and conditions set forth or referred to in Section I.C.4 of Schedule 2 to this Agreement.
6. "Business Incubation and Training Grants Manager" means a firm or an individual to be recruited by the Recipient in accordance with the provisions of Section III of Schedule 2 to this Agreement to assist the Recipient in managing the Business Incubation Grants and Training Grants, respectively.

7. "Business Incubation and Training Grants Manual" means the Recipient's manual, in form and substance satisfactory to the Association, and referred to in Section D.2 of Schedule 2 to this Agreement, as such manual may be amended from time to time with the agreement of the Association.
8. "Business or Training Plan" means a set of specific activities carried out or to be carried out by a Beneficiary under Part B.2 of the Project, and financed or proposed to be financed out of the proceeds of the Financing through a Business Incubation Grant or a Training Grant.
9. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
10. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
11. "CTU" means the Caribbean Telecommunications Union established under the Agreement for the Establishment of the Caribbean Telecommunications Union.
12. "Department of ICT" means the department responsible for ICT under the Recipient's Prime Minister's office, or any successor thereto.
13. "Environmental and Social Management Framework" or "ESMF" means the Recipient's framework, acceptable to the Association, dated December 2011, and published on February 29, 2012 and on March 2, 2012, respectively, setting forth the modalities for environmental screening and procedures/actions for the preparation and implementation of environmental assessments and management plans under the Project, and such term includes all schedules and annexes to the Environmental and Social Management Framework, as the same may be amended from time to time with the agreement of the Association.
14. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
15. "ICT" and "IT" mean information communications technology, and information technology, respectively.
16. "ITES" means information technology enabled services.
17. "IXP" means an Internet Exchange Point.
18. "Participating Countries" means the Recipient and the following countries that are participating in the first phase of the Program, namely, Dominican Republic, Grenada and Saint Lucia.

19. "PPP" means public private partnership, a legal arrangement that allocates risk between one or more public sector entities and one or more private sector entities concerning the governance, ownership, operation and/or financing of a project.
20. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on August 18, 2011, and on behalf of the Recipient on August 26, 2011.
21. "Procurement Guidelines" means 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.
22. "Procurement Plan" means the Recipient's procurement plan for the Project, dated March 19, 2012, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
23. "Program" means the program described in the Whereas clause (A) of the Preamble of this Agreement.
24. "PSIPMU" means the Public Sector Investment Programme Management Unit within the Recipient's Ministry of Finance and Economic Planning, and referred to in Section I.B.2 (a) of Schedule 2 to this Agreement, or any successor thereto.
25. "Project Implementation Manual" means the Recipient's manual, in form and substance satisfactory to the Association, and referred to in Section I.D.1 of Schedule 2 to this Agreement, as such manual may be amended from time to time with the agreement of the Association.
26. "Project Steering Committee" means the committee referred to in Section I.B.1 (a) of Schedule 2 to this Agreement.
27. "Regional Steering Committee" means the steering committee established by the CTU for the purpose of providing oversight to the implementation of the Program, and referred to in Section I.A.1 of Schedule 2 to this Agreement.
28. "Resettlement Policy Framework" or "RPF" means the Recipient's framework dated January 2011, and published on March 1, 2012, and on March 2, 2012, respectively, acceptable to the Association, setting forth the modalities for resettlement and compensation of any persons who may be affected or displaced under the Project as determined by the Association, and the guidelines for the preparation and implementation of the respective resettlement action plans, as the same may be amended from time to time with the agreement of the Association.

29. "Safeguard Instrument" means either the ESMF, the RPF, any environmental assessments and environmental management plans that may be prepared pursuant to the ESMF or any resettlement action plans that may be prepared pursuant to the RPF.
30. "SME" means a small or a medium size enterprise.
31. "Technical Agreement" means an agreement referred to in Article 4.01(c) and Section I.A.2 (a) of Schedule 2 to this Agreement.
32. "Training Grant" means a grant made or proposed to be made out of the proceeds of the Financing by the Recipient, through the Business Incubation and Training Grants Manager (as hereinafter defined), to a Beneficiary for the purpose of financing a Training Plan in accordance with the provisions of Section I.C of Schedule 2 to this Agreement.
33. "Training Grant Agreement" means an agreement entered into, or to be entered into, between the Business Incubation and Training Grants Manager, on behalf of the Recipient, and a Beneficiary, for the purpose of extending a Training Grant to such Beneficiary on the terms and conditions set forth or referred to in Section I.C.4 of Schedule 2 to this Agreement.