March 14, 2013

The Honourable Keith Mitchell
Prime Minister, Minister of Finance,
Energy, National Security, Disaster Preparedness,
Home Affairs, Public Affairs, Implementation and Information
Financial Complex, The Carenage
St. George's
Grenada, W.I.

Dear Minister:

Re: Grenada: OECS Skills for Inclusive Growth Project (Credit No. 4534-GD)
2nd Amendment to the Financing Agreement

We refer to the Financing Agreement between the International Development Association (the “Association”) and Grenada (the “Recipient”) dated March 19, 2009, with respect to the above-captioned Project (the “Agreement”), as amended. We also refer to your letter dated January 14, 2013, requesting for amendment to the Agreement.

We are pleased to inform you that the Association agrees to your request. Accordingly, the Association proposes to amend the Agreement as follows:

1. Schedule 1 to the Agreement is hereby amended as follows:

1.1. Part 1 (a) - is amended as follows:

“Part 1: Skills Training for Employed and Unemployed Youth-

(a) Supporting the skills training of eligible employed and unemployed youth, including assessment of prior learning for employed youth, by providing funds to carry out the following activities:

(i) outreach to, and enrollment in the skills training scheme of employed and unemployed youth, private sector employers and training providers;

(ii) submission of proposals to NTA based on the employers’ training needs and the training providers capacity to administer training;

(iii) evaluation of proposals by the Technical Evaluation Committee and awarding of winning proposals by GCTVET;
(iv) matching of enrolled employed and unemployed youth with winning proposals by NTA;

(v) life skills and technical training;

(vi) traineeships; and

(vii) certification of skills.”

1.2. Part 3 (c) is amended as follows:

“(c) Supporting necessary Project management expenditures, including the financing of operational costs of the NTA (including staff costs), the design and development of a management information system that would be accessible to the project and multiple agencies requiring labor market data for evidence-based planning and decision-making.”

2. Section IV.A.2 (a) of Schedule 2 to the Agreement is hereby amended as follows:

“(a) “Operating Costs” means the reasonable expenditures for Project administration, including the incremental Operating Costs of the NTA (and any additional staff cost of said NTA), PCU’s and specialized staff compensation, office rental, utilities and communication expenses, which would not have been incurred absent the Project.”

Please confirm your agreement with the foregoing amendment by signing and dating this letter in the spaces provided below. This Amendment Letter shall be executed in two counterparts, each of which shall be an original. The provisions of this Amendment Letter shall become effective as of the date of countersignature, upon receipt by the Association of one fully executed original of this Amendment Letter. All other provisions of the Agreement, except as amended through this letter shall remain in full force and effect.

Please also note that the restructuring paper dated March 5, 2013 will be disclosed on the Bank’s external website.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Françoise Clottes
Director
Caribbean Country Management Unit
Latin America and the Caribbean Region
AGREED:

GRENADA

By: [Signature]
Authorized Representative

Name: KEITH MITCHELL

Title: PRIME MINISTER

Date: 14/3/2013