
CREDIT NUMBER 5473-GY

Financing Agreement

(Secondary Education Improvement Project)

between

CO-OPERATIVE REPUBLIC OF GUYANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *October 10*, 2014

CREDIT NUMBER 5473-GY

FINANCING AGREEMENT

AGREEMENT dated October 10, 2014, entered into between CO-OPERATIVE REPUBLIC OF GUYANA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). 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 six million five hundred thousand Special Drawing Rights (SDR 6,500,000) (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 (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%).
- 2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.
- 2.06. The Payment Dates are June 1 and December 1 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is United States Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Education 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, through the Ministry of Education, has hired the Project coordinator, and the Project engineer, referred to in Section I.A.1 of Schedule 2 to this Agreement.
 - (b) The Recipient, through the Ministry of Education, has adopted the Project Operations Manual pursuant to Section I.A.2 of Schedule 2 to this Agreement.
- 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 the eighteen (18) months after the Association's approval of the Credit which expire on December 4, 2015.
- 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 (20) years after the date of this Agreement.

ARTICLE V -- REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its Minister of Finance.
- 5.02. The Recipient's Address is:

Ministry of Finance
Main and Urquhart Streets
Georgetown
Cooperative Republic of Guyana

Facsimile: (592) 226-1284

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, U.S.A., as of the day and year first above written.

CO-OPERATIVE REPUBLIC OF GUYANA

By




Authorized Representative

Name: Dr. Ashni Kumar Singh M.P.

Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Sophie Sictaine

Title: Director

SCHEDULE I

Project Description

The objectives of the Project are to: (i) strengthen the capacity of secondary school mathematics teachers nationwide; and (ii) increase enrollment in General Secondary Schools in targeted regions.

The Project consists of the following parts:

Part A. Strengthen the Capacity of Secondary School Mathematics Teachers Nationwide

Improve the content knowledge and instructional skills of secondary school mathematics teachers, through:

1. In-service Mathematics Teacher Training and Upgrading: Carrying out the following activities: (i) a diagnostic assessment of mathematics teachers; (ii) training and workshops for master trainers to deliver in-service training to all public secondary school mathematics teachers; (iii) design, development and provision of modular, iterative, competency-based training for all secondary school mathematics teachers; (iv) distribution of mathematics teaching aids in all public secondary schools to promote the application of training in the classroom and improved student learning; and (v) development of comprehensive website for an on-line community of practice for mathematics teachers in the Recipient's territory.

2. Revising Public Secondary School Teachers Appraisal Instruments: Improve mathematics instruction through: (i) the development of specific standards for mathematics instruction; (ii) the revision of the appraisal system for secondary school teachers and school principals; and (iii) the provision of training for secondary school principals, deputy principals, and master trainers in the use of the revised teacher appraisal instruments.

3. Technology-assisted Learning in Mathematics: Carrying out the following activities: (i) improvement of mathematics instruction and learning through use of innovative technology, on a pilot basis; and (ii) an independent evaluation process to assess the effectiveness of different packages of tablets and on-line mathematics learning management systems for improving student learning outcomes in mathematics.

Part B. Expansion of General Secondary School Facilities

Expand access to General Secondary School services in underserved areas of Regions 3 and 4 of the Recipient, through:

1. **New School Construction:** Construction of three new General Secondary Schools (one in Region 3 and two in Region 4), pursuant to the specifications set forth in the Project Operations Manual.
2. Provision of furniture and equipment for the facilities referred to in Part B.1 above.

Part C. Strengthen Institutional Capacity and Project Management

1. Design, develop and implement a new education management information system to increase efficiency in education sector data management and information use for planning and policymaking.
2. Carrying out of Project management, monitoring and evaluation activities, including Project audits.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient, through the Ministry of Education, shall maintain within the Planning Unit of the Ministry of Education, a Project coordinator, a Project engineer, a finance officer, a procurement officer, and an assistant accountant, all with qualifications, experience, and terms of reference satisfactory to the Association, and with sufficient resources, responsibilities and funding as shall be required to enable the same to carry out the day-to-day management, monitoring and coordination of Project implementation, including procurement, accounting, disbursement, financial management and other Project related activities.
2. The Recipient shall adopt and thereafter maintain the Project Operations Manual in a manner acceptable to the Association, and shall carry out the Project in accordance with the provisions of the Project Operations Manual.
3. In the event that any provision of the Project Operations Manual shall conflict with any provision in this Agreement, the terms of this Agreement shall prevail. The Recipient shall not amend, waive, abrogate, suspend or fail to enforce the Project Operations Manual, or any provision thereof without the Association's prior written consent.

B. Anti-Corruption

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

C. Safeguards

1. The Recipient, through MOE, shall carry out the Project in accordance with the Environmental Assessment and Management Plan ("EAMP"), and Part A of the Project in accordance with the Indigenous Peoples Plan ("IPP"), and shall not amend, suspend or abrogate any of the provisions of the EAMP or IPP without the prior agreement of the Association.
2. The Recipient shall ensure that no Resettlement shall take place as a consequence of Project implementation.

3. Prior to the commencement of any works under Part B of the Project, the Recipient, through the Ministry of Education, shall hire and thereafter maintain an engineering firm, under terms of reference satisfactory to the Association, and in accordance with the provisions set forth in Section III of this Schedule 2, to design and supervise the works, and ensure quality control.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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 indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, 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. 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. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

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; and (c) Direct Contracting.

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) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (f) Single-source Selection of consulting firms; and (g) Single Source Procedures for the Selection of Individual Consultants set forth in paragraph 5.6 of the Consultant Guidelines.

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 Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<u>Category</u>	<u>Amount of the Financing Allocated (expressed in SDR)</u>	<u>Percentage of Expenditures to be Financed</u>
(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for the Project.	6,500,000	100%
TOTAL AMOUNT	6,500,000	

For purposes of this table, the term:

- (a) "Training" means: (i) reasonable travel, room, board and *per diem* expenditures incurred by trainers, training facilitators, and trainees in connection with the training activities under the Project; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph; and

- (b) "Operating Costs" means reasonable expenditures directly related to the Project, incurred by the Recipient, through its Ministry of Education (which expenditures would not have been incurred absent the Project), including the costs of office supplies and other consumables, salaries of incremental staff of the Planning Unit of the Ministry of Education, communications, printing services, charges for the opening and operation of bank accounts, postage and handling, travel, transportation, accommodations and *per diems*.

B. Withdrawal Conditions; Withdrawal Period

- 1. Notwithstanding the provisions of Part A of this Section, 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 SDR 650,000 equivalent may be made for payments made prior to this date but on or after March 25, 2014, for Eligible Expenditures.
- 2. The Closing Date is March 31, 2020.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 1 and December 1:	
commencing June 1, 2019 to and including December 1, 2028	1.65%
commencing June 1, 2029 to and including December 1, 2038	3.35%

* 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

Section I. Definitions

1. "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.
2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. "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.
4. "Environmental Assessment and Management Plan" means the Recipient's environmental assessment and management plan, satisfactory to the Association, dated March 31, 2014, disclosed on the Ministry of Education's website on April 4, 2014 and on the World Bank's Infoshop on April 7, 2014, setting forth a set of screening, mitigation, and monitoring measures to be taken in connection with the carrying out of any works under the Project, to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures.
5. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
6. "General Secondary Schools" means the predominant public secondary education schooling facilities of the Recipient, excluding any public technical or vocational schools.
7. "Indigenous Peoples Plan" means the Recipient's Indigenous Peoples Plan for the Project, dated March 28, 2014, disclosed on the Ministry of Education's website on April 4, 2014, and in the World Bank's Infoshop on April 7, 2014, satisfactory to the Association, addressing the indigenous peoples safeguard requirements of the Project, as the same may be amended, supplemented or otherwise modified from time to time with the prior written agreement of the Association.
8. "Ministry of Education" means the Recipient's Ministry of Education, or any successor thereto.

9. "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.
10. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 9, 2014 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.
11. "Project Operations Manual" means the Recipient's manual, acceptable to the Association and adopted by the Recipient pursuant to Section I.A.2 of Schedule 2 to this Agreement, which sets forth, *inter alia*: (a) the environmental guidelines for small works; (b) the Project's chart of accounts and internal controls; (c) the format of: (A) the unaudited interim financial reports referred to in Section II. B.2 of Schedule 2 to this Agreement; and (B) the Financial Statements; (d) the terms of reference for carrying out the Project audits under Section II.B.3 of Schedule 2 to this Agreement; (e) the Project indicators (including the results framework); and (f) the Project disbursement and procurement procedures, as said manual may be updated and/or amended from time to time with the agreement of the Association.
12. "Region" means any of the ten administrative divisions of the Recipient, which are numbered from 1 to 10.
13. "Resettlement" means the taking of land without the displaced person's informed consent or power of choice, resulting in (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location, as interpreted in accordance with the Association's Operational Policy 4.12 (OP/BP 4.12).

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Section 3.02 is modified to read as follows:

"Section 3.02. Service Charge and Interest Charge

- (a) *Service Charge.* The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.
 - (b) *Interest Charge.* The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."
2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".
3. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the remaining paragraphs accordingly:

"32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b)."
4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".
5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to Section 3.02 with Section 3.02 (a).