

CONFORMED COPY

LOAN NUMBER 7555-JM

Loan Agreement

(Social Protection Project)

between

JAMAICA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated June 10, 2008

LOAN NUMBER 7555-JM

LOAN AGREEMENT

Agreement dated June 10, 2008, between JAMAICA (the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank). The Borrower and the Bank 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 — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of forty million Dollars (\$40,000,000) (the Loan), to assist in financing the project described in Schedule 1 to this Agreement (the Project).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.
- 2.05. The Payment Dates are April 15 and October 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: namely, a

change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa.

- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project through the MLSS with the assistance of: (a) the ME, the MoH, the PIOJ and the LGD for purposes of Part 1 of the Project; (b) the MFPS and the PIOJ for purposes of Part 3 of the Project; and (c) the PIOJ for purposes of Part 4 of the Project; all in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Events of Suspension consist of the following:
 - (a) The PATH Cabinet Decisions have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the implementation of the Project.
 - (b) The PIOJ shall have failed to perform any of its obligations under the Implementation Agreement.
- 4.02. The Additional Events of Acceleration consist of the following:
 - (a) The event specified in paragraph (b) of Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.
 - (b) The event specified in paragraph (a) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:

- (a) The Project Operations Manual has been adopted by the Borrower, through MLSS, in a manner satisfactory to the Bank, including a confirmation that the Project Operations Manual is consistent with the PATH Cabinet Decisions.
- (b) The Implementation Agreement has been executed on behalf of the Borrower and the PIOJ.

5.02. 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 months after the Bank's approval of the Loan which expire on November 13, 2009.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is the Minister of Finance and the Public Service of the Borrower.

6.02. The Borrower's Address is:
Ministry of Finance and the Public Service
30 National Heroes Circle
Kingston 4
Jamaica

Facsimile:
876-924-9291

6.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

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

JAMAICA

By /s/ Anthony Johnson

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Yvonne Tsikata

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to support the Borrower in strengthening its social protection system by: (a) improving the effectiveness of the PATH to foster investment by poor families in human capital accumulation; (b) developing a structured system for assisting working-age members of PATH Eligible Households to seek and retain employment; (c) enabling the formulation of a reform program for public sector pension schemes; and (d) developing a social protection strategy.

The Project consists of the following parts:

Part 1. Improving the Effectiveness of the PATH

- (a) **Financing of PATH Child Grants.** Assisting the Borrower in its social protection strategy by co-financing PATH Child Grants.
- (b) **Institutional Strengthening of the PATH.**
 - (i) Strengthening and improving administrative systems of the PATH by: (A) reviewing and improving the targeting, enrollment and recertification of PATH Beneficiaries; (B) implementing a content management system to improve the accuracy of data entry and records management; and (C) training social workers and other relevant stakeholders.
 - (ii) Improving accountability, monitoring and evaluation of the PATH by: (A) developing a strategic monitoring system based on an enhanced MIS; (B) conducting two process evaluations on the implementation of the PATH; (C) developing service standards and mechanisms to monitor compliance with such standards; (D) strengthening the financial management and internal audit capacity of the PATH; (E) conducting an impact evaluation to assess the PATH's contribution to school enrollment, attendance, and high school completion; (F) conducting an assessment on the PATH's targeting accuracy; and (G) developing and implementing appropriate public education and social marketing programs.
 - (iii) Strengthening the capacity of the MLSS to implement the PATH, through the provision of consultant services, goods and operating costs.

Part 2. Building Capacity for the Steps-to-Work Program

Supporting the MLSS to implement a new initiative, the Steps-to-Work Program (StW Program), which will target working-age members of PATH Eligible Households, for referral to the relevant support services of the Borrower to enable them to seek and retain employment. Support will be provided specifically for:

- (a) capacity building activities such as provision of training and study tours, carrying out of studies to improve program design and operation, enhancement of the MIS, and development of a directory of service providers;
- (b) incremental operating costs associated with the StW Program; and
- (c) monitoring and evaluation of the StW Program, including impact and process evaluations.

Part 3. Improving Public Sector Pension System Administration and Building Capacity for Reform

- (a) **Preparation of a Reform Program.** Supporting the preparation of a White Paper outlining a multi-year reform program for public sector pension schemes, including an assessment of the associated fiscal, welfare and institutional impacts, through:
 - (i) the provision of training on financial modeling of pension systems, cash flow forecasting, and the design and operations of defined benefit, notional defined contribution, and defined contribution systems; and
 - (ii) the provision of technical assistance on policy analysis.
- (b) **Improving Public Sector Administration and Information Systems.** Improving the pension administration system so that pensions are calculated, awarded and paid in a more timely manner, through:
 - (i) the development of a computerized database to keep track of the career histories of public sector workers;
 - (ii) the redesign of the current payment process and strengthening of the related information technology infrastructure; and
 - (iii) the carrying out of a review of the Borrower's existing legislation for public sector workers to propose amendments required to harmonize the pension schemes for such workers.

Part 4. Development of a Social Protection Strategy.

Supporting the Borrower in developing a social protection strategy to inform decision-making on appropriate policies and programs to address social risks and vulnerabilities within the Borrower's population. Support will be provided specifically for:

- (a) (i) diagnostic studies, including but not limited to vulnerability and social safety net assessments; and
- (ii) study tours to observe best practices of social protection systems and programs;

- (b) consensus-building activities on the reforms required to address the gaps identified; and
- (c) a social protection strategy outlining recommended reform options.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower shall maintain, within the MLSS, throughout Project implementation, key staff for Project implementation, including without limitation a Project manager and procurement and financial management personnel dedicated full-time to the Project, two part-time component coordinators, and other staff that may be necessary in adequate numbers, all with qualifications and experience satisfactory to the Bank.
2.
 - (a) The Borrower, through the MLSS, shall enter into an agreement with the PIOJ, under terms and conditions approved by the Bank, which shall include the roles and responsibilities of the MLSS and the PIOJ in the implementation of the Project (the Implementation Agreement).
 - (b) The Borrower shall exercise its rights and comply with its obligations under the Implementation Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Implementation Agreement or any of its provisions.

B. Operations Manual

Without limitation to the provisions of Article V of the General Conditions, the Borrower shall ensure that:

- (a) the Project is carried out in accordance with the Project Operations Manual, including the PATH Operations Manual; and
- (b) the Project Operations Manual or any part thereof is not amended, waived, suspended or abrogated without the Bank's prior written concurrence, and in case of any inconsistency between the provisions of the Project Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

C. Anti-Corruption

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

D. Other Arrangements

1. Without limitation to the provisions of Article V of the General Conditions, the Borrower shall ensure that:

- (a) the Bank is promptly informed of any developments in the legislation or regulations of the Borrower and/or the rules or procedures of the Borrower, including information on Cabinet decisions relevant to the PATH, that may affect the performance of the Project; and
 - (b) the Borrower's agencies, which are required to provide services under the Project, are made aware of the requirements of the Anti-Corruption Guidelines and take all actions necessary to support the carrying out of the Project in compliance with such requirements.
2. No later than March 31 each year during Project implementation, the Borrower shall prepare, in form and substance satisfactory to the Bank, an annual internal audit plan for the PATH. The Borrower shall furnish each audit plan to the Bank promptly upon its preparation, afford the Bank two weeks to exchange views with the Borrower on such plan, and thereafter implement such plan, taking into account the Bank's views on the matter.
3.
 - (a) No later than one year after the Effective Date, the Borrower shall hire, under terms of reference satisfactory to the Bank, a consultant to carry out an independent process evaluation of the PATH, which evaluation shall be completed no later than six months thereafter (or such other later date as the Bank may establish by notice to the Borrower). This independent process evaluation shall have the objectives of examining whether the PATH is being implemented as designed, identifying bottlenecks and suggesting remedial actions. It shall examine the quality of service delivery, develop a proposal of service standards and inform the design of an internal, periodic system of "spot checks" to detect and correct problems in a timely manner, which shall be implemented by the Borrower after the completion of this process evaluation. The Borrower shall discuss with the Bank the results of this independent process evaluation and agree on an action plan to implement any necessary measures to ensure the success of the PATH.
 - (b) No later than March 31, 2012 (or such other date as the Bank may establish by notice to the Borrower), the Borrower shall hire, under terms of reference satisfactory to the Bank, a consultant to carry out a second independent process evaluation of the PATH, which evaluation shall be completed no later than six months thereafter (or such other later date as the Bank may establish by notice to the Borrower). The Borrower shall discuss with the Bank the results of this second independent process evaluation and agree on an action plan to implement any necessary measures to ensure the success of the PATH.
4. No later than six months after the Effective Date, the Borrower shall implement the improved MIS being developed by the MLSS as of the date of this Agreement, in a manner satisfactory to the Bank.
5. If at any time the Bank determines that any portion of the Loan proceeds was used for items improperly procured in violation of Section III of this Schedule, was not used for Eligible Expenditures or, in the case of Conditional Cash Transfer Payments, was not supported by evidence of actual cash transfers paid to PATH Eligible Households and/or

by evidence of satisfaction of other criteria set forth in this Agreement or in the Project Operations Manual (including compliance with the PATH Co-responsibility) the Borrower shall promptly refund any such portion to the Bank as the Bank shall specify by notice to the Borrower.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators agreed with the Bank and set forth in the Project Operations Manual. Each Project Report shall cover the period of four months, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Borrower shall prepare and furnish to the Bank as part of the Project Report, interim unaudited financial reports for the Project covering the four-month period, in form and substance satisfactory to the Bank.
3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than four months after the end of such period.

Section III. Procurement

A. General

1. **Goods.** All goods required for the Project and to be financed out of the proceeds of the Loan 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 Loan 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 Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.
2. **Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods. The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Method</u>
(a) National Competitive Bidding
(b) Shopping
(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 table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Method</u>
(a) Quality-Based Selection
(b) Fixed Budget Selection
(c) Least Cost Selection
(d) Selection Based on Consultant Qualifications
(e) Single Source Selection
(f) Selection of Individual Consultants

D. Review by the Bank of Procurement Decisions

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

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by

the Bank 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 Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Conditional Cash Transfer Payments under Part 1(a) of the Project	32,000,000	28% prior to fulfillment of Performance Milestones I; 35% after fulfillment of Performance Milestones I; and 40% after fulfillment of Performance Milestones II, provided that fulfillment of Performance Milestones I has been maintained; all to the Bank’s satisfaction
(2) Goods, services, Training and Operating Costs under Parts 1 (b), 2, 3 and 4 of the Project	7,900,000	100%
(3) Front-end Fee	100,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
TOTAL AMOUNT	40,000,000	

3. For the purposes of this Section:
- (a) the term “Training” means: (i) reasonable travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph;
 - (b) the term “Operating Costs” means the incremental expenses incurred on account of Project implementation, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, per diem and supervision costs, and salaries

of locally contracted employees (none of which would have been incurred in the absence of the Project);

- (c) the term “Performance Milestones I” means:
 - (i) the Borrower’s Cabinet has approved an increase of the base PATH benefit (\$530 Jamaican Dollars as of March 2008) by at least 8%;
 - (ii) the Borrower’s Cabinet has approved a new PATH benefit review mechanism acceptable to the Bank;
 - (iii) the MLSS has adopted service standards for the PATH and monitoring mechanisms for compliance with such standards, all satisfactory to the Bank;
 - (iv) the first independent process evaluation referred to in Section I.D.3 (a) of Schedule 2 to this Agreement has been completed;
 - (v) PATH payment and compliance reports are being generated by the enhanced MIS referred to in Section I.D.4 of Schedule 2 to this Agreement; and
 - (vi) the baseline data for the PATH impact evaluation referred to in Part 1 (b) (ii) (E) of the Project has been collected; and
- (d) the term “Performance Milestones II” means:
 - (i) at least 80% of all PATH Beneficiaries due to be recertified according to the PATH Operations Manual have been recertified;
 - (ii) at least 70% of all PATH Beneficiaries are receiving grants according to the improved service standards referred to in paragraph (c) (iii) above;
 - (iii) the targeting assessment for the PATH has been completed as part of the impact evaluation referred to in Part 1 (b) (ii) (E) of the Project; and
 - (iv) the MLSS is using a revised targeting methodology and beneficiary identification system for the PATH that is satisfactory to the Bank.

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:

- (a) withdrawals up to an aggregate amount not to exceed \$1,520,000 equivalent may be made for payments made prior to this date but on or after May 1, 2008 (but in no case more than one year prior to the date of this Agreement), for Eligible Expenditures under Category 1; and

- (b) withdrawals up to an aggregate amount not to exceed \$40,000 equivalent may be made for payments made prior to this date but on or after May 1, 2008 (but in no case more than one year prior to the date of this Agreement), for Eligible Expenditures under Category 2.
- 2. The Closing Date is September 30, 2013.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each April 15 and October 15	
Beginning October 15, 2013 Through April 15, 2038	2%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date.
3.
 - (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

SCHEDULE 4

List of Cabinet Submissions and Decisions for the PATH

NO.	ITEM	CABINET SUB. & DECISIONS
1	Award of Contract for Enhancement of Management Information System Project# SSN-CON-QCBS-2006/03 – Programme of Advancement through Health and Education	Cabinet Submission No. 474/MLSS-19/07 (IC-124/07) dated October 19, 2007; Cabinet Decision No. 39/07 dated October 29, 2007
2	Social Safety Net Reform: Proposed No. of Beneficiaries and Value of the Unified Benefit	Cabinet Submission No. 57/MLSS-5/01; Cabinet Decision No. 8/01 dated February 24, 2001.
3	Special Payment to PATH Beneficiaries	Cabinet Submission No. 355/MLSS/09/04 –Confirmation of Minutes No. 30/04 dated September 27, 2004; Cabinet Decision No. 31/04 dated October 4, 2004.
4	Award of Contract for Impact Evaluation of Jamaica’s Social Safety Net Project (PATH)	Cabinet Submission No. 128/MLSS-05/03 dated March 14, 2003; Cabinet Decision No. 12/03 dated March 31, 2003.
5	Award of Contract for Operational Audit of Jamaica’s Social Safety Net Project– PATH	Cabinet Submission No. 360/MLSS-16/03 dated September 4, 2003; Cabinet Decision No. 29/03 dated September 15, 2003.
6	Beneficiary Identification System for Secondary School Fee Assistance Programme	Cabinet Note from MLSS dated June 30, 2003; Cabinet Decision No. 25/03 dated July 14, 2003.
7	Ministry Paper: Social Safety Net Reform: Jamaica United Benefit Programme	Cabinet Submission No. 85/MLSS-9/02 dated February 18, 2002; Cabinet Decision No. 7/07 dated February 23, 2002.
8	Social Safety Net Reform Programme: Treatment of Current Welfare Beneficiaries not Selected by the New Targeting Mechanism	Cabinet Submission No. HRC-12/02 dated July 17, 2002; Cabinet Decision No. 31/02 dated September 16, 2002;
9	Report on the Status of the Social Safety Net Project	Note to Cabinet on the HRC meeting held on December 10, 2001; Cabinet Decision No. 2/02 dated January 14, 2002.
10	Status Report: PATH	Cabinet Note dated July 19, 2002; Cabinet Decision No. 27/02 dated July 22, 2002.
11	Capping or Uncapping Beneficiary Numbers: Social Safety Net	Cabinet Submission No. 270/MFP-43/01; Cabinet Decision No. 25/01 dated July 9, 2001.
12	Social Safety Net	Cabinet Submission No. MLSS/01 dated February 14, 2001; Cabinet Decision No. 15/01 dated April 17, 2001.
13	Update on Preparation Activities for the Social Safety Net World Bank Finance Project	Report on meeting of the HRC held on March 19, 2001; No. HRC-3/01; Cabinet

NO.	ITEM	CABINET SUB. & DECISIONS
14	Update on the Reform of the Social Safety Net	Decision No. 13/01 dated April 2, 2001. Cabinet Note dated January 10, 2001; Cabinet Decision No. 3/01 dated January 22, 2001.
15	Strengthening of the Operations of the Social and Economic Support Programme (SESP) Consistent with the Reform of the Social Safety Net	Cabinet Submission No. 335/MFP-53/01; Cabinet Decision No. 32/01 dated August 20, 2001.
16	Reform of the Social Safety Net	Cabinet Submission No. 341/MFP-72/00 dated October 12, 2000; Cabinet Decisions No. 39/00 and 40/00 dated October 30 and November 6, 2000.
17	Enhancing the Social Protection System: Social Safety Net Project II	Cabinet Submission No. 42/MLSS-3/08 dated January 8, 2008; Cabinet Decision No. 3/08 dated January 28, 2008.
18	Social Safety Net Reform: Jamaica Unified Benefit Programme	MINISTRY PAPER# 5 (TABLED IN PARLIAMENT - FEBRUARY 2002).

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.
2. “Conditional Cash Transfer Payments” means PATH payments, in the form of PATH Child Grants, made by the Borrower to PATH Beneficiaries who comply with the PATH Co-responsibility applicable to PATH Child Grants.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
5. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008) with the modifications set forth in Section II of this Appendix.
6. “Implementation Agreement” means the agreement referred to in Section I.A.2 (a) of Schedule 2 to this Agreement between the Borrower, through the MLSS, and the PIOJ.
7. “LGD” means the Borrower’s Local Government Department under its Cabinet Office.
8. “ME” means the Borrower’s Ministry of Education.
9. “MFPS” means the Borrower’s Ministry of Finance and the Public Service.
10. “MIS” means the Borrower’s management information system for the PATH.
11. “MLSS” means the Borrower’s Ministry of Labour and Social Security.
12. “MoH” means the Borrower’s Ministry of Health.
13. “PATH” means the Borrower’s Programme of Advancement through Health and Education established pursuant to the PATH Cabinet Decisions and operating under the PATH Operations Manual.
14. “PATH Beneficiaries” means the individuals in the PATH Eligible Households that have voluntarily enrolled in the PATH.
15. “PATH Cabinet Decisions” means the list of Cabinet Decisions for the PATH set forth in Schedule 4 to this Agreement.

16. “PATH Co-responsibility” means health and education responsibilities assumed by PATH Eligible Households, as detailed in the PATH Operations Manual.
17. “PATH Child Grants” means the health and education conditional cash transfers under the PATH for poor children and youth from birth up to the age of 19 years in PATH Eligible Households which comply with the applicable PATH Co-responsibility.
18. “PATH Eligible Households” means the households in the Borrower’s population, each of which meets the criteria set forth in the PATH Operations Manual.
19. “PATH Operations Manual” means the operations manual for the PATH, satisfactory to the Bank, which is included in the Project Operations Manual and which contains, *inter alia*: (a) the organizational structure for the PATH, including the roles and responsibilities of each entity or agency involved in its implementation; (b) the operational cycle of the PATH, including eligibility criteria, detailed rules and procedures for the Conditional Cash Transfer Payments; (c) the indicators to be used in the monitoring and evaluation of the PATH; and (d) monitoring and evaluation procedures.
20. “Performance Milestones” means collectively Performance Milestones I and Performance Milestones II, all being a set of indicators appearing under Section IV.A.3 (c) and (d) of Schedule 2 to this Agreement, whose compliance shall be satisfactory to the Bank.
21. “PIOJ” means the Planning Institute of Jamaica.
22. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
23. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated March 28, 2008 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
24. “Project Operations Manual” means the manual, including all appendices and schedules thereto, satisfactory to the Bank and adopted by the Borrower, through the MLSS, which sets forth the policies and procedures that apply to the carrying out of the Project, which include, *inter alia*: (a) the PATH Operations Manual; (b) the roles and responsibilities of each of the agencies or entities involved in Project implementation; (c) the staffing requirements for the Project; (d) the estimated implementation schedule; (e) procedures for accessing, disbursing and accounting for funds under the Project; (f) the indicators to be used in the monitoring and evaluation of the Project; (g) procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports; and (h) procurement and financial management procedures.
25. “StW Program” means the Borrower’s Steps to Work Program to be developed and supported under Part 2 of the Project.
26. “White Paper” means a paper that constitutes the blue-print that guides the preparation of legislation.

Section II. Modifications to the General Conditions

1. Paragraph (a) of Section 2.05 of the General Conditions is amended to read as follows:

“(a) the payment is for the financing of Conditional Cash Transfer Payments (as such term is defined in the Loan Agreement) or the reasonable cost of goods, works or services required for the Project, to be financed out of the proceeds of the Loan and procured, all in accordance with the provisions of the Legal Agreements;”.