
CREDIT NUMBER 7473-GY

Financing Agreement

**(Enhancing Policies for Human Capital Accumulation
Development Policy Financing)**

between

CO-OPERATIVE REPUBLIC OF GUYANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between CO-OPERATIVE REPUBLIC OF GUYANA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Association has decided to provide this financing on the basis, *inter alia*, of: (i) the actions which the Recipient has already taken under the Program, and which are described in Section I of Schedule 1 to this Agreement; and (ii) the Recipient’s maintenance of an adequate macroeconomic policy framework. The Recipient and the Association therefore hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form 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 — CREDIT

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Non-concessional Financing for purposes of the General Conditions, in an amount equivalent to twenty-six million and seven hundred thousand Special Drawing Rights (SDR 26,700,000), as such amount may be converted from time to time through a Currency Conversion (“Credit” or “Financing”).
- 2.02. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.03. The Payment Dates are June 1 and December 1, in each year.
- 2.04. The principal amount of the Credit shall be repaid in accordance with Schedule 2 to this Agreement.
- 2.05. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Recipient shall promptly furnish to the Association such information relating to the provisions of this Article II as the Association may, from time to time, reasonably request.

ARTICLE III — PROGRAM

- 3.01. The Recipient declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and
 - (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following, namely that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in 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 Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists, namely that the Association is satisfied with the progress achieved by the Recipient in carrying out the Program and with the adequacy of the Recipient's macroeconomic policy framework.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its Minister of Finance.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

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

(b) the Recipient's Electronic Address is:

E-mail:
minister@finance.gov.gy

6.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

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


(b) the Association's Electronic Address is:

Facsimile:	E-mail:
1-202-477-6391	lburunciuc@worldbank.org

AGREED as of the Signature Date.

CO-OPERATIVE REPUBLIC OF GUYANA

By



Authorized Representative

Name: Hon. Dr. Ashni K. Singh, M.P

Title: Senior Minister in the Office of the President

Date: 15-Dec-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Lilia Burunciuc

Title: Country Director

Date: 14-Dec-2023

SCHEDULE 1

Program Actions; Availability of Credit Proceeds

Section I. Actions under the Program

Actions Taken Under the Program. The actions taken by the Recipient under the Program include the following:

1. To ensure equitable, efficient and transparent resource allocation to schools, the Recipient, through the MOE, has established a new resource allocation mechanism and school funding formula to provide direct support to schools through grants, based on criteria informed by effective needs and School Improvement Plans; as evidenced by MOE Circular 8/23, issued on September 19, 2023; the reform document published on the MOE website; and a letter from the Minister of Government and Parliamentary Affairs confirming endorsement of this action by the Cabinet.
2. To ensure access to affordable quality textbooks for all, the Recipient, through the MOE, has approved a new Textbook Policy that includes principles governing evaluation, selection, publishing, procurement, distribution, use, and financing of textbooks; as evidenced by MOE Ministerial Decision, issued on October 31, 2023; the policy document published on the MOE website; and a letter from the Minister of Government and Parliamentary Affairs confirming endorsement of this action by the Cabinet.
3. To ensure improved and equitable deployment of qualified teachers throughout the country, the Recipient, through the MOE, has adopted a Teacher Policy Framework that includes: (i) selection and certification of teachers; (ii) incentive structures and processes for equitable teacher deployment; and (iii) teacher career paths and promotion; as evidenced by MOE Ministerial Decision, issued on October 31, 2023; the policy document published on the MOE website; and a letter from the Minister of Government and Parliamentary Affairs confirming endorsement of this action by the Cabinet.
4. To ensure that secondary school infrastructure investments are based on effective needs, the Recipient, through the MOE, has approved a School Facilities Policy that includes: (i) key standards and criteria to guide investments, considering context-specific needs; (ii) requirements for learning-centered design, climate change resilience, energy efficiency, water efficiency, connectivity, and safety; and (iii) a financing mechanism for construction and infrastructure maintenance needs; as evidenced by MOE Ministerial Decision, issued on November 14, 2023; the policy document published on the MOE website; and a letter from the Minister of Government and Parliamentary Affairs confirming endorsement of this action by the Cabinet.

5. To strengthen evidence-based decision-making based on real-time data, the Recipient, through the MOE, has approved an Education Management Information System (EMIS) Policy and governance framework covering all levels of education, including Technical and Vocational Education and Training (TVET), as evidenced by MOE Ministerial Decision, issued on October 31, 2023; the policy document published on the MOE website; and a letter from the Minister of Government and Parliamentary Affairs confirming endorsement of this action by the Cabinet.
6. To strengthen the efficiency of public investment, the Recipient, through the MOF, has expanded the rollout of the Public Investment Management (PIM) Framework to include the MOE, thus improving the alignment of capital expenditures with the key prioritization criteria outlined in the PIM Framework and the medium-term fiscal plan, as evidenced by (i) the 2024 Budget Circular; (ii) the five-year public investment plan (PIP) submitted by the MOE to MOF; and (iii) a letter from MOF to MOE approving said PIP.
7. To improve teaching and learning practices, the Recipient has established a new Learning Assessment Unit within the MOE, enabling it to (i) carry out learning assessment activities to measure and support learning according to quality standards; (ii) communicate assessment results and information to key stakeholders; and (iii) provide teachers and teacher trainers with assessment resources, as evidenced by Ministerial Decision, issued on October 31, 2023; the policy document published on the MOE website; and a letter from the Minister of Government and Parliamentary Affairs confirming endorsement of this action by the Cabinet.
8. To promote equitable and relevant skills development and opportunities, the Recipient, through the MOE, has approved a Technical and Vocational Education and Training (TVET) Policy Framework, which includes: (i) greening of the curriculum; (ii) ensuring its alignment with labor market needs; and (iii) the sustainable financing of TVET, as evidenced by MOE Ministerial Decision issued on November 14, 2023; the policy document published on the MOE website; and a letter from the Minister of Government and Parliamentary Affairs confirming endorsement of this action by the Cabinet.

Section II. Availability of Credit Proceeds

- A. General.** The Recipient may withdraw the proceeds of the Credit in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient.
- B. Allocation of Credit Amounts.** The Credit is allocated in a single withdrawal tranche, from which the Recipient may make withdrawals of the Credit proceeds. The allocation of the amounts of the Credit to this end is set out in the table below:

Allocations	Amount of the Financing Allocated (Expressed in (SDR))
(1) Single Withdrawal Tranche	26,700,000
TOTAL AMOUNT	26,700,000

C. Withdrawal Tranche Release Conditions.

1. No withdrawal shall be made of the Single Withdrawal Tranche unless the Association is satisfied: (a) with the Program being carried out by the Recipient; and (b) with the adequacy of the Recipient's macroeconomic policy framework.

D. Deposit of Financing Amounts.

1. The Recipient, within thirty (30) days after the withdrawal of the Financing from the Financing Account, shall report to the Association: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the Guyana dollars equivalent of the Financing proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Recipient's budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

F. Closing Date. The Closing Date is December 31, 2024.

SCHEDULE 2

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Credit and the percentage of the total principal amount of the Credit payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each June 1 and December 1: Beginning June 1, 2030, through June 1, 2035.	8.33334 %
On December 1, 2035	8.33326 %

APPENDIX

Section I. Definitions

1. “Cabinet” means the Recipient’s Cabinet, a principal component of the executive branch of the government, consisting of the President, the Vice-Presidents, and all Ministers appointed.
2. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Development Policy Financing,” dated December 14, 2018 (Last revised on July 15, 2023).
3. “MOE” means the Recipient’s Ministry of Education, or any successor thereto acceptable to the Association.
4. “MOF” means the Recipient’s Ministry of Finance, or any successor thereto acceptable to the Association.
5. “Program” means the program of objectives, policies, and actions set forth or referred to in the letter dated November 14, 2023 from the Recipient to the Association declaring the Recipient’s commitment to the execution of the Program, and requesting assistance from the Association in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program’s objectives.
6. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
7. “Single Withdrawal Tranche” means the amount of the Credit allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.