

Public Disclosure Authorized

OFFICIAL DOCUMENTS

CREDIT NUMBER 6009-GY

Financing Agreement

(Guyana Education Sector Improvement Project)

between

CO-OPERATIVE REPUBLIC OF GUYANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *June 22*, 201*7*

FINANCING AGREEMENT

AGREEMENT dated June 22, 2017 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 nine million nine hundred thousand Special Drawing Rights (SDR 9,900,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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 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 MOE, with the assistance of the UG for carrying out Part 2 of the Project, all in accordance with the provisions of Article IV of the General Conditions and the Subsidiary Agreement.
- 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 — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The UG Act has been amended, suspended, abrogated, repealed, waived or not enforced in such a manner so as to materially and adversely, in the opinion of the Association, the ability of the UG to perform any of its obligations under the Subsidiary Agreement.
 - (b) The UG shall have failed to comply with any of its obligations under the Subsidiary Agreement.
- 4.02. The Additional Event of Acceleration consists of, namely, that any of the events specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V —EFFECTIVENESS; TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

- 5.02. 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 years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

- 6.02. The Recipient's Address is:

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

Facsimile: (592) 226-1284

- 6.03. The Association's Address is:

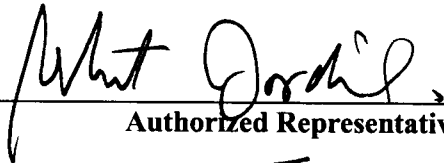
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: Facsimile:
248423 (MCI) 1-202-477-6391

AGREED at Georgetown, Co-operative ^{Republic of Guyana}, as of the day
and year first above written.

CO-OPERATIVE REPUBLIC OF GUYANA

By




Authorized Representative

Name: WINSTON JORDAN

Title: MINISTER OF FINANCE

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: PIERRE NAISI

Title: SENIOR COUNTRY OFFICER

SCHEDULE 1

Project Description

The objectives of the Project are to: (i) improve teaching practices and student achievement in mathematics at the Primary Level in selected schools; and (ii) strengthen the teaching capacity and improve the learning environment of the UG FHS.

The Project consists of the following parts:

Part 1. Integrated Curriculum Reform

- (a) **Curriculum Framework and Teaching Guides.** Provision of support for the: (i) development of a curriculum framework for Nursery, Primary Level and Lower Secondary Level, including a plan for subject-specific revisions of curriculum and pedagogy; (ii) carrying out of capacity-building activities for MOE staff on best practices in curriculum writing, teaching methods and teacher training; (iii) development of teaching guides and course outlines for selected Nursery, Primary Level and Lower Secondary Level subjects, consistent with the new curriculum framework; and (iv) acquisition of office and training equipment for NCERD.
- (b) **Teacher Training.** Provision of support for the: (i) development and carrying out of teacher training courses on student-centered pedagogies and student assessment practices consistent with the new curriculum framework, including strategies to improve student inclusiveness; (ii) training of Master Trainers and Curriculum Officers on the implementation of the new teaching guides and course outlines and student-centered pedagogies; (iii) carrying out of capacity-building activities by the Master Trainers to public school teachers, principals and regional and district education officers on the new teaching guides, course outlines and student-centered pedagogies; and (iv) carrying out of classroom observation of selected public school teachers and the related impact evaluation.
- (c) **National Assessment Capacity.** Provision of support: (i) at the national level, for: (A) the development of end-of-term assessments for selected subjects of Nursery, Primary Level and Lower Secondary Level; (B) the alignment of national student examinations with the new revised course outlines consistent with the new curriculum framework; (C) the development of software for the analysis of the results of national student examinations by NCERD's Measurement and Evaluation Unit; and (D) the improvement of the format of student examinations results reports to make these reports more user-friendly and useful; (ii) at the school level, for carrying out of capacity-building activities for: (A) public school administrators and teachers on interpreting and using the student examinations results; and (B) public school teachers on the design of student learning assessments and adaptation of teaching methods; and (iii) the carrying out of

capacity-building activities for: (A) NCERD's Measurement and Evaluation Unit on assessment design; and (B) NCERD's and other relevant MOE's staff on the design of examination items to measure higher-level thinking, and on using the school-level student examination results reports for continuous examinations improvement and course outlines revision.

- (d) **Teaching and Learning Materials.** Provision of support for the development, acquisition and distribution of teaching and learning materials consistent with the new curriculum framework for Nursery, Primary Level and Lower Secondary Level selected subjects.

Part 2. Strengthening the Teaching Capacity and Improving the Learning Environment for the University of Guyana Faculty of Health Sciences

- (a) **Strengthening Teaching Capacity.** Provision of support for the: (i) carrying out of activities to strengthen the capacity of the UG FHS' lecturers on course delivery using modern medical and health education methodologies; and (ii) establishment of a student performance and evaluation system consistent with requirements for CAAM-HP accreditation.
- (b) **Improving the Learning Environment.** Provision of support for the design, construction and acquisition of furniture and equipment for a new health sciences building at the UG's Turkeyen Campus.

Part 3. Project Implementation Support

Provision of support to the Recipient: (a) for Project coordination, implementation and administration, including *inter alia*, the carrying out of monitoring and evaluation, procurement, financial management and environmental activities, and Project audits; and (b) for capacity-building activities on Project implementation.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest the overall responsibility for the implementation of the Project to the MOE, including the responsibility for its monitoring and evaluation, including procurement, financial management, administration and technical aspects.
2. For purposes of carrying out the Project, the Recipient shall maintain at all times during Project implementation, professional staff in adequate numbers and with terms of reference, qualifications and functions acceptable to the Association and set forth in the Operational Manual, to perform all functions related to the Project, including a Project coordinator, a procurement officer, a financial management officer, a part-time engineer when needed, a monitoring and evaluation officer, a part-time environmental safeguards officer, and a part-time social development officer.
3. The Recipient shall establish within thirty (30) days of the date of this Agreement, and thereafter operate and maintain throughout the implementation of the Project, a committee (the Steering Committee) to be chaired by the MOE to provide policy guidance and coordination of Project activities, with functions, responsibilities and composition, including representatives of MOF, NCERD, UG and CPCE, all acceptable to the Association.

B. Subsidiary Agreement

1. To facilitate the carrying out of Part 2 of the Project, and prior to carrying out of any activity under said part of the Project, the Recipient shall enter into an agreement (the Subsidiary Agreement) with the UG, under terms and conditions acceptable to the Association, including *inter alia*, the UG's obligation to: (a) assist and facilitate the Recipient in the carrying out of Part 2 of the Project; (b) allocate the funds, facilities, services and other resources necessary or appropriate for the carrying out of Part 2 of the Project; and (c) take all actions to enable the Recipient to comply with its obligations under this Agreement in respect of said Part of the Project.
2. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend,

abrogate, waive or fail to enforce the Subsidiary Agreement or any of its provisions.

C. Operational Manual

1. The Recipient shall adopt, and thereafter carry out the Project in accordance with the provisions of, a manual (the Operational Manual) acceptable to the Association, which shall include, *inter alia*: (a) a detailed description of Project activities and institutional arrangements for the Project; (b) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (c) the monitoring indicators for the Project; (d) the institutional and administrative mechanisms which have been established to ensure inter-institutional coordination; and (e) the IPP and EAMP.
2. Except as the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.
3. In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

D. Anti-Corruption

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

E. Safeguards

The Recipient shall carry out the Project in accordance with the IPP and EAMP.

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, and set forth in the Operational Manual. 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 semester, interim unaudited financial reports for the Project covering the pertinent calendar semester, 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

All goods, works, non-consulting services and 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 the Procurement Regulations and the provisions of the Procurement Plan.

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 "Disbursement Guidelines for Investment Project Financing" dated February 2017, 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:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services and Training for Part 1 of the Project	3,980,000	100%
(2) Goods, works, non-consulting services, consulting services and Training for Part 2 of the Project	5,130,000	100%
(3) Goods, non-consulting services, consulting services, Training and Operating Costs for Part 3 of the Project	790,000	100%
TOTAL AMOUNT	9,900,000	

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, except that withdrawals up to an aggregate amount not to exceed SDR 90,000 may be made for payments made prior to this date but on or after February 13, 2017, for Eligible Expenditures; or
 - (b) for payments for Eligible Expenses under Category (2) unless the Subsidiary Agreement has been signed by the parties thereto in a manner acceptable to the Association.
2. The Closing Date is April 30, 2023.

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 on June 1, 2022 to and including December 1, 2031	1.65%
commencing on June 1, 2032 to and including December 1, 2041	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 and as of July 1, 2016.
2. “CAAM-HP” means the Caribbean Accreditation Authority for Education in Medicine and other Health Professions established through the Agreement Establishing the Caribbean Accreditation Authority for Education in Medicine and other Health Professions, which became provisionally applicable on November 13, 2003.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “CPCE” means Cyril Potter College of Education the teacher training college established in 1928 as a college of education, without legal personality, currently operating under the Ministry of Education pursuant to the Recipient’s Education Act of 1876, as amended to the date of this Agreement, or any successor thereto.
5. “Curriculum Officer” means an MOE staff that leads curriculum reform.
6. “Dollar”, “\$” and “USD” each means the lawful currency of the United States of America.
7. “EAMP” means the Recipient’s Environmental Assessment and Environmental Management Plan, dated January 28, 2017, acceptable to the Association, and disclosed in country and on the Association’s external website on February 3, 2017, which contains: (a) the environmental protection measures in respect of Part 2 of the Project, including the actions to avoid, minimize or mitigate, and monitor any environmental negative impact as a result of the carrying out of Part 2 of the Project; (b) a description of the positive impacts as a result of the carrying out of said Part the Project; (c) the guidelines to be followed in connection with the finding of cultural property; (d) the guidelines to be followed to prevent natural habitat conversion or degradation; and (e) a pest management plan, as said plan may be amended from time to time with the agreement of the Association.
8. “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.

9. "IPP" means the Recipient's indigenous peoples plan dated February 4, 2017, acceptable to the Association, and disclosed in country and on the Association's external website on February 6, 2017, as said plan may be updated from time to time with the agreement of the Association.
10. "Lower Secondary Level" means school grades 7 to 9.
11. "Master Trainer" means a trainer that provides training to teachers.
12. "MOE" or "Ministry of Education" means the Recipient's Ministry of Education, or any successor thereto.
13. "MOF" or "Ministry of Finance" means the Recipient's Ministry of Finance, or any successor thereto.
14. "NCERD" means the MOE's National Center for Education Resource Development, or any successor thereto.
15. "Nursery" means pre-primary or levels before Primary Level.
16. "Operating Costs" means reasonable expenditures (none of which would have been incurred absent the Project), for the implementation, coordination and supervision of the Project, including, *inter alia*, travel costs (i.e. accommodation, transportation, travel insurance, and per diem); operation and maintenance of office equipment; rental of offices; office supplies; communication and advertising costs; bank charges; utilities costs; vehicle operation, insurance and maintenance costs; printing and publications (electronic and/or paper); translation services; and such other expenditures as may be agreed upon by the Association for the purposes mentioned herein.
17. "Operational Manual" means the manual approved by the Association on February 22, 2017 referred to in Section I.C.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the Association's prior written approval.
18. "Primary Level" means school grades 1 to 6.
19. "Procurement Plan" means the Recipient's procurement plan for the Project, dated February 24, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.
20. "Procurement Regulations" means the "World Bank Procurement Regulations for Borrowers under Investment Project Financing", dated July 1, 2016.
21. "Subsidiary Agreement" means the agreement referred to in Section I.B.1 of Schedule 2 to this Agreement.

22. "Training" means expenditures (other than those for consulting services) incurred to finance the reasonable travel costs (i.e. accommodation, transportation, travel insurance and per diem, *inter alia*) of trainees and trainers (if applicable), training registration fees, catering, rental of training facilities and equipment, logistics and printing services, as well as training materials, all for the purposes of, and directly related to, the training activities described in the Project.
23. "UG" means the University of Guyana, a public university constituted and incorporated pursuant to the UG Act, or any successor thereto acceptable to the Association.
24. "UG Act" means the Recipient's University of Guyana Act, No. 6, dated April 19, 1963, as the same has been amended to the date of this Agreement.
25. "UG FHS" means the UG Faculty of Health Sciences.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified 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 subsequent 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).