

Public Disclosure Authorized

**CONFORMED COPY**

**CREDIT NUMBER 4803-GY**

# **Financing Agreement**

**(Improving Teacher Education Project)**

**Between**

**COOPERATIVE REPUBLIC OF GUYANA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

Public Disclosure Authorized

**CREDIT NUMBER 4803-GY**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date (as defined in the Appendix to the Financing Agreement), entered into between the COOPERATIVE REPUBLIC OF GUYANA (“Recipient”) and the 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 two million eight hundred thousand Special Drawing Rights (SDR 2,800,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 Payment Dates are June 1 and December 1 in each year.

- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is United States Dollars.

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through its 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 — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Event of Suspension consists of, namely, that either the Education Act or the University of Guyana Act has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of the Recipient to perform any of its obligations under this Agreement.
- 4.02. The Additional Event of Acceleration consists of, namely, that any event specified in Section 4.01 of this Agreement occurs.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Steering Committee shall have been established pursuant to Section I.A.1 (a) of Schedule 2 to this Agreement.
  - (b) The Project coordinator, the assistant accountant to the MOE Planning Unit, and the assistant accountant to the CPCE referred to in Section I.A.2 of Schedule 2 to this Agreement shall have been hired in accordance with the provisions of said Section.

- (c) The Recipient shall have adopted the Operational Manual pursuant to Section I.A.3 of Schedule 2 to this Agreement.
- 5.02. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the Signature Date, but in no case later than the eighteen (18) months after the Association's approval of the Credit which expire on April 16, 2012.
- 5.03. 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 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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

AGREED at Georgetown, Cooperative Republic of Guyana on behalf of the Recipient on January 5, 2011, and at the District of Columbia, United States of America on behalf of the Association on January 19, 2011.

COOPERATIVE REPUBLIC OF GUYANA

By /s/ Ashni Singh

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Francoise Clottes

Authorized Representative

## SCHEDULE 1

### Project Description

The objective of the Project is to assist the Recipient to improve the effectiveness and efficiency in the delivery of quality teacher education.

The Project consists of the following parts:

#### Part A. Improving the Quality and Efficiency of Teacher Education Delivery.

Delivery of the newly established Associate's Degree in Education and Bachelor's of Education (the "2 + 2 model") through: (a) the development of appropriate courses and terms of reference for administrators, faculty, lecturers and tutors at the Cyril Potter College of Education and the University of Guyana's School of Education and Humanities, and their subsequent evaluation based on terms of reference acceptable to the Recipient and the Association; (b) the provision of support: for (i) improving the quality and implementation of the practicum for the ADE and B.Ed programs, and (ii) designing and implementing an induction year for all ADE graduates; (c) the integration of information and communication technology in the teaching and learning process, and in support of the transition to a dual mode delivery of the initial teacher training programs; and (d) the provision of technical assistance and training, and the acquisition and utilization of goods required therefore.

#### Part B. Building Human Resources and Capacity for more Effective Teaching and Learning.

Strengthening of the human resources and technical capacity of the Cyril Potter College of Education and the University of Guyana's School of Education and Humanities through, *inter alia*: (a) the strengthening of the management of the Cyril Potter College of Education and of the University of Guyana's School of Education and Humanities; (b) the strengthening of the quality of teacher educators at Cyril Potter College of Education and University of Guyana's School of Education and Humanities; (c) the improvement of library access and resources to support independent learning and the professional development of teacher educators, student teachers, and teachers; and (d) the provision of technical assistance, training and the acquisition and utilization of goods required for the carrying out of the Project activities mentioned herein, including the carrying out of minor works under the Project activities mentioned in (c) herein as approved by the Association.

#### Part C. Communications, Project Management, and Monitoring and Evaluation.

1. Updating and implementation of a public communications campaign to inform stakeholders of potential benefits and changes in education policy and teacher education programs, including a website and communications outreach.

2. Strengthening of the Ministry of Education capacity to administer and oversee Project implementation (including its procurement and, financial management capacity), as well as to monitor and evaluate the Project objectives and outcomes, through the provision of technical assistance and training and the acquisition and utilization of goods required therefore.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Implementation Arrangements

1. The Recipient shall: (a) establish and thereafter maintain, until completion of the Project, a committee (the Steering Committee) with functions and responsibilities satisfactory to the Association (which shall include, *inter alia*, the responsibility to: (i) assist the MOE in the implementation of a strategy for improving the efficiency and effectiveness in the delivery of quality teacher education; (ii) provide overall guidance to the MOE in the carrying out of the Project; and (iii) review the progress of Project implementation and achievement of the Project objectives), chaired by the Permanent Secretary of MOE and comprised of, *inter alia*, the Chief Education Officer of MOE, the Chief Planning Officer of MOE, the Dean of UG's School of Education and Humanities, the Chair of the CPCE Board of Governors, the Principal of CPCE, the Director of the National Center for Education Resource Development, and the Project coordinator; and (b) assign the Steering Committee with such resources as shall be required to enable the same to carry out its functions and responsibilities.
2. (a) The Recipient shall hire a Project coordinator, an assistant accountant to be assigned to the MOE Planning Unit, and an assistant accountant to be assigned to the CPCE, all with qualifications, experience and terms of reference satisfactory to the Association. The Project coordinator shall: (i) report directly to the Chief Planning Officer of the MOE; (ii) provide regular reports to the Steering Committee; and (iii) be provided 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, and to comply with its reporting functions to the Chief Planning Officer of the MOE and the Steering Committee.  
  
(b) The Recipient shall maintain, until the completion of the Project, the personnel mentioned in (a) above, as well as a finance officer and a procurement officer, all with qualifications, experience, and terms of reference satisfactory to the Association.
3. The Recipient shall adopt a manual (the Operational Manual) in a manner acceptable to the Association, and thereafter carry out the Project in accordance with the provisions of said Operational Manual.



4. In the event that any provision of the Operational 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 Operational 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.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

1. 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 the indicators agreed with 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 days after the end of the period covered by such report.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six (6) months after the Closing Date.

**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 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 Recipient shall ensure that the audited Financial Statements for each such period shall be: (a) furnished to the Association not later than six months after the

end of such period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

**Section III. Procurement**

**A. General**

1. **Goods, Works and Non-Consultant Services.** All goods, works and Non-Consultant 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works and Non-Consultant Services**

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

<b><u>Procurement Method</u></b>
(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 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.

<b>Procurement Method</b>
(a) Quality-Based Selection
(b) Least-Cost Selection
(c) Selection based on Consultant Qualifications
(d) Selection under a Fixed Budget
(e) Single Source
(f) Individual Consultants selected pursuant to the procedures set forth in paragraphs 5.2., 5.3 and 5.4 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.

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

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, minor works, consultants' services, Non-Consultant Services, Training, Mentor Teacher Costs, Supervisors Travel Allowance, and Operating Costs under the Project	2,800,000	100%
<b>TOTAL</b>	<b>2,800,000</b>	

**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 Signature Date, except that withdrawals up to an aggregate amount not to exceed \$420,000 equivalent may be made for payments made prior to this Signature Date but on or after May 6, 2010 (but in no case not more than one year prior to the Signature Date) for Eligible Expenditures under Category (1).
2. The Closing Date is July 31, 2015.

**Section V. Access to Information**

The Association may disclose the Legal Agreements and any information related to the Legal Agreements in accordance with its policy on access to information, in effect at the time of such disclosure.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each June 1 and December 1, commencing December 1, 2020 to and including June 1, 2030	5%

\* 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 with the modifications set forth in Section III of this Appendix.
2.     “Associate’s Degree in Education” and the acronym “ADE” means an initial teacher education program completed in two years at the CPCE.
3.     “Bachelor’s of Education” and the acronym “the B.Ed” means the degree awarded to teachers after completion of four years of teacher education, including the completion of the ADE.
4.     “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5.     “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Association in May 2004 and revised in October 2006 and May 2010.
6.     “Cyril Potter College of Education” and the acronym “CPCE” means 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.
7.     “Education Act” means the Recipient’s Education Act of 1876, as amended to the date of this Agreement.
8.     “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.
9.     “Mentor Teacher Costs” means the costs associated with the provision of coaching during the practicum and induction year by the mentor teachers, financed out of the proceeds of the Financing.
10.    “Ministry of Education” and the acronym “MOE” means the Recipient’s Ministry of Education or any successor thereto.

11. “Non-Consultant Services” means services under the Project, which services will be bid and contracted on the basis of performance of measurable physical outputs.
12. “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 MOE Planning Unit staff, communications, printing services, charges for the opening and operation of bank accounts, postage and handling, and travel, transportation, accommodations and per diems.
13. “Operational Manual” means the Recipient’s manual, acceptable to the Association and adopted by the Recipient pursuant to Section I. A.3 of Schedule 2 to this Agreement, which manual sets forth, *inter alia*: (a) the functions and responsibilities of the Steering Committee and the MOE; (b) the environmental guidelines for small works; (c) the Project’s chart of accounts and internal controls; (d) 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; (e) the terms of reference for carrying out the Project audits under Section II.B.3 of Schedule 2 to this Agreement; (f) the Project indicators (including the results framework); and (g) 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.
14. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Association in May 2004 and revised in October, 2006 and May 2010.
15. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated August 4, 2010 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.
16. “Signature Date” means the latest of the two dates on which the Recipient and the Association signed the Financing Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
17. “Steering Committee” means the committee referred to in Section I.A.1 (a) of Schedule 2 to this Agreement.
18. “Supervisors Travel Allowance” means a travel allowance for supervisors of student teachers and new teachers during their induction year, financed out of the proceeds of the Financing.

19. “Training” means expenditures incurred by the Recipient (other than for consultants’ services) in respect of training activities under the Project, including course fees, local travel costs, room and board or per diem of trainers and trainees, rental of training facilities and equipment, refreshments and meals during training workshops and seminars, and reproduction and distribution of training materials.
20. “University of Guyana” and the acronym “UG” means the university constituted and incorporated pursuant to the Recipient’s University of Guyana Act No. 6 dated April 19, 1963 or any successor thereto.
21. “University of Guyana Act” means the Recipient’s Act No. 6 dated April 19, 1963, as amended to the date of this Agreement.
22. “2 + 2 model” means the teacher education model that consists of a two year compulsory studies at the Associate's Degree in Education level followed by a two year voluntary studies at the Bachelor's of Education level.

## **Section II. Modifications to the General Conditions**

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Paragraph (i) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

... (1) *Ineligibility*. The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of: (i) a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”



### **Section III. Modifications to the Anti-Corruption Guidelines**

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”