
Additional Financing:
CREDIT NUMBER 6786-GY

Amendment:
CREDIT NUMBER 5474-GY

Financing Agreement

(Additional Financing for the Flood Risk Management Project
and Amendment to the Original Financing Agreement)

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 additional financing for the Original Project (as described in the Appendix to this Agreement) and activities related thereto. 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) 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 — FINANCING

- 2.01 The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to eighteen million four hundred thousand Special Drawing Rights (SDR 18,400,000) (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 III of Schedule 2 to this Agreement.
- 2.03 The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 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 Dollar.

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 Agriculture in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of, namely, that the Project Operations Manual has been updated by the Recipient pursuant to Section 1.B of Schedule 2 to this Agreement.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. For purposes of Section 10.05 (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 Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its minister in charge of finance.
- 5.02. 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
Guyana; and

(b) the Recipient's Electronic Address is:

Telex:	Faeximile:	E-mail:
592-227-3992	592-226-1284	minister@finance.gov.gy

5.03 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

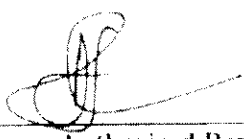
to the Association's Electronic Address is:

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

AGREED as of the Signature Date

CO-OPERATIVE REPUBLIC OF GUYANA

By



Authorized Representative
Name: Ashni Singh
Title: Senior Minister, Office of the President,
with Responsibility for Finance
Date: 15 DEC 2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Tahseen Sayed

Authorized Representative
Name: Tahseen Sayed
Title: Country Director
Date: 11-Dec-2020

SCHEDULE 1

Project Description

The objective of the Project is to reduce the risk of flooding in the low-lying areas of the East Demerara.

The Project consists of the following parts:

Part A. Priority Works for Flood Risk Reduction

1. Upgrading critical sections of the EDWC Dams, selected pursuant to the criteria set forth in the Construction Supervision and Quality Assurance Plan.
2. Carrying out selected priority flood risk reduction investments in the East Coast Demerara Drainage System.
3. Support construction supervision and quality assurance of works under Parts A.1 and A.2 of the Project.

Part B. Institutional Strengthening for Flood Risk Reduction

1. Improvement of EDWC Dams safety systems of the Recipient, including preparation and implementation of: (a) the Construction Supervision and Quality Assurance Plan; (b) the Operation, Maintenance and Surveillance Plan; (c) the Instrumentation Plan; and (d) the Emergency Preparedness Plan.
2. Support flood modeling through the carrying out of the following activities: (a) hydraulic and hydrological modeling; (b) specialized training in hydraulic and hydrological modelling, use of remote sensing tools and data management; and (c) information technology support for data management.
3. Support disaster risk management, drainage and irrigation sector-related communications activities through the carrying out of the following activities: (a) carrying out of public meetings in the Project area on Project implementation progress; (b) carrying out of workshops on Project implementation activities; and (c) preparation and distribution of information materials related to the progress of the Project.

Part C. Project Management and Implementation Support

Support Project management and implementation activities by the ASDU, including reporting and auditing activities.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall operate and maintain throughout the implementation of the Project, the ASDU, with functions and responsibilities acceptable to the Association, including with respect to: (a) the carrying out, monitoring, coordination, and supervision of Project activities; and (b) the fiduciary, procurement, safeguards and administrative aspects of the Project.
2. The Recipient, through the Ministry of Agriculture, shall appoint and thereafter maintain throughout Project implementation, within the ASDU, a Project implementation team, with adequate resources, and qualified staff, all acceptable to the Association, including at least a Project coordinator, a senior civil engineer, a financial management specialist, a procurement specialist, and a junior accountant.
3. The Recipient, through the ASDU shall coordinate the carrying out of Project activities with the support of the National Drainage and Irrigation Authority, and the Ministry of Public Works, as needed, in a manner acceptable to the Association.
4. The Recipient, through ASDU, shall work in conjunction with the National Drainage and Irrigation Authority to obtain the necessary governmental approvals for the selection of any works under Parts A.1 and A.2 of the Project, pursuant to the criteria set forth in the Project Operations Manual.
5. Upon the identification of a critical section of the EDWC Dams for upgrading under Part A.1 of the Project, and insofar any said upgrading activity shall involve ancillary works affecting sea defense structures, roads or bridges, the Recipient shall, prior to the carrying out of any said upgrading activity, ensure that the Ministry of Agriculture and the Ministry of Public Works shall coordinate said upgrading activity pursuant to the terms of a memorandum of understanding to be entered into between said ministries, in form and substance satisfactory to the Association, including, *inter alia*, the arrangements for the construction, design, approval, supervision, maintenance, and operation of the proposed works, all in accordance with the provisions of this Agreement.
6. The Recipient, through the Ministry of Agriculture, shall establish and maintain throughout Project implementation, a Project Coordination Committee, under terms of reference set forth in the Operations Manual, which shall be comprised of

relevant departments and agencies including, *inter alia*, the National Environment Organization, the National Disaster Prevention and Mitigation Authority, the Civil Defense Commission, the Sea and River Defense Commission, the Ministry of Finance, the Environmental Protection Agency, and the Environmental Action Department.

B. Project Operations Manual

1. The Recipient, through the Ministry of Agriculture, shall, with appropriate technical assistance, prepare the "Project Operations Manual" (in form and substance as attached to the Association of Donors), outlining the Project implementation strategy and the content of the Project Operations Manual, which shall include, *inter alia*:
 - a. the procedures for the carrying out, monitoring, and evaluation of the Project (including the procurement, disbursement, financial management, social and environmental requirements thereof);
 - b. the staff requirements for the Project implementation team, including the number, qualifications and experience for such positions;
 - c. the mechanisms for Project monitoring and evaluation;
 - d. the terms of reference for the Project Coordination Committee, including the number, qualifications, frequency of meetings, and;
 - e. the internal procedure for the approval process of the sub-projects under Parts A1 and A2 of the Project.
2. The Recipient, through the Ministry of Agriculture, shall not incur, abrogate, suspend or fail to enforce the Project Operations Manual or procedures thereto, without the Association's prior written consent.
3. In case of any conflict between the terms of the Project Operations Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. Safeguards

The Recipient, through the Ministry of Agriculture, shall ensure that:

- a. the Project is carried out with due regard to appropriate social, labor, and environmental standards and practices, and that the Project complies with the relevant Instruments;
- b. for each activity under the Project for which the ESMP and/or the RMP provide for the preparation of an ESMP or EA and a RMP, respectively.

- (i) proceed to have such E-SMP or EA, and RAP as appropriate: (A) prepared and disclosed in accordance with the E-SMF and the RPF, respectively; (B) consulted upon adequately with people affected by the Project as per the E-SMF and the RPF, respectively, and submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and
 - (ii) take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such E-SMP, EA and RAP in a manner satisfactory to the Association; and
 - (c) all measures are taken to implement the RAPs in a manner and timeframe satisfactory to the Association. To this end, the Recipient shall ensure that:
 - (i) funds are made available to cover all the costs of implementing the RAPs;
 - (ii) prior to carrying out activities which involve displacement, Affected Persons shall be compensated at full replacement cost, resettled and provided with assistance in accordance with the RAPs, as applicable; and
 - (iii) the implementation, monitoring and evaluation of such RAPs is completed and reported in a manner satisfactory to the Association.
- 2. Except as the Association shall otherwise agree in writing, the Recipient, through the Ministry of Agriculture, shall ensure that none of the provisions of the Safeguard Instruments be abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 3. Notwithstanding the provisions in paragraph 1 of this section, prior to carrying out any works under Part A.1 of the Project, the Recipient, through the Ministry of Agriculture, shall update and thereafter adopt the Emergency and Preparedness Plan in form and substance acceptable to the Association.
- 4. The Recipient, through the Ministry of Agriculture, shall ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and (b) such terms of reference shall require the technical assistance, design and capacity building

activity, in accordance with the requirements of the applicable State Policies and FIS Guidelines.

5. Without prejudice to its other reporting obligations under the National Recipient's Code of the Ministry of Agriculture:
 - a) take all measures necessary on its part to regularly collect information subject to the Association, as part of the Project Reports, and provide a separate report whenever the Association may require information on the status of compliance with the Safeguards Instruments, the status of the instruments, and substance acceptable to the Association with respect to the status of implementation of the Safeguards Instruments, and any other information, in any form, which interfere or threaten to interfere with the implementation of the Safeguards Instruments, and which are not otherwise routinely issued or required to be issued by the Government;
 - b) promptly inform the Association (or provide information) in the event of an accident and submitted by any entity, including any contractor, on the Project's site, or, in case, the Project's contractors and subcontractors; and
 - c) promptly notify the Association of any incident or accident that has or may have an impact on the Project which has, or is likely to have, a significant and direct effect on the environment, the affected communities, or the local economy.
6. The Recipient, through the Ministry of Agriculture, shall ensure that the Project implementation and publicize the availability of information on the information of the Recipient relating to the Association related to the Project, and in good faith, complaints raised in relation to the Project, and the steps necessary to implement the determinations made by the Association, and the Recipient of the Association.
7. To ensure the proper management and safety of the EDWC Drains, in the context of Coast Drainage Drainage System, the Recipient, through the Ministry of Agriculture:
 - a) shall carry out state inspections of the EDWC Drains in the context of the Drainage Drainage System at the intervals specified in the FIS; and
 - b) shall employ independent experts whose terms of reference, qualifications and experience shall be satisfactory to the Association, that the necessary inspections to be carried out prior to the carry out of the project.

- (b) maintain during Project implementation, an entity with the mandate, composition and resources acceptable to the Association, to be responsible for implementation of the Dam Safety Plans; and
- (c) carry out an on-site training program for staff on the implementation of the Dam Safety Plans.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient, through the Ministry of Agriculture, shall furnish to the Association each Project Report not later than 60 days after the end of each quarter, covering the quarter.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient, through the Ministry of Agriculture, may withdraw the proceeds of the Financing to finance Eligible Expenditures, in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non consulting services, consulting services, Operating Costs and Training for the Project	18,400,000	100%
TOTAL AMOUNT	18,400,000	

B. Withdrawal Conditions: Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date
2. The Closing Date is December 31, 2024

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)
on each 1st day of December	
commencing December 1, 1980 to and including 12/31/1980	1%
commencing December 1, 1981 to and including 12/31/1989	2%

The percentages apply to the principal amount of the State loan on the date of the payment. As to the principal amount of the State loan, see Section 105 of the Charter of the City of New York.

SCHEDULE 4

Amendment to the Original Financing Agreement

The Recipient and the Association hereby agree to amend the Original Financing Agreement as follows:

1. Part A.2 of Schedule 1 to the Original Financing Agreement is hereby deleted in its entirety and amended to read as follows:
 2. "Carrying out selected priority flood risk reduction investments in the East Coast Demerara Drainage System"
2. Paragraph 2 of renumbered Section III.B (originally Section IV.B) of Schedule 2 to the Original Financing Agreement is hereby deleted in its entirety and amended to read as follows:
 2. "The Closing Date is December 31, 2024."
3. The following definitions in the Appendix to the Original Financing Agreement are hereby amended to read as follows:
 6. "Construction Supervision and Quality Assurance Plan" means the Recipient's plan acceptable to the Association, which covers the organization, staffing levels, procedures, equipment, and qualifications for supervision of dam construction or remedial work on the EDWC Dams under the Project."
 17. "Emergency Preparedness Plan" means the Recipient's emergency preparedness and response plan, acceptable to the Association, which specifies the roles of responsible parties in case of imminent or actual failure of any of the EDWC Dams, or when expected operational flow release may threaten downstream life, property, or economic operations which depend on river flow levels, and includes: clear guidelines on the responsibility for dam operations decision making and for the related emergency communications; maps outlining inundation levels for various emergency conditions; flood warning system characteristics; and procedures for evacuating threatened areas and mobilizing emergency forces and equipment."

APPENDIX

Definitions

1. "Affected Person" means a person or family who, on account of the execution of the Project, has experienced or could experience direct or indirect impacts caused by the involuntary taking of and resulting in the loss of, loss of shelter, or loss of assets or access to assets, or the loss of the means of means of livelihood, whether or not such person most move to another location or is subject to any restriction of access to legally designated lands, or to any area, specifically or adversely impacts on the livelihood of such person, or the loss of property or income, from the Project.
2. "AEC Guidelines on Conditionings" means, for purposes of paragraph 1 of the Appendix to the General Conditions, the "Guidelines on Prevention and Compensation for Environmental Impacts" Projects financed by IBRD Loans and IDA Credits, issued by the Association in 2009 and revised in January 2017, as set forth in [Annex 1](#).
3. "ASD" means the Agriculture Sector Development Loan with a 0% Margin, which is referred to in Section I.A.1 of Schedule 2 to the Agreement.
4. "Category 1 Loans" category set forth in the table in Section III.1.1.1 of the Agreement.
5. "Crop Development Commission" means the entity of the Recipient that is responsible for conducting disaster mitigation operations.
6. "Construction Supervision and Quality Assurance Plan" means a plan, in part acceptable to the Association, which covers the organization, staff, procedures, equipment, and qualifications for supervision and administration of construction work on the IDWCDams under the Project.
7. "Dam Safety Plans" means, collectively, the Construction Supervision and Quality Assurance Plan, the Operation, Maintenance, and Surveillance Plan, the Inspection Plan, and the Emergency Preparedness Plan.
8. "EIA" means the environmental assessment to be prepared and approved by the Recipient, satisfactory to the Association, to be disclosed once it is posted on the Association's website, setting out details of potential environmental impacts and other impacts associated with any Project, including the identification of environmental management plan defining measures to manage, avoid, and/or mitigate impacts, procedural, budget and institutional arrangements, and a list of measures to implement these measures and including any schedules to such assessment. The assessment may be amended by the Recipient from time to time during the project implementation of the Dam.

9. "East Bank Demerara" means the area within the Recipient's territory located along the bank of the Demerara River, from the village of Eccles to the village of Soesdyke.
10. "East Coast Demerara" means the area within the Recipient's territory located along the Atlantic coast, from the village of Industry to the village to Mahatea.
11. "East Coast Demerara Drainage System" means a drainage system consisting of a series of canals, culverts and pumps, which provide drainage for rainfall and runoff in the following areas: Eldersdal; Ogle; Montrose-Sporendam; Mon Repos-Annandale; Strathspey-Enterprise-Paradise; and Beehive-Crombrook all of which are located east of the city of Georgetown along the coastline of the Recipient.
12. "East Demerara" means the area within the Recipient's territory comprising the East Coast Demerara and the East Bank Demerara.
13. "EDWC" means the East Demerara Water Conservancy, a water reservoir system with a catchment area of approximately 571 square kilometers located in Region 4 of the Recipient.
14. "EDWC Dams" means the following dams along the EDWC sides which are located parallel to the Demerara River, the Atlantic Ocean and the Mahaica River, also referred to as the West dam, the North dam, the Northeast dam, and the East dam.
15. "EHS Guidelines" means the World Bank Group Environmental, Health and Safety Guidelines published on www.ifc.org/ehsguidelines, as said guidelines are updated from time to time.
16. "Emergency Preparedness Plan" means the Recipient's emergency preparedness and response plan, acceptable to the Association, which specifies the roles of responsible parties in case of imminent or actual failure of any of the EDWC Dams, or when expected operational flow release may threaten downstream life, property, or economic operations which depend on river flow levels, and includes clear guidelines on the responsibility for dam operations decision making and for the related emergency communications, maps outlining inundation levels for various emergency conditions, flood warning system characteristics, and procedures for evacuating threatened areas and mobilizing emergency forces and equipment.
17. "Environmental Protection Agency" means the entity of the Recipient in charge of overseeing the effective management, conservation, protection and improvement of the environment, and established pursuant to the Environmental Protection Act (No. 11, 1996) of the Recipient.

- 18. "ESMP" means the Recipient's framework for the environmental and social management of the Project acceptable to the Association and issued by the Recipient in April 13, 2014 and July 17, 2019, and through the Association in April 21, 2014 and July 19, 2019, which contains the procedures for the carrying out of environmental assessments, and for the preparation and implementation of environmental management plans, when applicable, under the framework and the mandated from time to time with the implementation of the Association;
- 19. "ESMP" means the environmental and social management plan to be submitted by the Recipient to the Association and to be approved by the Association, which details the measures to be taken to avoid, minimize, compensate or offset the environmental and social impacts (including health and safety) associated with the Project to acceptable levels, in the procedural, budget and institutional arrangements, and the contractors hired to implement these measures, including a risk assessment. If and as such plan may be amended by the Recipient from time to time, with the prior written approval of the Association, and "ESMP" means any of the said ESMP;
- 20. "General Conditions" means the "International Development Association (IDA) Conditions of Contract for IDA Financing (Investment) Project" (dated and published by the IDA on October 29, 2010 and revised on August 1, 2019);
- 21. "Historical Geographic Department" means the department of the IDA that is in charge of the geographic archive and geographic information systems, and the maintenance of the geographic information systems, which is in charge of the support of the Recipient's national needs and international commitments;
- 22. "Instrumentation Plan" means the Recipient's plan acceptable to the Association setting forth the procedures for the installation of instruments to monitor and record the behavior and the related hydro-meteorological, structural and seismic factors of the EDWC Dams;
- 23. "Ministry of Agriculture" means the Recipient's Ministry of Agriculture and Rural Development;
- 24. "Ministry of Finance" means the Recipient's Ministry of Finance and Economic Affairs;
- 25. "Ministry of Public Works" means the Recipient's Ministry of Public Works and Urban Planning.

26. "National Drainage and Irrigation Authority" means an agency of the Ministry of Agriculture, responsible for drainage irrigation in the territory of the Recipient, including management of the EDWC.
27. "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 (none of which would have been incurred absent the Project), and including salaries of public servants.
28. "Operation, Maintenance and Surveillance Plan" means the Recipient's plan, acceptable to the Association which covers organizational structure, staffing, technical expertise, and training required, equipment and facilities needed to operate and maintain the EDWC Dams; operating and maintenance procedures; and arrangements for funding operation and maintenance, including long-term maintenance and safety inspections, including procedures for monitoring changes in the dam's structure or in the nature of the impounded material that may be expected over a period of years.
29. "Original Financing Agreement" means the agreement for Flood Risk Management Project between Co-operative Republic of Guyana and International Development Association, dated October 10, 2014 (Credit Number 5474-GY).
30. "Original Project" means the project described in the Original Financing Agreement.
31. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.
32. "Project Coordination Committee" means the committee referred to in Section LA.6 of Schedule 2 to this Agreement.
33. "Project Operations Manual" means the Recipient's manual referred to in Section LB.1 of Schedule 2 to this Agreement.
34. "RAP" means the resettlement action plan to be adopted by the Recipient, satisfactory to the Association, and to be disclosed on the Association's website, which includes the principles, guidelines, procedures, organizational arrangements, and budget to implement the resettlement related activities under the Project, or under Parts of the Project, as said resettlement action plan may be revised from time to time with the prior written agreement of the Association, and "RAPs" means, collectively, all such RAP.

35. "RPP" means the Recipient's resettlement plans, plans for the RPP's acceptance of the Association and disclosed by the Recipient to the Association in writing, and approved by the Association's governing body, including the RPP's resettlement and compensation plans, which approval process may be completed from time to time with the prior agreement of the Association.
36. "Safeguard Instruments" means collectively the ESMF, the RPP, the ESMF for EAC, the RMP, and the Dam Safety Plans.
37. "Safeguard Policies" means the Operational Policies (OPs) and Dam Protection Policies (DPPs) of the Association, namely: OP/DP 4.01 (Environmental Assessment), OP/DP 4.02 (Natural Habitat), OP/DP 4.03 (Pest Management), OP/DP 4.04 (Indigenous Peoples), OP/DP 4.05 (Physical/Cultural Resources), OP/DP 4.06 (Archaeological Resources), OP/DP 4.07 (Social), and OP/DP 4.08 (Safety/Dam Safety), and all other policies, standards, etc.
38. "Seine River Defense Division" means the unit of the Ministry of Public Works and Urban Planning, in charge of designing, the sea and river defense systems of the project.
39. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to a later date than the date of the Financing Agreement, in the General Conditions.
40. "Training" means all reasonable travel, room, board and per diem expenditures incurred by members of management, technicians, and workers in connection with training activities under the Project, (but course fees, or training facilities, that include training material, preparation, acquisition, reproduction and distribution expenses).