



LEG/SGO/CCB/IDBDOCS#39957610

GY-L1028

Amendatory Agreement No. 1

### AMENDATORY AGREEMENT

AMENDATORY AGREEMENT entered into between the CO-OPERATIVE REPUBLIC OF GUYANA (hereinafter the "Borrower") and the INTER-AMERICAN DEVELOPMENT BANK (hereinafter the "Bank", and together with the Borrower, the "Parties") on December \_\_\_\_, 2015.

#### **WHEREAS:**

(a) On December 11, 2009, the Bank approved a loan to the Borrower in the amount of US\$5,000,000 (five million U.S. Dollars), being US\$2,500,000 (two million, five hundred thousand U.S. Dollars) with resources from the ordinary capital and US\$2,500,000 (two million, five hundred thousand U.S. Dollars) with resources from the Fund for Special Operations, to finance the Expansion and Integration of Basic Nutrition Program, which main objective was to assist the implementation of the national nutrition strategy by strengthening the capacity of the Ministry of Health;

(b) A loan agreement was entered into between the Bank and the Borrower on February 17, 2010 (Loan Agreement No. 2270/BL-GY) to finance the Expansion and Integration of Basic Nutrition Program;

(c) On August 4, 2014, the Minister of Finance requested the reformulation of the Loan Agreement No. 2270/BL-GY to modify its original objective and reassign the undisbursed balance of US\$3,100,000 (three million, one hundred thousand U.S. Dollars), being US\$1,550,000 (one million, five hundred and fifty thousand U.S. Dollars) with resources from the ordinary capital and US\$1,550,000 (one million, five hundred and fifty thousand U.S. Dollars) with resources from the Fund for Special Operations, to a Sustainable Housing for the Hinterland Program;

(d) On December 17, 2015, the Board of Executive Directors of the Bank, by means of Resolution DE-185/15, approved the reassignment of the undisbursed amount of up to US\$3,100,000 (three million, one hundred thousand U.S. Dollars), corresponding to the Loan Agreement No. 2270/BL-GY, to be used for a Sustainable Housing for the Hinterland Program.

The Parties agree to amend Loan Agreement No. 2270/BL-GY (hereinafter the "Agreement"), to incorporate the reformulated description of the Program agreed to between the Borrower and the Bank, as follows:

## ARTICLE ONE

(a) The objective of the reformulated Program is to improve the livability of low-income families in selected communities of the hinterland through better access to housing, potable water, sanitation, and the promotion of women's empowerment.

(b) With the reassigned resources, the following components will be financed:

### **Component 1. Delivery of the full house replacement subsidy for the hinterland.**

This component will cover the costs of design, construction, and supervision of construction to deliver the full house replacement subsidy in region one and region nine. Subsidies averaging the equivalent of US\$8,200 (eight thousand and two hundred U.S. Dollars) will be provided. The communities design the housing solution during the participatory workshops in each region. For the sake of efficiency, for each region, the final solution is a blend of the housing solutions. The subsidy includes the cost of material and labor for a 20 by 25 ft. house with bedrooms and common space, a zinc roof with rainwater collection (pipe and tank), and an improved pit latrine.

### **Component 2. Delivery of the roof replacement subsidy for the hinterland.**

This component will cover the costs of design, construction, and supervision of construction to deliver the roof replacement subsidy in region one and region nine. Subsidies averaging the equivalent of US\$1,800 (one thousand and eight hundred U.S. Dollars) will be provided. The subsidy includes the cost of material for a zinc roof of max 20 by 25 ft. with rainwater collection (pipe and tank), and an improved pit latrine.

(c) The executing agency for the reformulated Program is the Ministry of Communities, through the Central Housing & Planning Authority (CH&PA). The Ministry of Indigenous People's Affairs will support CH&PA in engaging the Regional Democratic Councils and the Village Councils.

CH&PA will be responsible for the environmental management of the reformulated Program and will have specific responsibility for obtaining environmental clearance from the Environmental Protection Agency. In addition, the CH&PA will be responsible for the: (i) validation of the selection of beneficiaries; (ii) tendering, contracting and supervision of the building works; (iii) provision of technical support during design and construction; and (iv) coordinating the process for granting security of ownership of the buildings to the beneficiaries. The Ministry of Indigenous People's Affairs, through the Community Development Officers (CDO) will be responsible for: (i) providing support in the needs assessment; and (ii) coordinating the interactions with the communities. The Village Councils will: (i) select the beneficiaries in accordance with the criteria set out in the Operating Regulations; (ii) recommend the contractors and clerk of works to CH&PA; (iii) negotiate prices for local materials; (iv) support the reformulated Program with the use of community assets; and (v) organize community meetings for the monitoring of the reformulated Program execution. The Regional Democratic Councils

(RDC) will be kept informed of the activities led in each region. Implementation of the activities will be coordinated and supervised by CH&PA. For the training activities, CH&PA will coordinate with the CDO of the Ministry of Indigenous People's Affairs and the Village Councils.

Monitoring and reporting will be the responsibility of CH&PA. Specific tasks include: (i) preparing annual operating plans and semi-annual progress reports documenting reformulated program implementation; (ii) preparing and administering the reformulated program budget; (iii) updating implementation schedules and expenditure plans; (iv) documenting the bidding and contract administration process; and (v) monitoring indicators.

(d) As a special condition prior to the first disbursement of the resources of the reformulated Program the Borrower shall present evidence that the reformulated Program's Operating Regulations have been approved, in the terms previously agreed with the Bank.

(e) Prior to the first disbursement of Component 1 of the reformulated Program, the Borrower, through the Executing Agency shall: (i) present evidence of the assignment of CH&PA staff to the implementation of the reformulated Program; and (ii) obtain the Bank's non-objection to the CH&PA work plan for the execution of the reformulated Program.

(f) The reformulated Program's implementation will be governed by a set of Operating Regulations covering the following topics: program objectives and components, executing actors and functions, projects cycles, terms and conditions for beneficiaries' participation, sites selections, application procedure, performance indicators and commitments, program monitoring, and evaluation and results. Changes to these Regulations can only be introduced with the prior written approval of the Bank. If any provision of the Operations Manual should present any inconsistency or contradiction with the terms and conditions set forth in the Agreement, the provisions of the Agreement shall prevail.

(g) The Audit Office of Guyana will perform the financial audits of the reformulated Program. The audited financial statements of the reformulated Program will be submitted to the Bank on an annual basis, within 120 days after the close of each fiscal year. The final audited financial report should be submitted within 120 days after the last disbursement.

(h) Procurement of works, goods, and non-consulting services of the reformulated Program will be carried out in accordance with the Bank's policies and procedures contained in document GN-2349-9, approved by the Bank on 19 April, 2011. If the Procurement Policies are amended by the Bank, the procurement of goods, works, and non-consulting services shall be carried out in accordance with the provisions of the modified Procurement Policies, once they are made known to the Borrower and the Borrower agrees in writing to their application: 1) For the procurement of works, goods,

and non-consulting services, any of the methods described in the Procurement Policies may be used, provided that such method has been identified for the respective procurement in the Procurement Plan approved by the Bank. 2) The threshold for determining the use of international competitive bidding will be made available to the Borrower or the Executing Agency, as the case may be, at [www.iadb.org/procurement](http://www.iadb.org/procurement). Below that threshold, the selection method shall be determined according to the complexity and characteristics of the procurement, which should be reflected in the Procurement Plan approved by the Bank. 3) Regarding the use of the national competitive bidding method, the respective national competitive bidding procedures may be used provided that, in the opinion of the Bank, these procedures ensure economy, efficiency, transparency, and general consistency with the provisions of Section I of the Procurement Policies, taking into account the provisions of paragraph 3.4 of the Procurement Policy, among others. 4) The Borrower or the Executing Agency, as the case may be, agrees to obtain prior to awarding the contract for each of the works of the Program, if any, legal possession of the property where the construction of the respective work is to take place, easements or other rights required for its construction and use, as well as water rights required for the work in question.

(i) Selection and Contracting of Consulting Services of the reformulated Program will be carried out in accordance with the Bank's policies and procedures contained in document GN-2350-9, approved by the Bank on 19 April, 2011. If the Procurement Policies are amended by the Bank, the selection and contracting of consulting services shall be carried out in accordance with the provisions of the modified Consultant Policies, once they are made known to the Borrower and the Borrower agrees in writing to their application. 1) For the selection and contracting of consulting services, any of the methods described in the Consultant Policies may be used, provided that such method for the respective procurement has been identified in the Procurement Plan approved by the Bank. The country systems described in Article 6.04(b) of the General Conditions may also be used. 2) The threshold for determining the shortlist of international consultants will be made available to the Borrower or the Executing Agency, as the case may be, at [www.iadb.org/procurement](http://www.iadb.org/procurement). Below that threshold, the shortlist may be composed entirely of national consultants of the Borrower's country.

(j) Independent consultants will prepare mid-term and final evaluations of the reformulated Program. Both evaluations will be contracted directly by CH&PA with the reformulated Program's funds, according to the Terms of Reference (TOR) previously agreed upon by the IDB and CH&PA. The mid-term evaluation will take place when 40% of the funds are disbursed, while the final one will start when 90% of the Program funds are disbursed. Both evaluations will also include a qualitative assessment of: (i) the appropriateness of the delivery model; (ii) overall beneficiary satisfaction with the process and the final product; and (iii) safeguards compliance. The final evaluation will include a section of lessons learned.

## ARTICLE TWO

The distribution of the resources of the reformulated Program is set forth in the following table:

Components	Financing by IDB (US\$)
<b>Component 1. Delivery of the full house replacement subsidy for the hinterland</b>	<b>2,509,200</b>
Region one	1,082,400
Region nine	1,426,800
<b>Component 2. Delivery of the roof replacement subsidy for the hinterland</b>	<b>219,600</b>
Region one	64,800
Region nine	154,800
<b>Other expenses</b>	<b>371,200</b>
Salaries	216,000
Logistics( includes costs of transportation to the hinterland)	100,000
Goods (includes costs of materials to bring to the hinterland for monitoring)purposes)	5,200
Monitoring and Evaluation	50,000
<b>TOTAL</b>	<b>3,100,000</b>

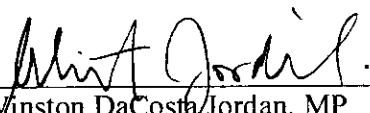
## ARTICLE THREE


The Parties hereby ratify that all other provisions of the Agreement shall remain in full force and effect.

This Amendatory Agreement shall be signed in two (2) originals of equal tenor by duly authorized representatives of the Borrower and the Bank, and will enter into force on the date of signature by the Borrower.

CO-OPERATIVE REPUBLIC OF GUYANA

INTER-AMERICAN DEVELOPMENT  
BANK

  
\_\_\_\_\_  
Hon. Winston DaCosta Jordan, MP  
Minister of Finance

  
\_\_\_\_\_  
Sophie Mackonnen  
Representative of the Bank in Guyana

Date: 29 December 2015

Date: 29 December 2015