

AMENDATORY AGREEMENT

between the

CO-OPERATIVE REPUBLIC OF GUYANA

and the

INTER-AMERICAN DEVELOPMENT BANK

Enhancing the National Quality Infrastructure for Competitiveness

March 6, 2023

AMENDATORY AGREEMENT

AMENDATORY AGREEMENT (the "Agreement") entered into between the CO-OPERATIVE REPUBLIC OF GUYANA (the "Borrower") and the INTER-AMERICAN DEVELOPMENT BANK (the "Bank," and together with the Borrower, the "Parties,") on March 6, 2023.

WHEREAS:

(a) Loan Contract No. 3824/BL-GY was entered into between the Parties on February 21, 2017 (the "Contract") to finance the "Enhancing the National Quality Infrastructure for Economic Diversification and Trade Promotion Program" (the "Program").

(b) Loan Contract No. 3824/BL-GY was revised per communication dated November 23, 2020, to allow a uniform transition from LIBOR-based interest rate to SOFR as an alternate base rate.

(c) By means of Resolution DE-78/22 the Board of Executive Directors of the Bank approved modifications to the Program.

(d) On this date, the Borrower and the Bank have subscribed the Loan Contract No. 5594/OC-GY to provide the Borrower with an additional financing of up to eight million Dollars (US\$8,000,000) chargeable to the resources of the Bank's Ordinary Capital, to cover the laboratory expansion and supervision costs to accommodate new priorities of the Program.

ARTICLE ONE

The Parties agree to amend the Contract in the manner and to the extent set forth below. Capitalised terms used but not otherwise defined herein have the meaning set forth in the Contract.

SPECIAL CONDITIONS

1. All references to the "Enhancing the National Quality Infrastructure for Economic Diversification and Trade Promotion Program" shall be amended to read the "Enhancing the National Quality Infrastructure for Competitiveness."
2. All references to the "Ministry of Business" shall be amended to read the "Ministry of Tourism, Industry and Commerce."
3. The following section is included as Section 1.03 Special Definitions:

"SECTION 1.03. Special Definitions. In addition to the terms defined in the General Conditions, whenever the following terms are capitalized in this Contract, they shall have

the meaning assigned to them below. Any reference to the singular includes the plural and vice versa.

- (a) "AOP" means Annual Operation Plan.
- (b) "Core Procurement Principles" means the principles that guide the procurement activities and the selection processes pursuant to the Procurement Policies and the Consultant Policies, being the following: value for money, economy, efficiency, equality, transparency, and integrity.
- (c) "Corrective Action Plan" means the resulting corrective action plan that includes the necessary corrective actions in the event that the Bank makes observations or finds non-compliances with the Bank's Environmental Social Policy Framework, as a result of its supervision.
- (d) "COVID-19" means Coronavirus disease 2019; disease caused by the 2019 novel coronavirus.
- (e) "EDGE" means Excellence in Design for Greater Efficiencies.
- (f) "Environmental and Social Performance Standards" or "ESPSs" means the 10 Performance Standards that are part of the Environmental and Social Policy Framework (GN-2965-23).
- (g) "ESAP" means the Environmental and Social Action Plan for the Program, dated May 20, 2022, as may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower, through the Executing Agency, shall carry out or cause to be carried out to address the potential environmental and social, health and safety labor and gender risks and impacts of the Program.
- (h) "ESHS" means the Environmental Social Health and Safety.
- (i) "ESHS Compliance Report" means the relevant section of the semi-annual reports that is related to reporting progress in the Environmental and Social Management of the Program and compliance with the relevant requirements of the Bank's Environmental and Social Policy Framework.
- (j) "ESHS Plans" means the Environmental Social Health and Safety Plans.
- (k) "ESMP" means Environmental and Social Management Plan.
- (l) "ESMS" means the Environmental and Social Management System that will guide the execution of the Program.
- (m) "GNBS" means Guyana National Bureau of Standards.

- (n) "OSC" means Operative Steering Committee.
 - (o) "POM" means the Program Operation Manual for the Loan, which shall have, among other elements, the environmental and social requirements and include as Annexes the ESMS, the ESMP and the ESAP.
 - (p) "SMEs" means Small and Medium-Sized Enterprises."
4. Section 2.04. Disbursement Period is amended to read as follows:
- "SECTION 2.04 Disbursement Period.** The Original Disbursement Period will be seven (7) years and six (6) months from the effective date of this Contract."
5. Section 4.01. Executing Agency is amended to read as follows:
- "SECTION 4.01. Executing Agency.** The Borrower, acting through the Ministry of Tourism, Industry and Commerce, shall be the Executing Agency of the Program."
6. Section 4.02. Procurement of Goods, Works, and Non-consulting Services is amended to read as follows:
- "SECTION 4.02. Procurement of Goods, Works, and Non-consulting Services.**
- (a) For purposes of Article 2.01(35) of the General Conditions, the Parties agree that the Procurement Policies are those dated May 2019, which are contained in document GN-2349-15, approved by the Bank on July 2, 2019. If the Procurement Policies are amended by the Bank, the procurement of works, non-consulting services, and goods 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.
- (b) 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. The application of the procurement rules, procedures and systems of the Borrower or an entity of the Borrower will be subject to the provisions of paragraph 3.2 of the Procurement Policies and the provisions of Article 5.04(b) of the General Conditions.
- (c) 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 <https://projectprocurement.iadb.org/en>. 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.
- (d) 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 are consistent with the Core Procurement Principles and generally compatible with Section I of the Procurement Policies, taking into account the provisions of paragraph 3.4 of the Procurement Policy, among others.

(e) 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.”

7. Section 4.03. Selection and Contracting of Consulting Services is amended to read as follows:

“**SECTION 4.03. Selection and Contracting of Consulting Services.** (a) For purposes of Article 2.01(10) of the General Conditions, the Parties agree that the Consultant Policies are those dated May 2019, which are contained in document GN-2350-15, approved by the Bank on July 2, 2019. If the Consultant 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.

(b) 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 application of the procurement rules, procedures and systems of the Borrower or an entity of the Borrower will be subject to the provisions of paragraph 3.2 of the Consultant Policies and the provisions of Article 5.04(b) of the General Conditions.

(c) 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 <https://projectprocurement.iadb.org/en>. Below that threshold, the shortlist may be composed entirely of national consultants of the Borrower’s country.”

8. Section 4.05. Other Documents Governing Program Execution is amended to read as follows:

“**SECTION 4.05. Other Documents Governing Program Execution.** (a) The Parties agree the Program execution shall be governed by the provisions of this Contract and those established in the POM and the ESAP. If any provision of this Contract should present any inconsistency or contradiction with the POM and the ESAP, the relevant provision of this Contract shall prevail. Moreover, the Parties agree it shall be necessary to obtain the Bank’s written consent prior to making any change to the POM and the ESAP.

(b) The POM shall include, at a minimum, the standards and procedures for the Executing Agency with regard to programming activities, procurement audits, environmental and social specifications, and monitoring and evaluation. The POM will

also develop in detail the coordination arrangements among the institutions participating in the activities of the Program, as well as their particular roles and responsibilities.”

9. Section 4.06. Environmental and Social Management is amended to read as follows:

“SECTION 4.06. Environmental and Social Management. For purposes of Articles 5.06 and 6.02 of the General Conditions, the Parties agree that Program execution shall be governed by the following provisions, which have been identified as necessary for compliance with the environmental and social obligations of the Program:

- (a) The Borrower agrees to design, build, operate, maintain, and monitor the Program and manage the ESHS risks of the Program’s associated facilities, if any, directly or through the Executing Agency or through every other contractor, operator or any other person performing Program related activities in accordance with the ESMS, the ESMP, and any other environmental, social and occupational health plans that may have already been developed and/or will be developed during execution, and requirements included in any necessary Corrective Action Plan.
- (b) The Borrower, directly or through the Executing Agency, shall ensure that it will not knowingly finance, directly or indirectly, projects or sub-projects on the Bank’s Environmental and Social Exclusion List (Annex 1 of the Environmental and Social Policy Framework Policy Statement, GN-2965-23).
- (c) The Borrower, directly or through the Executing Agency, shall ensure that the Program is implemented in accordance with the ESAP in a manner acceptable to the Bank. To this end, the Borrower shall ensure that: (i) the measures and actions specified in the ESAP are implemented with due diligence and efficiency, as provided in the ESAP; (ii) sufficient funds are available to cover the costs of implementing the ESAP; (iii) qualified and experienced staff are retained to implement the ESAP; and (iv) the ESAP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree previously in writing, as specified in the ESAP, and ensure that the revised ESAP is disclosed promptly thereafter.
- (d) The Borrower, directly or through the Executing Agency must: (i) implement participation processes with the interested parties in the activities foreseen in the Program to guarantee that the affected communities are informed and consulted about the progress of the activities and the socio-environmental management of the Program; (ii) disclose the ESMS and any evaluation and socio-environmental management plan related to the activities; and (iii) establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Program-affected people, and take all measures

necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

- (e) The Borrower, directly or through the Executing Agency, should ensure that all bidding documents and contracts to be financed under the Program should include provisions that require applicants, bidders, contractors, consultants, representatives, staff members, subconsultants, subcontractors, goods suppliers and their representatives, contractors, consultants, staff members, subcontractors, subconsultants, service providers, concessionaires, and supervising entities, among other aspects, to: (a) comply with the ESAP and the environmental and social instruments referred to therein, including procedures to prevent child labor and forced labor; and (b) adopt and enforce a code of conduct that should be provided and properly communicated to all workers, defining rules of behavior for all workers related to prevention and management measures for environmental, labor, and social risks of the Program, including health and safety risks, sexual and gender based violence, discrimination, and sexual abuse and exploitation of children and other individuals or vulnerable groups, as applicable to such civil works, services other than consultancies, consultancies and goods.
- (f) In the procurement processes that include the supply and/or installation of solar panels, the Borrower, directly or through the Executing Agency, shall ensure that all bidding documents and contracts include provisions that require applicants, bidders, contractors, consultants representatives, staff members, subconsultants, subcontractors, good suppliers and their representatives, contractors, consultants, staff members, subcontractors, subconsultants, service providers, concessionaires, and supervising entities, among other aspects, to comply with the ESHS Plans and the environmental and social instruments referred to therein, including procedures to prevent child labor and forced labor. Specific criteria will be defined on a case-by-case basis, considering market conditions and industry standards. Procurement processes that include silicon-based solar modules will be subject to ex ante review and centralized monitoring to ensure that the Executing Agency performs due diligence on the bidder's compliance with criteria related to prevent child labor and forced labor and mitigate reputational impact.
- (g) The Borrower, directly or through the Executing Agency, shall not engage in any of the following activities with respect to the Program, and/or sub-projects: works that may be classified by the Bank as Category A defined as any activity that generates resettlement, impacts on indigenous peoples, or impacts on critical natural habitat."

10. Section 5.01 Supervision of Program Execution (d) is amended to read as follows:

"SECTION 5.01. Supervision of Program Execution.

- (d) The Borrower, directly or through the Executing Agency, shall ensure that:
 - (i) All measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESAP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESAP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, at least: (i) the status of implementation of the ESAP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESAP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (ii) With respect to the Program and associated facilities, the Bank is notified in writing within ten (10) days of any: (1) potential or actual material noncompliance with the environmental and social requirements; (2) incident or accident related to or having an impact on the Program which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESAP, the environmental and social instruments referenced therein and the ESPs; (3) significant actual or imminent social conflicts; (4) ESHS regulatory action; or (5) any newly identified ESHS risks and impacts, that may affect the environmental and social aspects of the Program and of its associated facilities; in each case, such notice shall include actions taken or proposed with respect to such events."

11. The following section is included as Section 5.01. Supervision of Program Execution (e)

"SECTION 5.01. Supervision of Program Execution.

- (e) The Borrower, directly or through the Executing Agency, shall prepare and present to the Bank's satisfaction, an ESHS Compliance Report, in the form and content agreed upon with the Bank as part of the semiannual progress reports and until two (2) years after the last disbursement of the Loan."

GENERAL CONDITIONS

12. Article 2.01. Definitions. is amended to include the following as definition:

““Environmental and Social Policy Framework” means the Environmental and Social Policy Framework approved by the Bank and into effect at the time of the Program’s approval.”

13. Article 2.01. Definitions. (36) “Prohibited Practices” is amended to read as follows:

““Prohibited Practices” mean the practices prohibited by the Bank in connection with the activities it finances, as defined by the Board or that are defined in the future and communicated to the Borrower, including among others: corrupt practice, fraudulent practice, coercive practice, collusive practice, obstructive practice, and misappropriation.”

14. Article 5.04. Selection and Contracting of Works and Non-consulting Services, Procurement of Goods, and Selection and Contracting of Consulting Services is amended to read as follows:

“ARTICLE 5.04. Selection and Contracting of Works and Non-consulting Services, Procurement of Goods, and Selection and Contracting of Consulting Services. (a) Subject to the provisions of paragraph (b) of this Article, the Borrower undertakes to carry out and, where appropriate, cause the Executing Agency or the Procurement Agent, if any, to carry out the procurement of works and non-consulting services, as well as the procurement of goods, in accordance with the Procurement Policies and the Procurement Plan approved by the Bank, and the selection and contracting of consulting services, in accordance with the Consultant Policies and the Procurement Plan approved by the Bank. The Borrower represents that it is aware of the Procurement Policies and Consultant Policies and undertakes to inform the Executing Agency, and the Procurement Agent, as the case may be, of these Policies.

(b) When the Bank has satisfactorily assessed and deemed acceptable the procurement rules, procedures and systems of the Borrower or an entity of the Borrower, the Borrower or the Executing Agency, as the case may be, may carry out the procurement and contracting financed wholly or partially with resources of the Loan using such procurement rules, procedures and systems, in accordance with the terms of the acceptance of the Bank and applicable accepted legislation and processes. The terms of such acceptance shall be notified in writing by the Bank to the Borrower and the Executing Agency. Use of the procurement rules, procedures and systems of the Borrower or an entity of the Borrower may be suspended by the Bank when, in its opinion, changes have occurred in the parameters or practices the Bank used as the basis for its acceptance, until such time as the Bank determines whether such changes are compatible with international best practices. During such suspension, the Procurement Policies and Consultant Policies of the Bank will apply. The Borrower, directly or through the Executing Agency, as the case may be, undertakes to notify the Bank of any change in the applicable legislation or processes that have been so accepted. The use of procurement rules, procedures and systems of the

Borrower or an entity of the Borrower does not constitute a waiver of the application of the provisions set forth in Section I of the Procurement Policies and Consultant Policies, including the requirement that the respective procurement and contracting of services be contained in the Procurement Plan and is subject to the remaining provisions of this Contract. The provisions of Section I of the Procurement Policies and Consultant Policies shall apply to all contracts, regardless of amount or contracting method. The Borrower agrees to include, or to cause the Executing Agency, as the case may be, to include in the model bidding documents, contracts, and instruments used in electronic or information systems (in physical or electronic media) measures to ensure the application of the provisions set forth in Section I of the Procurement Policies and Consultant Policies, including the provisions on Prohibited Practices.

(c) The Borrower agrees to update, or to cause the Executing Agency, as the case may be, to maintain an updated Procurement Plan, and to update the Procurement Plan at least annually or more frequently, depending on the Program needs. Each updated version of the Procurement Plan shall be submitted for review and approval of the Bank.

(d) The Bank will conduct a review of the selection, contracting, and procurement processes, as set forth in the Procurement Plan. At any time during the execution of the Program, the Bank may change the method of review of these processes, with prior notice to the Borrower or the Executing Agency. The changes approved by the Bank shall be reflected in the Procurement Plan."

15. Article 5.06. Environmental and Social Safeguards is amended to read as follows:

"ARTICLE 5.06. Environmental and Social Management. (a) The Borrower, directly or through the Executing Agency, agrees to carry out the execution (preparation, construction, and operation) of the activities included in the Program in accordance with the Environmental and Social Policy Framework of the Bank, its Environmental and Social Performance Standards, as well as with their respective Guidelines, pursuant to the specific provisions on environmental and social considerations included in the Special Conditions.

(b) The Borrower, directly or through the Executing Agency, as the case may be, agrees to immediately inform the Bank of any non-compliance with the environmental and social obligations set forth in the Special Conditions.

(c) The Borrower, directly or through the Executing Agency, as the case may be, agrees to implement a corrective action plan, agreed upon with the Bank, to mitigate, correct, and compensate any adverse consequences that may result from the failure to comply with the implementation of the environmental and social obligations set forth in the Special Conditions.

(d) The Borrower agrees to allow the Bank, whether directly or through the contracting of consulting services, to carry out supervision activities, including environmental and social audits of the Program, in order to confirm compliance with the environmental and social obligations set forth in the Special Conditions."

ANNEX

16. The Parties agree to substitute the Annex to the Contract with the Annex attached herein. Section V of the Annex, nevertheless, shall remain in effect and will be therefore numbered as Section VI (Paragraphs 6.01 and 6.02, respectively).

ARTICLE TWO

The Parties agree that this Agreement shall enter into force on the date of signature.


ARTICLE THREE

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

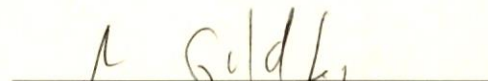
IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorized representative, have signed this Agreement in two (2) equally authentic copies in Port of Spain, Trinidad and Tobago, on the date indicated above.

CO-OPERATIVE REPUBLIC OF GUYANA

INTER-AMERICAN DEVELOPMENT
BANK



Dr. Ashni K. Singh
Senior Minister, Office of the President
with Responsibility for Finance



Ilan Goldfajn
President

“ANNEX

THE PROGRAM

Enhancing the National Quality Infrastructure for Competitiveness

I. Objective

- 1.01** The general development objective of the Program is to support economic competitiveness.
- 1.02** The specific development objective of the Program is to improve the National Quality Infrastructure's ("NQI") capacity to promote the adoption of quality standards among Guyanese Micro, Small and Medium Enterprises.

II. Description

- 2.01** To achieve the objectives indicated in paragraphs 1.01 and 1.02 above, the Program comprises the following Component:

Sole Component. Enhancing the National Quality Infrastructure for Economic Competitiveness

- 2.02** This Loan works in conjunction with Loan Contract No. 5594/OC-GY.

Subcomponent 1: Modernization of the Institutional Framework of the NQI

- 2.03** This subcomponent will support the capacity building of the GNBS to support all the stakeholders in the NQI, strengthening the areas of technical regulations, compliance, conformity, accreditation and training, and capacity building of public and private stakeholders, as well as enhancing coordination measures through the network of laboratories. The reformulated budget for this subcomponent is US\$557,968.68 and originates from the already existing funds of this Loan.
- 2.04** This subcomponent has already financed and committed: (i) accreditation process of existing laboratories with best practices and international standards; (ii) training and capacity building for laboratories in the network and for the GNBS including awareness campaigns for stakeholders; (iii) creation and operation of a network of laboratories, including the development of a website in which information can be shared among the participants of the network, and a platform for the organization of workshops, knowledge sharing and awareness events about standards, certification and accreditation requirements; (iv) capacity-building activities for firms and SMEs in the application of standards in order to promote a quality culture among the private sector; (v) strengthening the institutional capacity of the GNBS including the development of National Quality Policy for the GNBS that aligns with both the regional and national policy framework, allows for a more efficient management of the facilities and incorporates the required mechanism to promote sustainability of the NQI for US\$277,759.25. The reformulation will include financing support for the SMEs in certification, including targeted certification support for

women-owned firms or firms who employ at least eighty percent (80%) women and awareness campaigns, including climate change awareness; and to finalize the National Quality Policy for a total of US\$557,968.68. The remaining US\$57,031.32 will be transferred to Subcomponent 2.¹

Subcomponent 2: Expanding Laboratory Facilities

- 2.05** The objective of this subcomponent is to expand the existing facilities for the GNBS to allow them to provide adequate, accurate and timely services for the NQI in a sustainable manner. The new laboratory facility will house metrology, testing, chemistry and microbiology, and legal metrology. The reformulated budget for this subcomponent is US\$13,781,280 of which US\$7,800,000 come from Loan 5594/OC-GY and the remaining US\$5,981,280 originate from already existing funds of this Contract (US\$5,794,500 from the original budget and US\$186,780 from transfers from Subcomponents 1 and 3).
- 2.06** This subcomponent has already financed: (i) architecture and engineering designs of the new laboratory facility for the GNBS; and (ii) specific gaps in other laboratories by providing equipment for the then Ministry of Public Health and Ministry of Agriculture for US\$301,280. The reformulated program and the supplementary resources, for a total of US\$13,781,280 will finance: (iii) construction of the laboratory facility for the GNBS, consisting of a two-story green building that will accommodate two (2) laboratories (industrial metrology and legal metrology), an administrative area, a service building, and a truck building;² and (iv) construction works' supervision. The laboratory facility will be located in the Sophia Exhibition Complex, where the GNBS is currently housed and will be built according to international standards and following all environmental and social requirements and mitigation activities described in the ESMP, the COVID-19 measures and the National Energy Code and EDGE Green building certification. The new laboratory facility will be fully accessible for people with disabilities.³

Subcomponent 3: Implementing the National Export and Investment Strategy

- 2.07** The objective of this subcomponent is to enhance the ability of the Borrower to connect with regional and global value chains through the promotion of exports and foreign direct investment. This subcomponent already financed the Export and Investment Strategy and the Go-Invest Trade and Investment Framework for US\$572,755.55 originated from already existing funds of this Contract. The available funds from this subcomponent, US\$587,244.45, will be transferred to Subcomponent 2 (US\$129,748.68) and to Program Administration, Monitoring and Evaluation, and Contingencies (US\$457,495.77).

¹ Initial budget of US\$615,000 of which US\$277,759.25 have been committed, and US\$557,968.68 will be allocated to the National Quality Policy and support for SMEs certification activities.

² The original estimated budget considered one building of approximately 1800 m², accommodating two (2) laboratories. The scope of the works was increased to include administrative areas for 150 GNBS personnel. This has increased the built surface from 1800 m² to approximately 3360 m² for the main building, 260 m² for the service building and 250 m² for the truck building, summing 3,870 m².

³ Initial budget of US\$5,794,500.00, of which US\$301,280.00 have been committed and US\$6,700.00 have been transferred from Subcomponents 2 and 3. In addition, US\$202,613.86 were transferred to Program Administration, US\$51,475 and US\$367,028 were transferred to contingencies.

Administration, Monitoring and Evaluation, and Contingencies

- 2.08** The reformulated budget for management, monitoring and evaluation, and contingency costs amount to US\$2,087,995.77, of which US\$1,430,500 derive from this Contract, US\$457,495.77 from transfers from Subcomponent 3 and US\$200,000 originate from Loan Contract No. 5594/OC-GY.

III. Financing Plan

- 3.01** The distribution of the resources of the Loan is set forth in the following table:

Cost and Financing⁴
(US\$)

Investment Category	Initial Budget (this Contract)	Actual through to June 30, 2022 (this Contract)	Transferred	Reformulated Budget ⁵ (this Contract)	Additional Funds (Loan Contract No. 5594/OC-GY) (GY-L1082)	Total (this Contract + Loan Contract No. 5594/OC-GY)
Direct Costs	7,569,500	1,151,794.80	-457,495.77	7,112,004.23	7,800,000	14,912,004.23
Subcomponent 1: Modernization of the Institutional Framework of the NQI	615,000	277,759.25	-57,031.32	557,968.68	---	557,968.68
Subcomponent 2: Expanding Laboratory Facilities	5,794,500	301,280	186,780	5,981,280	7,800,000	13,781,280
Subcomponent 3: Implement the National Export and Investment Strategy	1,160,000	572,755.55	-587,244.45	572,755.55	---	572,755.55
Program Administration	1,280,000	1,048,364.08	202,613.86	1,482,613.86	---	1,482,613.86
Monitoring and Evaluation	50,000	18,450	61,475	111,475	---	111,475
Contingencies	100,500	---	193,406.91	293,906.91	200,000	493,906.91
Total	9,000,000	2,218,608.88	---	9,000,000	8,000,000	17,000,000

IV. Execution

- 4.01** The Executing Agency of the Program will be the Ministry of Tourism, Industry and Commerce, through a Program Executing Unit (PEU).

⁴ Costs by subcomponent are indicative.

⁵ This column refers to the total cost of this Contract, as a result of the reallocation of funds among the subcomponents.

- 4.02** The main functions of the PEU are to ensure timely and effective project planning, management, coordination, procurement, financial controls, monitoring, and reporting. In this regard, systems, policies and procedures will be implemented towards ensuring that efficient financial management, as well as accurate and timely reporting and accounting, will be achieved. The structure of the PEU will comprise, among others: (i) a Program manager, who will be directly responsible for the allocation and use of resources, leading the PEU staff and liaising with key program stakeholders; (ii) a financial management specialist; (iii) a procurement specialist; (iv) an administrative assistant; (v) an engineer to provide technical support during construction and initial operation; (vi) an environmental and social expert to carry out environmental and social monitoring; and (vii) a monitoring and evaluation specialist.⁶
- 4.03** Administrative responsibilities of the PEU include: (i) preparation, implementation and updating of the AOP; (ii) preparation of the annual Procurement Plan and procurement of goods and services; (iii) financial administration, accounting and preparation of budgets and disbursement requests; (iv) preparation of technical reports, including regular updating of the information relevant for the Program's monitoring report; (v) selection and hiring of the external audit firm and implementation of its recommendations; (vi) hiring of consultants to conduct the intermediate and final evaluations of the Program; and (vii) act as the government's focal point for the Bank in all matters related to execution.
- 4.04** In order for the PEU to increase participation of the GNBS in the execution of the Program, a streamlined OSC is created. The creation of the OSC aims at strategic monitoring with the Ministry of Finance, the Executing Agency and the GNBS, and that internal controls for management of contracts, milestones and timely communication are introduced into the PEU management.
- 4.05** The Program will be overseen by the OSC comprised of the Ministry of Finance, the Executing Agency and the GNBS. The OSC shall constitute an advisory and oversight body and shall provide strategic leadership and management of the Program. The Program manager shall be accountable for the Program's outcomes to the OSC. Notwithstanding the Executing Agency's responsibilities in accordance with the Contract, the OSC shall: (i) ensure the coordination of the Program's activities with the ongoing activities and policies of the Executing Agency and other members of the OSC, and with the private sector; (ii) supervise the Program's progress and take steps to ensure strategic objectives are achieved; (iii) periodically review the fulfilment of the Program's strategic objectives; (iv) decide upon the Program's implementation proposals presented by the Program manager; (v) continuously supervise and evaluate the Program's progress; (vi) advise on problem-solving on issues that may arise during Program's execution; (vii) coordinate and consult with other coordinating entities such as the National Standards Council and the network of laboratories when needed; and (viii) review the mid-term and final evaluations and ensure the recommendations are integrated into the Program's execution. The OSC will be chaired by the Executing Agency and the Program manager shall act as Secretary of the group.

⁶ Beyond the core structure, the PEU may be supported by consultants, experts, and technical advisors, as required by the needs of implementing and monitoring the Program's Component.

V. Other Considerations-Commitments for Environmental and Social Management

- 5.01** In connection with the POM, its annexes and the Environmental and Social documents related to this Contract, any substantive changes to the ESMS and any ESHS Plans shall be in writing and approved by the Bank in a manner consistent with the Bank's Environmental and Social Performance Standards."

