

AMENDATORY AGREEMENT

AMENDATORY AGREEMENT entered into between the CO-OPERATIVE REPUBLIC OF GUYANA (hereinafter referred to as the “Beneficiary”) and the INTER-AMERICAN DEVELOPMENT BANK (hereinafter referred to as the “Bank”, and together with the Beneficiary, as the “Parties”).

ARTICLE ONE

The Parties agree to amend the Non-Reimbursable Financing Agreement No. GRT/GF-13725-GY (hereinafter referred to as the “Agreement”) for the Micro and Small Enterprise (MSE) Development and Building Alternative Livelihoods for Vulnerable Groups (hereinafter referred to as “the Project”), entered into between the Beneficiary and the Bank on March 25, 2013, in the manner and to the extent set forth below.

The following sections of the Annex of the Agreement are amended as follows:

- 2.03 “Under this sub-component, resources of the Project will be used to provide part of the collateral requirements of lending institutions in order to reduce the perceived risk of the beneficiaries and increase their likelihood to be approved for financing. Eligible lending institutions will sign a Loan Guarantee Agreement (“LGA”) with the Small Business Bureau (“SBB”) in order to become participating institutions of the Project, as Partner Financial Institutions (“PFI”). Through this mechanism, resources of this subcomponent will be used to guarantee up to 40% of the PFI’s collateral requirements per loan and, on a case by case basis, on a defined list of criteria to be agreed with the Bank, up to 70%. In no case should the maximum guarantee value per loan exceed the Guyanese dollars equivalent of sixty thousand dollars (US\$60,000). The percentage of the collateral will be determined so that the PFI retains enough risk to ensure that it distinguishes between good and bad loans and that it carries out adequate monitoring functions once the loan is provided. Similarly, Beneficiaries of the Project are expected to take on enough risk to ensure that the incentive to pay back the loan is not lost.”
- 2.05 “This sub-component seeks to facilitate MSE access to financing through grants to be used in LCS. Access can be facilitated in a number of ways, such as to assist a low carbon business owner to expand his/her business with a partial grant towards a loan request, thereby reducing the amount needed for the loan, or to encourage persons to set up a business in a LCS with an initial grant which may make them eligible for a loan in the future. Resources of up to the Guyanese dollars equivalent of five thousand dollars (US\$5,000) per applicant will finance the implementation of Beneficiaries’ business

proposals. Grants will be provided to those who are already operating a business and require additional financing to further develop LCS-related activities, and to individuals or groups starting new ventures in the LCS, who have completed business plans but are unable to secure financing from any lending institution because of their high perceived risk as borrowers. Grants can be used for equipment upgrade, technological innovations and compliance with various laws and regulations for operating in Guyana, including standards compliance, research and development, and marketing, among others.

- 3.01 “The estimated cost of the Project is five million dollars (US\$5,000,000), in accordance with the following budget:

**Budget
(in US\$)**

| Components | GRIF Funds (US\$000) |
|--|---------------------------------|
| Component 1: Access to Finance | 2,444,913.47 |
| 1 (a) Credit Guarantee Fund | 1,575,000.00 |
| 1 (b) Interest Payment Facility | 5,377.23 |
| 1 (c) LCS Grant Scheme | 864,536.24 |
| Component 2: Access to Business Development Training | 1,473,500.00 |
| Project Administration and Institutional Support to SBB | 1,081,586.53 |
| 3.1 Institutional Strengthening of SBB and SBC | 800,371.53 |
| 3.2 M&E Systems and Public Awareness Campaign | 281,215.00 |
| 3.3 Audit | 0 |
| 3.4 Contingency | 0 |
| TOTAL | 5,000,000 |

ARTICLE TWO

The Parties agree that this Amendatory Agreement shall enter into force from the date of signature by the representative of the Beneficiary.

ARTICLE THREE

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

IN WITNESS WHEREOF, the Beneficiary and the Bank, each acting through its authorized representative, have signed this Amendatory Agreement in two (2) equally valid copies.

CO-OPERATIVE REPUBLIC OF GUYANA

INTER-AMERICAN DEVELOPMENT
BANK

/s/

/s/

The Honourable Winston Jordan
Minister of Finance

Sophie Makonnen
Representative of the Bank in Guyana

Date: March 19, 2018

Date:

Place: Georgetown, Guyana

Place: