The Honourable Audley Shaw, CD, MP  
Minister of Finance and the Public Service  
Ministry of Finance and the Public Service  
30 National Heroes Circle  
Kingston 4, Jamaica  

Re: Jamaica: Youth Employment in the Digital and Animation Industries Project  
(Loan Number: 8405-JM)  
Amendment No. 1 to the Loan Agreement  

Dear Minister Shaw:

We refer to the Loan Agreement (Agreement), dated September 3, 2014, between Jamaica ("Borrower") and the International Bank for Reconstruction and Development ("Bank") for the Youth Employment in the Digital and Animation Industries Project (the Project). We also refer to a letter from Ms. Darlene Morrison, Financial Secretary (Ministry of Finance and the Public Service), Jamaica, dated December 8, 2017, addressed to the Bank requesting specific amendments to cater for the institutional arrangement changes, addition and removal of selected activities, reallocation of funds, and changes to the results framework of the Project.

We are pleased to inform you that the Bank concurs with your request and proposes to amend the Agreement in respect of the provisions as follows:

1. Article 3.01 of the Agreement is amended to read as follows:

   "3.01 The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project through OPM with the participation of: (i) Selected Training Institutions for purposes of Parts 1(a) and 1(b) of the Project; (ii) JAMPRO for the purposes of Parts 1(e), 1(f), and 1(g) of the Project; (iii) Ministry of Education, Youth and Information for the purposes of Parts 1(d) and 3(b) of the Project; (iv) Heart Trust/NTA for purposes of Part 3(a) of the Project; (v) SRC for purposes of Part 4(b) of the Project; and (vi) NCST for purposes of Part 4(c) of the Project; all in accordance with the provisions of Article V of the General Conditions."

2. Article 4.01 of the Agreement is amended to read as follows, namely that

   "Heart Trust/NTA shall, in the opinion of the Bank and after consultation with the Borrower, has failed to comply with any of its obligations under the MOU."
3. Schedule 1 (Project Description) and Schedule 2 (Project Execution) of the Agreement are deleted in their entirety and are replaced with Annex 1 and Annex 2 to this Amendment Letter.

4. Appendix to the Agreement is deleted in its entirety and is replaced with Annex 3 to this Amendment Letter.

5. Unless the context otherwise requires and except where otherwise defined in this Amendment Letter, all capitalized terms contained herein shall have the meanings ascribed to them in the Loan Agreement.

6. All other provisions of the Agreement that have not been amended, shall remain unchanged and in full force and effect.

Please confirm your agreement on behalf of the Borrower with the above amendment by signing, dating and returning to us one of the original copies of this Amendment Letter. Upon receipt by the Bank of the original Amendment countersigned by you, this Amendment will become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]
Tahseen Sayed
Director, Caribbean
Latin America and the Caribbean Region

AGREED:

JAMAICA

By: [Signature]
Authorized Representative
Name: Audrey Shaw
Title: MINISTER OF FINANCE AND THE PUBLIC SERVICE
Date: 7-2-18
Annex 1

"SCHEDULE 1

Project Description

The objective of the Project is to support youth employment in the digital and animation industries in the Borrower’s territory.

Part 1: Skills and Capacity to Enhance Employability and Entrepreneurship

Building the capacity and enhancing the skills of the Borrower’s youth to improve their employability in the growing animation industry through:

(a) expanding the existing 2D Animation Training Program at selected vocational and tertiary educational institutions; and incorporate emerging fields including, *inter alia*, virtual reality, visual effects, and animation for software applications;

(b) establishing 2D and/or 3D Animation Training Programs at selected secondary, vocational and tertiary educational institutions; and incorporate emerging fields including, *inter alia*, virtual reality, visual effects, and animation for software applications;

(c) organizing competitions to identify the youth talent pool in the digital and animation fields;

(d) facilitating youth from lower-income families, and vulnerable communities to participate in the training activities provided by the Project, including training programs to access global work information on-line;

(e) development of specific services to enhance the industry’s business capacity to improve the capacity of studios to secure co-production deals with established international studios;

(f) financing the participation of the animation studios and key stakeholders in international events and facilitating support for professional networking; and

(g) developing a policy note to enhance the framework and strategic plan for the animation industry to engage in a longer-term policy dialogue.

Part 2: Establishment of Startup Jamaica

Establishing Startup Jamaica, a technology hub, to host the acceleration program and other training initiatives for startup companies in partnership with private sector companies through:

(a) carrying out communication and outreach campaigns to target youth with business ideas to join the acceleration program;

(b) designing and providing in-depth technical and business training to selected youth, including hands-on service provider support and external speakers/faculty training;

(c) designing and implementing the acceleration program for tech startups; and
Part 3: Digital and Technical Skills Development for Youth

Support the document management and digitization cohort under the national Housing, Opportunity, Production and Employment (HOPE) program to provide training and apprenticeship for "Not in Education, Employment, or Training" (NEET) youths between 18 and 24 years old to improve their employability skills, all through the provision of technical advisory services, goods, and Training.

(a) facilitating youths to participate in document management and digitization training and apprenticeship activities provided by the Project;

(b) financing the operationalization of youth and community centers as digital/technical centers, including renovation and provision of equipment;

(c) recruiting consultants to provide technical assistance and advisory services to improve the delivery of the training and apprenticeship program and increase the productivity and employability of apprentices.

(d) refurbishing of selected youth centers through carrying out small works.

Part 4: Support to Science, Technology and Innovation

Strengthening the Borrower’s capacity in science, technology and innovation through:

(a) Support for a digital market and job fair.

(b) Strengthening the existing young inventor/innovator competition in Jamaica, which aims to identify, produce and commercialize products and services.

(c) Strengthening of the national Software Testing Institute (STI) system led by the National Commission on Science and Technology to conduct stakeholder consultations for STI policy and national innovation competition awards.

Part 5: Project Administration

Strengthening the institutional capacity for Project management, including: (a) carrying out financial management and procurement under the Project; (b) preparing Project Reports; (c) coordinating the various institutions participating in the Project; (d) providing management and implementation support; (e) monitoring and evaluating Project progress and results; (f) providing equipment and training for the Project Implementation Unit (PIU); (g) hiring a dedicated management team that includes a project manager, animation specialist, financial management and procurement specialist; and (h) routine Project audits; all through provision of goods, technical advisory services, Training Costs and Operating Costs."
Annex 2

"Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Office of Prime Minister (OPM)

The Borrower shall, through the OPM, be responsible for overall Project oversight and implementation.

2. Project Implementation Unit

(a) The Borrower shall, throughout the Project implementation, operate and maintain the Project Implementation Unit (PIU) within OPM, with key staff with functions and responsibilities acceptable to the Bank, including the following responsibilities: (i) preparing periodic progress reports for submission to the Project Steering Committee (PSC); and (ii) monitoring and evaluation of Project activities.

3. Project Steering Committee

(a) The Borrower shall maintain throughout the implementation of the Project, a PSC, including representatives of HEART Trust/NTA, JAMPRO, MSET, MOEYI, MEGAJC MOFPS, OPM, PIOJ, and chaired by OPM.

(b) The Borrower shall cause the PSC to meet at least biannually, and be responsible for Project implementation oversight, including, inter alia: (i) providing strategic and policy guidance on matters relating to animation and technical entrepreneurship; (ii) facilitating coordination of Project activities; (iii) making recommendations for removal of any obstacles which hinder effective Project implementation; and (iv) reviewing progress made towards achieving the Project’s objective.

B. Implementation Arrangements

1. Project Operations Manual

Without limitation to the provisions of Article V of the General Conditions, the Borrower shall no later than March 31, 2018, update and adopt the POM, inform and substance satisfactory to the Bank, and thereafter ensure that:

(a) the Project is carried out in accordance with the Project Operations Manual; and

(b) except as the Bank shall otherwise agree in writing, the Project Operations Manual shall not be amended, waived, suspended or abrogated, and in case of any inconsistency between the provisions of the Project Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.
2. Memorandum of Understanding (MOU)

(a) Without limitation to the provisions of Part A of this Schedule, the Borrower shall no later than March 31, 2018, for the purpose of carrying out Part 3(a) of the Project, enter into an MOU with Heart Trust/NTA (Heart Trust/NTA MOU).

(b) The Borrower shall exercise its rights to carry out its obligations under the Heart Trust/NTA MOU in a manner to protect the interests of the Borrower and the Bank. The Borrower shall not abrogate, amend, suspend, terminate, waive or otherwise fail to enforce the Heart Trust/NTA MOU or any provisions thereof without the Bank's prior approval in writing; and in case of any conflict between the terms of the Heart Trust/NTA MOU and those of this Agreement, the terms of this Agreement shall prevail.

5. Anti-Corruption

The Borrower 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

The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of six (6) calendar months (Semester), and shall be furnished to the Bank not later than sixty (60) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. The Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each Semester, interim unaudited financial reports for the Project covering the preceding semester, in form and substance satisfactory to the Bank.

3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

All goods, non-consulting services, and consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations, and the provisions of the Recipient’s Procurement Plan for the Project.
Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Investment Project Financing," dated February 2017, as revised from time to time by the Bank 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 Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Training Costs and Operating costs for the Project</td>
<td>19,950,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Intentionally left blank</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Intentionally left blank</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>50,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(5) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.07(c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>20,000,000</td>
<td></td>
</tr>
</tbody>
</table>


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 date of this Agreement.

2. The Closing Date is January 31, 2020."
“APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

2. “Caribbean Institute of Media and Communication” means the mass communication department or unit, established within the University of the West Indies or its legal successor thereto.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. “Creative Production and Training Centre” means the media training and production company, established and operating pursuant to the Borrower’s Companies Act, 2004 or its legal successor thereto.

5. “Edna Manley College of Visual and Performing Arts” means the tertiary institution, established and operating under the Borrower’s Education Act, 1982 or its legal successor thereto.


7. “Human Employment and Resource Training Trust/National Training Agency” or “HEART Trust/NTA” means the statutory body established and operating under the Borrower’s Human Employment and Resource Training Act, 1982 or its legal successor thereto.

8. Heart Trust/NTA MOU means a Memorandum of Understanding between the Borrower and Heart Trust/NTA MOU, as referred to in Section 2 (a) of Schedule 2 to this Agreement.


10. “JAMPRO” means the Jamaica Promotions Corporation, a statutory body established and operating under the Jamaica Promotions Corporation Act, 1990, to promote business opportunities in export and investment to the local and international private sector or its legal successor thereto.

11. “MOEYI” means the Borrower’s Ministry of Education, Youth and Information or its legal successor thereto.

12. “MEGJAC” means the Borrower’s Ministry of Economic Growth and Job Creation or its legal successor thereto.


14. “MSET” means the Ministry of Science and Technology of the Borrower.

15. “NEET” means “Not in Education, Employment, or Training”.

Annex 3
16. “NCST” means the National Commission of Science and Technology within MSET.

17. “OPM” means Office of the Prime Minister of the Borrower.

18. “Operating Costs” means the PIU’s and Startup Jamaica’s reasonable incremental expenses arising under the Project, and consisting of expenditures for equipment maintenance and operations, travel costs (including transportation, fuel, lodging and per diem), communication and insurance costs, office administration costs, advertising expenses, administrative support staff but excluding the salaries of the Borrower’s civil servants.

19. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated December 19, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Bank.


21. “PIJOJ” means the Planning Institute of Jamaica, a statutory body established and operating pursuant to the Planning Institute of Jamaica Act, 1984 or its legal successor thereto.

22. “Project Implementation Unit” or “PIU” means the entity within the Borrower’s OPM charged with executing the functions and responsibilities under the Project as set forth in the Project Operations Manual and referred to in Section 1.A.2 (a) of Schedule 2 to this Agreement.

23. “Project Operations Manual” means the manual including all appendices and schedules thereto, satisfactory to the Bank, dated April 2, 2014 and adopted by the Borrower, setting forth the policies and procedures that apply to the carrying out of the Project, which include, inter alia: (a) the roles and responsibilities of each of the agencies or entities involved in Project implementation; (b) the staffing requirements for the Project; (c) the estimated implementation schedule; (d) procedures for accessing, disbursing and accounting for funds under the Project; (e) guidelines for the Research Grant scheme and a model Research Grant Agreement; (f) guidelines for the Scholarships scheme including a model Scholarship Agreement and a model written undertaking for the Selected Training Institutions acceptance of compliance with the Bank’s Anti-corruption Guidelines; (g) the indicators to be used in the monitoring and evaluation of the Project; (h) procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports; and (i) procurement and financial management procedures, as the same may be amended from time to time with the prior written approval of the Bank.

24. “Project Steering Committee” means the committee referred to in Section 1.A.3 (a) of Schedule 2 to this Agreement.

25. “Selected Training Institutions” means the Creative Production and Training Centre, the Human Employment and Resource Training/National Training Agency, the Edna Manley College of Visual and Performing Arts, University of the West Indies/Caribbean Institute of Media and Communication and any other institution agreed with the Bank.

26. “SRC” means the Scientific Research Council within the Borrower’s Ministry of Science and Technology.
27. "Training Costs" means the reasonable costs associated with the training, workshop and study tour participation of personnel involved in Project activities, including the cost of travel and subsistence for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation (but excluding costs of consulting services).

28. "University of the West Indies" means the regional tertiary institution established and operating under the Royal Charter, 1949 or its legal successor thereto.

29. "2D Animation Training Program" means a program designed to develop skills and competencies in the creation of moving pictures in a two-dimensional environment.

30. "3D Animation Training Program" means a program designed to develop skills and competencies in the creation of moving pictures in a three-dimensional environment."