



# The OPEC Fund for International Development

*Office of the  
Director General*

H.E. Saisnarine Kowlessar  
Minister of Finance  
Ministry of Finance  
Main & Urquhart Streets  
Georgetown  
GUYANA

January 26, 2001

Excellency,

Subject: HIPC DEBT INITIATIVE RELIEF AGREEMENT  
BETWEEN THE  
COOPERATIVE REPUBLIC OF GUYANA  
AND THE  
OPEC FUND FOR INTERNATIONAL DEVELOPMENT

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## A. INTRODUCTION

1. This is in reference to previous exchanges of correspondence between us, ending with the telefax dated January 18, 2001, emanating from the Ministry of Finance, regarding the modalities for extending to the Cooperative Republic of Guyana (the Beneficiary) by the OPEC Fund for International Development (the Fund) of its own share of the debt relief agreed upon by the international donor community under the HIPC Debt Initiative.
2. The Fund has determined, on the basis of a Debt Sustainability Analysis conducted by the International Development Association and the International Monetary Fund together with the Beneficiary and also other information available in the Fund's records, that the Beneficiary is eligible for debt relief from the Fund under the HIPC Debt Initiative. It is also the Fund's understanding that the Beneficiary's other major creditors have undertaken to reduce the Beneficiary's debt obligations to sustainable levels, provided that the Beneficiary would have fulfilled the agreed conditions for the provision of debt relief under the HIPC Debt Initiative by the Completion Date of December 1998, which conditions, to the best of our knowledge and belief, have been accomplished.

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## B. DEBT RELIEF

3. On the basis of the foregoing, the Fund has agreed to provide to the Beneficiary, on the terms and conditions set out in this Agreement, debt relief in the amount of seven million three hundred thousand US Dollars (US\$ 7,300,000).
4. In that regard, it is hereby understood and agreed that the Fund has already granted debt relief, prior to the Completion Date, in the amount of three million nine hundred thousand US Dollars (US\$ 3,900,000) in the context of the loan extended by virtue of Loan Agreement No. 716Pg for the Commodity Imports Program.
5. Furthermore, the balance of the debt relief in the amount of three million four hundred thousand US Dollars (US\$ 3,400,000) is hereby granted through the re-scheduling of the loan terms and conditions of the said Loan Agreement No. 716Pg as stipulated in the Annex to this Agreement together with its attachment.

## C. DEBT RELIEF IMPLEMENTATION MODALITIES

6. The Beneficiary:
  - (a) shall maintain records adequate to record the progress of implementation of this Agreement;
  - (b) shall furnish the Fund at regular intervals all such information as the Fund shall reasonably request concerning the implementation of this Agreement;
  - (c) shall enable the Fund's representatives to have access to the records mentioned in paragraph (a) above and to conduct any verification as any such representative may deem necessary; and
  - (d) shall, not later than six months after the full execution of the objectives of this Agreement, prepare and furnish to the Fund a completion report, of such scope and in such detail as the Fund shall reasonably request, on the implementation of this Agreement.
7. The Beneficiary shall in all other respects cooperate fully with the Fund to assure that the purposes of this Agreement will be accomplished, and shall:
  - (a) promptly inform the Fund of any condition which interferes or threatens to interfere with the accomplishment of the purposes of this Agreement or the performance by the Beneficiary of its obligations thereunder;

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- (b) exchange views from time to time with the Fund with regard to matters relating to the purposes of this Agreement and, in particular, with regard to the performance by the Beneficiary of its obligations under or pursuant to this Agreement.

## D. EVENTS OF DEFAULT

- 8. If any of the following events shall have occurred and be continuing, then the Fund may, by notice to the Beneficiary, suspend in whole or in part the rights of the Beneficiary and the obligations of the Fund under this Agreement:
  - (a) The Beneficiary shall have failed to make any payment of any instalment of the principal, or of the interest or of the service charges under any loan agreement by virtue of which the Beneficiary shall have received a loan from the Fund;
  - (b) the Beneficiary shall have failed to perform any other of its obligations under any loan agreement by virtue of which the Beneficiary shall have received a loan from the Fund.
- 9. If the rights of the Beneficiary and the obligations of the Fund shall have been suspended for a continuous period of forty-five days, the Fund may by notice to the Beneficiary terminate the rights of the Beneficiary and the obligations of the Fund under this Agreement and, thereupon, the Fund may declare the principal of the loan extended by virtue of Loan Agreement No. 716Pg then outstanding to be due and payable immediately, together with the interest and service charges thereon, and upon such declaration such principal, together with the interest and service charges shall become due and payable immediately.

## E. SUPPLEMENTARY PROVISIONS

- 10. The provisions of Loan Agreement No. 716Pg set out below shall apply, *mutatis mutandis*, to this Agreement as if for all references therein (expressed or implied) to the said Loan Agreement No. 716Pg had been substituted by references to this Agreement, that is to say:

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- (a) Article 10 - Enforceability, Arbitration;
- (b) Article 11 - Exemptions;
- (c) Article 12 - Termination of the Fund; and
- (d) Article 13 - Notice; Representation, Modification.

## F. ENTRY INTO FORCE AND EFFECT

11. It is hereby understood that the signature of this Agreement by the Beneficiary's duly authorized representative constitutes evidence to the effect that its execution and delivery on behalf of the Beneficiary have been duly authorized according to the constitutional requirements of the Beneficiary.
12. Subject to section 11, this Agreement shall become effective on the date upon which the Fund notifies the Beneficiary in writing of the receipt and acceptance of the conformed copy of this Agreement duly countersigned by the Beneficiary's authorized representative.

Please sign this copy of this Agreement as evidence of the acceptance of its provisions by the Cooperative Republic of Guyana and return it to us at your earliest convenience.

With my highest consideration.

Enclosures



Y. Seyyid Abdulai  
Director-General

Accepted on behalf of the  
Cooperative Republic of Guyana:

Signature: Saisnarine Kulesiar

Name: SAINARINE KULESIAR

Title: MINISTER OF FINANCE

Date: April 4, 2001

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## ANNEX

### THE COOPERATIVE REPUBLIC OF GUYANA HIPC DEBT INITIATIVE RELIEF AGREEMENT

#### REVISED REPAYMENT CONDITIONS OF LOAN AGREEMENT NO. 716Pg FOR THE COMMODITY IMPORTS PROGRAM

#### SECTION 8.02

For the existing Section 8.02 of Loan Agreement No. 716Pg, there is hereby substituted the following new Section:

8.02 The Borrower shall repay the principal of the Loan in Dollars, or in any other freely convertible currency acceptable to the Fund Management in an amount equivalent to the Dollar amount due, according to the market exchange rate prevailing at the time and place of repayment. Repayment shall be effected in twenty-four semi-annual instalments commencing on February 16, 2003, after a grace period running up to that date, and thereafter in accordance with the Amortization Schedule set out in the Attachment hereto. Each instalment shall be in the amount of Seven Hundred and Fifty-Nine Thousand Four Hundred and Ten Dollars (\$ 759,410) except for the last and twenty-fourth instalment which shall be in the amount of Seven Hundred and Fifty-Nine Thousand Five Hundred and Seventy Dollars (\$ 759,570). All such instalments shall be transferred on the date of repayment to the Fund's Account as requested by the Fund Management.

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## ATTACHMENT

### THE COOPERATIVE REPUBLIC OF GUYANA HIPC DEBT INITIATIVE RELIEF AGREEMENT

#### REVISED AMORTIZATION SCHEDULE OF LOAN AGREEMENT NO. 716Pg FOR THE COMMODITY IMPORTS PROGRAM

<u>Date of Repayment</u>	<u>Amount Due</u> (Expressed in US Dollars)
February 16, 2003	759,410
August 16, 2003	759,410
February 16, 2004	759,410
August 16, 2004	759,410
February 16, 2005	759,410
August 16, 2005	759,410
February 16, 2006	759,410
August 16, 2006	759,410
February 16, 2007	759,410
August 16, 2007	759,410
February 16, 2008	759,410
August 16, 2008	759,410
February 16, 2009	759,410
August 16, 2009	759,410
February 16, 2010	759,410
August 16, 2010	759,410
February 16, 2011	759,410
August 16, 2011	759,410
February 16, 2012	759,410
August 16, 2012	759,410
February 16, 2013	759,410
August 16, 2013	759,410
February 16, 2014	759,410
August 16, 2014	<u>759,570</u>
Total:	<u>18,226,000</u>

3168

7 September 2000

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# ECGD

Ms Donna Yearwood  
Head  
Debt management Division  
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7078

Dear Ms Yearwood

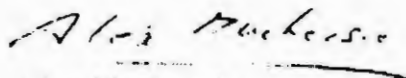
## UK/GUYANA DEBT AGREEMENT NO. 5

Notwithstanding the provisions of Section 5(3) of the UK/Guyana Debt Agreement No.5 it is hereby agreed that the Government of Guyana shall be given fourteen days' grace from each due date of payment in which to make payment to the Department.

In the event that any payment is made later than fourteen days after its due date, interest shall accrue, and be payable, as set down in Section 5 of the Agreement.

In the event that payment is made later than 14 days after due date on more than two consecutive occasions, the Department shall be entitled to review, amend or cancel this arrangement.

Yours faithfully,



Alex Muckersie  
Manager, International Debt Rescheduling

