

VCC1

AGREEMENT BETWEEN  
THE UNITED STATES OF AMERICA  
AND THE COOPERATIVE REPUBLIC OF GUYANA  
REGARDING THE REDUCTION AND REORGANIZATION OF  
CERTAIN DEBTS OWED TO, GUARANTEED BY, OR INSURED  
BY THE UNITED STATES GOVERNMENT AND ITS AGENCIES

The United States of America (the "United States") and the  
Cooperative Republic of Guyana ("Guyana") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minute on the Consolidation of Guyana's debts, signed at Paris on June 25, 1999 (hereinafter referred to as the "Minute") by representatives of certain creditor nations, including the United States (hereinafter referred to as "Participating Creditor Countries") and by the representative of Guyana, the United States and Guyana agree to reduce and reorganize certain Guyanese payments with respect to debts which are owed to, guaranteed by or insured by the United States Government or its Agencies, as provided for in this Agreement.

ARTICLE II

Definitions

1. "Contract" means the bilateral debt rescheduling agreement between the United States and Guyana signed on March 27, 1997 ("Rescheduling Agreement").

A table listing the relevant agreements to be included under the reduction and reorganization is attached hereto as Annex A.

Debt service due as a result of debts described above and effected through special payment mechanisms or other external accounts is covered by this Agreement.

2. "Agencies" means the Export-Import Bank of the United States ("Eximbank") and the U.S. Agency for International Development ("USAID").
3. "Arrears" means 100 percent of principal and interest due and unpaid under the Contract as of May 22, 1999, including Late Interest Charges.
4. "Relevant Principal" means (a) 65% of the total amount of principal outstanding under the Contract as of May 23, 1999, excluding any Accrued Interest; and (b) 100 percent of Arrears.

A table summarizing the amount of Relevant Principal owed to the United States and its Agencies is attached hereto as Annex B.

The interest installment due May 23, 1999, under the Contract is excluded from the definition of Relevant Principal.

The remaining 35% of the debt under the Contract continues to be due and payable according to the terms of the Contract, and is not covered by this Agreement.

5. "Reduced Principal" means the amount of Relevant Principal remaining after the action taken pursuant to Article III (1) of this Agreement.

A table summarizing the amount of Reduced Principal owed to the United States and its Agencies is attached hereto as Annex C.

6. "Accrued Interest" means interest (excluding any late interest) accrued and not paid under the Contract on Relevant Principal from the most recent interest maturity date up until and including May 22, 1999, inclusive, computed at the rates specified in the Contract.

A table summarizing the amount of Accrued Interest owed to the United States and its Agencies is attached hereto as Annex D.

3204

7. "Late Interest Charges" means, with respect to Arrears, interest charges accrued and not paid through May 23, 1999 on due but unpaid amounts of principal and interest in accordance with the terms of the Contract, notwithstanding the payment of such principal and interest after the original due dates.
  
8. "Interest" means interest accruing at the rate specified in this Agreement on the outstanding balance of Reduced Principal beginning on May 23, 1999, in accordance with the terms of this Agreement.
  
9. "Additional Interest" means interest accruing at the rates set forth in this Agreement on due but unpaid installments of Reduced Principal, Accrued Interest, or Interest beginning on the respective due dates for such installments as established by this Agreement and continuing to accrue until such amounts are repaid in full.



ARTICLE III

Terms and Conditions of Payment

1. Forty (40) percent of the Relevant Principal as defined in Article II (4) is hereby cancelled. The principal remaining after this reduction is the Reduced Principal.
  
2. Guyana agrees to repay the Reduced Principal, Interest and Additional Interest, if any, in United States dollars in accordance with the following terms and conditions:
  - (a) The Reduced Principal shall be repaid in thirty-four (34) consecutive semi-annual installments payable on May 23 and November 23 of each year, commencing on November 23, 2005, according to the following schedule:  
  

0.12% on November 23, 2005;	0.20% on May 23, 2006;
0.28% on November 23, 2006;	0.38% on May 23, 2007;
0.48% on November 23, 2007;	0.58% on May 23, 2008;
0.70% on November 23, 2008;	0.82% on May 23, 2009;
0.94% on November 23, 2009;	1.08% on May 23, 2010;
1.22% on November 23, 2010;	1.36% on May 23, 2011;

1.52% on November 23, 2011; 1.70% on May 23, 2012;  
 1.86% on November 23, 2012; 2.06% on May 23, 2013;  
 2.26% on November 23, 2013; 2.46% on May 23, 2014;  
 2.68% on November 23, 2014; 2.92% on May 23, 2015;  
 3.18% on November 23, 2015; 3.44% on May 23, 2016;  
 3.70% on November 23, 2016; 4.00% on May 23, 2017;  
 4.30% on November 23, 2017; 4.64% on May 23, 2018;  
 4.98% on November 23, 2018; 5.34% on May 23, 2019;  
 5.72% on November 23, 2019; 6.12% on May 23, 2020;  
 6.54% on November 23, 2020; 7.00% on May 23, 2021;  
 7.46% on November 23, 2021; 7.96% on May 23, 2022.

(b) Interest on the Reduced Principal shall accrue at the following rates for the United States and its Agencies:

(i) with respect to the USAID Housing Guaranty program, a fixed rate of approximately 6.25 percent, based on the U.S. government cost of borrowing for a comparable maturity which is in effect at the entry into force of this Agreement, which includes a margin of one-eighth of one percent;

(ii) for Ex-Im Bank the rate shall be fixed at approximately 6.625 percent, determined by Ex-Im Bank to be one-half of one percent (1/2 of 1%) over the interest rate applicable to U.S. Treasury long-term borrowings that is in effect on the date of the entry into force of this Agreement.

(c) Interest with respect to the Reduced Principal shall be paid semi-annually on May 23 and November 23 of each year, commencing on May 23, 2001. Interest due on May 23, 2001 includes interest amounts previously accrued up to May 23, 2000 and November 23, 2000. No late interest will be charged on these amounts.

3. Guyana agrees to pay the Accrued Interest in United States dollars as soon as possible but no later than thirty days after entry into force of this Agreement. Late Interest will be charged on these amounts at the rates contained in the Contract.
4. Adjustments may be made in writing, as necessary and by mutual consent, in the amounts of Relevant Principal, Reduced Principal, and Accrued Interest.



ARTICLE IV

Comparability of Treatment

1. For credits and loans of comparable maturity, Guyana shall promptly negotiate debt reduction and reorganization agreements with all its external creditors on comparable terms in net present value to those set forth in the Minute.
2. Guyana shall not accord any other category of creditors, including other creditor countries, commercial banks and suppliers, repayment terms more favorable than those accorded the Participating Creditor Countries as set forth in the Minute.
3. For purposes of comparing the arrangements between Guyana and creditor countries not signatories to the Minute ("Non-participating Creditor Countries"), and between Guyana and the Participating Creditor Countries, all relevant factors will be taken into account; including:
  - the real exposure of the Non-participating Creditor Countries;
  - the level of cash payments received by the Non-participating Creditor Countries from Guyana as compared to their share in Guyana's external debt;

- the nature and characteristics of all treatment applied, including debt buybacks;
  
- all characteristics of the reorganized claims and in particular their repayment terms whatever form they take; and
  
- the general financial relations between Guyana and the Non-participating Creditor Countries.

ARTICLE V

General Provisions

1. If the Participating Creditor Countries determine that the conditions for comparability of treatment set forth in the Minute are not substantially fulfilled, or that Guyana has not met its payments obligations as specified in the Minute, Article III Paragraphs (1) and (2) of this Agreement shall not apply and the Relevant Principal thereon and all other amounts owing hereunder shall be due according to the terms in the Contract. Any payments already made pursuant to Article III will be credited in net present value terms for the purpose of calculating the amounts due and payable under this Paragraph.
  
2. Guyana agrees to pay all Reduced Principal, Accrued Interest, Interest and Additional Interest, if any, to the United States and its Agencies, in United States dollars, without any deductions for taxes, fees or other public charges or any other costs accruing inside or outside Guyana.
  
3. Guyana agrees to pay all amounts due and not paid, which are not covered by this Agreement, which are owed to, guaranteed by, or insured by, the United States or its Agencies, as soon as possible but no later than thirty days after entry into force of this Agreement. Late interest will be charged on these amounts at the rates contained in the contracts.

4. All terms of the Contract remain in full force and effect, except as they may be modified by this Agreement.
  
5. Guyana agrees to guarantee the immediate and unrestricted transfer of the foreign exchange counterpart of all amounts paid in local currency by private debtors in Guyana for servicing debt owed to, guaranteed by, or insured by the United States and its Agencies, for which the corresponding payments in local currency have been or will be deposited in the Central Bank of Guyana.
  
6. With respect to amounts owing to Eximbank under this Agreement, Guyana (referred to as the "Government" in Annex E hereto) and Eximbank agree to the additional terms and conditions set forth in Annex E.
  
7. With respect to amounts owing to USAID under this Agreement, Guyana (referred to as the "Government" in Annex F hereto) agrees to the additional terms and conditions set forth in Annex F.

ARTICLE VI

Suspension or Termination

1. Pursuant to the terms of a Paris Club agreed minute, the United States may suspend or terminate this Agreement by giving sixty (60) days written notice to the other party.
2. This Agreement may be modified by mutual consent of the United States and Guyana.



ARTICLE VII

Entry into Force

This Agreement shall enter into force following signature of the Agreement and receipt by Guyana of written notice from the United States that all necessary domestic legal requirements for entry into force of the Agreement have been fulfilled.

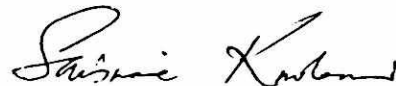
Done at Georgetown, Guyana this 20th day of December, 2000.

FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA:



Andrew C. Parker  
Charge d'Affaires

FOR THE GOVERNMENT OF THE  
COOPERATIVE REPUBLIC OF  
GUYANA:



Sasenaraine Kowlessar  
Minister of Finance

Annex A  
Agreements Subject to Rescheduling

Housing Guaranty Program  
Loan Number

504-HR-007

Export-Import Bank  
Loan Number

R-224

Annex B  
Summary of Relevant Principal as of May 23, 1999  
(including Accrued Interest)  
(thousands of US dollars)

HG	\$ 298
EXIM	\$2,936
Total	\$3,234

Annex C  
Summary of Reduced Principal  
(thousands of US dollars)

HG	\$ 179
EXIM	\$1,762
Total	\$1,941

Annex D  
Summary of Accrued Interest  
(thousands of US dollars)

HG	\$0
Exim	\$0
Total	\$0

ANNEX E  
ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO  
AMOUNTS OWING TO EXIMBANK

The Government of Guyana, (hereinafter referred to as the "Government"), agrees to the following additional terms and conditions with respect to the amounts owing to Eximbank, guaranteed by Eximbank, or insured by Eximbank, pursuant to the attached Agreement between the United States of America and the Government:

A. Definitions.

1. "Interest Payment Date" means: May 23 and November 23 of each year, commencing on May 23, 2001, provided that in the event any Interest Payment Date is not a Business Day, then the next succeeding Business Day after such Date shall be the Interest Payment Date.

2. "Business Day" means any day on which the Federal Reserve Bank of New York is open for business.

B. Payments.

1. Funds and Place of Payment. All payments to be made by the Government to Eximbank under this Agreement shall be made in United States dollars in immediately available and freely transferable funds to the Federal Reserve Bank of New York for credit to Eximbank's account at the U.S. Treasury Department as identified below or as otherwise directed in writing by the Treasurer-Controller or an Assistant Treasurer-Controller of Eximbank.

U.S. Treasury Department  
021030004  
TREAS NYC/CTR/  
BNF=/AC-4984 OBI=  
EXPORT-IMPORT BANK

DUE \_\_\_\_\_ ON EIB REFUNDING CREDIT NO. R-246  
FROM GUYANA



2. Payment on a Non-Business Day. Whenever any payment falls due on a day which is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and such extension of time shall be included in the computation of Interest in connection with such payment.

3. Application of Payments. All payments made by the Government to Eximbank under this Agreement shall be applied chronologically (commencing with the oldest) to amounts then due and payable under this Agreement in the following order of priority: (i) to Interest to the extent that any Additional Interest (as hereinafter set forth) due as of the date of payment on such Interest can be satisfied on the amount applied to such Interest, and if applicable, ratably to those installments due on the same date, and (ii) to the principal to the extent that any Additional Interest due as of the date of payment on such principal can be satisfied on the amount applied to such principal, and if applicable, ratably to those installments due on the same date.

4. Prepayments. The Government shall have the right to prepay on any Interest Payment Date all or part of the principal then outstanding under this Agreement; provided that the Government shall have paid all amounts due and payable under this Agreement as of the date of such prepayment, together with Interest which has accrued to the date of prepayment on the amount prepaid. Any such prepayment shall be applied by Eximbank to the outstanding installments of principal in the inverse order of their scheduled maturity, and if applicable, ratably to those installments maturing on the same date.

C. Exporter Retentions. The term "Exporter Retention(s)" means with respect to the Contracts stipulated in this Agreement, (i) that portion of commercial credits from commercial lenders or U.S. exporters which was not guaranteed or insured by Eximbank and is owed to such commercial lenders or U.S. exporters or (ii) loans from commercial lenders or U.S. exporters which were incurred in participation with loans from Eximbank. In the event that the commercial lender or U.S. exporter agrees to consolidate and reschedule its Exporter Retention(s) in accordance with the terms of this Agreement, such Exporter Retention(s) shall be included in the subject rescheduling.

D. Computation of Interest. Interest shall be computed on the basis of the actual number of days elapsed, using a 365-day year.

E. Additional Interest. If any amount of the principal or Interest owing to Eximbank under this Agreement is not paid in full on the due dates set forth in this Agreement, the Government shall pay to Eximbank on demand Additional Interest on the unpaid amount, accruing from the respective due date until paid in full, computed on the same basis as Interest, at the Interest Rate applicable for each Interest Period during which such amount remains unpaid.



F. Representations. The Government represents and warrants that it has taken all action necessary or advisable under its laws and regulations to authorize the execution, delivery and performance of this Agreement and that this Agreement constitutes the valid and binding obligations of the Government, enforceable against the Government in accordance with its terms and for the performance of which the full faith and credit of the Government is pledged. The Government acknowledges that the activities contemplated by this Agreement are commercial in nature rather than governmental or public and agrees that, to the extent that it has or hereafter may acquire immunity from suit, judgment and/or execution, it will not assert or claim any such right of immunity with respect to any action by Eximbank to enforce its obligations under this Agreement.

G. Events of Default. In the event that the Government fails to pay when due (a) any amount owing to Eximbank under this Agreement or (b) any amount owing under any other agreement or instrument in which any indebtedness (whether direct or indirect, contingent or otherwise) of the Government thereunder is owed to, guaranteed or insured, in whole or in part, by Eximbank, then Eximbank, by written notice to the Government, may make immediately due and payable the entire principal amount owing to Eximbank and outstanding under this Agreement, plus accrued Interest and Additional Interest thereon to the date of payment, and all other amounts owing to Eximbank under this Agreement.

H. Miscellaneous Provisions.

1. Disposition of Indebtedness. Eximbank may at any time sell, assign, transfer, negotiate, grant participations in, or otherwise dispose of all or any portion of the indebtedness of the Government outstanding and owing to Eximbank under this Agreement to any party, and any such party shall enjoy all the rights and privileges of Eximbank under this Agreement. The Government shall, at the request of Eximbank, execute and deliver to Eximbank or to such party or parties as Eximbank may designate any and all further instruments as may be necessary or advisable to give full force and effect to such disposition by Eximbank.

2. Expenses. The Government shall pay on demand all reasonable costs and expenses incurred by or charged to Eximbank in connection with or arising out of this Agreement, including without limitation costs and legal fees incurred by or charged to Eximbank in connection with the enforcement of this Agreement.

3. Adjustments. On or about 135 days after the execution of this Agreement, Eximbank shall inform the Government of the actual amounts to be refunded hereunder. The parties hereto agree to make any necessary adjustments to the amounts being refunded.

4. Communications. All communications between the Government and Eximbank under this Agreement shall be in writing, in the English language (or accompanied by an accurate English translation). All communications to the Government shall be addressed to the Government at the address designated by the Government from time to time in writing to Eximbank; all communications to Eximbank shall be addressed to Eximbank at the following address:

Export-Import Bank of the United States  
811 Vermont Avenue, N.W.  
Washington, D.C. 20571  
Attention: Treasurer-Controller  
Telex: 89461 EXIMBANK WSH  
197681 EXIM UT  
Facsimile: (202) 565-3294

5. Governing Law. The Eximbank portion of this Agreement shall be governed by and construed in accordance with the laws of the District of Columbia, United States of America.