



BRITISH HIGH COMMISSION  
GEORGETOWN

11 September 2000

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Co-operative Republic of Guyana which was signed in Paris on 25 June 1999, and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland is prepared to provide debt relief to the Government of the Co-operative Republic of Guyana on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Co-operative Republic of Guyana, I have the honour to propose that this Note together with its Annex, and your reply to that effect, shall constitute an Agreement between our two Governments in this matter which shall be known as 'The United Kingdom/ Guyana Debt Agreement No 5 (1999)' and which shall enter into force on the date of your reply.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

*Patricia Scotland*

Baroness Scotland of Asthal, QC

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**ANNEX**

**SECTION 1**

**Definitions and Interpretation**

(1) In this Annex, unless the contrary intention appears:

(a) "the Agreed Minute" means the Agreed Minute on the Consolidation of the Debt of the Co-operative Republic of Guyana which was signed in Paris on 25 June 1999;

(b) "Appropriate Market Rate" means the Reference Rate plus 0.5 per cent;

(c) "the Bank" means the Central Bank of Guyana or any other institution which the Government of Guyana may nominate for the purposes of this Annex;

(d) "Business Day" means a day on which dealings are carried on in the London interbank market and (if payment is required to be made on such day) on which banks are open for domestic and foreign exchange business in London in the case of sterling and New York City in the case of US dollars;

(e) "Debt" means any debt to which, by virtue of the provisions of Section 2, the provisions of this Annex apply;

(f) "the Department" means the Export Credits Guarantee Department or any other Department of the Government of the United Kingdom which that Government may subsequently nominate for the purpose hereof;

(g) "the Fourth Agreement" means the Agreement between the Government of the United Kingdom and the Government of Guyana on Certain Commercial Debts entered into force on 21 May 1997;

(h) "Guyana" means the Co-operative Republic of Guyana;

(i) "Maturity" in relation to a Debt means 23 May 1999;

(j) "Reference Rate" means the rate (rounded upwards where necessary to the nearest multiple of 1/16 (one sixteenth) of one percent) quoted by the Reuters Monitor Money Rate Services (International Swap Dealers Association Interbank Rate from London) (page reference "ISDA") as the rate at which six-month eurodollar deposits, in the case of a Debt denominated in US dollars or six-month sterling deposits, in the case of a Debt denominated in sterling, are offered in the London Interbank Market at 11am (London time) two Business Days before the commencement of the relevant interest period. If the Reuters Monitor Money Rate Services are unavailable at that time on that date, the rate to be used will be

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the rate (rounded upwards where necessary to the nearest multiple of 1/16 (one sixteenth) of one percent) quoted to the Department by a bank to be agreed by the Department and the Bank as the rate at which that bank is offering six-month eurodollar deposits or six-month sterling deposits as the case may be;

(k) "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland.

(2) All reference to interest shall be to interest accruing from day to day and calculated on the basis of actual days elapsed and a year of 365 days.

(3) Where the context of this Annex so allows, words importing the singular include the plural and vice versa.

(4) Unless otherwise indicated, reference to a specified Section shall be construed as a reference to that Section of this Annex.

(5) The headings to the Sections are for ease of reference only.

**SECTION 2**

**The Debt**

The provisions of this Annex shall, subject to the provisions of Article IV of the Agreed Minute, apply to 65 per cent of any amount, whether of principal or of interest (including interest accrued on interest), otherwise payable under the Fourth Agreement.

**SECTION 3**

**The Fourth Agreement**

The provisions of the Fourth Agreement insofar as they relate to the payment of any Debt as defined herein shall cease to apply upon the entry into force of this Agreement. The Fourth Agreement shall continue to apply to 35 percent of any amount, whether principal or interest (including interest accrued on interest), otherwise payable under the Fourth Agreement, except that, in accordance with Article I B/ 4 of the Agreed Minute, no late interest accrued on the payments due on 23 November 1999 and which were paid on 7 January 2000.

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**SECTION 4**

**Debt Reduction and Payment**

- (1) The Department shall reduce the amount of each Debt specified in Section 2 by 40 per cent on Maturity.
- (2) The Government of Guyana shall pay to the Department, in accordance with the provisions of Section 6(1), the remainder of each Debt specified in Section 2 on the following dates and in the following percentages:

Repayment Date	Percentage to be repaid
23 November 2005	0.12
23 May 2006	0.20
23 November 2006	0.28
23 May 2007	0.38
23 November 2007	0.48
23 May 2008	0.58
23 November 2008	0.70
23 May 2009	0.82
23 November 2009	0.94
23 May 2010	1.08
23 November 2010	1.22
23 May 2011	1.36
23 November 2011	1.52
23 May 2012	1.70
23 November 2012	1.86
23 May 2013	2.06
23 November 2013	2.26
23 May 2014	2.46
23 November 2014	2.68
23 May 2015	2.92
23 November 2015	3.18
23 May 2016	3.44
23 November 2016	3.70
23 May 2017	4.00
23 November 2017	4.30
23 May 2018	4.64
23 November 2018	4.98
23 May 2019	5.34
23 November 2019	5.72
23 May 2020	6.12
23 November 2020	6.54
23 May 2021	7.00
23 November 2021	7.46
23 May 2022	7.96

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**SECTION 5**

**Interest**

- (1) Interest on the balance of each Debt shall be deemed to have accrued and shall accrue during, and shall be payable in respect of, the period from Maturity until the settlement of that Debt by payment to the Department.
- (2) The Government of Guyana shall pay to the Department interest on each Debt in accordance with the provisions of Section 6(1) to the extent that such Debt has not been settled by payment to the Department. Such interest shall be paid first to the Department on 23 November 2000 and thereafter on 23 May and 23 November (the "Due Dates") each year.
- (3) If any amount of interest payable in accordance with the provisions of paragraph (2) of this Section is not paid on the Due Date for payment thereof, the Government of Guyana shall pay to the Department interest on such amount of overdue interest. Such additional interest shall accrue from day to day from the Due Date for payment thereof in accordance with the provisions of paragraph (2) of this Section to the date of receipt of the payment by the Department, and shall be due without further notice or demand.
- (4) All interest payable in accordance with the provisions of this Section shall be paid at the Appropriate Market Rate applicable to each half-yearly interest period commencing from Maturity.

**SECTION 6**

**Payments to the Department**

- (1) When payment becomes due under the terms of Section 4 or 5, the Bank shall arrange for the necessary amounts, without deduction of taxes, fees, other public charges or any other costs incurred inside or outside Guyana, to be paid in the Currency of the Debt to an account notified by the Department to the Bank.
- (2) If the day on which such a payment falls due is not a Business Day payment shall be made on the next following Business Day.
- (3) The Bank shall give the Department full particulars of the Debts and/or interest and compensation to which the payments relate.

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## **SECTION 7**

### **Exchange of Information**

The Department and the Bank shall exchange all information required for the implementation of this Annex.

## **SECTION 8**

### **Other Debt Settlements**

(1) The Government of Guyana undertakes to fulfil its commitments under Article III of the Agreed Minute and agrees to accord to the Government of the United Kingdom terms no less favourable than those agreed with any other creditor, notwithstanding any provision of this Annex to the contrary.

(2) The provisions of paragraph (1) of this Section shall not apply to matters relating to the payment of interest determined by Section 5.

## **SECTION 9**

### **Debt Conversion Option**

The Department shall give prior notification to the Government of Guyana if it wishes to exercise the option given in Article II paragraph 3 of the Agreed Minute to sell or exchange Debt. This option may only be implemented with the consent of the Government of Guyana.

## **SECTION 10**

### **Conditionality**

Unless the Department otherwise agrees, the conditions of Article IV paragraph 1 of the Agreed Minute shall apply to this Annex. If this Annex ceases to apply because any of these conditions has not been fulfilled, all outstanding payments shall be due according to the payment schedules in the Fourth Agreement, as if this Annex had never existed.

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**Bilateral agreement on the reduction and consolidation of the external debt service obligations of the Cooperative Republic of Guyana to the Netherlands creditors.**

This agreement is concluded between the Government of the Cooperative Republic of Guyana (hereinafter referred to as "the Government") and the Nederlandsche Credietverzekering Maatschappij N.V. (hereinafter referred to as "NCM"), the latter acting by order and with authorisation of the Government of the Netherlands, on the basis of the principles set forth in the Agreed Minute (attached as Annex I) of the meeting held in Paris on June 24 and 25, 1999 between the representatives of the Government of the Cooperative Republic of Guyana and representatives of several other Governments, including the Government of the Netherlands.

The Government and NCM agree to the following:

Art. 1. This agreement applies in principle to the known and mutually agreed debts of the Government resulting from:

The Bilateral Agreement on the consolidation of the external debt service obligations of the Government to the Netherlands creditors, signed on April 7, 1997 concluded according to the Agreed Minute of the Paris Club of May 23, 1996.

Art. 2. For the purpose of this Agreement the "Relevant Principal" means: 65% of the amount of principal outstanding as of May 23, 1999 inclusive, of the debts mentioned in Art. 1. Lists of such debts are attached as Annex II.

It is understood that the 35% remaining due continue to be paid according to the terms of the Bilateral Agreement signed on April 7, 1997 concluded according to the Agreed Minute of the Paris Club of May 23, 1996. It is understood that the payments due on November 23, 1999 will be made on January 7, 2000 without calculation of late interest on these amounts until that date.

Art. 3. In accordance with the Agreed Minute of the Paris Club of June 24 and 25, 1999, debt relief will be given in the following way:

40% of the Relevant Principal defined in Art. 2 will be cancelled. The Government undertakes to pay NCM the remaining 60% of the Relevant Principal in the following way:

- 0.12% on November 23, 2005
- 0.28% on November 23, 2006
- 0.48% on November 23, 2007
- 0.70% on November 23, 2008
- 0.94% on November 23, 2009
- 1.22% on November 23, 2010
- 1.52% on November 23, 2011
- 1.86% on November 23, 2012
- 2.26% on November 23, 2013
- 0.20% on May 23, 2006
- 0.38% on May 23, 2007
- 0.58% on May 23, 2008
- 0.82% on May 23, 2009
- 1.08% on May 23, 2010
- 1.36% on May 23, 2011
- 1.70% on May 23, 2012
- 2.06% on May 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

- Art. 4. The Government agrees to pay NCM consolidation interest at the rate of 5.75% per annum on the amounts to be rescheduled according to this agreement. This interest will be calculated over the period between May 23, 1999 and the dates of payment of the debts mentioned in Article 3. of this agreement and will be payable for the first time on August 7, 2000 and semi-annually thereafter starting November 23, 2000.
  
- Art. 5. In case any payment of principal or interest fails to be made fully or in part within 14 days from the due date according to the schedules laid down in Article 4. and 6. above, interest at the rate mentioned in Article 6 increased by a compensation of 0.5% per annum will be due on the unpaid balance of such payments as from the scheduled dates until the date of receipt by NCM of final payment of the amount(s) due.
  
- Art. 6. All payments covered by this agreement will be made by the Government in Euros in case the original contract is in Netherlands Guilders and in US-dollar in case the currency of the original contract is in US-dollars. Payments will be made by the Government into the account no. 41.15.66.407 of NCM with ABN-AMRO Bank N.V., Amsterdam. All payments by the Government to NCM covered by this agreement shall be made without set-off or counterclaim and free from any present or future taxes or charges of any kind in the Cooperative Republic of Guyana.
  
- Art. 7. The Government will accord to NCM a treatment not less favourable than which it may accord to any other creditor for the consolidation of debts of a comparable term, making sure to avoid inequality of treatment between different categories of creditors.
  
- Art. 8. The NCM undertakes to forward within one month after the date of signature of this agreement to the Government or the institution charged by the Government with the implementation of this agreement a calculation of the amounts to be paid as a result of this agreement, based on the NCM's data on the debts, which shall serve as the basis for the payment commitment entered into by the Government, until a situation arises as described in Article 9.



Art.9. All annexes to this agreement form an integral part of this agreement, but Annex II will be subject to amendment should both parties to this agreement deem such amendment appropriate and acceptable.

Art.10. Any dispute, difference or question relating to the performance, interpretation or construction of this agreement shall be settled by consultation between the Government and NCM.

Art.11. This agreement shall come into force on the date of signature.

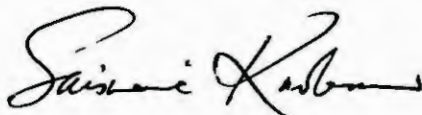
Done in duplicate in English, both copies being equally valid:

Georgetown,

Amsterdam,

Date: August 3, 2000

Date: July 4, 2000



For the Government of the Cooperative Republic of Guyana

For the Nederlandsche Credietverzekering Maatschappij N.V.

