

INTERIM FINANCING AGREEMENT  
(CORN/SOYA BEAN REGIONAL PROJECT - GUYANA)  
BETWEEN  
CARIBBEAN DEVELOPMENT BANK  
AND  
GUYANA

Dated: 31st August, 1977

INTERIM FINANCING AGREEMENT

AGREEMENT dated 31st August, 1977 between the Caribbean Development Bank (hereinafter called the Bank) and the Government of Guyana (hereinafter called the Borrower).

WHEREAS the Board of Directors of the Bank at its Thirty-third Meeting, held on December 12, 1976, approved a loan of the equivalent of one million, seventy-four thousand, one hundred and eighteen United States dollars (US\$1,074,118) from the Bank's Special Funds Resources to the Borrower and the Governments of St. Kitts/Nevis/Anguilla and Trinidad & Tobago (hereinafter together called the Participating Countries) jointly and severally for use by Caricom Corn and Soya Bean Company Limited (hereinafter called the Executing Agency) as Executing Agency for the production and marketing of corn and soya bean in rotation with black-eye peas in the Intermediate Savannahs of Guyana;

AND WHEREAS the Loan Agreement in respect of the said Loan has not yet been signed by all the parties and the Bank has been informed by the Government of Trinidad and Tobago that legislation is required to be passed by the Parliament of Trinidad and Tobago in order to enable it to sign the said Loan Agreement;

AND WHEREAS the Executing Agency has started to carry out the abovementioned project and is in urgent need of financing for that purpose;

AND WHEREAS the Borrower has requested the Bank to provide interim financing so as to enable the Executing Agency to continue to carry out the said project and the Bank has agreed to lend the Borrower such interim financing as may be necessary for that purpose not exceeding the amount of the said Loan:

ARTICLE I

The Loan and its Purpose

Section 1.01 Amount of Loan. The Bank agrees to lend to the Borrower from the Special Funds Resources of the Bank on the terms and conditions in this Loan Agreement set forth or referred to an amount not exceeding the equivalent of one million, seventy-four thousand, one hundred and eighteen United States dollars (US\$1,074,118).

Section 1.02 Loan Account. The Bank shall open a Loan Account in its books in the name of the Borrower and shall credit to such account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Loan Agreement.

Section 1.03 Purpose. The purpose for which the Loan is granted is to provide the Borrower with funds to enable the Borrower to make available to the Executing Agency the interim financing required by the Executing Agency for the production and marketing of corn and soya beans in rotation with black-eye peas on 10,000 acres of land in the Ebini-Ituni-Kwakwani area - a part of the Intermediate Savannahs of Guyana - in accordance with the development programme set out in Schedule I to this Loan Agreement, as such Schedule shall be amended from time to time by agreement between the Bank, the Participating Countries and the Executing Agency (hereinafter called the project).

## ARTICLE II

### Repayment and Interest

Section 2.01 Interest. The Borrower shall pay interest at the rate of four percent (4%) per annum on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time. Interest shall accrue from the respective dates on which amounts shall be so withdrawn and shall be payable semi-annually on June 30 and December 31 in each year.

Section 2.02 Computation of Interest and Other Charges. Interest and all other charges shall be computed daily on the basis of a 365-day year.

Section 2.03 Repayment. Subject to the provisions of Section 2.04 of this Loan Agreement, the principal amount of the Loan withdrawn from the Loan Account together with the interest then outstanding (hereinafter called the Debt) shall become due and payable immediately when the Executing Agency becomes entitled to withdraw from the Loan Account to be opened in the name of the Participating Countries pursuant to the provisions of the proposed Loan Agreement between the Bank, the Participating Countries and the Executing Agency amounts required for carrying out the project, the Debt being paid from the proceeds of the first disbursement of such financing.

Section 2.04 Deferment of Repayment. In the event that the offer of the aforesaid Loan to the Participating Countries is withdrawn by the Bank due to delay in signing the proposed Loan Agreement in respect thereof between the Bank, the Participating Countries and the Executing Agency or

the unwillingness of any of the Participating Countries or of the Executing Agency to do so or for any other reason or if the said Loan Agreement is terminated due to the failure of any of the Participating Countries or of the Executing Agency to comply with the conditions precedent to first disbursement thereunder, the Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account with interest thereon at the rate of four percent (4%) per annum in twenty(20) equal or approximately equal and consecutive semi-annual instalments of principal and interest. The instalments shall be payable on June 30 and December 31 in each year, the first instalment being due and payable on the first payment date after the expiry of three (3) years from the date of the first disbursement hereunder or such later date as the Bank may specify in writing. The Bank shall provide the Borrower with an amortisation schedule before the date for the first payment under this Sub-paragraph.

Section 2.05 Advance Payments. The Borrower shall have the right, upon payment of all accrued interest and upon not less than 45 days' notice to the Bank, to repay in advance of maturity any portion of the principal amount of the loan outstanding. Advance payments, unless otherwise agreed, shall be applied to the outstanding principal of the Debt or instalments of principal of the Loan as the case may be and in the latter event in the inverse order of their maturity.

Section 2.06 Place of Payment. The principal of, and interest on, the Loan shall be paid at such place as the Bank may request.

Section 2.07 Overdue Payments. In case the Borrower shall fail to pay the principal and /or interest due and payable under this Loan Agreement, the Borrower shall pay to the Bank interest on such overdue principal and/or interest at the rate of four percent (4%) per annum for a period from the due date to the day immediately preceding the day of actual payment thereof, both dates inclusive.

### ARTICLE III

#### Withdrawal of Proceeds of Loan

Section 3.01 Withdrawal and Application of Proceeds. Subject to the provisions of this Loan Agreement, the Borrower is entitled to withdraw from the Loan Account amounts required for the purposes of the project as described in Section 1.03, in accordance with the provisions of Schedule 2 to this Loan Agreement as such Schedule may be amended from time to time.

Section 3.02 Special Commitments. At the request of the Borrower and upon such terms and conditions as shall be agreed upon between the Bank and the Borrower, the Bank may enter into special commitments in writing to pay amounts to the Borrower or others in respect of the cost of goods and services to be financed out of the proceeds of the Loan notwithstanding any subsequent suspension or cancellation.

Section 3.03 Requests for Withdrawals. When the Borrower desires to withdraw any amount from the Loan Account, the Borrower shall deliver to the Bank a written application in such form, and containing such statements, documents and other background materials as the Bank may reasonably require, including such documentation as is hereinafter provided for in this Article. The application and accompanying documentation shall show, to the entire satisfaction of the Bank, that the Borrower is entitled to receive the amount requested and that such amount has been or will be used exclusively for the purposes of this Loan Agreement.

Section 3.04 Authorisation of Requests for Withdrawals. The Borrower shall furnish to the Bank evidence of the authority of the person or persons authorised to sign applications for withdrawal and authenticated specimen signatures of any such person or persons.

Section 3.05 Period for Disbursement. The sum referred to in Section 1.01 may be disbursed up to June 30, 1978 (hereinafter called the closing date), or such later date as may be agreed from time to time by the Bank and the Borrower.

Section 3.06 Procurement. Except as the Bank may otherwise agree, the goods and services to be financed out of the proceeds of the Loan shall be procured in accordance with the procedures outlined in "Guidelines for Procurement" and "Guidelines for Choice of Consultants" published by the Bank in September 1976 as the same may from time to time be amended by the Bank, and the Borrower hereby acknowledges that it has been furnished with copies of the said publications.

Section 3.07 Payments to the Borrower. Payment by the Bank to the Borrower is entitled to withdraw from the Loan Account shall be made to or on the order of the Borrower.

Section 3.08 Goods and Services to be used exclusively in carrying out the Project. Except as the Bank may otherwise agree, the Borrower shall ensure that all goods and services financed out of the proceeds of the Loan to be used exclusively in carrying out the Project.

Section 3.09 Restriction on Application of Proceeds of Loan. The proceeds of the Loan withdrawn from the Loan Account shall not be used to finance any part of the cost of goods or services acquired for the purposes of the project which consists of identifiable taxes, tariffs, duties and other levies imposed under the Laws of Guyana.

Section 3.10 Countries Eligible for Procurement. Except as the Bank may otherwise agree, any goods and services required for carrying out the project shall, if they are to be financed out of the proceeds of the Loan, be procured only in the States and Territories listed in Schedule 3 to this Loan Agreement.

#### ARTICLE IV

##### Currency Provisions.

Section 4.01 Currency in which Withdrawals are to be made. Except as the Bank and the Borrower shall otherwise agree, withdrawals from the Loan Account shall be made in the respective currencies in which the expenditures to be financed out of the proceeds of the Loan have been paid or are payable or in such other currency or currencies available to the Bank in its Special Funds Resources as the Bank may reasonably determine.

Section 4.02 Currency in which Principal is Payable. (a) The principal of the Loan shall be repayable in the several currencies withdrawn from the Loan Account and the amount payable in each currency shall be the amount withdrawn in that currency, provided that if withdrawals shall be made in any currency which the Bank shall have purchased with another currency for the purpose of such withdrawal, the portion of the Loan so withdrawn shall be repayable in such other currency and the amount so repayable shall be the amount paid by the Bank on such purchase.

(b) If the Loan becomes repayable in accordance with the provision of Section 2.04, the portion of the Loan to be repaid in a particular currency shall be repayable in such instalments as the Bank shall from time to time specify, provided that the amount of the Loan to be repaid on each payment date shall remain as set out in the amortisation schedule to be provided under Section 2.04 of this Loan Agreement.

Section 4.03 Currencies in which Interest is Payable. Interest on any portion of the Loan shall be payable in the currency in which the principal such portion of the Loan is repayable.

Section 4.04 Purchase of Currencies. The Bank will, at the request of the Borrower and on such terms and conditions as the Bank shall determine, purchase any currency needed by the Borrower for payment of principal and interest required under this Loan Agreement upon payment by the Borrower of sufficient funds therefor in such currency or currencies to be specified by the Bank from time to time. In purchasing the currencies required, the Bank shall be acting as agent of the Borrower and the Borrower shall be deemed to have made any payment required under this Loan Agreement only when and to the extent that the Bank has received such payment in the currency or currencies required.

Section 4.05 Valuation of Currencies. Whenever it is necessary for the purposes of this Loan Agreement to determine the value of one currency in terms of another, such value shall be as reasonably determined by the Bank in consultation with the International Monetary Fund.

#### ARTICLE V

##### Conditions Precedent

Section 5.01 Conditions Precedent to First Disbursement. The Bank shall not be obliged to make the first disbursement until the following requirements have been complied with to its entire satisfaction:

- (a) The Bank shall have received one or more opinion satisfactory to the Bank from one or more legal practitioners acceptable to the Bank establishing that -
  - (i) the Borrower has complied with all the necessary requirements under its Constitution and under the Laws and Regulations in force therein in order to enter into this Loan Agreement;
  - (ii) the Executing Agency is legally established and has the legal capacity to undertake the obligations contemplated by this Loan Agreement and to fully execute the project;
  - (iii) this Loan Agreement has been duly authorized by and executed and delivered on behalf of the Borrower and this Loan Agreement constitutes a valid and binding obligation of the Borrower in accordance with all of its terms.
- (b) The Bank shall have received proof that the person or persons who signed this Loan Agreement on behalf of the Borrower were legally empowered to do so.
- (c) The Borrower has designated one or more representatives to represent it in all acts regarding the implementation of this Loan Agreement and shall furnish the Bank with authenticated

facsimiles of the signature of the said representative or representatives.

- (d) The Executing Agency shall have appointed a General Manager a senior support staff, acceptable to the Bank, for the execution of the project.

## ARTICLE VI

### Particular Covenants

#### Section 6.01 Interest and Other Charges Payable by the Executing Agency.

The Borrower shall on-lend the amount of the Loan withdrawn from the Loan Account to the Executing Agency at a rate of interest not in excess of four percent (4%) per annum and otherwise on the same repayment terms as for the Loan provided however that if the Executing Agency does not become entitled to withdraw from the Loan Account referred to in Section 2.03 of this Loan Agreement within one (1) year from the date of this Loan Agreement, the Borrower shall be entitled to charge a service fee at a rate not in excess of five percent (5%) per annum on the amount of the sub-loans outstanding.

#### Section 6.02 Obligation of Borrower to Protect Interests of Bank. (a)

The Borrower shall exercise its rights in relation to the sub-loans to the Executing Agency in such manner as to protect its interests and that of the Bank.

(b) The Borrower undertakes that, unless the Bank shall otherwise agree, the sub-loans to the Executing Agency shall be made on terms whereby the Borrower shall obtain by written agreement or by other appropriate means rights adequate to protect the interest of the Borrower and rights which the Bank shall deem adequate to protect the interests of the Bank.

(c) The Bank hereby consents to the Executing Agency creating a mortgage or charge on any or all of its properties or assets as security for the sub-loans made by the Borrower to the Executing Agency under the provisions of this Loan Agreement.

#### Section 6.03 Duty of Borrower to ensure Compliance by Executing Agency with Terms of Agreement.

The Borrower shall take steps to ensure that all funds and services financed out of the proceeds of the Loan are used exclusively in carrying out the project and in conformity with any contract or other arrangement approved by the Bank.



Section 6.04 Co-operation between Bank and Borrower. (a) The Bank and the Borrower shall co-operate fully to ensure that the purposes of the Loan will be accomplished. To that end each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan.

(b) The Bank and the Borrower shall from time to time, at the request of either party hereto, exchange views through its representatives with regard to the matters relating to the purposes of the Loan, the administration, operations and financial condition of the Executing Agency, the progress of the project and any other matters relating to the purposes of the Loan.

(c) The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan, the maintenance of the service thereof or the performance by the Executing Agency of the obligations to be undertaken by the Executing Agency under this Loan Agreement.

(d) The Borrower shall afford all reasonable opportunities and facilities for accredited representatives of the Bank to visit any part of its Territory for purposes related to the Loan and the project.

Section 6.05 Responsibility of Borrowers for Taxes, Fees, etc. in connection with Loan Agreement. The Borrower shall pay or cause to be paid all taxes, duties, imposts and fees, if any, imposed under the Laws of the Borrower or Laws in effect in its territory on or in connection with the execution, issue, delivery or registration of this Loan Agreement or the payment of principal or interest thereunder.

Section 6.06 Additional Funds. The Borrower shall provide promptly, as necessary all funds in addition to the Loan and all other resources required for the punctual and effective carrying out of the Project.

Section 6.07 Priority of Bank's Loan (a) It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets.

(b) To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if the Borrower shall create any lien on any of its governmental assets as security for any external debt, such lien will ipso facto equally and ratably secure the payment of the principal of, and interest on, the Loan and that in the creation of any such lien, express provision will be made to that effect. The Borrower shall promptly inform the Bank of the creation of any such lien.

(c) The foregoing provisions of this Section shall not apply to:  
(i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property;  
or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

(d) As used in this Section the term -

- (i) "external debt" means any debt payable in any medium other than the currency which at the time in question is legal tender in the territory of the Borrower whether such debt is payable absolutely or at the option of the creditor in such other medium;
- (ii) "governmental assets" means assets of the Borrower, of any of its political sub-divisions, of any agencies of the Borrower or of any such political sub-divisions.

Section 6.08 Other Conditions of Sub-loans to executing Agency. The Borrower agrees that the conditions and stipulations set out in Schedule 4 to this Loan Agreement and on the part of the Executing Agency to be observed and performed under Article VII of the proposed Loan Agreement between the Bank, the Participating Countries and the Executing Agency shall be included among the conditions of the sub-loans to the Executing Agency.

Section 6.09 Employment of Nationals of Participating Countries. The Borrower shall take all necessary steps to facilitate the employment in its Territory of any national of a Participating Country in the project whose employment by the Executing Agency makes it necessary for such national to reside in its Territory.

Section 6.10 Priority to Marketing. The Borrower undertakes that it will use its best endeavours to procure that the Executing Agency give priority to marketing in the markets of Guyana, St. Kitts/Nevis/Anguilla and Trinidad and Tobago of the outputs of the project.

#### ARTICLE VII

##### Cancellation and Suspension

Section 7.01 Cancellation of Loan by Borrower. The Borrower may by notice to the Bank cancel any amount of the Loan which the Borrower shall not have withdrawn prior to the giving of such notice, except that the Borrower may not so cancel any amount of the Loan in respect of which the Bank shall have entered into a special commitment pursuant to Section 3.02 of this Loan Agreement.

Section 7.02 Suspension of Borrower's Right to Make Withdrawals from Loan Account. If any of the following events shall have occurred or be

continuing, the Bank may by notice to the Borrower suspend in whole or in part the right of the Borrower to make withdrawals from the Loan Account:

- (i) The Borrower shall have failed to make payment (notwithstanding the fact that such payment may have been made by a third party) of principal, interest or any other payment required under this Loan Agreement or any other Loan Agreement between the Bank and the Borrower;
- (ii) The Borrower shall have failed to perform any other obligation under this Loan Agreement;
- (iii) The Executing Agency shall have failed to perform any of the obligations to be undertaken by the Executing Agency under this Loan Agreement;
- (iv) The Borrower shall have failed to make payment of principal or interest or any other payment required under any guarantee agreement between the Borrower and the Bank;
- (v) An extraordinary situation shall have arisen which shall make it improbable in the Bank's opinion that the project can be carried out or that the Borrower will be able to perform its obligations under this Loan Agreement or that the Executing Agency will be able to perform the obligations to be undertaken by the Executing Agency under this Loan Agreement;
- (vi) Prior to the closing date, any material adverse change in the condition of the Borrower or the Executing Agency, as represented by the Borrower or the Executing Agency shall have occurred;
- (vii) A representation made by the Borrower in or pursuant to this Loan Agreement or any statement furnished in connection therewith and intended to be relied upon by the Bank in making the Loan shall have been incorrect in any material respect;
- (viii) The Borrower shall have withdrawn or been suspended from membership in the Bank;
- (ix) The Bank shall have suspended in whole or in part the right of the Borrower or the Executing Agency to make withdrawals under any other Loan Agreement with the Bank because of a failure of the Borrower to perform any of its obligations under any such agreement;

(x) Any event specified in sub-paragraphs (iv), (v), (vi), (vii) and (viii) of Section 8.01 shall have occurred;

(xi) Any other event specified in this Loan Agreement for the purposes of this Section shall have occurred.

The right of the Borrower to make withdrawals from the Loan Account shall continue to be suspended in whole or in part, as the case may be, until the event or events which gave rise to such suspension shall have ceased to exist or until the Bank shall have notified the Borrower that the right to make withdrawals shall be restored whichever is the earlier. But in the case of any such notice of restoration, the right to make withdrawals shall be restored only to the extent and subject to the conditions specified in such notice, and no such notice shall affect or impair any right, power or remedy of the Bank in respect of any other or subsequent event described in this Section.

Section 7.03 If (i) the right of the Borrower to make withdrawals from the Loan Account shall have been suspended with respect to any amount of the Loan for a continuous period of thirty days, or (ii) at any time the Bank determines after consultation with the Borrower, that an amount of the Loan will not be required for the purposes of the project, or (iii) after the closing date an amount of the loan shall remain unwithdrawn from the Loan Account, the Bank may by notice to the Borrower terminate the right of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice such amount of the Loan shall be cancelled.

Section 7.04 Application of Cancellation to Outstanding Instalments of Principal. Except as otherwise agreed between the Bank and the Borrower, any cancellation shall be applied pro rata to the several instalments of the principal amount of the Loan falling due after the date of such cancellation.

Section 7.05 Effectiveness of Provisions after Cancellation or Suspension. Notwithstanding any cancellation or suspension, all the provisions of this Loan Agreement shall continue in full force and effect except as in this Article specifically provided.

Section 7.06 Amounts Subject to Special Commitment not Affected by Cancellation or Suspension by the Bank. No cancellation or suspension by the Bank shall apply to amounts subject to any special commitment entered into by the Bank pursuant to Section 3.02 of this Loan Agreement.

ARTICLE VIII

Events of Default

Section 8.01 If any of the following events shall occur and shall continue for the period specified, if any, then at any subsequent time during the continuance thereof, the Bank, at its option, may by notice to the Borrower declare the Principal of the Loan outstanding to be due and payable immediately together with the interest and any other payments required under this Loan Agreement and upon such declaration such principal, together with the interest and any other payments required under this Loan Agreement, shall become due and payable immediately.

- (i) A default shall occur in the payment of principal or interest or any other payment required under this Loan Agreement or under any other loan agreement between the Borrower and the Bank and such default shall continue for a period of thirty (30) days.
- (ii) A default shall occur in the performance of any other obligation on the part of the Borrower under this Loan Agreement and such default shall continue for a period of sixty (60) days after notice thereof shall have been given by the Bank to the Borrower.
- (iii) A default shall occur in the performance by the Executing Agency of any of the obligations to be undertaken by the Executing Agency under this Loan Agreement and such default shall continue for a period of sixty (60) days after notice shall have been given by the Bank to the Borrower.
- (iv) A default shall occur in the payment of principal or interest or any other payment required under any guarantee agreement between the Borrower and the Bank and such default shall continue for a period of thirty (30) days.
- (v) The Borrower shall have failed to fulfil any of its other obligations to the Bank whether arising under the Agreement establishing the Bank or otherwise.
- (vi) The Executing Agency shall have become unable to pay its debts as they mature or any action or proceeding shall have been taken by the Executing Agency or by others whereby any of the property of the Executing Agency shall or may be attached for the payment of its debts or distributed among its creditors.

- (vii) The Executing Agency or any authority having jurisdiction shall have taken any action for the dissolution of the Executing Agency or for the suspension of its operations or part thereof.
- (viii) There shall have been a cancellation, pursuant to Section 7.03 of this Loan Agreement, of such an amount of the Loan as will make it improbable in the Bank's opinion that the project can be carried out or that the Borrower will be able to perform any of its obligations under this Loan Agreement.

#### ARTICLE IX

##### Termination

Section 9.01 If the Borrower fails to comply with the requirements of Section 5.01 within sixty days of the date of this Loan Agreement, this Loan Agreement and all obligations of the parties thereunder shall terminate, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purposes of this Section. The Bank shall promptly notify the Borrower of such later date.

Section 9.02 If by September 30, 1977, or such later date as the Bank may specify in writing, the Borrower ----- has not submitted an application for withdrawal in accordance with Article III of this Loan Agreement, the Bank may by notice in writing to the Borrower terminate this Loan Agreement. Upon the giving of such notice this Loan Agreement and all obligations of the parties hereto shall terminate.

Section 9.03 Upon payment in full of the principal amount of the Loan withdrawn from the Loan Account and all interest thereon and any other payment required under this Loan Agreement, this Loan Agreement and all obligations of the parties hereto shall forthwith terminate.

#### ARTICLE X

##### Enforceability

Section 10.01 Enforceability. The rights and obligations of the Bank and the Borrower under this Loan Agreement shall be valid and enforceable in accordance with its terms, notwithstanding any provision of the Laws of the Borrower to the contrary, Neither the Bank nor the Borrower shall be entitled in any proceedings under this Loan Agreement to assert any claim that any provision of this Loan Agreement is invalid or unenforceable because of any provision of such laws or the agreement establishing the Bank or for any other reason.

ARTICLE XI

Miscellaneous

Section 11.01 All statements, reports, certificates, evidence, opinions, notices, communications and other documents or information furnished or given under this Loan Agreement shall be supplied or submitted in the English Language without cost to the Bank.

Section 11.02 No failure or delay on the part of the Bank to exercise any right, power or privilege under this Loan Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Loan Agreement preclude any other or further exercise thereof or the exercise of any right, power or privilege.

Section 11.03 All notices and other communications hereunder shall be given in writing and shall be addressed to the appropriate party at the address set forth below, or at such other place as such party may designate in writing:

For the Bank:

Caribbean Development Bank  
Wildey  
St. Michael  
Barbados, W.I.

For the Borrower:

Secretary to the Treasury  
Ministry of Finance  
Main & Urquhart Streets  
P.O. Box 757  
Georgetown, Guyana

Cable Address: Caribank, Bridgetown

Telex: WB 287

Any such notice or other communication shall be deemed to have been duly given or made when delivered by hand or mail or by telegram, cable, or radiogram to the party to which it is required or /telex permitted to be given or made at such party's address specified in this Section or at such other address as such party may have designated by notice to the party giving such notice or making such communication.

Section 11.04 Subject to Article 42 of the Agreement establishing the Bank, if the Borrower ceases to be a member of the Bank, any amount due to it for its shares repurchased by the Bank shall be withheld so long as the Borrower remains liable to the Bank in respect of the Loan made under this Loan Agreement. Such amount may, at the option of the Bank, be applied on any such liability as it matures.

Section 11.05 Subject to Article 46 of the Agreement establishing

the Bank, in the event of a distribution of the assets of the Bank, the Borrower shall not be entitled to receive its share in such distribution until it has settled its obligations to the Bank under this Loan Agreement.

## ARTICLE XII

### Arbitration

Section 12.01 (a) Any controversy between the parties to this Loan Agreement and any claim by any such party against any other such party arising out of this Loan Agreement which shall not be determined by agreement between the parties shall be submitted to arbitration before an Arbitration Committee as hereinafter provided.

(b) The parties to such arbitration shall be the Bank on one side and the Borrower on the other side.

(c) The Arbitration Committee shall consist of three arbitrators appointed as follows:

One arbitrator shall be appointed by the Bank; another by the Borrower; and a third (hereinafter called the umpire) shall be appointed by agreement between the parties, either directly or through their respective arbitrators. If the parties fail to agree on who shall be the umpire, he shall be appointed at the request of either party by the Secretary-General of the Caribbean Community. If either side fails to appoint an arbitrator he shall be appointed by the Secretary-General of the Caribbean Community at the request of the other party. If either of the appointed arbitrators or the umpire is unwilling or unable to act or to continue to act in such capacity, his successor shall be appointed in the same manner as for the original appointment. The successor shall perform the same functions and shall have the same powers as his predecessor.

(d) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the remedy sought and the name of the arbitrator appointed by the party instituting such proceeding. Within thirty days after the giving of such notice the other party shall notify the party instituting the proceeding of the name of the arbitrator appointed by such other party.



(e) If within thirty days after giving notice instituting the arbitration proceeding the parties shall not have agreed upon an umpire, either party may request the appointment of an umpire as provided in sub-paragraph (c) hereof.

(f) The Arbitration Committee shall convene at such time and place as shall be fixed by the umpire. Thereafter the Committee shall determine where and when it shall sit.

(g) Subject to the provisions of this Section and except as the parties shall otherwise agree, the Arbitration Committee shall decide all questions relating to its competence and shall determine its procedure. All decisions of the Arbitration Committee shall be by majority vote..

(h) The Arbitration Committee shall afford to both sides a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by majority of the Arbitration Committee shall constitute the award of the Committee. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to this Loan Agreement. Each party shall abide by and comply with any such award rendered by the Arbitration Committee in accordance with the provisions of this Section.

(i) The parties shall fix the amount of remuneration of the arbitrators and such other persons as shall be required for the conduct of the arbitration proceedings. The Bank and the Borrower shall each defray its own expenses in the Arbitration proceedings. The costs of the Arbitration Committee shall be divided between and borne equally by the Bank on the one side and the Borrower on the other. Any question concerning the division of the costs of the Arbitration Committee or the procedure for payment of such costs shall be determined by the Arbitration Committee.

(j) The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the determination of any controversy between the parties to this Loan Agreement or any claim by any such party against the other such party arising thereunder.

(k) If within thirty days after the counterparts of the award shall be delivered to the parties the award shall not be complied with, any party may enter judgment upon or institute a proceeding to enforce the award in any court of competent jurisdiction against any other party, \*

may enforce such judgement by execution or may pursue any other appropriate remedies against such other party for the enforcement of the award and the provisions of this Loan Agreement. Notwithstanding the foregoing, this Section shall not authorise any entry of judgement or enforcement of award against the Borrower except as such procedure may be available otherwise than by reason of the provisions of this Section.

(1) Service of any notice or process in connection with any proceeding under this Section or in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 11.03. The parties to this Loan Agreement waive any and all other requirements for the service of any such notice or process.

#### SCHEDULE I

#### The Development Programme

(Section 1.03)

1. The project consists of the production, processing and marketing of approximately 8,000 acres of soya bean, 10,000 acres of corn and 2,000 acres of black-eye peas on 10,000 acres of land annually in the Ebini-Ituni-Kwakwani area - a part of the extensive Intermediate Savannas of Guyana.

2. In the first year, the project is to produce 750 acres of soya beans, 1,000 acres of corn and 250 acres of black-eye peas on 1,000 acres of land. Acreage under cultivation is to increase progressively from the second year to the sixth year.

3. The project is to include provision for high quality management and technical staff, primary processing facilities and storage units, housing facilities for management and production staff, on-site infrastructural services, adequate machinery and equipment with spare and repair services, consultancy services and a research and development support service to solve unforeseen problems which may arise.

4. The project is also to provide whole corn and soya beans for the existing feed mills of the CARICOM Region, and black-eye peas for the Guyana domestic market with surpluses for export under the Agricultural Marketing Protocol.

5. The area to be utilised in the project is part of what is generally referred to as the Intermediate savannahs of Guyana and is within a triangular area with apices at Ebini on the northeast, Kwakwani on the south and Ituni on the northwest.

This area is drained by the Berbice River flowing in a southwest to northeasterly direction, and with three important tributaries - the Wikki Ituni and Kbilibiri Rivers. It comprises about 300 square miles (192,000 acres) of actual savannah, the rest of the land being in forest of varying density.

6. The main production period for soya bean is to be during the long wet season, to be followed by 75-80 per cent of the total production acreage in corn and 20-25 per cent under black-eye peas during the short wet season. The production acreage is therefore to be phased as follows:-

Year 1	1,000 acres under production
Year 2	2,500 acres under production
Year 3	4,500 acres under production
Year 4	6,500 acres under production
Year 5	8,500 acres under production
Year 6	10,000 acres under production

7. The project is to be fully operational when 10,000 acres of land is brought under production of corn and soya beans, with black-eye peas as the rotation crop, in the following cropping pattern:-

	Soya Bean	Corn	Black-eye Peas	Total
Long wet season	8,000 acs.	2,000 acs		10,000 acs.
Short wet season		8,000 acs	2,000 acs.	10,000 acs.
	8,000 acs	10,000 acs	2,000 acs.	20,000 acs.

The project as from Year 6 is therefore to produce, on an annual basis, 8,000 acres of soya bean, 10,000 acres of corn and 2,000 acres of Black-eye peas.

SCHEDULE 2

(Section 3.01)

Withdrawal of the Proceeds of the Loan

Withdrawal of the proceeds of the Loan may be made only for the purposes of financing of the costs of capital goods utilised in the project as described in Schedule I to the Loan Agreement, provided, however

that the amount to be withdrawn for financing the local costs of such capital goods shall not exceed the equivalent of nine hundred and twenty-six thousand four hundred and six United States dollars (US\$926,406). The proceeds of the Loan shall not be used to finance any part of the cost of such goods which consists of identifiable taxes, tariffs, duties and other levies imposed under the Laws of Guyana.

SCHEDULE 3

(Section 3.10)

COUNTRIES ELIGIBLE FOR PROCUREMENT

Regional States and Territories

1. Jamaica
2. Trinidad and Tobago
3. Bahamas
4. Guyana
5. Barbados
6. Antigua
7. Belize
8. Dominica
9. Grenada
10. St. Kitts/Nevis/Anguilla
11. St. Lucia
12. St. Vincent
13. Montserrat
14. British Virgin Islands
15. Cayman Islands
16. Turks and Caicos Islands
17. Venezuela
18. Colombia

Non-Regional States

1. Canada
2. United Kingdom

Other Eligible States

United States of America

SCHEDULE 4

(Section 6.08)

Conditions and Stipulations to be  
observed and performed by the  
Executing Agency

1. Execution of Project. (a) The Executing Agency shall carry out the project with due diligence and efficiency and in conformity with sound agricultural, engineering and financial practices and shall implement the development plan for the project as agreed on by the Participating Countries, the Executing Agency and the Bank and as set out in Schedule I to this Loan Agreement as such Schedule may be amended from time to time by agreement with the Bank, it being the intention of the parties that the said development plan shall be used as a guideline and may be modified or varied from time to time in such manner as the Participating Countries, the executing Agency and the Bank may agree and any modification or variation so made shall without any further authority have the same force and effect as if it had been originally incorporated in and formed part of this Loan Agreement.

(b) In the execution of the project, the Executing Agency shall conduct its operations in such manner as to generate operating revenue sufficient to cover its operating expenses as well as repayment of and interest on the sub-loans.

2. Records, Accounts and Furnishing of Information. (a) The Executing Agency shall maintain records and accounts, acceptable to the Bank, adequate to identify the goods financed out of the proceeds of the sub-loans, to disclose the use thereof in the project, to show the expenditure of the proceeds of the Loan, to record the progress of the project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Executing Agency.

(b) The Executing Agency shall have its accounts audited and its financial statements certified annually by an independent public accountant satisfactory to the Bank and shall, promptly after their preparation and not later than three (3) months after the close of the Executing Agency's fiscal year, transmit to the Bank certified copies of such statements.

(c) The Bank shall be entitled to enter any lands or facilities operated by the Executing Agency for the purpose of inspection of the project (including the inspection of records and accounts) and the Executing Agency shall provide authorised representatives of the Bank with all reasonable opportunities and facilities for this purpose.

(d) The Executing Agency shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the sub-loans, the project and the administration, operations and financial condition of the Executing Agency.

3. Co-operation with the Bank and the Participating Countries. (a)

The Executing Agency shall co-operate fully with the Bank and the Participating Countries to ensure that the purposes of the sub-loans will be accomplished. To that end, the Executing Agency shall furnish to the others all such information as they shall reasonably request with regard to the general status of the sub-loans.

(b) The Executing Agency shall from time to time, at the request of the Bank or of the Participating Countries, exchange views through its representatives with regard to the matters relating to the purposes of the sub-loans, the administration, operations and financial condition of the Executing Agency, the progress of the project, and any other matters relating to the purposes of the sub-loans.

(c) The Executing Agency shall promptly inform the Bank of any condition which interferes with or threatens to interfere with the accomplishment of the purposes of the sub-loans, the maintenance of the service thereof or the performance by the Executing Agency of the obligations to be undertaken by the Executing Agency under this Loan Agreement.

4. Restrictions on Disposal of Assets of the Executing Agency.

Except as the Bank and the Participating Countries shall otherwise agree, the Executing Agency shall not:

- (a) create any mortgage, charge or lien on any of its properties or assets;
- (b) sell, lease, transfer, or otherwise dispose of any of its properties or assets which shall be required for the efficient carrying out of its business; or
- (c) amend its Memorandum or Articles of Association.

5. Restriction on Payment of Directors' Fees and Dividends.

(a) Until the Principal of, and interest and other charges on, the Loan shall have been fully paid, the Executing Agency shall not, in any fiscal year, without the prior written approval of the Bank, pay -

- (i) directors' fees; or
- (ii) dividends, unless the profits of the Executing Agency for that fiscal year and any of its undistributed profits for previous fiscal years exceed the principal of, and interest and other charges on, the sub-loans payable in that fiscal year and the immediate subsequent

fiscal year plus directors' fees payable in that fiscal year, such profits being the net profits determined as hereinafter provided from the annual audited accounts of the Executing Agency.

(b) For the purpose of this Section:-

- (i) "net profits" shall be calculated by deducting the "operating expenses" of the Executing Agency for the fiscal year under consideration from the gross operating revenues of the Executing Agency for that fiscal year; and
- (ii) the term "operating expenses" means all operating and administrative expenses, adequate maintenance and taxes, but excluding depreciation and principal of, and interest and other charges on, the sub-loans.

6. Right of Bank to Appoint a Director. Until the principal of the Loan shall have been fully repaid, the Bank shall be entitled to appoint one person to be a member of the Board of Directors of the Executing Agency.

7. Maintenance by Executing Agency of Corporate Existence, Licences and Franchises. Except as the Bank and the Participating Countries shall otherwise agree, the Executing Agency shall at all times maintain its corporate existence and right to carry on operations and shall, except as the Bank and the Participating Countries shall otherwise agree, acquire, maintain and review all rights, powers, privileges, licences and franchises owned or held by it and necessary and useful in the conduct of its business and in the execution of the Project.

8. Maintenance of Insurance by Executing Agency. The Executing Agency shall take out and maintain with responsible insurers, or make other provision satisfactory to the Bank for, insurance, especially in respect of all buildings erected on the project area, against risks and in such amounts as shall be consistent with sound commercial practice.

9. Executing Agency's Contribution to Project. The Executing Agency shall contribute to the project -

- (i) any operating surplus accruing to the Executing Agency from the project to the extent that, and for so long as such operating surplus is, in the opinion of the Bank, required to meet any of the capital requirements of the project; and
- (ii) any additional funds and resources required for the punctual and effective execution of the project.

10. Appointments to Senior Management. No change shall be made in the senior management staff of the Executing Agency without the prior approval of the Bank.

11. Restriction on Payment of Taxes and Duties. (a) The Executing Agency shall meet such part of the cost of all goods acquired for the purposes of the project as consists of identifiable taxes, tariffs, duties and other levies.

(b) Where the employment by the Executing Agency for the purposes of the project of any firm of contractors or consultants is financed out of the proceeds of the Loan, then, to the extent that any such firm, any personnel thereof and any property or transactions relating to such financed contracts are not exempt from identifiable taxes, tariffs, duties and other levies imposed under its laws, the Executing Agency shall, as and to the extent required by the Bank, cause the same to be paid or reimbursed under paragraph 9 of this Schedule with funds other than the proceeds of the Loan.

IN WITNESS WHEREOF, this Loan Agreement has been signed in two equally valid copies at Wilbey, St. Michael, Barbados, and Georgetown, Guyana, on behalf of the Bank and the Borrower by their respective duly authorised representatives and shall be deemed to be in force as of the day and year first above written.

CARIBBEAN DEVELOPMENT BANK

TREASURER

J. SIEWRATTAN

GUYANA

F.E. HOPE

Minister responsible for  
Finance