

LOAN NO. 5/CR-GU

LOAN AGREEMENT

(Upper Demerara Forestry Road Project)

BETWEEN

CARIBBEAN DEVELOPMENT BANK

A N D

G U Y A N A

Dated: 28th June, 1979

LOAN AGREEMENT

AGREEMENT dated 28th June, 1979 between the Caribbean Development Bank (hereinafter called the Bank) and Guyana (hereinafter called the Borrower).

ARTICLE I

Definitions

Section 1.01 Wherever used in this Loan Agreement, unless the context otherwise requires, the following terms have the following meanings:-

- (i) "Financial Agreement" means the agreements made between the Borrower and the European Development Fund, IBRD, and the Inter-American Development Bank respectively, for assisting the Borrower to finance the construction and establishment of the Forestry Complex which is expected to be constructed and established by the Borrower.
- (ii) "Guyana dollars" or "GU\$" means any currency which is for the time being legal tender of the Borrower.
- (iii) "IBRD" means the International Bank for Reconstruction and Development.
- (iv) "Project" means the construction of an access road of 68.5 miles commencing from the Wismar Mile 7 Junction to the site at Mabura Hill allocated for the Forestry Complex which is expected to be constructed and established by the Borrower and ancillary works in accordance with the construction programme outlined in Schedule 1 to this Loan Agreement, as amended from time to time by agreement between the Bank and the Borrower.

ARTICLE II

The Loan and its Purpose

Section 2.01 Amount of Loan. Subject to the terms and conditions set forth or referred to in this Loan Agreement, the Bank agrees to lend to the Borrower from the Ordinary Capital Resources of the Bank an amount not exceeding the equivalent of five million one hundred and forty thousand United States dollars (US\$5,140,000).

Section 2.02 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 The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in this Loan Agreement.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 2.03 Purpose. The purpose for which the Loan is granted is to assist the Borrower in financing the Project.

ARTICLE III

Amortisation, Interest, Commission, Commitment
Charge and Premium

Section 3.01. Amortisation. The Borrower shall repay the amount of the Loan withdrawn from the Loan Account in thirty (30) equal or approximately equal and consecutive semi-annual instalments, payable on January 15 and July 15 in each year (hereinafter called the Due Dates) the first instalment being due and payable on the first Due Date after the expiry of ten (10) years from the date on which IBRD shall have authorized the Bank to make withdrawals from IBRD in respect of the Loan or on such later date as may be specified in writing by the Bank. The Bank shall provide the Borrower with an amortisation schedule before the date of payment of the first instalment under this Section.

Section 3.02 Interest. The Borrower shall pay interest at the rate of eight percent (8%) per annum on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time. Such interest shall accrue from the respective dates on which amounts shall be so withdrawn and shall be payable semi-annually on the Due Dates, the first payment being due and payable on the first Due Date after the date of the first disbursement hereunder.

Section 3.03 Commission. The Borrower shall pay to the Bank a commission at the rate of one percent (1%) per annum on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time. Such commission shall accrue from the respective dates on which amounts shall be so withdrawn and shall be payable semi-annually on the Due Dates, the first payment being due and payable on the first Due Date after the date of first disbursement hereunder.

Section 3.04 Commitment Charge. The Borrower shall pay to the Bank a commitment charge at the rate of three quarters of one percent ($\frac{3}{4}\%$) per annum on the unwithdrawn amount of the Loan from time to time. Such charge shall accrue from the day on which IBRD shall have authorized the Bank to make withdrawals from IBRD in respect of the Loan to the respective dates on which amounts are so withdrawn by the Borrower or are cancelled and shall be payable semi-annually on the Due Dates, the first payment being due and payable on the first Due Date after the date on which the charge shall accrue.

Section 3.05 Computation of Interest and Other Charges. Interest and all other charges shall be computed daily on the basis of a 360-day year of twelve 30-day months.

Section 3.06 Advance Payments. The Borrower shall have the right, upon payment of all accrued interest and other charges and of the premium specified in Schedule 2 to this Loan Agreement, and upon not less than 45 days' notice to the Bank, to repay in advance of maturity any portion of the Loan outstanding. Advance payments, unless otherwise agreed, shall be applied to the outstanding instalments of principal in the inverse order of their maturity and the amortisation schedule provided under Section 3.01 of this Loan Agreement shall be amended accordingly.

Section 3.07 Place of Payment. The principal of, and interest and other charges on, the Loan and any premium on prepayment shall be paid at such places as the Bank may request.

Section 3.08 Overdue Payments. In case the Borrower fails to pay the principal, interest and/or other charges due and payable under this Loan Agreement, the Borrower shall pay to the Bank interest on such overdue principal, interest and/or other charges at the rate of nine percent (9%) per annum for a period from the day immediately succeeding the Due Date to the day of actual payment thereof, both dates inclusive.

ARTICLE IV

Withdrawal of Proceeds of Loan

Section 4.01 (a) 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 purpose of the Project provided, however, that except with the agreement of the Bank:

- (i) withdrawals may not be made on the account of expenditures incurred by the Borrower in respect of the services of the Consultants selected by the Borrower for the purpose of the Project;
- (ii) withdrawals shall not at any time exceed such proportion of the expenditures incurred by the Borrower as the Loan bears to the estimated expenditure for the Project as set out in Schedule 1 to this Loan Agreement;
- (iii) withdrawals shall not at any time exceed the unit rates in respect of the construction works for the Project, approved by the Bank; and
- (iv) withdrawals not exceeding in the aggregate one million, one hundred and ninety-three thousand, seven hundred and twenty-five United States dollars (US\$1,193,725) may be made on account of expenditures incurred by the Borrower for construction works in respect of the portion of the access road referred to in paragraph 1 (i) of Schedule 1 to this Loan Agreement between January 1, 1978 and February 20, 1979.

(b) The proceeds of the Loan so withdrawn shall be applied by the Borrower for the purpose of the Project in accordance with the provisions of this Loan Agreement.

Section 4.02 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 4.03 Final Period for Disbursement. The sum referred to in Section 3.01 of this Loan Agreement may be disbursed up to June 30, 1981, or such later dates as shall be specified in writing by the Bank (hereinafter called the Closing Date).

Section 4.04 (a) Procurement. Except as provided in Section 7.01 (b) (iii) of this Loan Agreement or 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 provided, however, that -

- (i) where equipment is expected to cost fifty thousand United States dollars (US\$50,000) or more there shall be local and regional advertisement; and
- (ii) where industrial plant and motor vehicles are to be procured the availability of local service facilities and trade representatives should be taken into account and this should be specified in the bidding documents.

(b) The Borrower hereby acknowledges that it has been furnished with copies of the said publications.

Section 4.05 Goods and Services to be used exclusively in Carrying out the Project. Except as the Bank may otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Loan to be used exclusively in carrying out the Project.

Section 4.06 Requests for Withdrawals or for Special Commitment. When the Borrower desires to withdraw any amount from the Loan Account or to request the Bank to enter into special commitment pursuant to Section 4.02, the Borrower shall deliver to the Bank a written application in such form and containing such statements and agreements as the Bank may reasonably request. Applications for withdrawal with the necessary documentation as hereinafter in this Article provided shall be made promptly in relation to expenditures for the Project.

Section 4.07 Authorisation of Requests for Withdrawals. The Borrower shall furnish to the Bank evidence of the authority of the person or persons authorized to sign applications for withdrawal and the authenticated specimen signature of any such person or persons.

Section 4.08 Documentation of Requests for Withdrawals. The Borrower shall furnish to the Bank such documents and other evidence in support of the application as the Bank shall reasonably request, whether before or after the Bank shall have permitted any withdrawal requested in the application.

Section 4.09 Applications and Documents to Satisfy Bank. Each application and the accompanying documents and other evidence must be sufficient in form and substance to satisfy the Bank that the Borrower is entitled to withdraw from the Loan Account the amount applied for and that the amount to be withdrawn from the Loan Account has been or will be used only for the purposes specified in this Loan Agreement.

Section 4.10 Payments to Borrower. Payment by the Bank to the Borrower of amounts which the Borrower is entitled to withdraw from the Loan Account shall be made to or on the order of the Borrower.

Section 4.11 Countrise 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 mentioned or referred to in Schedule 3 to this Loan Agreement.

ARTICLE V

Currency Provisions

Section 5.01 Loan Currency. IIRD shall, at the time of each disbursement to or on the order of the Bank, notify the Bank of the currency or currencies in which the Bank is obligated to repay such disbursement to IIRD.

Section 5.02 Currencies in which Withdrawals may be made. (a) Except as the Bank and the Borrower otherwise agree, withdrawals by the Borrower 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 Ordinary Capital Resources as the Bank may reasonably determine.

(b) The Bank shall, subsequent to each withdrawal, notify the Borrower of the currency or currencies which the Bank is obligated to repay IIRD in respect of funds disbursed by IIRD to meet such withdrawal and the amount repayable in each currency.

Section 5.03 Currencies in which Principal and Premium are Payable. The Loan shall be repayable in the currency or currencies which the Bank is obligated to repay IIRD in respect of disbursements by IIRD to meet withdrawals from the Loan Account and the amount repayable in each currency shall be the amount which the Bank is obligated to repay IIRD in that currency.

(b) Any premium payable under Section 3.06 on prepayment of any portion of the Loan shall be payable in the currency in which such portion of the Loan is payable.

(c) 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 Due Date shall remain as set forth in the amortisation schedule to be provided under Section 3.01 of this Loan Agreement.

Section 5.04 Currencies in which Commitment Charge, Commission and Interest are Payable. The Commitment Charge shall be payable in United States dollars and Interest and Commission shall be payable in the currency or currencies in which the principal of such portion of the Loan is repayable.

Section 5.05 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 Commitment Charge, principal, Interest, Commission, Premium and other charges 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 currency or 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 5.06 Valuation of Currencies. Whenever it shall be necessary for the purposes of this Loan Agreement to determine the value of one currency in terms of another, such value shall be reasonably determined by the Bank in consultation with the International Monetary Fund.

ARTICLE VI

Conditions Precedent

Section 6.01 Conditions Precedent to First Disbursement. The Bank shall not be obliged to make the first disbursement until the following prerequisites have been complied with to its entire satisfaction:-

- (i) The Bank shall have received from the Borrower one or more opinions, satisfactory to the Bank, of a legal practitioner or attorney-at-law, acceptable to the Bank, showing that -
 - (a) the Borrower has complied with all the necessary requirements under the Constitution, Laws and Regulations in force in Guyana in order to enter into this Loan Agreement;
 - (h) this Loan Agreement has been duly authorized by and executed and delivered on behalf of the Borrower and constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms.
- (ii) 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.
- (iii) The Bank shall have been satisfied that the aggregate of all loans (including the Loan) raised under the External Loans Act (Chapter 74:08) of the Borrower does not exceed one billion Guyana dollars (GUS\$1,000,000,000).

- (iv) The Borrower shall have designated one or more representatives to represent it in all acts regarding the implementation of this Loan Agreement and shall have furnished the Bank with authenticated facsimiles of the signature of the said representative or representatives.
- (v) The Borrower shall have provided IERD with such guarantee and legal opinion or opinions and other evidence as may be required by IERD to enable the funds from the IERD Loan to the Bank to be made available for the Project.
- (vi) IERD shall have authorized the Bank to make withdrawals from IERD in respect of the Loan.

ARTICLE VII

Particular Covenants

Section 7.01. Execution of Project. (a) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with appropriate administrative, engineering and financial standards and practices.

(b) Except as the Bank may otherwise agree, in carrying out the Project, the following arrangements must be adhered to -

- (i) The Ministry of Energy and Natural Resources of the Borrower shall manage the Project;
- (ii) the Consultants selected by the Borrower for the purpose of the Project with the approval of the Bank shall inspect the construction works and issue payment certificates on the basis of the unit rates in respect of the construction works approved by the Bank.
- (iii) the Hinterland Roads Division of the Ministry of Works and Transport of the Borrower shall carry out the construction works for the Project.

(c) No alteration shall be made to the location and mileage of the access road and design, drawings and specifications and unit rates approved by the Bank in respect of the construction works for the Project without the prior approval of the Bank.

Section 7.02 Records and Information. (a) The Borrower 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 Loan, the Project and the administration and operations thereof and the financial condition of the Borrower.

(b) The Borrower shall maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to show the expenditure of the proceeds of the Loan and to record the progress of the Project (including the cost thereof).

(c) The authorized representatives of the Bank and IERD shall be entitled to enter on any lands or facilities operated by the Borrower for the purpose of inspection of the goods financed out of the proceeds of the Loan and the site, works, plant and construction included in the Project, the operation thereof and any relevant records and accounts and the Borrower shall provide the authorized representatives of the Bank and IERD with all reasonable opportunities and facilities for this purpose.

Section 7.03 Cooperation between Bank and Borrower. (a) The Bank and the Borrower shall cooperate fully to ensure that the purposes of the Loan will be accomplished. To that end, the Bank and the Borrower shall from time to time at the request of either party, exchange views through their representatives with regard to the progress of the Project the performance by the Borrower of its obligations under this Loan Agreement and any other matters relating to the purposes of the Loan.

(b) 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 Borrower of its obligations under this Loan Agreement.

(c) The Borrower shall afford all reasonable opportunities and facilities for accredited representatives of the Bank and IBRD to visit any part of the territory of the Borrower for purposes related to the Loan and the Project.

Section 7.04 Maintenance of Insurance for the Project. The Borrower shall take out and ~~maintain with responsible insurers~~ insurance against such risks and in such amounts as shall be consistent with sound business practice and without any limitation upon the foregoing such insurance shall cover marine, transit and other hazards incident to acquisition, transportation and delivery of goods financed out of the proceeds of the Loan to the place of use or installation, any indemnity thereunder to be made payable in currency freely usable by the Borrower to replace or repair such goods.

Section 7.05 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 and, in particular, shall be responsible for meeting any amount by which the cost of the Project exceeds eighteen million, seven hundred and twenty-seven thousand Guyana dollars (GU\$18,727,000).

Section 7.06 Contribution by Borrower. (a) Without prejudice to the provisions of Section 7.05 of this Loan Agreement, the Borrower shall contribute an amount not less than five million, six hundred and eighteen thousand Guyana dollars (GU\$5,618,000) towards the Project.

Section 7.07 Compliance by Borrower with Financing Agreements. (a) The Borrower shall take all necessary steps to facilitate and ensure its compliance in a timely manner with any outstanding conditions for the effectiveness of the Financing Agreements and any conditions precedent to first disbursement thereunder.

(b) The Borrower shall observe and perform in a timely manner all the obligations on the part of the Borrower to be observed and performed under the Financing Agreements.

Section 7.08 Maintenance of Access Road and Ancillary Works. The Borrower shall keep or cause the access road and ~~ancillary~~ works to be kept in good repair and condition in accordance with a programme agreed between the Borrower and the Bank.

Section 7.09 Priority of 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 any lien shall be created on any governmental assets as security for any external debt, such lien will ipso facto and at no cost to the Bank equally and ratably secure the payment of the principal of, and interest and other charges (including any Premium) 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 Guyana 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 agency of the Borrower or of any such political sub-division, including the Bank of Guyana or any other institution performing the functions of a Central Bank.

Section 7.10 Responsibility of Borrower for Taxes, Fees, etc. The Borrower shall pay or cause to be paid all taxes, duties and fees, if any, imposed under the Laws in force in Guyana in connection with the execution, issue, delivery or registration of this Loan Agreement, any agreement amending or supplemental to this Loan Agreement, and all payments of principal and interest and other charges (including Premium) thereon shall be made without deduction for any taxes imposed under any such laws.

ARTICLE VIII

Cancellation and Suspension

Section 8.01 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 4.02 of this Loan Agreement.

Section 8.02 Suspension of Borrower's Right to Make Withdrawals from Loan Account. If any of the following events shall have occurred or be contemplated 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 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;
- (iv) 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;
- (v) Prior to the Closing Date, any material adverse change in the condition of the Borrower, as represented by the Borrower, shall have occurred;
- (vi) 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;

- (vii) The Borrower shall have withdrawn or been suspended from membership in the Bank or IFRD;
- (viii) The Bank or IFRD, shall have suspended in whole or in part the right of the Borrower to make withdrawals under any other Loan Agreement with the Bank or any Loan Agreement with IFRD, as the case may be, because of a failure of the Borrower to perform any of its obligations under any such agreement;
- (ix) Any event specified in sub-paragraph (iv), (v), (vi), (vii) and (viii) of Section 9.01 shall have occurred;
- (x) 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 8.03 Cancellation. If any of the following events shall occur, then at any time thereafter, the Bank may by notice to the Borrower terminate the right of the Borrower to make withdrawals from the Loan Account or with respect to the relevant amount of the Loan, as the case may be, and upon the giving of such notice the amount of the Loan specified therein shall be cancelled:

- (i) the Borrower shall have failed to comply with the requirements of Section 6.01 of this Loan Agreement by the sixtieth day after the date of this Loan Agreement or by such later date as the Bank may specify in writing;
- (ii) by June 1, 1979, or such later date as the Bank may specify in writing, the Bank has not received any application for withdrawal from the Loan Account or for Special Commitment in accordance with Article IV of this Loan Agreement, or any application, having been so received, shall not have been acceptable to the Bank;
- (iii) 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 (30) days;
- (iv) 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;
- (v) after the Closing Date an amount of the Loan remain unwithdrawn from the Loan Account.

Section 8.04 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 8.05 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 4.02 of this Loan Agreement.

ARTICLE IX

Events of Default

Section 9.01 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 of interest or any other payment required under this Loan Agreement 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 payment of principal or interest or any other payment required under any other loan or guarantee agreement between the Bank and the Borrower and such default shall continue for a period of thirty (30) days.
- (iv) 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.
- (v) There shall have been a cancellation, pursuant to Section 8.03 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.
- (vi) Any of the Financing Agreements shall have failed to become effective or, if or when effective, shall have terminated.
- (vii) The right of the Borrower to receive the whole or any part of the funds to be made available to the Borrower under any of the Financing Agreements shall have been suspended or terminated.
- (viii) The whole or any part of the funds made available under any of the financing agreements shall have become due and payable by the Borrower otherwise than at maturity in accordance with the amortisation arrangements under the relevant Financial Agreement.

ARTICLE X

Termination

Section 10.01 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 XI

Enforceability

Section 11.01 Enforceability. The rights and obligations of the Bank and the Borrower under this Loan Agreement shall be valid and enforceable in accordance with the terms. Neither the Bank nor the Borrower shall be entitled in any proceedings under the Loan Agreement to assert any claim that any provision of this Loan Agreement is invalid or unenforceable because of any provision of the laws of Guyana or of the agreement establishing the Bank or for any other reason.

ARTICLE XII

Miscellaneous

Section 12.01 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 12.02 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 12.03 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
Wilbey, St. Michael
Barbados, W.I.
Cable Address: Caribank, Bridgetown
Telex: WB 287.

For the Borrower:

Secretary to the Treasury
Ministry of Finance
Main & Urquhart Streets
Georgetown
Guyana.
Cable Address: Minfin, Guyana
Telex: Guycoopin 255 GY

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, telex or radiogram to the party to which it is required or 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.

ARTICLE XIII

Arbitration

Section 13.01 (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 in Barbados at such time and place as shall be fixed by the umpire. Thereafter the Committee shall meet in Barbados or Guyana at such time and place as the Committee shall determine.

(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 judgment 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 authorize any entry of judgment or enforcement of award against the Borrower except as such procedure may be available otherwise than by reason of the provisions of this Section.

(l) 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 12.03. The parties to this Loan Agreement waive any and all other requirements for the service of any such notice or process.

SCHEDULE I

(Section 1.01 (iv))

Construction Programme

Description

1. The Project consists of -
 - (i) The completion of 38.5 miles of the access road already partially constructed commencing from the Wismar Mile 7 Junction; and
 - (ii) the construction of the remaining 30 miles of the access road to the site allocated for the Forestry Complex at Mabura Hill.
2. The access road is required to conform with the following standard which may only be varied on the recommendation of the Consultant inspecting the construction works and with the concurrence of the Bank.

Design Speed	30 m.p.h.
Maximum Gradient	6%
Clearing Width	100 feet
Maximum Horizontal Curve	21 degrees
Minimum Stopping Sight Distance	200 feet
Number of Lanes	2
Lane Width	8 feet
Shoulder Width	4 feet
Maximum Side Slope	2:1
Overtaking Bays	2,000 feet intervals whenever a stopping site distance of 200 feet cannot be achieved
Base of (Sand-Clay)	4 inches thick
Surfacing of (laterite)	9 inches thick.

3. The Project includes -

(a) the construction of 5 major structure in accordance with the designs approved by the Bank as follows:-

Location	Structure	Specifications
(i) Survey Station 2045 + 12	Greenheart Timber Bridge	Length: 60 feet 3 spans @ 20 feet 28 feet between kerbs
(ii) 2123 + 70	Greenheart Timber Bridge	Length: 140 feet 7 spans @ 20 feet 28 feet between kerbs
(iii) 2425 + 58	Reinforced Concrete Culvert Pipe	Diameter: 5 feet Length: 201 feet
(iv) 2460 + 00	Reinforced Concrete Culvert Pipe	Diameter: 5 feet Length: 162 feet
(v) 3368 + 66	Greenheart Timber Bridge	Length: 80 feet 4 spans @ 20 feet 28 feet between kerbs.

(b) Laying of 480 linear feet of 18 inch diameter reinforced concrete culvert pipe for road drainage.

4. The cost of the Project is estimated at GUS\$18,727,000 made up as follows: -

(i) The portion of the access road referred to in paragraph 1 (i) of this Schedule -

	GUS\$'000
Widening	90
Earthworks	440
Base Course (Sand Clay)	179
Surface Course (Laterite)	1,079
Sandcrete Works	3,355
Timber Curbs	62
Shoulder Cover (Laterite)	408
Timber Shoulder Guard (Stakes)	37
	5,670

(ii) The portion of the access road referred to in paragraph 1(ii) of this Schedule -

	GUS\$'000
..... Mobilisation	200
..... Survey and Design	270
..... Clearing	891
..... Grubbing	436
..... Earthworks	3,145
Basic Course (Sand Clay)	293
Surface Courses (Laterite)	2,319
Sandcrete Works	1,103
Timber Curbs	110
Shoulder Cover (Laterite)	246
Timber Shoulder Guard (Stakes)	24

(11) Cont'd....

Structures

STA. 2045 + 12	95
STA. 2123 + 70	222
STA. 2425 + 58	71
STA. 2460 + 00	57
STA. 3368 + 66	127
18 in. dia. R.C. Pipe	106
Inspection (Consultants)	360

Contingencies

Physical (10% of Civil Works)	1,103
Price Escalation (11% per annum)	<u>1,879</u>
	<u>13,057</u>

5. The financing of the Project is expected to be as follows:-

		<u>GU\$'000</u>
Bank	70%	13,109
Borrower	30%	<u>5,618</u>
	Total:	18,727

SCHEDULE 2

(Section 3.06)

Premium on Prepayment

The following percentages are specified as the premiums payable on repayment in advance of maturity of any portion of the Loan pursuant to Section 3.06 of this Loan Agreement.

<u>Time of Prepayment</u>	<u>Premium</u>
Not more than three (3) years before maturity.....	1- $\frac{1}{4}$ %
More than three (3) years but not more than six (6) years before maturity.....	2- $\frac{1}{2}$ %
More than six (6) years but not more than eleven (11) years before maturity.....	4- $\frac{3}{4}$ %
More than eleven (11) years but not more than fourteen (14) years before maturity.....	6- $\frac{3}{4}$ %
More than fourteen (14) years but not more than seventeen (17) years before maturity.....	7- $\frac{1}{2}$ %
More than seventeen (17) years before maturity.....	8- $\frac{1}{2}$ %

COUNTRIES ELIGIBLE FOR PROCUREMENT

Regional Member 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 Member States

1. Canada
2. United Kingdom

Other Eligible States

1. United States of America
2. Federal Republic of Germany
3. Switzerland
4. All other Member States of IBRD

IN WITNESS WHEREOF, this Loan Agreement has been signed in two equally valid copies at Wildey, 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

GUYANA

(Sgd) C.A. Sorhaindo
Secretary
Caribbean Development Bank

(Sgd.) F.E. Hope
Minister Responsible for Finance