

AGREEMENT MADE IN DUPLICATE THE  
10TH DAY OF SEPTEMBER, 1977

BETWEEN: THE GOVERNMENT OF CANADA  
herein represented by the  
Secretary of State for  
External Affairs acting  
through the President,  
Canadian International  
Development Agency  
(hereinafter referred to  
as "Canada")

and

THE GOVERNMENT OF GUYANA  
(hereinafter referred to  
as "Guyana")

WHEREAS Guyana wishes to secure a development loan for the purchase of laboratory equipment for an Institute of Applied Science and Technology as described in Annex "A" to this agreement;

AND WHEREAS Canada is willing to make a development loan available for this purpose on the terms and conditions provided herein;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE 1

THE LOAN

Section 1.01

Canada shall make available to Guyana on the terms and conditions hereinafter set forth a loan in an amount not to exceed three hundred eighty-five thousand dollars Canadian (\$385,000.00).

Section 1.02

Canada shall open on its books a loan account in the name of Guyana and shall credit to such account the full amount of the loan. Withdrawals, payments and disbursements may be made from the loan account in accordance with the provisions of this agreement.

Section 1.03

This loan shall be free from interest, commitment or service charges.

Section 1.04

Repayment of the principal amount of the loan shall be made in eighty (80) semi-annual instalments of \$4,812.50 (Canadian) each, due and payable on March 31 and September 30 in each succeeding year commencing on March 31, 1987 and ending on September 30, 2027.

Section 1.05

Guyana shall have the right to prepay principal in whole or in part on any date without Notice to Canada. The amount of any prepayment shall be applied to the installments of principal then remain payable in the reverse order of their maturity.

Section 1.06

All payments as set forth herein shall be made by Guyana in Canadian dollars to the Receiver General and shall be deemed to have been paid when received by the Receiver General for Canada.

Section 1.07

The principal of the loan shall be paid to Canada without any deductions whatsoever and more particularly shall be free from any taxes, charges or other restrictions imposed under the Laws of Guyana and those in effect in its territories or administrative, political or judicial divisions or subdivisions.

Section 1.08

The parties agree that they will negotiate, at the request of either Guyana or Canada, concerning acceleration of payments to the Receiver General for Canada required to be made under this agreement at any time after six (6) months before the first payment of principal becomes due and payable. Guyana and Canada shall mutually determine whether such an acceleration should take place on the basis of the capacity of Guyana to service a more rapid liquidation of its obligations in the light of its internal and external financial and economic position.

ARTICLE 11

USE OF THE LOAN

Section 2.01

Except as may otherwise be specifically agreed to by Canada, the proceeds of the loan shall be used by Guyana exclusively for the purpose of agreed goods and services as described in Annex "A", and the procedures for their procurement and payment shall be those set forth in Annex "B." Each Annex shall be subject to such subsequent modifications as may be agreed upon between Canada and Guyana.

Section 2.02

Services, materials and equipment to be financed from the proceeds of the loan shall be used exclusively to carry out the project; the goods and services procured in Canada and financed from the loan shall have an overall Canadian content of not less than sixty-six and two thirds per cent (66 2/3%) unless otherwise agreed to by Canada.

Section 2.03

Services, materials and equipment contracted for prior to the effective date of this agreement may not be financed out of the proceeds of the loan except as may otherwise be agreed to by Canada.

Section 2.04

Proceeds from the loan shall not be used by Guyana to meet the cost of any taxes, fees or customs duties imposed directly or indirectly by Guyana on any services, materials or equipment required for the project.

ARTICLE 111

WITHDRAWALS OF PROCEEDS OF LOAN

Section 3.01

Withdrawals shall be deemed to occur on the dates on which payments are made by Canada either directly to Guyana or its designated agent, or to a firm or a banking institution in respect of goods and services supplied under this agreement.

Section 3.02

Subject to the conditions and limitations set forth, Guyana shall be entitled to withdrawals from the loan account in such amounts as are required to meet the costs of the goods and services which are eligible for financing as the costs become due and payable in accordance with Annex "B".

Section 3.03

Guyana or its designated agent shall provide Canada with a copy of each contract purchase order for the procurement of services, materials and equipment in respect of which any withdrawal is to be made.

Section 3.04

Withdrawals from the loan account may be made in favour of such persons or agencies as may be designated by Guyana and agreed to by Canada.

Section 3.05

In each calendar month, Guyana or its designated agent shall submit to Canada one (1) application for withdrawal of such amounts as shall have been paid or will be paid during that month, unless otherwise agreed to by Canada.

Section 3.06

Guyana or its designated agent shall furnish or cause to be furnished to Canada such documents and other evidence in support of its application for withdrawal as Canada may reasonably request, such evidence to be sufficient in form and substance to establish that the amounts to be withdrawn are properly related to the purposes of this agreement.

ARTICLE IV

CANCELLATION AND SUSPENSION

Section 4.01

Guyana may, by sixty (60) days' written Notice to Canada, cancel all or any part of the loan not withdrawn by Guyana prior to the giving of such Notice and not required to meet outstanding financial obligations to suppliers or firms incurred under the loan.

Section 4.02

If any of the following events occur, Canada may suspend in whole or in part the right of Guyana to make withdrawals under the loan agreement, or declare the principal outstanding due and payable immediately and cancel that part of the loan not previously withdrawn:

- (a) A default by Guyana in the payment of principal or in any other payments or repayments required under this agreement and the Annexes hereto;
- (b) A default on the part Guyana in the performance of any undertakings under this agreement;
- (c) Any extraordinary situation which renders it impossible for Guyana to perform its obligations under this agreement.

Section 4.03

If the full amount of the loan is not committed by Guyana, by December 31, 1979, the balance will be cancelled by sixty (60) days' written Notice from Canada and the final instalment or instalments of the repayment to be made shall be reduced accordingly.

ARTICLE V

GENERAL UNDERTAKINGS

Section 5.01

Guyana shall ensure that the project is carried out, operated and maintained with due diligence and efficiency and in conformity with sound engineering, construction and financial practices.

Section 5.02

Canada and Guyana shall cooperate fully to ensure that the purpose of the loan will be accomplished, and each shall furnish to the other all such information as shall reasonably be requested with regard to the general status of the loan. Guyana shall fulfil its responsibilities as specified in Annex "C" hereto and shall inform Canada as soon as possible of any condition or contingency which interferes with, or threatens to interfere with, the accomplishment of the project or any matter or thing in connection therewith.

Section 5.03

Guyana shall afford accredited representatives of Canada all reasonable opportunities to visit any part of the territories of Guyana for purposes related to this loan agreement.

Section 5.04

This agreement and any Annex hereto shall be free from any taxes, fees or other charges that may be imposed under the Laws of Guyana and those in effect in its territories or administrative, political or judicial divisions or subdivisions in connection with the execution, issue, delivery and registration thereof.

Section 5.05

It is understood and agreed by Guyana and Canada, that the Articles of this agreement and Annexes "A" "B" and "C" thereto all form an integral part of the present agreement.

Section 5.06

For the purposes of this agreement and Annexes hereto, Guyana shall include any agent or agents authorised by and on behalf of Guyana with regard to its rights, duties and obligations herein.

ARTICLE VI

COMMUNICATIONS

Section 6.01

Any communications or documents given, made or sent by either Guyana or Canada pursuant to this agreement or any Annex hereto shall be in writing and shall be deemed to have been duly given, made or sent to the party to which it is addressed at the time of its delivery by hand, mail, telegram, or radiogram at its respective address, namely:

For Guyana

Mail Address: The Ministry of Economic Development  
P.O. Box 542  
Georgetown, Guyana

For Canada:

The President  
Canadian International Development  
Agency  
122 Bank Street,  
Ottawa, Ontario  
K1A 0G4

Cable Address: CIDA OTTAWA

Section 6.02

Any one of the parties hereto, may by written Notice to the other party hereto, change the address to which any Notice or request intended for the party so giving such Notice shall be addressed.

Section 6.03

All communications and documents pertaining to this agreement shall be in the English language.

ARTICLE VII

SIMULTANEOUS EXECUTION OF AGREEMENT

Section 7.01

This agreement may be simultaneously executed in several counterparts each of which so executed shall be deemed to be an original.

Section 7.02

This agreement and Annexes "A" "B," and "C", attached hereto, which form part of this agreement, may be amended from time to time upon agreement of the parties concerned. Amendment to the main body of the agreement shall be executed by a formal amendment signed by the authorised representatives.

However, amendments to the annexes may be made by an exchange of letters between Guyana and Canada.

IN WITNESS WHEREOF, the parties hereto have caused to be subscribed the signature of their authorised representative at Georgetown as of the day and the year first above written.

SIGNED ON BEHALF OF THE  
GOVERNMENT OF CANADA

SIGNED ON BEHALF OF THE  
GOVERNMENT OF GUYANA

F.E. HOPE

ANNEX "A"

DESCRIPTION OF PROJECT AND USE OF LOAN

1. Description of Project

It is the intent of the Government of Canada, through the Canadian International Development Agency, hereinafter referred to as CIDA, to provide both grant and loan assistance to the Government of Guyana to assist in the creation of an Institute of Applied Science and Technology in Guyana. The objective of this project is to assist Guyana with the development of its natural resources through the provision of a local facility for the carrying out of applied research in such areas as wood technology, mineral technology and food processing.

The Institute is to be built by the National Science Research Council of Guyana with funds provided by the Government of Guyana. The Institute will be located on the campus of the University of Guyana but will be an autonomous facility. Construction commenced in September, 1976 and is schedule to continue for 27 months. When the Institute is fully functional, it will have a director, section heads for Wood Science, Mineral Science, Food Technology and Instrumentation, senior and junior professional staff and laboratory technicians.

CIDA grant assistance to this project will be used to recruit an Institute Co-director for up to two years and to provide training for staff members.

2. Use of Loan

For the purposes of this Agreement, that portion of the project to be financed from the CIDA loan shall consist of the supply and delivery of scientific equipment for the Institute. The list and specifications for the said equipment shall be approved by CIDA upon request from Guyana. The total cost of the equipment financed under this Agreement shall not exceed \$385,000.00 (Canadian), insurance and shipping charges included.

ANNEX "B"

PROCUREMENT PROCEDURES

1. The Canadian Commercial Corporation (hereinafter referred to as CCC) being acceptable to the borrower as its designated agent, shall provide all services required for the purchasing, expediting, inspection and shipping of Canadian equipment and materials required for the project.
2. Lists of the equipment and materials proposed for purchase in Canada shall be submitted to CIDA for approval and forwarded to CCC for procurement.
3. Before any contracts for the purchase of goods in Canada are entered into, CCC as the designated agent shall invite tenders from a representative list of Canadian manufacturers for the required equipment or material, unless otherwise agreed by CIDA.
4. If other than the lowest tender with acceptable Canadian content is to be approved by CCC as the designated agent, the concurrence of CIDA shall be obtained before the purchase is awarded.
5. Statements of disbursement will be prepared by CIDA and forwarded to Guyana at six-month intervals, normally the first of March and the first of September of each calendar year until the project has been completed.

ANNEX "C"

RESPONSIBILITIES OF THE GOVERNMENT OF GUYANA

Guyana will:

1. Use its best endeavours to ensure and facilitate the prompt clearance through Customs, without cost to the loan funds for import, customs and other duties and taxes, of all equipment and materials required for the project.
2. Be responsible for the preparation and submission of insurance claims for losses or damage to equipment or materials while in transit and for the re-ordering and payment of replacement equipment and materials through insurance financing, and in the case of short shipments, will notify the Canadian Commercial Corporation accordingly.
3. Provide sufficient financial support in succeeding annual budgets for operation of the equipment.
4. Provide adequately trained personnel to ensure the proper operation and maintenance of the equipment.