

LOAN AGREEMENT

(CLINKER GRINDING/CEMENT PACKING PLANT)

(Feasibility Study)

BETWEEN

CARIBBEAN DEVELOPMENT BANK

AND

GUYANA

Dated: 25th August, 1977

LOAN AGREEMENT

AGREEMENT dated 25th August, 1977 between the Caribbean Development Bank (hereinafter called the Bank) and the Government of Guyana (hereinafter called the Borrower).

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 out or referred to an amount not exceeding the equivalent of eighty-five thousand United States dollars (US\$85,000).

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 The amount of the Loan may be withdrawn from the Loan Account as provided in this Loan Agreement and subject to the rights of cancellation and suspension set out therein.

Section 1.03 Purpose. The purpose for which the Loan is granted is to assist the Borrower in financing the balance of the costs of the services of Consultants for completing a study of the feasibility of establishing a 100 to 120 tons per annum clinker-grinding and/or cement-packing facility in Guyana based on receipts of bulk shipments of cement or clinker and gypsum (hereinafter called the Study) in accordance with the terms of reference set out in Schedule 1 to this Loan Agreement as such Schedule may be amended from time to time by agreement between the Bank and the Borrower.

ARTICLE II

Amortisation and Interest

Section 2.01 Repayment. Subject to the provisions of Section 2.04 of this Loan Agreement, the Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account with interest thereon at the rate of four percent (4%) per annum in thirty-two (32) equal or approximately equal and consecutive quarterly instalments of principal and interest. The instalments shall be payable on February 28, May 31, August 31 and November 30 in each

year, the first instalment being due and payable on the first payment date after the expiry of two (2) years from the date of the first disbursement hereunder or on 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 Section.

Section 2.02 Payment of Interest. Before the commencement of payment in accordance with Section 2.01 of this Loan Agreement or payment in accordance with the provision of Section 2.04 of this Loan Agreement, the Borrower shall pay interest at the rate of four percent (4%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time. Interest shall accrue from the respective dates on which amounts shall be so withdrawn and shall be payable quarterly on February 28, May 31, August 31 and November 30 in each year, the first payment being due and payable on the first payment date after the date of the first disbursement hereunder.

Section 2.03 Computation of Interest. Interest shall be computed daily on the basis of a 365-day year.

Section 2.04 Acceleration of Maturity on Funding for Project.
 (a) Notwithstanding the provisions of Section 2.01 of this Loan Agreement, the principal amount of the Loan together with the interest thereon then outstanding (hereinafter in this Section called the Debt) shall become due and payable immediately if the Borrower shall obtain financing by way of loan or grant for the establishment of a clinker-grinding and/or cement-packing facility in Guyana based on receipts of bulk shipments of cement or clinker and gypsum or any substantially similar project or programme resulting from the study and the Debt is eligible for payment from such financing, the Debt being paid from the proceeds of the first disbursement of such financing.

(b) The Borrower undertakes to negotiate with the source of financing, if other than the Bank, to enable the Debt to be included in the financing and paid to the Bank in one payment upon receipt of the first disbursement of such financing.

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 instalments of principal 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 places as the Bank may request.

Section 2.07 Overdue Payments. In case the Borrower fails 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

Withdrawals 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 study but, except with the agreement of the Bank, no withdrawals shall be made on the account of expenditures incurred before the date of this Loan Agreement.

Section 3.02 Special Commitments. At the request of the Borrower and upon such terms and conditions as shall be agreed 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 the services to be financed out of the proceeds of the Loan notwithstanding any subsequent suspension or cancellation.

Section 3.03 Period of Disbursement. The sum referred to in Section 1.01 may be disbursed up to June 30, 1978, or such later date as may be specified in writing by the Bank (hereinafter called the closing date).

Section 3.04 Procurement. Except as the Bank shall otherwise agree, any new Consultants required for completing the study shall, if their services are to be financed out of the proceeds of the Loan, 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 and as 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 3.05 Services to be used exclusively for Completing the Study. Except as the Bank may otherwise agree, the Borrower shall cause the services financed out of the proceeds of the Loan to be used exclusively in completing the study.

Section 3.06 Requests for Withdrawal or for Special Commitments. When the Borrower desires to withdraw any amount from the Loan Account or to request the Bank to enter into a special commitment pursuant to Section 3.02 of the Loan Agreement, the Borrower shall deliver to the Bank a written application in such form and containing such statements and agreements as the Bank shall reasonably request.

Section 3.07 Authorisation of Requests for Withdrawal. The Borrower shall furnish to the Bank evidence of the authority of the person or persons authorised to sign applications for withdrawal and the authenticated specimen signature of any such person or persons.

Section 3.08 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 3.09 Applications and Documents to Satisfy the 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 amounts to be withdrawn from the Loan Account have been or will be used only for the purposes specified in Section 1.03 of this Loan Agreement.

Section 3.10 Payments to Borrower. Payments 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 3.11 Countries Eligible for Procurement. Except as the Bank shall otherwise agree, any new Consultants required for completing the study shall, if their services are to be financed out of the proceeds of the Loan, be procured only in the States and Territories listed in Schedule 2 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) Subject to the provisions of Section 2.04 of this Loan Agreement, 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, if applicable, shall remain as set out in the amortisation schedule to be provided under Section 2.01 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 of 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 a 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 from the Borrower one or more opinions satisfactory to the Bank from a legal practitioner acceptable to the Bank, showing that:-
 - (i) the Borrower has complied with all the necessary requirements under the Constitution of Guyana and under the Laws and Regulations in force therein in order to enter into this Loan Agreement;
 - (ii) this Loan Agreement has been duly authorised by and executed and delivered on behalf of the Borrower and constitutes a valid and binding legal obligation of the Borrower enforceable in accordance with its terms.
- (b) The Bank has 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 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.

ARTICLE VI

Particular Covenants

Section 6.01 Execution of Project. The Borrower shall cause the study to be completed with due diligence and efficiency and in conformity with sound engineering practices.

Section 6.02 Co-operation between Bank, Borrower and Executing Agency. (a) The Bank and the Borrower shall co-operate 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 study and any other matters relating to the purposes of the Loan.

(b) The Borrower shall promptly inform the Bank of any condition which interferes, or threatens to interfere, with the accomplishment of the purposes of the Loan 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 to visit any part of the territory of the Borrower for purposes related to the Loan and the study.

(d) 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 study and the administration and operation thereof.

Section 6.03 Responsibility of Borrower for Taxes, Fees, etc. in Connection with the Loan Agreement. The Borrower shall pay or cause to be paid all taxes, duties, and fees, if any, imposed under its laws or the laws in force in its territory in connection with the execution, issue, delivery or registration of this Loan Agreement and all payment of principal and interest shall be made without deduction for any taxes imposed under any such laws.

Section 6.04 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 equally and ratably and at no cost to the Bank 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 agency of the Borrower or of any such political sub-division.

Section 6.05 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 completion of the study, and, in particular, shall be responsible for meeting any amount by which the cost of completion of the study exceeds eighty-five thousand Canadian dollars (C\$85,000) and one hundred and five thousand Guyana dollars (G\$105,000).

Section 6.06 Borrower's Contribution to the Cost of the Study.

Without prejudice to the provisions of Section 6.05 of this Loan Agreement, the Borrower shall meet the remainder of the Consultants' fees payable in Guyana dollars amounting to one hundred and five thousand Guyana dollars (G\$105,000).

Section 6.07 Limitation of Obligations of the Bank. The execution of this Loan Agreement by the Bank does not imply any obligation on its part to finance either partially or totally, any project or programme that may, directly or indirectly, result from the recommendations of the Consultants.

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 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 study can be completed 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;
- (viii) The Bank shall have suspended in whole or in part the right of the Borrower 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;
- (ix) Any event specified in sub-paragraphs (iv) and (v) of Section 8.01 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 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 study, 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 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.
- (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 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 study can be completed 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 February 28, 1978, 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 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.

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,
Georgetown, Guyana

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.

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 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)

(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 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 judgement 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 authorize 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.

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

SCHEDULE 1

(Section 1.03)

Terms of Reference

Feasibility Study of Establishing a 100 to 120 tons per Annum Clinker Grinding and/or Cement Packing Facility in Guyana based on Receipts of Bulk Shipments of Cement or Clinker and Gypsum

Techno-Economic Feasibility Study based on preliminary engineering design.

- * 1. Market Study - cement demand, material supply, distribution network. The Consultants shall -
- (a) review all background reports and documents on the project, including surveys and forecasts of Guyana's future demand for cement on which the size of the facility to be established will be primarily based, and examine the possibilities of export to neighbouring countries.
 - (b) survey alternative sources of bulk supply of cement or clinker and gypsum particularly with the Caricom region but also including other neighbouring sources; analyse shipping requirements and freight costs for the various alternatives identified; and for shipping, the alternatives of a charter service or the purchase of appropriate vessel(s) should also be considered.
 - (c) detail the network system and facilities necessary for the distribution of packed and/or bulk cement to consumption centres within Guyana.

* 2. Plant Location and Plant Site Study.

The Consultants shall -

- (a) study alternative locations for the plant, taking into account technical, economic and socio-economic considerations related to infrastructure requirements, geographic distribution of the market, government's decentralisation policy, etc.

- (b) evaluate climatic, hydrological, geological, topographical and geotechnical conditions to determine the optimal site for the plant at the selected location.
- (c) carry out a topographic survey of selected plant site.
- (d) prepare a site plan for possible future expansion and for accommodation of spin-off industries.

3. Detailed Techno-Economic Studies of Plant Alternatives.

The Consultants shall carry out detailed Techno-Economic Studies of the following plant alternatives -

- (a) the establishment of clinker grinding and cement packing facilities (with new equipment) based on bulk receipts of clinker and gypsum;
- (b) the establishment of a cement packing facility (with new equipment) based on bulk receipts of cement;
- (c) the establishment of (a) or (b) above based on second-hand equipment. If this alternative is selected, the scope of services for Phase II would be revised and all the fees adjusted accordingly.

The studies should be based on preliminary designs and layouts of the alternative plants. The study of each alternative must include the following:-

- (a) a description of process detailing function performed by each major unit as well as a process flow and specific inputs and outputs from the various units.
- (b) a design of the plant installation concept; an identification of possible equipment alternatives, their relative efficiencies and technical specifications; and a justification of the selection of the units on technical and economic grounds;
- (c) a preliminary layout of plant, manufacturing departments, essential services and general services;
- (d) equipment lists as follows:-

- (i) raw material receiving and storage department - to be imported/indigenous;
- (ii) manufacturing department(s) - to be imported/indigenous;
- (iii) essential services department(s) - to be imported/indigenous;
- (iv) general services department(s) - to be imported/indigenous.

Indications should be given of the number of operational shifts per day and days of operation per year for the main units.

- (e) the preliminary plans for all construction work; calculation of quantities and cost estimates for mechanical, electrical and civil engineering works; and an assessment of manpower requirements and availability of local (regional) contractors to undertake works;
- (f) an estimation of supervisory, technical and operating personnel required to run the plant; job specifications for key personnel; an assessment and an identification of the need to recruit qualified and experienced expatriate personnel (and an estimation of the costs of their services) to assist in operating the plant for the first 1-2 years and to continue the in-plant training of the local staff;
- (g) a capital cost estimate with individual units categorised by departments as above and with cost itemized under the following headings:-
 - (i) machinery and equipment cost component;
 - (ii) freight cost component;
 - (iii) installation and construction cost component;
 - (iv) site development cost - distributed rationally;
 - (v) engineering consultancy services - distributed rationally;
 - (vi) contingent items;
 - (vii) total;

- (h) initial working capital requirements; and an estimation of start-up costs and an analysis of production costs.

Data should be based on communications with equipment supplies and contractors, and at January 1977 prices.

4. Comparative Analysis

The Consultants shall carry out a technical analysis of the two major alternatives with separate consideration given to the alternative use of new and second-hand equipment.

5. Spin-Off Industries.

The Consultants shall identify and analyse the technical and economic potentials of specific branches (spin-off industries such as the manufacture of bags for packing cement; the manufacture of pre-cast structures - concrete pipes; ferro-cement barges, etc.). These studies must include an assessment of the market potential for the products of the proposed spin-off industries in order to determine plant size, an assessment of the floor area requirements, identification of sources of supply of equipment and technology and an assessment of the effect of the proposed spin-off industries on cement demand.

6. Report.

The Consultants shall prepare a detailed report at the completion of the Detailed Techno-Economic Feasibility Phase not later than five (5) months after award of contract for this phase of the project. The report must detail investigations undertaken in accordance with the terms of reference and must be sufficiently in-depth to enable the Borrower to select the alternative it wishes to pursue and to support its application for loan financing. The report must include an up-dated organisation plan and schedule for the Project Execution Phase of the project, including details of services to be performed by others, such as Guyanese sub-consultants and sub-contractors and estimates of the costs of such services. All documentation must be in English.

- * The work described in paragraphs 1 and 2 of these terms of reference has already been completed.

SCHEDULE 2

(Section 3.11)

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.

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.

TREASURER,
CARIBBEAN DEVELOPMENT BANK

GOVERNMENT OF GUYANA

J. Siewrattan

L.F.S. Burnham

Minister responsible for
Finance