

CREDIT NUMBER 820 GUA

DEVELOPMENT CREDIT AGREEMENT

(Black Bush Irrigation Project)

between

GUYANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 4, 1978

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated December 4, 1978, between GUYANA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) the Borrower has requested the Association to assist in the financing of an irrigation project by extending the Credit as hereinafter provided;

(B) by an agreement of even date herewith (hereinafter called the Fund Loan Agreement), the International Fund for Agriculture Development (the Fund) has agreed to make a loan (hereinafter called the Fund Loan) to the Borrower in an aggregate principal amount equivalent to ten million dollars to assist in financing the same project on the terms and conditions therein set forth;

(C) the Borrower has requested the Government of the United States of America to assist in financing the same project and the Government of the United States of America, acting through its Agency for International Development, is expected to make to the Borrower a loan (hereinafter called the AID Loan) in an amount equivalent to seven million five hundred thousand dollars (\$7,500,000);

(D) the Borrower has requested the Inter-American Development Bank to assist in financing the same project and the Inter-American Development Bank is expected to make to the Borrower a loan (hereinafter called the IDB Loan) in an amount equivalent to six million dollars (\$6,000,000); and

(E) the Borrower, the Association, and the Fund have entered into an agreement of even date herewith (hereinafter called the Joint Project Agreement) providing for the allocation, withdrawal and use of the proceeds of the Credit and the Fund Loan and execution of the Project to be financed thereby, as well as other matters relating thereto;

WHEREAS the Association has agreed, on the basis inter alia of the foregoing, to extend the Credit, to the Borrower upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated March 15, 1974, with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Development Credit Agreements of the Association being hereinafter called the General Conditions).

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in Section 1.01 of the Joint Project Agreement have the respective meanings therein set forth.

ARTICLE II

The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to ten million dollars (\$10,000,000).

Section 2.02. The amount of the Credit may be withdrawn from the Credit Account and used for the Project in accordance with the provisions of the Joint Project Agreement.

Section 2.03. The Closing Date shall be December 31, 1984 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.05. Service charges shall be payable semiannually on January 1 and July 1 in each year.

Section 2.06. The Borrower shall repay the principal amount of the Credit in semiannual installments payable on each January 1 and July 1 commencing July 1, 1988, and ending January 1, 2028, each installment to and including the installment payable on January 1, 1998, to be one-half of one per cent ($\frac{1}{2}$ of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ($1\frac{1}{2}\%$) of such principal amount.

Section 2.07. The currency of the United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. The Borrower shall duly perform all its obligations set forth in the Joint Project Agreement as if they were fully set forth herein.

ARTICLE IV

Remedies of the Association

Section 4.01. For the purposes of Section 6.02 of the General Conditions, the following additional events are specified pursuant to paragraph (h) thereof:

(a) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of the Guyana Rice Board or for the suspension of its operations.

(b) (i) Subject to subparagraph (ii) of this paragraph:

(A) the right of the Borrower to withdraw the proceeds of any grant or loan made to the Borrower for the financing of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the agreement providing therefor, or

(B) any such loan shall have become due and payable prior to the agreed maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if: (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and (B) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 4.02. For the purposes of Section 7.01 of the General Conditions, the following events are specified pursuant to paragraph (d) thereof, namely, that any events specified in paragraphs (a) and (b) (i) B of Section 4.01 of this Agreement shall occur.

ARTICLE V

Effective Date; Termination

Section 5.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions:

(i) the execution and delivery on behalf of the Borrower of the Joint Project Agreement has been duly authorized or ratified by all necessary governmental action;

- (ii) the execution and delivery on behalf of the Borrower of the Fund Loan Agreement has been duly authorized or ratified by all necessary governmental action;
- (iii) the execution and delivery of the agreement providing for the AID Loan;
- (iv) the execution and delivery of the agreement providing for the IDB Loan;
- (v) the Borrower has employed the consultants referred to in Section 3.02 of the Joint Project Agreement; and
- (vi) the appointment of a Project Manager and a Project Engineer in accordance with Section 4.03 of the Joint Project Agreement.

Section 5.02. The date March 5, 1979, is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VI

Representative of the Borrower; Addresses

Section 6.01. The Minister of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 6.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Minister of Finance
Main Street
Georgetown
Guyana

Cable address:

MINFIN
Georgetown, Guyana

For the Association:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

INDEVAS
Washington, D.C.

Telex:

440098 (ITT)
248423 (RCA) or
64145 (WUI)

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

GUYANA

By Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By Regional Vice President
Latin America and the Caribbean