

LOAN NO. 1 /SFR-OR-GUY



LOAN AGREEMENT
(Caribbean Court of Justice - Regional)

BETWEEN

CARIBBEAN DEVELOPMENT BANK

AND

CO-OPERATIVE REPUBLIC OF GUYANA

Dated: June 6, 2003

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LOAN AGREEMENT

AGREEMENT dated the 6th day of June, 2003 between the Caribbean Development Bank (hereinafter called the Bank) of the one part and the Government of the Co-operative Republic of Guyana (hereinafter called the Borrower) of the other part.

WHEREAS the governments of the member countries of the Bank listed in Schedule 1 to this Loan Agreement have requested the Bank to mobilise resources in an amount of ninety-five million one hundred thousand United States dollars (USD 95,100,000) for the purpose of financing the establishment and operation of the Caribbean Court of Justice;

AND WHEREAS the Bank has agreed to seek to mobilise the said amount of ninety-five million one hundred thousand United States dollars (USD 95,100,000) for the purpose aforesaid, and to lend to the said governments the respective amounts shown in Schedule 1 to this Loan Agreement;

AND WHEREAS the Bank has agreed to lend to the Borrower an additional amount of four million four hundred thousand United States dollars (USD 4,400,000) from its Special Funds Resources to assist the Borrower in financing its portion of the costs of establishing and operating the Caribbean Court of Justice;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I
Definitions

Section 1.01 **Definitions.** Wherever used in this Loan Agreement, unless the context otherwise requires, the following expressions shall have the following meanings:

- (i) "Caribbean Court of Justice" or "CCJ" means the court established by Article III of the Agreement Establishing the Caribbean Court of Justice;

- (ii) "Due Dates" means January 1, April 1, July 1 and October 1 in each year, except in the case of interest payable under Section 3.07 and other charges which are payable on demand;
- (iii) "Headquarters Agreement" means the agreement to be entered into between the Caribbean Court of Justice and the Government of Trinidad and Tobago with respect to the establishment of the headquarters of the Caribbean Court of Justice;
- (iv) "interest" means the interest payable pursuant to Sections 3.02, 3.04 and 3.07;
- (v) "Loan" means the loan provided for in this Loan Agreement;
- (vi) "Loan Account" shall mean the OCR Loan Account and the SFR Loan Account;
- (vii) "mobilised funds" means the amount of ninety-five million one hundred thousand United States dollars (USD 95,100,000) that the Bank has agreed to seek to mobilise for the purpose of the Project;
- (viii) "OCR Loan Account" means the Loan Account to be opened by the Bank pursuant to Section 2.02 and credited with the OCR Portion;
- (ix) "OCR Portion" means an amount of the Loan the equivalent of four million four hundred thousand United States dollars (USD 4,400,000), being a portion of the mobilised funds;
- (x) "other charges" means expenditures incurred by the Bank for or in connection with the remittance by the Bank of any amount disbursed from the Loan Account;
- (xi) "Participating Government" means the government of a Participating State;
- (xii) "Participating States" means the member countries of the Bank listed in Schedule 1;
- (xiii) "Principal" means the amount withdrawn from the Loan Accounts and outstanding from time to time;

- (xiv) "Project" means the project described in Schedule 2;
- (xv) "SFR Loan Account" means the loan account to be opened by the Bank pursuant to Section 2.02 and credited with the SFR Portion;
- (xvi) "SFR Portion" means an amount of the Loan the equivalent of four million four hundred thousand United States dollars (USD 4,400,000) allocated from the Bank's Special Funds Resources;
- (xvii) "Taxes" includes imposts, levies, fees and duties of any nature in effect in Guyana at the date of this Loan agreement and thereafter;
- (xviii) "Trust Fund" means the Caribbean Court of Justice Trust Fund to be established by the Participating Governments for the purpose of managing the mobilised funds to provide the financial resources for the purposes of the Project; and
- (xix) "United States dollars" or "USD" means dollars in the currency of the United States of America.

Section 1.02 **References.** References in this Agreement to Articles or Sections are respectively to Articles or Sections of this Loan Agreement, and references to Schedules are references to the Schedules appearing immediately after Article XII, and references to the singular shall include the plural and vice versa unless the context otherwise requires.

Section 1.03 **Table of Contents and Headings.** The Table of Contents and headings to the Articles and Sections are inserted for convenience of reference only and are not a part of this Loan Agreement

ARTICLE II

The Loan and its Purpose

Section 2.01 **Amount and Purpose of Loan.** The Bank agrees to lend to the Borrower on the terms and conditions set forth in this Loan Agreement an amount of eight million eight hundred thousand United States dollars (USD 8,800,000) consisting of the OCR Portion and the SFR Portion, for the purpose of

assisting the Borrower in financing its proportion of the costs of establishing and operating the Caribbean Court of Justice.

Section 2.02 **Loan Accounts.** The Bank shall open two (2) loan accounts in its books in the name of the Borrower and shall credit to one (1) such account the amount of the SFR Portion and to the other such account the amount of the OCR Portion. The amount of the Loan shall be credited to the respective loan accounts and shall be disbursed to the Trust Fund as provided in Section 4.01.

ARTICLE III

Repayment Interest and other Payments

PART A

SFR PORTION

Section 3.01 **Repayment.** The Borrower shall repay the SFR Portion in eighty (80) equal or approximately equal and consecutive quarterly instalments on each Due Date commencing on the first Due Date after the expiry of five (5) years following the date of disbursement of the SFR Portion or on such later Due Date as the Bank may specify in writing. The Bank shall provide the Borrower with particulars of the repayments of the SFR Portion before the Due Date for the first repayment.

Section 3.02 **Interest.** The Borrower shall pay interest at the rate of two percent (2.0%) per annum on the amount of the SFR Portion. Such interest shall accrue from the date on which the amount of the Loan is disbursed to the Trust Fund and shall be payable on each Due Date commencing on the first Due Date following the date of disbursement of the SFR Portion.

PART B

OCR PORTION

Section 3.03 **Repayment.** The Borrower shall repay the amount withdrawn from the OCR Loan Account in eighty (80) equal or approximately equal and consecutive quarterly instalments on each Due Date commencing on the first Due Date after the expiry of five (5) years following the date of disbursement of the Loan or on such later Due Date as the Bank may specify in writing. The Bank shall

provide the Borrower with particulars of the repayments of the OCR Portion before the Due Date for the first repayment.

Section 3.04 **Interest.** (a) Subject to the provisions of paragraph (b) of this Section the Borrower shall pay interest at the rate of five decimal five percent (5.5%) per annum on the amount of the OCR Portion. Such interest shall accrue from the date on which the OCR Portion is disbursed to the Trust Fund and shall be payable on the Due Dates, the first payment being due and payable on the first Due Date after the date of disbursement of the OCR Portion.

(b) The Bank may from time to time increase or decrease the rate of interest for the time being payable on any amount of the Loan, to take effect on the day after the first Due Date after June 30 and/or December 31 in any year, or on such other date or dates as the Bank may specify in writing from time to time.

PART C GENERAL

Section 3.05 **Other Charges and Interest on Overdue Payments.** Other charges due by the Borrower to the Bank and interest payable under Section 3.07 shall be payable on demand, except as otherwise provided in Section 3.08.

Section 3.06 **Computation of Interest.** Interest shall be computed daily on the basis of a 360-day year of twelve (12) 30-day months.

Section 3.07 **Overdue Payments.** (a) In case the Borrower fails to pay any portion of the Principal, interest (excluding interest payable under this Section) and/or other charges due and payable under this Loan Agreement, but without prejudice to the provisions of Article VIII, the Borrower shall pay to the Bank interest on such overdue Principal, interest, and/or other charges at such rate or rates of interest per annum as shall be applicable thereto as provided in paragraph (b) of this Section, for a period from the day immediately succeeding the Due Date for such overdue payment or payments to the day of actual payment thereof, both dates inclusive.

(b) The rate of interest per annum payable on the amount of an overdue payment, or, if there be more than one, on the aggregate of all overdue payments outstanding from time to time, shall be such rate as the Bank may specify in writing from time to time being equivalent to one percent (1%) above the aggregate rates of interest payable on loans by the Bank from its Ordinary Capital Resources prevailing either:

- (i) on February 14, 2003; or
- (ii) on the day immediately succeeding the Due Date or Due Dates for such overdue payment or payments and each Due Date thereafter until payment in full of such overdue payment or payments,

whichever is higher.

(c) The rate or rates of interest payable on an overdue payment of the Principal under this Section shall be in lieu of the rate or rates of interest payable on the Loan.

Section 3.08 **Place and Application of Payments.** (a) The Principal, interest and other charges in respect of the Loan shall be paid at such place or places as the Bank may reasonably request.

(b) All payments shall be applied firstly to any interest payable under Section 3.07, then to any other charges due and payable, then to any interest (excluding interest payable under Section 3.07) due and payable, then to any Principal due and payable.

ARTICLE IV

Disbursement of Loan

Section 4.01 **Disbursement of Loan.** The amount of the Loan shall be disbursed by the Bank to the Trust Fund upon receipt by the Bank of the mobilised funds. The Bank shall be entitled to disburse the amount of the Loan to the Trust Fund without the necessity of an application for withdrawal from the Borrower.

ARTICLE V
Currency Provisions

Section 5.01 **Currencies in which the Loan is Repayable.** Except as the Bank may otherwise specify in writing, the Loan, Principal, interest and other charges shall be repayable in United States dollars.

Section 5.02 **Exchange Control Permission.** The obligation to obtain any requisite exchange control permission shall be that of the Borrower.

Section 5.03 **Purchase of Currencies.** The Bank will, at the request of the Borrower and on such terms and conditions as the Bank shall determine, use its best efforts to purchase any currency needed by the Borrower for payment of the Principal, interest and other charges, upon payment by the Borrower of sufficient funds therefor in such currency or currencies to be specified by the Bank from time to time. In purchasing the currencies required, the Bank shall be acting as agent of the Borrower, and the Borrower shall be deemed to have made any payment required under this Loan Agreement only when and to the extent that the Bank has received such payment in the currency or currencies required.

Section 5.04 **Valuation of Currencies.** Whenever it shall be necessary to determine the value of one currency in terms of another, such value shall be as reasonably determined by the Bank.

ARTICLE VI
Conditions Precedent to Mobilisation of Funds

Section 6.01 **Conditions Precedent to Mobilisation of Funds.** (a) The Bank shall not be obliged to seek to mobilise the funds under the Project unless by the 31st day of May 2003 or such later date as the Bank may agree in writing:

- (i) the Borrower has furnished to the Bank one or more opinions, satisfactory to the Bank, of a legal practitioner, acceptable to the Bank, showing that:

- (aa) the Borrower has complied with all the necessary requirements under the Constitution of the Co-operative Republic of Guyana and under the Laws and Regulations in force therein in order to enter into this Loan Agreement; and
 - (bb) this Loan Agreement has been duly authorised by and executed and delivered on behalf of the Borrower and constitutes a valid and legally binding obligation in accordance with all of its terms;
- (ii) the Borrower has provided proof that the person or persons who signed this Loan Agreement on behalf of the Borrower were legally empowered to do so;
 - (iii) the Borrower has provided evidence, acceptable to the Bank, that the Borrower has designated one or more persons to represent it in all acts regarding the implementation of this Loan Agreement and the authenticated specimen signature of the said representative or representatives;
 - (iv) the Borrower has furnished evidence acceptable to the Bank that the aggregate of all loans (including the Loan) made under the External Loans Act (Chapter 74:08) does not exceed the limit imposed by Section 3 of that Act; and
 - (v) the Caribbean Community has furnished evidence acceptable to the Bank that:
 - (aa) the agreement establishing the Caribbean Court of Justice has been signed and ratified by each Participating State;
 - (bb) the agreement establishing the Trust Fund has been signed by the government of each Participating State and has entered into force;
 - (cc) the Headquarters Agreement has entered into force;

- (dd) where necessary, all legal and constitutional formalities to be complied with by each Participating State to enable it to participate in the Caribbean Court of Justice, the Trust Fund and the Headquarters Agreement, as appropriate, have been satisfied;
- (ee) all members of the Board of Trustees of the Trust Fund have been appointed;
- (ff) the investment guidelines for investing the resources of the Trust Fund have been approved by the Board of Trustees of the Trust Fund; and
- (gg) the investment advisors and fund managers to be engaged by the Board of Trustees of the Trust Fund have been engaged.

(b) If the Borrower shall have failed to comply with the conditions set out in paragraph (a) of this Section by the date stipulated therein for so doing or such later date as the Bank may specify in writing, the Bank may by notice to the Borrower terminate this Loan Agreement, and upon the giving of such notice this Loan Agreement shall terminate.

ARTICLE VII Particular Conditions

Section 7.01 **Records, Accounts Reports 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 financial condition of the Borrower and the Trust Fund.

(b) Without prejudice to the provisions of paragraph (a) of this Section, the Borrower shall procure that the Trust Fund furnish to the Bank in the form specified, or in such form or forms as the Bank may require:

- (i) the capital and operating budgets for the Caribbean Court of Justice and the Trust Fund not later than two (2) months after the end of each year of operation of each such entity;

- (ii) a report on the investments of the Trust Fund, not later than two (2) months after the end of each semi-annual period following the date of initial investment of the capital of the Trust Fund;
- (iii) the audited financial statements of the Caribbean Court of Justice and the Trust Fund, not later than six (6) months after the end of each financial year of operation of each entity, and
- (iv) not later than two (2) months after the end of each year of operation of the Caribbean Court of Justice, a statistical breakdown of its case load during the preceding year of its operations.

Section 7.02 **Cooperation between the Bank and the Borrower.** (a) The Bank and the Borrower shall cooperate fully to ensure that the purpose 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 performance by the Borrower of its obligations under this Loan Agreement and any other matter relating to the Project.

(b) The Borrower shall promptly inform the Bank of any condition which interferes, or threatens to interfere, with the accomplishment of the purpose of the Loan, the service thereof or the performance by the Borrower of its obligations under this Loan Agreement.

Section 7.03 **Taxes.** The Borrower shall pay, or cause to be paid, all taxes, if any, imposed under the laws in force in Guyana in connection with the execution, issue, delivery or registration of this Loan Agreement, any transfer or assignment by the Bank pursuant to Section 7.05 and any agreement amending or supplemental to this Loan Agreement any such instrument and any such transfer or assignment, and all payments of Principal, interest and other charges shall be made without deduction, and free from, any taxes imposed under any such laws.

Section 7.04 **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 lien on governmental assets.

(b) To that end, the Borrower undertakes that, except as the Bank otherwise agree, if any lien shall be created by the Borrower on any governmental assets as security for any external debt, such lien will, ipso facto and at no cost to the Bank, equally and rateably secure the payment of the Principal, interest and other charges 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 (1) year after its date.

(d) As used in this Section the term:

- (i) "external debt" means any debt payable by the Borrower 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; and
- (ii) "governmental assets" means assets of Guyana, of any of its political sub-divisions, or of any agency of Guyana or of any such political sub-division including an institution performing the functions of a central bank.

Section 7.05 **Transfer or Assignment of Agreement or Loan.** The Bank shall be entitled to transfer or assign to any person all or any of its right, title and interest in and under this Loan Agreement and in and to the whole or any part of all monies whatsoever due or to become due to the Bank thereunder. The Bank shall promptly inform the Borrower of any such transfer or assignment.

ARTICLE VIII
Events of Default

Section 8.01 **Events of Default.** 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 due and payable immediately, together with interest and other charges and upon such declaration the Principal together with interest and other charges shall become due and payable immediately:

- (i) a default shall occur in the payment of Principal, interest or other charges under this Loan Agreement and such default shall continue for a period of thirty (30) days;
- (ii) a default shall occur in the payment of principal, interest, commission, commitment charge or other charges 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;
- (iii) A default shall occur in the performance or observance 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 has been given by the Bank to the Borrower; and
- (iv) The Borrower shall have failed to fulfil any of its obligations to the Bank whether arising under the agreement establishing the Bank or otherwise;
- (v) The members of the Trust Fund shall have taken or suffered any action for the liquidation, dissolution or winding up of the Trust Fund; or
- (vi) The parties to the Agreement Establishing the Caribbean Court of Justice shall have taken or suffered any action for the termination or winding up of the operations of the Caribbean Court of Justice.

ARTICLE IX

Termination

Section 9.01 **Termination of Agreement.** Upon payment in full of the Principal, interest and other charges under this Loan Agreement, this Loan Agreement and all obligations of the parties thereunder shall forthwith terminate.

ARTICLE X

Enforceability

Section 10.01 **Rights and Obligations of Parties Enforceable.** (a) The rights and obligations of the Bank and the Borrower under this Loan Agreement shall be valid and enforceable in accordance with its terms.

(b) Neither the Bank nor the Borrower shall be entitled in any proceeding under or pursuant to Article XII to assert any claim that any provision of this Loan Agreement is invalid or unenforceable because of any provision of the agreement establishing the Bank or for any other reason.

ARTICLE XI

Miscellaneous

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

Section 11.02 No failure or delay on the part of the Bank to exercise any right, power or privilege under this 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 required or permitted to be given or made under this Loan Agreement and any other agreement between any of the parties contemplated by this Agreement shall be in writing. 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, telefax or radiogram to the party to which it is required or permitted to be given or made at such party's address specified below 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 The following addresses are specified for the purpose of Section 11.03.

For the Bank:

Caribbean Development Bank
Wilbey
St Michael
BARBADOS, W.I.

Cable Address: CARIBANK
Telex: WB 2287
Telefax: (246) 426-7269

For the Borrower:

Secretary to the Treasury
Ministry of Finance
Georgetown
GUYANA, S.A.

Cable Address: MINFIN, GUYANA
Telex: 9Y 3038
Telefax: (592) 2-63395

Section 11.05 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 by the Bank so long as the Borrower remains liable to the Bank in respect of the Loan. Such amount may, at the option of the Bank be applied to any such liability as it matures.

Section 11.06 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.

Section 11.07 No variation or amendment to this Loan Agreement shall be effective unless reduced into writing and signed by or on behalf of a duly authorised representative of each party to 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 under 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 (30) 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 sixty (60) 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 paragraph (c) of this Section. If within forty-five (45) days after becoming entitled to do so, neither party

requests the appointment of an umpire as provided in paragraph (c) of this Section, the arbitration proceeding shall be deemed to have been abandoned.

(f) The Arbitration Committee shall convene in Barbados at such time and place as shall be fixed by the umpire. Thereafter the Arbitration Committee shall meet in Barbados or in Guyana at such time and place as the Arbitration 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 a 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 a majority of the Arbitration Committee shall constitute the award of the Arbitration 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 the 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 (30) 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 the other party, may enforce such judgement by

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

(1) Service of any notice or process in connection with any proceeding under this Section or in connection with any proceeding to enforce any award 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 1.01 (xii)]

LOANS FROM MOBILISED FUNDS TO PARTICIPATING GOVERNMENTS

BMCs	USD'000
Antigua and Barbuda	2,200
Barbados	13,500
Belize	3,700
The Commonwealth of Dominica	2,200
Grenada	2,200
Guyana	4,400
Jamaica	28,700
The Federation of St. Kitts and Nevis	2,200
St. Lucia	2,200
St. Vincent and the Grenadines	2,200
Trinidad and Tobago	31,600
TOTAL	95,100

SCHEDULE 2

[Section 1.01 (xiv)]

THE PROJECT

OBJECTIVE

1. The objective of the project is to assist CDB's BMCs to establish the CCJ as part of the governance structure and legal framework for the operation of the Caricom Single Market and Economy.

PROJECT DESCRIPTION

2. The Project will consist of:
- (a) capitalising the CCJ Trust Fund with an amount equivalent to USD 88.0 mn based on the ten (10) year projected cash flows for operating the CCJ approved by CARICOM Heads of Government; and
 - (b) providing capital and operating financing for the first two years of CCJ's operation.

EXECUTION

3. The Project requires that the Trust Fund will recruit experienced investment advisors to assist with the development of investment guidelines and the engagement and supervision of asset managers.

PROJECT COST AND FINANCING

4. The project cost and financing plan is summarised in the Table below - Summary of Project Cost and Financing Plan.


TABLE: SUMMARY OF PROJECT COST AND FINANCING PLAN
(\$ '000)

Items	Cost	BMCs Contributions	CDB's OCR Loans	CDB's SFR Loans
Capitalising CCJ Trust Fund	88,000	-	83,600	4,400
Building and Furnishings	5,000	5,000	-	-
IT, Equip., Library and Vehicles	2,177	-	2,177	-
Operating Capital Years 1 & 2	9,323	-	9,323	-
TOTAL	104,500	5,000	95,100	4,400

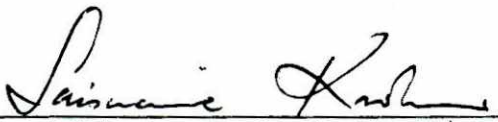
IN WITNESS WHEREOF this Loan Agreement has been executed in two (2) equally valid copies at Wildey, St. Michael, Barbados and Georgetown, Guyana on behalf of the Bank and the Borrower by their respective duly authorised representatives and shall be deemed to be in force as of the day and year first hereinabove written.

CARIBBEAN DEVELOPMENT BANK

GOVERNMENT OF THE COOPERATIVE
REPUBLIC OF GUYANA



Neville L. Grainger
Vice-President (Finance)



Minister responsible for Finance