



CARIBBEAN DEVELOPMENT BANK

P.O. Box 408, Wildey

St. Michael, Barbados, W.I.

Telephone (246) 431-1600: Cable Address "Caribank": Telex WB 2287: Telefax 426-7269

Ref: 16/51 LGL

December 15, 2000

Minister of Finance
Ministry of Finance
P.O. Box 101009
Georgetown
GUYANA, S.A.

Dear Sir:

Re: Enhanced Heavily Indebted Poor Countries Debt Initiative for Guyana

As you are aware, the Caribbean Development Bank (CDB) has provided debt service relief to Guyana under the terms of the Heavily Indebted Poor Countries Debt Initiative (our letter of October 21, 1999 refers).

We are now pleased to inform you that the Board of Directors' of CDB has approved the appropriation of a further amount of USD5.5 mn from CDB's Unified Special Development Fund (SDF(U)) to be used to meet Guyana's debt service after June 30, 2002, or such other date as CDB may approve, on loans made by CDB to Guyana from CDB's SDF(U).

The loans affected by the debt service relief are Loans No: 7/SFR-GU, 8/SFR-GU, 10/SFR-GU, 11/SFR-GU and 12/SFR-GU.

We should be grateful if the Government of Guyana would confirm that the arrangements contemplated above are acceptable by signing and returning to me the attached copy of this letter.

Yours sincerely,

Neville V. Nicholls
President

38/12
Attachment

The abovementioned arrangements are acceptable.

Signed this 3rd day of JANUARY, 2001.

Government of Guyana

Minister responsible for Finance



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1c copy to Mr. Dennis G...
[Signature]
9/2/2001

January 25, 2001

Honourable Saisnarine Kowlessar
Minister in the Office of the President
Responsible for Finance
Ministry of Finance
Main & Urquhart Streets
Georgetown
GUYANA

Dear Minister:

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Re : Enhanced HIPC Debt Relief Initiative for Guyana

I write with reference to your letter of January 5, 2001 (inadvertently dated January 5, 2000) addressed to Sir Neville Nicholls, President of the Caribbean Development Bank (CDB), in relation to the captioned subject and in which you indicated that the Government of Guyana has agreed to accept a contribution of USD 5.5 million from CDB to Guyana under the Enhanced HIPC Initiative.

I note, in particular, your concern regarding a perceived shortfall of USD 4.2 million between the World Bank's financing estimate of USD 9.7 million for Guyana and CDB's contribution of USD 5.5 million and wish to assure you that the donor countries within CDB's membership, viz., Canada, Germany, Italy and the United Kingdom, have advised CDB that they would be meeting the shortfall (originally estimated at USD 5.0 million) among themselves from out of their contribution to the HIPC Trust Fund.

I trust that the foregoing clarifies any doubts which you might have had regarding the financing package for Guyana under the Enhanced HIPC Initiative and take the opportunity to reassure you that the package of USD 9.7 million is fully funded.

With best wishes.

Yours sincerely,

[Signature]

N.L. Grainger
Vice-President (Corporate Services)
and Bank Secretary (Ag.)