

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF GUYANA
REGARDING THE CANCELLATION OF DEBT
OWED TO, GUARANTEED BY, OR INSURED
BY THE UNITED STATES GOVERNMENT

The United States of America (the "United States") and the Republic of Guyana ("Guyana") agree as follows:

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ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minute on the Consolidation of the Debt of the Republic of Guyana, signed at Paris on January 14, 2004 (herein referred to as the "Minute"), by the Participating Creditor Countries, the applicable laws of the United States and Guyana, and the September 1999 commitment of the President of the United States to provide 100 percent debt forgiveness of eligible debt to certain Heavily Indebted Poor Countries, the United States and Guyana agree herein to the reduction of certain Guyanese debts that are owed to, guaranteed by or insured by the United States Government or its Agencies.
2. With respect to amounts due to the Export-Import Bank of the United States ("Ex-Im Bank") and the United States Agency for International Development ("USAID"), each agency will notify Guyana of the respective amounts reduced hereunder. This Agreement will be further implemented by a separate agreement ("Implementing Agreement") between the United States Department of Agriculture ("USDA") and Guyana concerning USDA P.L. 480 agreements.

ARTICLE II

Definitions

1. "Agencies" means the Ex-Im Bank, USAID and USDA.
2. "Contracts" means:
 - a) those loans having original maturities of more than one year that were extended to the Government of Guyana or its public sector pursuant to an agreement concluded with the United States or its agencies before June 20, 1999;
 - b) the bilateral debt rescheduling agreement between the United States and Guyana signed on March 27, 1997; and

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c) the bilateral debt rescheduling agreement between the United States and Guyana signed on December 20, 2000.

Debt service due as a result of debts described above and effected through special payment mechanisms or other external accounts is covered by this Agreement.

A table listing the relevant Contracts subject to reduction under this agreement is attached hereto as Annex A.

3. "Relevant Principal" means the total amount of principal outstanding as of December 1, 2003, including the principal and interest in arrears (including Late Interest, if any) and Accrued Interest on Contracts defined in Article II, paragraphs 2 a), b) and c) of this Agreement.
4. "Late Interest" means interest charges accruing from the contractual payment date of principal and interest due and not paid through November 30, 2003, inclusive
5. "Accrued Interest" means interest accrued under the relevant Contracts from the last interest maturity date until November 30, 2003, inclusive, computed at the rate specified in the Contracts defined in Article II 2 a), b) and c) of this agreement.
6. "Guyanese public sector" means those enterprises in which, as of June 13, 2003, the Republic of Guyana was directly or indirectly a majority shareholder (more than 50%).
7. "Minute" means the Agreed Minute on the Consolidation of the Debt of the Republic of Guyana, signed on January 14, 2004.
8. "Participating Creditor Countries" means the creditor countries that are signatories to the Agreed Minute on the Consolidation of the Debt of the Republic of Guyana dated January 14, 2004.
9. "Completion Point" means December 17, 2003 and December 18, 2003, the dates on which the Boards of the International Monetary Fund ("IMF") and the International Development Association of the World Bank respectively decided that Guyana had reached its

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Completion Point, as defined under the Enhanced Debt Initiative for the Heavily Indebted Poor Countries.

ARTICLE III

Terms and Conditions

1. One hundred percent of the Relevant Principal as defined in Article II, paragraph 3, is hereby cancelled.

A table summarizing the amount of Relevant Principal owed to the United States is attached hereto at Annex B.

2. Adjustments in the amounts of Relevant Principal may be made in writing, as necessary and by mutual consent.

ARTICLE IV

General Provisions

1. Guyana shall seek to secure from external public or private creditors not participating in the Minute reduction arrangements on terms comparable to those set forth in the Minute for credits of comparable maturity, committing to avoid treatment more favorable than that accorded by the Participating Creditor Countries, as more specifically defined in the Minute.
2. Except as modified by this Agreement, all terms of the Contracts remain in full force and effect.
3. With respect to amounts owing to USAID under this Agreement, Guyana (referred to as the "Government" in Annex C hereto) agrees to the additional terms and conditions set forth in Annex C.

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4. With respect to amounts owing to Ex-Im Bank under this Agreement, Guyana (referred to as the "Government" in Annex D hereto) agrees to the additional terms and conditions set forth in Annex D.

ARTICLE V

Suspension or Termination

1. The United States may suspend or terminate this Agreement by giving sixty (60) days written notice to Guyana. In particular, the United States may terminate all or part of this Agreement if the Participating Creditor Countries determine that Guyana has not met its obligations under the Minute, including those of comparable treatment. If the United States terminates all or part of this Agreement, all debts cancelled under this Agreement shall be due and payable immediately according to terms of the original Contracts, following notification to Guyana of termination of the Agreement.
2. This Agreement may be amended or modified by mutual consent of the United States and Guyana.

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ARTICLE VI

Entry into Force

This Agreement shall enter into force following signature of the Agreement and receipt by Guyana of written notice from the United States that all necessary U.S. domestic legal requirements for entry into force of the Agreement have been fulfilled.

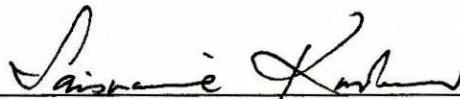
Done at Georgetown, Guyana, this 24th day of June, 2004.

FOR THE UNITED STATES
AMERICA:

FOR THE REPUBLIC OF
GUYANA:



Betty H. McCutchan
Chargé d'Affaires



Saisnarine Kowlessar
Minister of Finance

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Annex A

Contracts Subject to Reduction

USAID

504-HR-007

504-HR-008

Ex-Im Bank

R-224

R-246

USDA

12/19/1991

8/22/1995

12/12/1995

12/10/1996

12/17/1997

Annex B

Summary of Relevant Principal
(including arrears and Accrued Interest)
(in thousands of USD)

| | |
|-------------|------------|
| USAID | 0.3 |
| Ex-Im Bank | \$ 3,338 |
| USDA PL-480 | \$32,269 |
| TOTAL | \$35,607.3 |

Annex C
ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO
AMOUNTS OWING TO USAID

A. GENERAL PROVISIONS

1. Communications. All communications between the Government and USAID shall be in writing in the English language (or accompanied by an accurate translation). All communications to the Government shall be addressed as the Government may designate from time to time in writing to USAID. All communications to USAID shall be addressed as follows:

Chief
Office of Financial Management
Loan Management Division (M/FM/LM)
USAID
1300 Pennsylvania Avenue, N.W.
Room 2.10.56
Washington, D.C. 20523
Fax: (202) 216-3540

USAID may change this designated address upon written notice to the Government.

ANNEX D
ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO
AMOUNTS OWING TO EX-IM BANK

The Government of the Republic of Guyana, (hereinafter referred to as the "Government"), agrees to the following additional terms and conditions with respect to the amounts owing to Ex-Im Bank, guaranteed by Ex-Im Bank, or insured by Ex-Im Bank, pursuant to the attached Agreement between the United States of America and the Government:

A. Exporter Retentions. The term "Exporter Retention(s)" means with respect to the Contracts stipulated in this Agreement: (i) that portion of commercial credits from commercial lenders or U.S. exporters which was not guaranteed or insured by Ex-Im Bank and is owed to such commercial lenders or U.S. exporters; or (ii) loans from commercial lenders or U.S. exporters which were incurred in participation with loans from Ex-Im Bank. In the event that the commercial lender or U.S. exporter agrees to cancel its Exporter Retention(s) in accordance with the terms of this Agreement, such Exporter Retention(s) shall be included in the subject debt cancellation.

B. Representations. The Government represents and warrants that it has taken all action necessary or advisable under its laws and regulations to authorize the execution, delivery and performance of this Agreement and that this Agreement constitutes the valid and binding obligations of the Government, enforceable against the Government in accordance with its terms and for the performance of which the full faith and credit of the Government is pledged. The Government acknowledges that the activities contemplated by this Agreement are commercial in nature rather than governmental or public and agrees that, to the extent that it has or hereafter may acquire immunity from suit, judgment and/or execution, it will not assert or claim any such right of immunity with respect to any action by Ex-Im Bank to enforce its obligations under this Agreement.

C. Miscellaneous Provisions.

1. Expenses. The Government shall pay on demand all reasonable costs and expenses incurred by or charged to Ex-Im Bank in connection with or arising out of this Agreement, including without limitation costs and legal fees incurred by or charged to Ex-Im Bank in connection with the enforcement of this Agreement.

2. Adjustments. On or about 135 days after the execution of this Agreement, Ex-Im Bank shall inform the Government of the actual amounts to be canceled hereunder. The parties hereto agree to make any necessary adjustments to the amounts being canceled.

3. Communications. All communications between the Government and Ex-Im Bank under this Agreement shall be in writing, in the English language (or accompanied by an accurate English translation). All communications to the Government shall be addressed to the Government at the address designated by the Government from time to time in writing to Ex-Im Bank; all communications to Ex-Im Bank shall be addressed to Ex-Im Bank at the following address:

Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571
Attention: Treasurer-Controller
Ref: R-282 - Guyana
Telex: 89461 EXIMBANK WSH
197681 EXIM UT
Facsimile: (202) 565-3890

4. Governing Law. The Ex-Im Bank portion of this Agreement shall be governed by and construed in accordance with the laws of the District of Columbia, United States of America.