

LOAN NO: GUY/L0001 - Amendment No.2



**LOAN AGREEMENT NO: GUY/L0001
(Amendment No.2)**

BETWEEN

CARICOM DEVELOPMENT FUND

AND

THE GOVERNMENT OF THE CO-OPERATIVE REPUBLIC OF GUYANA

Dated:



GUY/L0001: Amendment No.2
Guyana CDF Farm Access Road Project

**Loan Agreement
Between
CARICOM Development Fund
and
Government of the Co-operative Republic of Guyana**

THIS AMENDMENT is made the ^{11th} day of November, 2015 (hereinafter called "Loan Agreement GUY/L0001: Amendment No 2") between the CARICOM Development Fund (hereinafter called "the CDF") of the First Part and the Government of the Co-operative Republic of Guyana (hereinafter called "the Borrower") of the Second Part.

WHEREAS:

(i) Pursuant to a Loan Agreement No: GUY/L0001 dated 6th July, 2013 and made between the CDF of the One Part and the Borrower of the Second Part (hereinafter called "the Loan Agreement"), the CDF agreed to lend to the Borrower an amount not exceeding the equivalent of seven million three hundred and seventeen thousand nine hundred and ninety-six United States dollars (US\$7,317,996.00) for the following two Components:

Component 1 - a reimbursable interest bearing loan of an amount not exceeding the equivalent of US\$4,660,007.00 repayable in quarterly installments over fifteen (15) years at an annual interest rate of 3.0% per annum with a moratorium on principal payments for the first twenty four months; and

Component 2 - a non-reimbursable, non interest, non-repayable facility not exceeding the equivalent of two million, six hundred and fifty-seven thousand, nine hundred and eighty-nine United States Dollars US\$2,657,989.00, to assist the Borrower in financing the Project described in the Loan Agreement (hereinafter called "the Project").

(ii) Pursuant to Loan Agreement GUY/L0001: Amendment No. 1 dated 10th March, 2015 the parties to the aforementioned Loan Agreement amended the disbursement schedules to the Loan Agreement (Sections 4.0.1(f) and (g) as well as Sections 4.01.2 (f) and (g)) and replaced these provisions with the new provisions in Amendment No 1.

AND WHEREAS the Borrower has requested the CDF to provide additional financing to complete additional works under the CDF Project of improving Farm Access Roads in Guyana and pursuant to a Board Decision taken at the Twenty Seventh Regular Meeting of the CDF Board of Directors (July 2015), the CDF has agreed to lend the Borrower an additional amount not exceeding the equivalent of two million, four hundred and six thousand, and eighty eight United States Dollars (US\$2,406,088), for the following two components:

Additional Loan Component 1 - A reimbursable interest bearing loan of an amount not exceeding the equivalent of one million, five hundred and sixty four thousand and eighty eight United States Dollars (US\$1,564,088) (hereinafter referred to as "the Additional Loan Component1") repayable in quarterly installments over fifteen (15) years at an annual interest rate of 3.0% per annum with the first due date being 31 March 2016; and

Additional Loan Component 2 - a non-reimbursable, non interest, non-repayable facility not exceeding the equivalent of eight hundred and forty two thousand United States Dollars (US\$842,000 (hereinafter referred to as "the Additional Loan Component 2") for the said purpose upon the terms and conditions hereinafter set forth.

NOW THEREFORE the Parties hereto hereby agree as follows:

Section 1. Subject to the provisions of Section 2 of this Loan Agreement - GUY/L0001: Amendment No. 2; the Loan Agreement is amended as follows:

(1) **Amendment of Article 1 of the Loan Agreement**

Amendment Item No A2.A - Paragraph (a) of Section 1.03 of Article 1 of the Loan Agreement is amended by the deletion of the existing subparagraph (ii) and the substitution therefor of the following:

Project” shall comprise four Components of financial intervention:

Component 1 of the Loan Agreement - Valued at (US\$4,660,007.00)

The upgrading of all Weather Access Roads to all Weather Paved Roads, Region 3, Parika and Ruby, To be completed in twenty four (24) months.

Component 2 of the Loan Agreement - Valued at (US\$2,657,989.00)

The upgrading of Fair-Weather Access Dams to all Weather Roads, Kuru Kururu to Laluni, Region 4 and Onvergwagt, Region 5 including the item “Prime and Tack Coat- Paved Road” for Region 3, Parika and Ruby. To be completed in thirty (30) months.

Component 1 of the Additional Loan - Valued at (US\$1,564,088)

The funding of additional works at Parika and Ruby in Region 3

Component 2 of the Additional Loan - Valued at (US\$842,000)

The funding of additional work at Laluni in Region 4

Amendment Item No A2-B Paragraph (b) of Section 1.03 of Article 1 of the Loan Agreement is amended by the insertion of the following new sub-paragraph in their appropriate place in alphabetical order and the re-numbering of the existing sub-paragraphs (i) to (viii) as (i) to (x).

- (i) “Additional Loan” means the additional amount being provided by the CDF not exceeding the equivalent of two million, four hundred and six thousand and eighty-eight United States Dollars (US\$2,406,088.00), comprising Components 1 and 2 of the Additional Loan.
- (ii) “Loan Agreement GUY/L0001: Amendment No. 2” means the Agreement between the CDF and the Borrower with respect to the provision by the CDF of the Additional Loan to the Borrower.

(2) **Amendment of Article II of the Loan Agreement**

Amendment Item No A2.C Article II of the Loan Agreement is amended by the deletion of Section 2.01 and the substitution therefor of the following:

Section 2.01 Amount of Loan. The CDF agrees to lend to the Borrower, on the terms and conditions set out in this Loan Agreement GUY/L0001: Amendment No 2:

- (i) an amount not exceeding the equivalent of seven million three hundred and seventeen thousand nine hundred and ninety-six United States dollars (US\$7,317,996.00); AND
- (ii) an amount of the Additional Loan not exceeding the equivalent of two million, four hundred and six thousand, and eighty-eight United States Dollars (US\$2,406,088.)

(3) **Amendment of Article IV of the Loan Agreement**

Amendment Item No A2.D Sub-paragraphs (a) to (c) of Section 4.01.1 of Article IV of the Loan Agreement in respect of Component 1 (Loan Value-US\$4,660,007) are amended by the deletion of the existing sub-paragraphs (a) to (c) and the substitution therefor, of the following paragraphs (a) to (d):

- (a) At the date of execution of this 'Loan Agreement GUY/L0001: Amendment No 2' the CDF has already disbursed to the Borrower the sum of US\$3,720,003 as per the terms and conditions of 'the Loan Agreement' with the balance of US\$940,000 still outstanding to be disbursed on or before 5 June, 2016.
- (b) With respect to the 'Additional Loan - Component 1, loan funds will be committed and disbursed by 31 August, 2016. However, drawdown of Loan funds may commence upon execution of the extension of the construction contract(s).

- (c) The first disbursement of the Additional Loan - Component 1 shall be made by 30 January, 2016 and the loan fully disbursed by 31 August, 2016 or such later date as the CDF may specify in writing.
- (d) Disbursement, save for the amount of US\$10,000 withheld by the CDF for the purpose of supervision, shall be in eleven tranches upon receipt and approval by the CDF of a request in writing from the Borrower and/or the Executing Agency for each disbursement.

Amendment Item No A2.E Sub-paragraphs (a) to (c) of Section 4.01.2 of Article IV of the Loan Agreement in respect of Component 2 (Loan Value - US\$2,657,989) are amended by the deletion of the existing sub-paragraphs (a) to (c) and the substitution therefor, of the following paragraphs (a) to (d):

- (a) At the date of execution of this 'Loan Agreement GUY/L0001: Amendment No. 2' the CDF has already disbursed to the Borrower the sum of US\$2,522,991 as per the terms and conditions of 'the Loan Agreement' with the balance of US\$134,998 still outstanding to be disbursed on or before 5 June, 2016.
- (b) With respect to the 'Additional Loan - Component 2', loan funds will be committed and disbursed by 31 August, 2016. However, drawdown of Loan funds may commence upon execution of the extension of the construction contract(s).
- (c) The first disbursement of the Additional Loan - Component 2 shall be made by 30 January, 2016 and the loan fully disbursed

by August 31, 2016 or such later date as the CDF may specify in writing.

- (d) Disbursement, (save for the amount of US\$20,000 for Component 2 of the Loan and US\$12,000 for Component 2 of the Additional Loan, withheld by the CDF for the purpose of supervision), shall be in eleven tranches upon receipt and approval by the CDF of a request in writing from the Borrower and/or the Executing Agency for each disbursement.

Amendment Item No A2.F Section 4.03 is amended by the deletion of '5th June 2016' and its substitution by 31 August, 2016.

Amendment Item No A2.G Article IV – Section 4.0.1.1(Component 1) of GUY/L0001: Amendment No 1 is amended by the amendment of Section 4.0.1. (j) therein and the addition thereto of the following new paragraphs (k) to (n):

Section 4.01.1 (j) is amended by the deletion of the words 'the final tranche' and the replacement with "*the seventh tranche*".

New Paragraphs

Section 4.01.1 (k) *The eighth tranche of an amount not exceeding US\$312,818 of the additional loan value shall be made on the award of the extension of the construction contract(s).*

Additionally the Borrower shall prepare and submit detailed breakdowns of the following on each of the four roads Construction Contracts under the original loan contract with the CDF:

- a) *updated Bills of Quantities with projections of final quantities and costs for all items of Works as per the original scope of works*
- b) *lists of all negative and positive variations (with cost and location along the road alignments) completed and/or to be executed under the original scope of works*

- c) *new priced Bills of Quantities for the increased scope of works for which additional funds were approved by the CDF*
- d) *all additional construction drawings and specifications where relevant for the increased scope of works for which additional funds were approved by the CDF".*

Section 4.01.1 (l) *The ninth tranche of an amount not exceeding US\$625,635 of the additional loan value shall be made against the aggregate of 25% progress of the additional Works as per Section 4.01.1 (k) item c above, in the Component approved by the Project Coordinator, certified by the Design, Supervising Consulting Consultant and approved by the CDF.*

Section 4.01.1(m) *The tenth tranche of an amount not exceeding US\$547,431 of the additional loan value shall be made against the aggregate of 55% progress of the additional Works as per Section 4.01.1 (k) Item c) in the Component approved by the Project Coordinator, certified by the Design, Supervising Consulting Consultant and approved by the CDF.*

Section 4.01.1 (n) *The eleventh/final tranche of US\$78,204 of the additional loan value shall be made against the aggregate of 90% progress of the additional Works as per Section 4.01.1 (k) Item c) in the Component approved by the Project Coordinator, certified by the Design, Supervising Consulting Consultant and approved by the CDF.*

Amendment No A2.H Article IV - Section 4.01.2(Component 2) of GUY/L0001: Amendment No 1 is amended by the amendment of Section 4.01.2 (i) therein and the addition thereto of the following new paragraphs (j) to (n).

Section 4.01.2 (i) is amended by the deletion of the words 'the final tranche' and the replacement with "*The seventh tranche*".

New Paragraphs

Section 4.01.2 (j) *The eighth tranche of an amount not exceeding US\$166,000 United States dollars of the additional loan value shall be made on the award of the extension of the construction contract(s).*

Additionally the Borrower shall prepare and submit detailed breakdowns of the following on each of the four roads Construction Contracts under the original loan contract with the CDF:

- a) updated Bills of Quantities with projections of final quantities and costs for all items of Works as per the original scope of works;*
- b) lists of all negative and positive variations (with cost and location along the road alignments) completed and/or to be executed under the original scope of works;*
- c) new priced Bills of Quantities for the increased scope of works for which additional funds were approved by the CDF;*
- d) all additional construction drawings and specifications where relevant for the increased scope of works for which additional funds were approved by the CDF.*

Section 4.01.2 (k) *The ninth tranche of an amount not exceeding US\$332,000 of the additional loan value shall be made against the aggregate of 25% progress of the additional Works as per Section 4.01.2 (j) Item c) in the Component approved by the Project Coordinator, certified by the Design, Supervising Consulting Consultant and approved by the CDF.*

Section 4.01.2 (l) *The tenth tranche of an amount not exceeding US\$290,500 of the additional loan value shall be made against the aggregate of 55% progress of the additional Works as per Section 4.01.2 (j) Item c) in the Component approved by the Project Coordinator,*

certified by the Design, Supervising Consulting Consultant and approved by the CDF.

Section 4.01.2 (m) *The eleventh/final tranche of an amount not exceeding US\$ 41,500 of the additional loan value shall be made against the aggregate of 90% progress of the additional Works as per Section 4.01.2 (j) Item c) in the Component approved by the Project Coordinator, certified by the Design, Supervising Consulting Consultant and approved by the CDF.*

(4) Amendment of Article V

Amendment Item No A2.I Sections 5.01 (a) to (c) of Article V of the Loan Agreement are now superseded by the following new section:

The Parties hereto recognize and confirm that at the date of execution of this Loan Agreement -- GUY/L0001: Amendment No. 2, the Section 5.01 (a) to (c) Conditions Precedent to First Disbursement of the Loan Agreement inclusive of the 'Additional Conditions Precedent to First Disbursement for both Component 1 and 2' set out in Section 1.06 of Schedule 2 to the Loan Agreement, have been fulfilled.

(5) Amendment of Article VI

Amendment Item No A2.J Article VI of the Loan Agreement is amended by amendment of Sections 6.05 and 6.06 therein and the addition of the following new section 6.09:

Section 6.05 Additional Funds is amended by the deletion of the words 'Nine million ninety-seven thousand, five hundred United States dollars (US\$9,097,500.00)' and the replacement with "Eleven million, eight hundred and seventy-nine thousand, nine hundred and one United States dollars (US\$11,879,901)".

Section 6.06 Borrower's Contribution to Project is amended by the deletion of the words 'one million, seven hundred and seventy-nine

thousand, five hundred and four United States dollars (US\$1,779,504.00) and the replacement with "two million, one hundred and fifty-four thousand, eight hundred and seventeen United States dollars (US\$ 2,154,817)".

Section 6.09 Cooperation between the CDF, the Borrower and the Executing Agency. For purposes of Section 7.02 of the General Provisions hereinafter appearing, the representative of the CDF shall be the Director of Regional Development or his designate (the Programme Specialist) and for the Beneficiary, the CDF National Focal Point who may be supported by the National Programme Management Committee.

All the other provisions of the Loan Agreement and the Agreement GUY/L0001: Amendment No. 1 shall remain in full force and effect, and the Loan Agreement shall be construed and interpreted as if the amendments made under Loan Agreement GUY/L0001: Amendment No. 1 and this Amendment, Loan Agreement GUY/L0001: Amendment No. 2 were always incorporated in the Loan Agreement.

Section 2. Except as the CDF, the Borrower and the Executing Agency shall otherwise agree, the amendments to the Loan Agreement and Loan Agreement GUY/L0001: Amendment No. 1, contemplated by Section 1 herof shall come into force and effect on the date on which the CDF dispatches to the Borrower and the Executing Agency, notice of its acceptance of

one or more opinions, satisfactory to the CDF, of a legal practitioner acceptable to the CDF, showing that:

- (i) The Borrower and the Executing Agency have complied with all the necessary requirements under the Constitution of the Programme Country and under the Laws and Regulations in force therein in order to enter into this Amending Loan Agreement; and
- (ii) Loan Agreement GUY/L0001: Amendment No. 2 has been duly authorized by and executed and delivered on behalf of the Borrower and

the Executing Agency and constitutes a valid and legally binding obligation in accordance with all of its terms; and

- (iii) Proof, satisfactory to the CDF that the person or persons who executed this Amending Loan Agreement on behalf of the Borrower and the Executing Agency were legally empowered to do so.

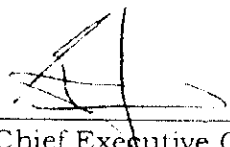
Section 3. (a) If the aforementioned amendment to the Loan Agreement, (Loan Agreement GUY/L0001: Amendment No. 2) shall not have come into force and effect within sixty (60) days after the date hereof, this Loan Agreement - GUY/L0001: Amendment No. 2 and the obligation of the parties hereunder shall terminate unless the CDF, after consideration of the reasons for the delay, establishes a later date for the purposes of this Section. The CDF shall promptly inform the Borrower and the Executing Agency of such later date.

(b) If this Loan Agreement- GUY/L0001: Amendment No. 2, shall terminate pursuant to the provisions of this Section, the Loan Agreement shall continue in full force as if this Loan Agreement- GUY/L0001: Amendment No. 2, had not been executed.

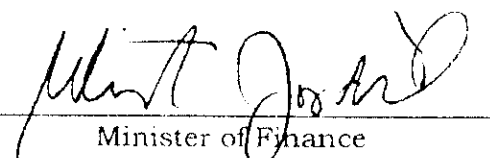
IN WITNESS WHEREOF this Loan Agreement GUY/L0001: Amendment No. 2 has been executed in four (4) equally valid copies on behalf of the CDF by its duly authorized representative and on behalf of the Borrower and the Executing Agency respectively by their duly authorised representative.

CARICOM DEVELOPMENT FUND

**GOVERNMENT OF THE
CO-OPERATIVE REPUBLIC OF GUYANA**



Chief Executive Officer



Minister of Finance