



**LOAN AGREEMENT
(Poor Rural Communities Support Services)**

BETWEEN

CARIBBEAN DEVELOPMENT BANK

AND

CO-OPERATIVE REPUBLIC OF GUYANA

Date: September 9, 1998

LOAN AGREEMENT

AGREEMENT dated the 9th day of September, 1998 between the Caribbean Development Bank (hereinafter called the Bank) of the one part and the Co-operative Republic of Guyana (hereinafter called the Borrower) of the other part.

ARTICLE I

General Provisions, Interpretation, Definitions

Section 1.01 General Provisions. The "General Provisions Applicable to Loan Agreements with Borrower Only" of the Bank dated June 30, 1995 set forth in Schedule 1 (hereinafter called the General Provisions) shall apply to this Loan Agreement subject, however, to any modifications thereof set out herein.

Section 1.02 Interpretation. Unless otherwise stated, references to Sections are to Sections of this Loan Agreement and references to Schedules are to the Schedules immediately following Section 9.01.

Section 1.03 Definitions. (a) Wherever used in this Loan Agreement, unless the context otherwise requires, the several terms defined in the General Provisions shall have the respective meanings therein set forth and for the purposes of sub-paragraphs (v), (xiv) and (xv) respectively of Section 2.01 of the General Provisions, the terms:

- (i) "Due Dates" shall mean January 1, April 1, July 1, and October 1 in each year, except in the case of interest payable under Section 3.09 of the General Provisions, and other charges, which are payable on demand;
- (ii) "Project" shall mean the project described in Schedule 2; and
- (iii) "Project Country" shall mean the Co-operative Republic of Guyana.

(b) Wherever used in this Loan Agreement, including the Schedules, the following additional terms shall have the following meanings:

- (i) "CDB" means the Bank;
- (ii) "DIB" means the Drainage and Irrigation Board in the Project Country;
- (iii) "D&I Systems" means the Drainage and Irrigation Systems referred to in paragraph 1.02 (a) of Schedule 2;
- (iv) "D&I Works" means basic rehabilitation and upgrading of the D&I Systems;
- (v) "Financial Year" means the financial year of the Borrower;
- (vi) "Financing Plan" means the Project Cost Phasing and Financing Plan set out at Appendix 1 to Schedule 2;
- (vii) "GOG" means the Borrower;
- (viii) "Grant" means the grant provided for in Section 2.01 of the Grant Agreement to assist the Borrower in financing the services of short-term consultants to perform research into increasing the efficiencies in rice production and some elements of crop diversification and training in technical services for rural communities;
- (ix) "Grant Agreement" means the Grant Agreement No. GA 9 /GU dated on even date with this Loan Agreement and made between the Bank and the Borrower, as such Agreement may be amended from time to time, providing for the Grant;
- (x) "IFAD" means the International Fund for Agricultural Development;
- (xi) "IFAD Loan" means the loan provided under the IFAD Loan Agreement to assist the Borrower in financing the Project;

- (xii) "IFAD Loan Agreement" means the Loan Agreement dated April 18, 1997 and made between the Borrower and IFAD;
- (xiii) "MOA" means the Borrower's Ministry of Agriculture;
- (xiv) "PM" mean the Project Manager referred to in paragraph (c)(i) of Section 6.01;
- (xv) "PMU" means the Project Management Unit referred to in paragraph (b) (ii) (cc) of Section 6.01;
- (xvi) "PSC" means the Project Steering Committee referred to in paragraph (b) (ii) (aa) of Section 6.01;
- (xvii) "RSC" means the Regional Steering Committee(s) referred to in paragraph (b) (ii) (bb) of Section 6.01;
- (xviii) "SCE" means the Senior D&I Consulting Engineer referred to in paragraph (b)(iii) of Section 6.01;
- (xix) "Site" means a site on which D&I Works will be carried out;
- (xx) "SRE" means the Senior Resident Engineer(s) appointed to the Project and referred to in paragraph (d) (i) of Section 6.01;
- (xxi) "United States dollars" or "US\$" means dollars in the currency of the United States of America.

ARTICLE II

The Loan and its Purpose

Section 2.01 **Amount of Loan.** The Bank agrees to lend to the Borrower on the terms and conditions set forth in this Loan Agreement an amount from the Special Funds Resources of the Bank not exceeding the equivalent of five million one hundred thousand United States dollars (US\$5,100,000).

Section 2.02 **Purpose.** The purpose for which the Loan is being made is to assist the Borrower in financing the Project.

ARTICLE III

Repayment, Interest, Commitment Charge

Section 3.01 **Repayment.** Except as provided in paragraph (b) of Section 3.02 of the General Provisions, the Borrower shall repay the amount withdrawn from the 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 ten (10) years following the date of first disbursement of the Loan or on such later Due Date as the Bank may specify in writing.

Section 3.02 **Interest.** The Borrower shall pay interest at the rate of two percent (2%) per annum on the amount of the Loan withdrawn and outstanding from time to time. Such interest shall be payable quarterly in accordance with paragraph (a) of Section 3.03 of the General Provisions.

Section 3.03 **Commission and Commitment Charge.** Sections 3.04 and 3.05 of the General Provisions shall not apply to this Loan Agreement.

ARTICLE IV

Withdrawal of Loan

Section 4.01 **Withdrawal and Application of Loan.** (a) Except as the Bank may otherwise agree:

- (i) the amount withdrawn from the Loan Account shall be applied by the Borrower to finance the components of the Project allocated for financing by the Bank as shown in the Financing Plan up to the respective limits shown therein; and
- (ii) withdrawals from the Loan Account shall not exceed in the aggregate thirty-one percent (31%) of the cost of the Project.

(b) The amounts withdrawn from the Loan Account shall not be used to meet any part of the cost of the Project which consists of identifiable Taxes imposed under the laws of the Project Country.

Section 4.02 **Period of Disbursement.** The date to be specified pursuant to Section 4.03 of the General Provisions is December 15, 2002.

Section 4.03 **Procurement.** (a) Except as provided in paragraph (b) of this Section any goods and services to be financed out of the amounts withdrawn from the Loan Account shall be procured in accordance with the provisions of Section 4.04 of the General Provisions.

(b) Any goods and services required for carrying out the Project may if they are to be financed out of an amount withdrawn from the Loan Account, blended with an amount of the IFAD Loan, have their source and origin in, and be procured from, the countries eligible for procurement of goods and services to be financed from the IFAD Loan specified in Schedule 4 in addition to the member countries of the Bank listed in the Annex to the General Provisions.

(c) Any goods and services financed out of an amount withdrawn from the Loan Account may have their source and origin in and be procured from the Kingdom of the Netherlands, in addition to the members of the Bank listed in the Annex to the General Provisions.

(d) The Borrower hereby acknowledges that it has been furnished with a copy of the "Procedures for the Selection and Engagement of Consultants by Recipients of CDB Financing" published by the Bank in February, 1998 and a copy of the "Guidelines for Procurement" published by the Bank on October 15, 1992, both of which publications are in effect at the date of this Loan Agreement.

ARTICLE V
Conditions Precedent

Section 5.01 Additional Conditions Precedent to First Disbursement. In addition to the requirements specified in paragraph (a) of Section 6.01 of the General Provisions, the Borrower shall, by the date referred to in Section 8.03 (i) thereof, furnish or cause to be furnished to the Bank evidence acceptable to the Bank that:

- (a) the conditions precedent to effectiveness of the IFAD Loan Agreement have been satisfied;
- (b) the aggregate of all loans raised under Section 3(1) of the External Loans Act of the Project Country does not exceed the limit imposed thereby; and
- (c) PSC, two (2) RSCs and PMU have been established.

Section 5.02 Conditions Precedent to First Disbursement of Funds for the D&I Works at each Site. Prior to disbursement from the Loan Account for D&I Works the Bank shall:

- (a) approve the project manual of operations required to be prepared by the Borrower in accordance with the IFAD Loan Agreement and approved by IFAD; and
- (b) be furnished with evidence from the Borrower that the beneficiary groups referred to in paragraph (b) (i) of Section 6.01 have been established for the Site in question.

ARTICLE VI
Particular Conditions

Section 6.01 **Execution of the Project.** (a) The Borrower shall:

- (i) through MOA carry out the Project at all times with due diligence and efficiency, with management personnel whose qualifications and experience are acceptable to the Bank, and in accordance with sound technical, environmental, financial and managerial standards and practices; and
 - (ii) institute and maintain organisational, administrative, accounting and auditing arrangements acceptable to the Bank for monitoring the Project.
- (b) Except as the Bank may otherwise agree, in carrying out the Project the Borrower shall :
- (i) facilitate the establishment of beneficiary groups at each Site to undertake the maintenance of the secondary systems at that Site and during the life of the Project support the activities of each beneficiary group;
 - (ii) establish and during implementation maintain:
 - (aa) a Project Steering Committee with the composition and functions outlined in paragraph 1.04 of Schedule 2;
 - (bb) two (2) Regional Steering Committees, one in each region of the Project Country in which the Project is being implemented, with the composition, responsibilities and functions outlined in paragraph 1.05 of Schedule 2; and
 - (cc) a Project Management Unit, to be based in Region 3 of the Project Country with a branch office in Region 2 of the Project Country with the staff composition and functions outlined in paragraph 1.06 of Schedule 2;

- (iii) in accordance with the provisions of Section 4.04 of the General Provisions, select and engage a person whose qualifications and experience are acceptable to the Bank and IFAD as Senior D&I Consulting Engineer to provide the following services:
- (aa) preparation of designs and bid documents for the D&I Works;
 - (bb) assistance in the prequalification of contractors and suppliers, including the preparation of prequalification reports;
 - (cc) assisting in the evaluation of bids for construction and the supply of goods, including preparation of bid reports;
 - (dd) assistance in the negotiations of contracts for construction and the supply of goods;
 - (ee) supervision of construction for compliance with contract documents;
 - (ff) certification of payment for work done and goods supplied;
 - (gg) consultation and advice during construction;
 - (hh) preparation of monthly reports on the progress of the works and the procurement of goods and services, indicating any difficulties affecting their efficient and timely execution commencing one (1) month after the signing of his/her contract;
 - (ii) revision of designs to suit unforeseen conditions which may arise during construction;
 - (jj) issuance of a certificate of completion for the construction contract;
 - (kk) preparation of as-built drawings;

- (ll) provision of technical and managerial guidance, assistance and training, as needed to staff of the Drainage and Irrigation Unit; and
 - (mm) preparation of a Project completion report on construction of the Project.
- (c) The PMU shall be:
- (i) headed by a Project Manager whose qualifications and experience are acceptable to the Bank and IFAD and who will provide the following management services:
 - (aa) coordinating and monitoring;
 - (bb) representing MOA in all its dealings with the Project's consultants for engineering services and institutional strengthening, and contractors;
 - (cc) cost control;
 - (dd) expediting submissions to the Bank of all claims for disbursement and reimbursement;
 - (ee) liaising on behalf of MOA with the Bank on all aspects of the Project;
 - (ff) preparing reports on investments at the end of each three-month period in the form set out in Schedule 5, or such other form as the Bank may require, to be submitted to the Bank and IFAD within six (6) weeks after the end of the period commencing with the quarter following assignment;
 - (gg) submitting to the Bank the monthly reports referred to in paragraph (b) (iii) (hh) of this Section within thirty (30) days after the end of each month;

- (hh) submitting to the Bank the as-built drawings and the Project completion report referred to in paragraph (b) (iii) (kk) and (mm) of this Section within three (3) months of practical completion of construction;
- (ii) submitting to the Bank reports prepared in respect of the Grant;
- (jj) submitting to the Bank and IFAD periodic reports of other consultants providing services to the Project;
- (kk) preparing and submitting to the Bank and IFAD a Project completion report within six (6) months after final disbursement of the Bank and IFAD loans;
- (ll) technical and logistical support to PSC and RSCs; and
- (mm) preparing and submitting reports to PSC on progress in project implementation.

- (ii) supported by independent consultants providing the necessary services for Project implementation.

(d) Except as the Bank may otherwise agree, the Borrower shall make budgetary provision for the establishment of two (2) permanent posts of D&I Engineer in the MOA on completion of the Project. The SREs shall be available to be appointed to these posts and, if so appointed, the Borrower shall assign the aforesaid engineers to DIB.

(e) The Borrower shall select and engage, in accordance with the provisions of Section 4.04 of the General Provisions, competent and experienced contractors to carry out the construction works financed from the Loan.

Section 6.02 **Maintenance.** The Borrower shall keep the primary D&I Systems rehabilitated under the Project in good repair and condition, and shall:

- (i) in each year, make adequate budgetary provision for the maintenance of the primary systems rehabilitated under the Project and provide such sums as are required for the purpose in a timely manner;
- (ii) develop a five-year maintenance plan commencing in the year 2002 for these D&I Systems and submit this plan to the Bank not later than June 30, 2001 or such later date as the Bank may specify in writing;
- (iii) implement the said plan with due diligence and efficiency; and
- (iv) update the said plan annually and furnish to the Bank the updated plan for each Financial Year not later than June 30 of the preceding financial year during the life of the Project;

Section 6.03 **Mid-Term Review and Evaluation.** The Borrower shall facilitate and make all necessary arrangements in consultation with the Bank and IFAD for a mid-term review and evaluation of the Project to be conducted by independent consultants selected by IFAD in accordance with terms of reference agreed by the Borrower, the Bank and IFAD and completed within three (3) months of the end of the third year from the date of this Loan Agreement or such later date as the Bank and IFAD may agree.

Section 6.04 **Reports and Information.** Without prejudice to the provisions of paragraph (a) of Section 7.01 of the General Provisions, and except as the Bank may otherwise agree, the Borrower shall furnish or cause to be furnished to the Bank, in such form or forms as the Bank may require, the Reports listed at Schedule 3 not later than the times specified therein for so doing.

Section 6.05 **Additional Funds.** For the purpose of Section 7.05 of the General Provisions, the estimated cost of the Project is sixteen million five hundred and thirty-nine thousand United States dollars (US\$16,539,000).

Section 6.06 **Borrower's Contribution to Project.** (a) Without prejudice to the provisions of Section 7.05 of the General Provisions, the Borrower shall contribute to the Project:

- (i) an amount of not less than four hundred and ninety-four thousand United States dollars (US\$494,000); and
 - (ii) the proceeds of the IFAD Loan.
- (b) Unless otherwise agreed with the Bank, the contribution which the Borrower is required to make to the Project in accordance with paragraph (a) (i) of this Section shall be expended by the Borrower in a timely manner on the components of the Project allocated for financing by the Borrower as shown in the Financing Plan up to the respective limits set out therein.

ARTICLE VII Cancellation and Suspension

Section 7.01 **Suspension by the Bank.** The following events are specified as additional events of suspension pursuant to paragraph (a) (xii) of Section 8.02 of the General Provisions:

- (a) the IFAD Loan or any part thereof is suspended, cancelled or called in; or
- (b) where necessary, the appropriate amendments to the relevant legislation to effect the transfer of responsibility for management and maintenance of the secondary D&I Systems are not made by June 30, 1999 or such later date as may be specified in writing by the Bank.

Section 7.02 **Cancellation by the Bank.** In the event that:

- (a) the IFAD Loan or any part thereof is suspended, cancelled or called in; or
- (b) where necessary, the appropriate amendments to the relevant legislation to effect the transfer of responsibility for management and maintenance of the secondary D&I Systems are not made by June 30, 1999 or such later date as may be specified by the Bank,

then at any time thereafter the Bank may by notice to the Borrower, terminate the right of the Borrower to make withdrawals from the Loan Account or with respect to any amount of the Loan, as the case may be, and upon the giving of such notice, the amount of the Loan specified therein shall be cancelled.

ARTICLE VIII
Events of Default

Section 8.01 **Additional Events of Default.** The following events are specified as additional events pursuant to sub-paragraph (xii) of Section 9.01 of the General Provisions as events for the purpose of that Section:

- (a) the IFAD Loan or any part thereof is suspended, cancelled or called in; or
- (b) where necessary, the appropriate amendments to the relevant legislation to effect the transfer of responsibility for management and maintenance of the secondary D&I Systems are not made by June 30, 1999 or such later date as may be specified by the Bank.

ARTICLE IX
Miscellaneous

Section 9.01 **Addresses for Service.** The following addresses are specified for the purpose of Section 12.03 of the General Provisions:

For the Bank:

Caribbean Development Bank
P.O. Box 408
Wildey
St. Michael
BARBADOS, W.I.

Cable Address: CARIBANK, Bridgetown
Telex: WB 2287
Telefax No.: (246) 426-7269

For the Borrower:

Secretary to the Treasury
Ministry of Finance
Georgetown
GUYANA

Cable Address: MINFIN, GUYANA
Telex: GY 3038
Telefax No.: 592-2-72965

SCHEDULE I

(Section 1.01)

CARIBBEAN DEVELOPMENT BANK

GENERAL PROVISIONS APPLICABLE
TO LOAN AGREEMENTS WITH
BORROWER ONLY

DATED: June 30, 1995

CARIBBEAN DEVELOPMENT BANK

GENERAL PROVISIONS APPLICABLE
TO LOAN AGREEMENTS WITH
BORROWER ONLY

DATED: June 30, 1995

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CARIBBEAN DEVELOPMENT BANK

GENERAL PROVISIONS APPLICABLE
TO LOAN AGREEMENTS WITH
BORROWER ONLY

DATED: June 30, 1995

ARTICLE I

Application of General Provisions,
Inconsistency with Loan Agreement

Section 1.01 Application of General Provisions. These General Provisions set forth certain terms and conditions generally applicable to loans made by the Bank and shall apply to Loan Agreements without an Executing Agency to such extent, and subject to such modifications, as may be provided in such Loan Agreements, provided however that, where there is no Guarantor, references in these General Provisions to Guarantor and Guarantee Agreement shall be disregarded.

Section 1.02 Inconsistency with Loan Agreement. If any provision of a Loan Agreement is inconsistent with a provision of these General Provisions, the provision of the Loan Agreement shall prevail.

ARTICLE II

Definitions, References, Headings

Section 2.01 Definitions. The following expressions have the following meanings wherever used in these General Provisions unless the context otherwise requires:

- (i) "Aid Donor(s)" means such of the Donors or Lenders to the Bank which may be providing financing through the Bank for the Project;
- (ii) "Bank" means the Caribbean Development Bank;
- (iii) "Borrower" means the party to the Loan Agreement to which the Bank has agreed to make the Loan;
- (iv) "Closing Date" means the date referred to in Section 4.03;
- (v) "Due Dates" means the dates specified in the Loan Agreement for payment of instalments of the Principal and the interest (excluding interest payable pursuant to Section 3.09), commission, commitment charge and other charges in respect of the Loan;
- (vi) "Guarantee Agreement" means the agreement between the Guarantor and the Bank whereby the Guarantor guarantees the payment of the instalments of the Principal and the interest, commission, commitment charge and other charges in respect of the Loan, as such agreement may be amended from time to time, and includes all agreements amending such agreement or supplemental thereto and all schedules to such agreement;
- (vii) "Guarantor" means the party to the Guarantee Agreement which is the member of the Bank guaranteeing the payment of the instalments of the Principal and the interest, commission, commitment charge and other charges in respect of the Loan;
- (viii) "interest" means interest payable pursuant to Sections 3.03 and 3.09;

- (ix) "Loan" means the loan provided for in the Loan Agreement and includes portions of the Loan which are separately provided for in the Loan Agreement;
- (x) "Loan Account" means the account referred to in Section 3.01;
- (xi) "Loan Agreement" means the agreement between the Bank and the Borrower providing for the Loan, to which some or all of these General Provisions shall have been made applicable, as such agreement may be amended from time to time, and includes such of these General Provisions as thus made applicable thereto, all agreements amending such agreement or supplemental thereto and all schedules to such agreement;
- (xii) "other charges" means expenditure incurred by the Bank for or in connection with the remittance by the Bank of amounts withdrawn from the Loan Account, the purchase by the Bank of any currency needed by the Bank for payment to itself of interest, commission, commitment charge and/or other charges in accordance with Section 4.11 and the establishment or modification of Letters of Credit pursuant to Section 4.02, and amounts agreed to be paid by the Borrower to the Bank for or in connection with other special commitments entered into by the Bank in accordance with Section 4.02;
- (xiii) "Principal" means the amount withdrawn from the Loan Account and outstanding from time to time;
- (xiv) "Project" means the project or programme for which the Loan is granted, as described in the Loan Agreement and as such description may be amended from time to time;
- (xv) "Project Country" means the country specified in the Loan Agreement being the country of a member of the Bank in which the Project is located or in which the Borrower is directing the operations of, and implementing, the Project; and
- (xvi) "Taxes" includes imposts, levies, fees and duties of any nature in effect at the date of the Loan Agreement or Guarantee Agreement and thereafter.

Section 2.02 References. References in these General Provisions to Articles or Sections are to Articles or Sections of these General Provisions and reference to the singular shall include the plural and vice versa unless the context otherwise requires.

Section 2.03 Table of Contents and Headings. The Table of Contents and the headings to the Articles and Sections are inserted for convenience of reference only and are not a part of these General Provisions.

ARTICLE III

Loan Account, Repayment, Interest, Commission, Commitment Charge, Other Charges and Payments

Section 3.01 Loan Account. The Bank shall open a Loan Account in its books in the name of the Borrower. The amount of the Loan shall be credited to the Loan Account and may be withdrawn therefrom as provided, and subject to the rights of cancellation and suspension set out, in the Loan Agreement and in these General Provisions.

Section 3.02 Repayment. (a) The Borrower shall repay the amount withdrawn from the Loan Account in the manner specified in the Loan Agreement. The Bank shall provide the Borrower with particulars of the repayments before the Due Date for the first repayment.

(b) Without prejudice to the provisions of Article IX, if there shall have been a cancellation, pursuant to Section 8.01 or Section 8.03, of such amount of the Loan as in the Bank's opinion is substantial and the Project has not been completed, the Borrower shall repay the Principal or, where portions of the Loan are separately provided for in the Loan Agreement, the amount of each portion of the Loan withdrawn from the Loan Account credited with such portion and outstanding in such fewer instalments than those specified in the Loan Agreement as the Bank may specify in writing not exceeding such portion of the number of such instalments to the nearest whole number as the Principal bears to the Loan or the amount of each portion of the Loan withdrawn from the Loan Account credited with such portion and outstanding bears to such portion, as the case may be.

Section 3.03 Interest. (a) The Borrower shall pay interest on the Principal at the rate provided for in the Loan Agreement, except as otherwise provided in Section 3.09. Such interest shall accrue from the respective dates on which amounts shall be withdrawn from the Loan Account and shall be payable on the Due Dates, the first payment being due and payable on the first Due Date after the date of the first disbursement of the Loan.

(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 which is being lent from the Ordinary Capital Resources of the Bank 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.

Section 3.04 Commission. The Borrower shall pay to the Bank a commission on the Principal at the rate provided for in the Loan Agreement, except as otherwise provided in Section 3.09. Such commission shall accrue from the respective dates on which amounts shall be withdrawn from the Loan Account and shall be payable on the Due Dates, the first payment being due and payable on the first Due Date after the date of the first disbursement of the Loan.

Section 3.05 Commitment Charge. The Borrower shall pay to the Bank a commitment charge on the amount unwithdrawn from the Loan Account from time to time at the rate specified in the Loan Agreement. Except as the Bank may otherwise specify in writing, such commitment charge shall accrue from the date specified in the Loan Agreement to the respective dates on which amounts shall be withdrawn from the Loan Account or shall be cancelled and shall be payable on the Due Dates, the first payment being due and payable on the first Due Date after the date on which such charge shall accrue.

Section 3.06 Other Charges and Interest on Overdue Payments. Other charges due by the Borrower to the Bank and interest payable under Section 3.09 shall be payable on demand, except as otherwise provided in Section 3.10.

Section 3.07 Computation of Interest, Commission and Commitment Charge. Interest, commission and commitment charge shall be computed daily on the basis of a 360-day year of twelve (12) 30-day months.

Section 3.08 Advance Payments. The Borrower shall have the right, upon payment of all overdue Principal and all accrued interest, commission, commitment charge and other charges and upon not less than forty-five (45) days' notice to the Bank, to repay as of a date acceptable to the Bank in advance of maturity any portion of the Principal, provided however that, unless otherwise agreed, such early repayment shall not interfere with the repayment in the regular course of the Principal, but shall have the effect only of accelerating repayment of the Principal and the particulars of the repayments to be provided pursuant to Section 3.02 shall be amended accordingly.

Section 3.09 Overdue Payments. (a) In case the Borrower fails to pay any portion of the Principal, interest (excluding interest payable under this Section), commission, commitment charge and/or other charges due and payable under the Loan Agreement, but without prejudice to the provisions of Articles VIII and IX, the Borrower shall pay to the Bank interest on such overdue Principal, interest, commission, commitment charge 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, of 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 per cent (1%) above the aggregate rates of interest and commission payable on loans by the Bank from its Ordinary Capital Resources prevailing either:

- (i) on the day on which the Loan was approved by the Bank, 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 Principal under this Section shall be in lieu of the rate or rates of interest and commission, if any, payable on the Loan.

Section 3.10 Place and Application of Payments. (a) The Principal and the interest, commission, commitment charge 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 3.09, then to any commitment charge and other charges due and payable, then to any interest (excluding interest payable under Section 3.09) and commission due and payable, then to any Principal due and payable.

ARTICLE IV

Withdrawal of Loan

Section 4.01 Withdrawal and Application of Loan. (a) Subject to the provisions of the Loan Agreement, the Borrower shall be entitled to withdraw from the Loan Account amounts required for the purpose of the Project, but, except with the agreement of the Bank, no withdrawals shall be made on account of expenditures incurred before the date of the Loan Agreement.

(b) The amount withdrawn from the Loan Account shall be applied for the purpose of the Project in accordance with the provisions of the Loan Agreement and of these General Provisions.

Section 4.02 Special Commitments. At the request of the Borrower and upon such terms and conditions as may be agreed upon between the Bank and the Borrower, the Bank may enter into special commitments in writing to pay amounts to the Borrower or others in respect of the cost of goods and services to be financed out of the amount withdrawn from the Loan Account notwithstanding any subsequent suspension or cancellation.

Section 4.03 Period of Disbursement. The Loan may be disbursed up to the date specified in the Loan Agreement or such later date as may be specified in writing by the Bank.

Section 4.04 Procurement. (a) Any goods and services required for carrying out the Project shall, if they are to be financed out of an amount of the Loan,

- (i) be procured in accordance with the procedures outlined in the Bank's "Procedures for Selection and Engagement of Consultants by Recipients of CDB Financing" and "Guidelines for Procurement" as are in effect on the date of the Loan Agreement and as the same may be amended from time to time by the Bank or in accordance with such other procedures as may be specified in writing by the Bank; and,
- (ii) except as provided in the procedures referred to in sub-paragraph (i) of this paragraph, have their source and origin in and be procured from only the member countries of the Bank, all of which are specified in the Annex to these General Provisions, and such other countries as may be specified in, or pursuant to, the Loan Agreement.

(b) The Borrower undertakes that, in the procurement of goods and services for the Project, all necessary measures will be taken to ensure that the construction and service contracts and all purchases of goods financed out of an amount of the Loan will be made at a reasonable cost which will generally be the lowest market price taking into account time of delivery, quality, efficiency, reliability of the goods and availability of maintenance facilities and spare parts therefor and, in the case of services, of their quality and the competence of the parties rendering them.

Section 4.05 Goods and Services to be used exclusively in carrying out the Project. Except as the Bank may otherwise agree, the Borrower shall cause all goods and services financed out of an amount withdrawn from the Loan Account to be used exclusively in carrying out the Project.

Section 4.06 Request for Withdrawal or Special Commitment. When the Borrower desires to withdraw any amount from the Loan Account, or to request the Bank to enter into a special commitment pursuant to Section 4.02, the Borrower shall deliver to the Bank a written application in such form and containing such statements and agreements as the Bank shall reasonably request. Applications for withdrawal with the necessary documentation as hereinafter in this Article provided shall be made promptly in relation to expenditures for the Project.

Section 4.07 Authorisation of Requests for Withdrawals. The Borrower shall furnish to the Bank evidence of the authority of the person or persons authorised to sign applications for withdrawal and the authenticated specimen signature of such person or persons.

Section 4.08 Documentation of Requests for Withdrawals. The Borrower shall furnish to the Bank such documents and other evidence in support of the application as the Bank shall reasonably request, whether before or after the Bank shall have permitted any withdrawal requested in the application.

Section 4.09 Application and Documents to satisfy Bank. Each application and the accompanying documents and other evidence must be sufficient in form and substance to satisfy the Bank that the Borrower is entitled to withdraw from the Loan Account the amount applied for and that the amount to be withdrawn from the Loan Account has been or will be used for the purposes specified in the Loan Agreement.

Section 4.10 Payments to the Borrower. Payment by the Bank to the Borrower of amounts which the Borrower is entitled to withdraw from the Loan Account shall be made to or on the order of the Borrower.

Section 4.11 Withdrawal and Deduction of Interest, Commission, Commitment Charge and Other Charges. The Bank shall be entitled, but not obligated, to withdraw from the Loan Account when allocated for financing by the Bank without the necessity of an application for withdrawal by the Borrower, or deduct from any disbursement to, or on behalf of, the Borrower under the Loan Agreement, and pay to itself interest, commission, commitment charge and/or other charges due and payable under the Loan Agreement, and the Bank shall promptly notify the Borrower in writing of such withdrawal or deduction. Each such withdrawal from the Loan Account shall be deemed to be a disbursement of a portion of the Loan to the extent of the amount, and as of the date, of such withdrawal.

ARTICLE V

Currency Provisions

Section 5.01 Currencies in which Withdrawals may be made. Except as the Bank and the Borrower may otherwise agree, withdrawals from the Loan Account shall be made in the respective currencies in

which the expenditures to be financed out of the Loan have been paid or are payable or in such other currency or currencies available to the Bank, as the Bank may reasonably determine.

Section 5.02 Currency in which Principal is Repayable. (a) Any amount withdrawn from the Loan Account which is being lent from that portion of the Special Development Fund of the Bank subject to the Rules adopted by the Board of Directors of the Bank in May 1983, as the same may be amended from time to time by the Bank, shall be repayable in United States dollars.

(b) Except as provided in paragraph (a) of this Section or as the Bank may otherwise specify in writing, the amount withdrawn from the Loan Account shall be repayable in the several currencies withdrawn from the Loan Account and the amount repayable in each currency shall be the amount withdrawn in that currency, provided that, if a withdrawal shall be made in any currency which the Bank shall have purchased with another currency for the purpose of such withdrawal, the amount so withdrawn shall be repayable in such other currency and the amount so repayable shall be the amount paid by the Bank on such purchase.

(c) The portion of the amount withdrawn from the Loan Account to be repaid in a particular currency shall be repayable in such instalments as the Bank shall from time to time specify provided that the amount to be repaid on each Due Date shall remain as set out in the particulars of the repayments to be provided under Section 3.02.

Section 5.03 Currencies in which Commitment Charge, Interest, Commission and Other Charges are Payable. The Commitment Charge shall be payable in United States dollars, interest and commission on any portion of the amount withdrawn from the Loan Account shall be payable in the currency or currencies in which such portion of the amount withdrawn from the Loan Account is repayable, interest payable under Section 3.09 shall be payable in the currency or currencies in which the overdue payment is payable and other charges shall be payable in the currency or currencies utilised by the Bank for such other charges.

Section 5.04 Exchange Control Permission. The obligation to obtain any requisite exchange control permission shall be that of the Borrower.

Section 5.05 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 Principal, interest, commission, commitment charge and other charges required under the Loan Agreement 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 the Loan Agreement only when and to the extent that the Bank has received such payment in the currency or currencies required.

Section 5.06 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 First Disbursement

Section 6.01 (a) The Borrower shall, by the date referred to in Section 8.03 (i), furnish or cause to be furnished to the Bank:

- (i) the Guarantee Agreement in form and substance acceptable to the Bank;
- (ii) evidence, acceptable to the Bank, that the Borrower, if it is not a member of the Bank, is legally established;
- (iii) one or more opinions, satisfactory to the Bank, of a legal practitioner, acceptable to the Bank, showing that:
 - (aa) the Borrower, if it is not a member of the Bank, has the legal capacity to contract the obligations assumed in the Loan Agreement and to fully execute the Project;
 - (bb) the Borrower has complied with all the necessary requirements under the Constitution of the Project Country and under the Laws and Regulations in force therein in order to enter into the Loan Agreement; and

- (cc) the 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;
 - (iv) proof, satisfactory to the Bank, that the person or persons who signed the Loan Agreement on behalf of the Borrower were legally empowered to do so;
 - (v) evidence, acceptable to the Bank, that the Borrower has designated one or more representatives to represent it in all acts regarding the implementation of the Loan Agreement and the authenticated specimen signature of the said representative or representatives; and
 - (vi) evidence, acceptable to the Bank, that the Borrower has authorised one or more persons to sign applications for withdrawals in accordance with Section 4.07 and the authenticated specimen signature of the person or persons so authorised on a withdrawal card to be provided by the Bank to the Borrower.
- (b) Except as the Bank may otherwise agree, the Bank shall not be obliged to make the first disbursement of the Loan until the requirements of paragraph (a) of this Section, as amplified by the Loan Agreement, have been complied with to the entire satisfaction of the Bank and the Aid Donor(s) shall have authorised withdrawals for the Project, if necessary.

ARTICLE VII

Particular Covenants

Section 7.01 Records, Accounts and Information. (a) The Borrower, if it is not a member of the Bank, shall maintain records and accounts adequate to reflect in accordance with consistently maintained sound accounting practice the operations and financial condition of the Borrower. Without prejudice to the generality of the foregoing provision, if applicable, the Borrower shall maintain records and accounts adequate to identify the goods and services financed out of the amount withdrawn from the Loan Account, to disclose the use thereof in the Project, to show the expenditures of the amount withdrawn from the

Loan Account and to record the progress of the Project (including the cost thereof). The Borrower shall maintain such accounts and records relating to the Project to the satisfaction of the Bank and such records and accounts shall be kept separately and distinct from the records and accounts of the other operations of the Borrower.

- (b) The Borrower, if it is not a member of the Bank, shall:
- (i) have its accounts and financial statements (balance sheets, statements of income and expenditure and related statements) for each fiscal year audited by independent auditors acceptable to the Bank in accordance with sound auditing principles consistently applied;
 - (ii) furnish to the Bank, as soon as available, but in any case not later than six (6) months after the end of each such year, certified copies of its audited financial statements for such year and an audit report by the said auditors of such scope and in such detail as the Bank may reasonably request; and
 - (iii) furnish to the Bank such other information concerning its accounts and financial statements and the audit thereof as the Bank may from time to time reasonably request.
- (c) The Borrower shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request concerning the expenditures of the amount withdrawn from the Loan Account, the Project, the benefits to be derived therefrom, the administration and operations of the Project and the financial condition of the Borrower.
- (d) The authorised representatives of the Bank and the Aid Donor(s) shall be entitled to inspect the goods financed out of the amount withdrawn from the Loan Account, the sites, works, plant and construction included in the Project, the operation thereof and any records, documents and accounts of the Project and for that purpose to enter any lands, buildings, erections or facilities owned or occupied by the Borrower. The Borrower will provide such representatives with all reasonable opportunities and facilities for this purpose.

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 progress of the Project, the performance by the Borrower of its obligations under the Loan Agreement and any other matters 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 maintenance of the service thereof or the performance by the Borrower of its obligations under the 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 the Project Country in connection with the execution, issue, delivery or registration of the Loan Agreement, any instrument given as a requirement of the Loan Agreement (including securities and promissory notes), any transfer or assignment by the Bank pursuant to Section 7.07 and any agreement amending or supplemental to the Loan Agreement, any such instrument and any such transfer or assignment, and all payments of Principal, interest, commission, commitment charge and other charges shall be made without deduction for, 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, if it is a member of the Bank, 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, if it is a member of the Bank, 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 ratably secure the payment of the Principal, interest, commission, commitment charge and other charges and that in the creation of any such lien express provision will be made to that effect. The Borrower, if it is a member of the Bank, 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 the Project Country whether such debt is payable absolutely or at the option of the creditor in such other medium; and
 - (ii) "governmental assets" means assets of the Project Country, if the Borrower is a member of the Bank, of any of its political sub-divisions, or of any agency of the Project Country, if the Borrower is a member of the Bank, or of any such political sub-division including an institution performing the functions of a central bank.
- (e) The Borrower, if it is not a member of the Bank or a political sub-division or agency of a member of the Bank or an enterprise in which equity participation by one or more members of the Bank or one or more agencies of such member or members of the Bank is a controlling one, undertakes that, except as the Bank may otherwise agree or as contemplated for the Project, no security which will rank prior to, or *pari passu* with, any security given as a requirement of the Loan Agreement shall, after the date of the Loan Agreement, be created or maintained on any of its property as security for any debts.

Section 7.05 Additional Funds. The Borrower shall provide promptly as necessary all funds in addition to the amount withdrawn from the Loan Account and all other resources required for the punctual and effective carrying out of the Project and, in particular, shall be responsible for meeting any amount by which the cost of the Project exceeds the estimated cost thereof as specified in the Loan Agreement.

Section 7.06 Maintenance of Insurance. (a) Except as otherwise specified in the Loan Agreement, the Borrower shall take out and maintain with responsible insurers, or make adequate arrangements acceptable

to the Bank for, insurance against such risks and in such amounts as shall be consistent with sound business practice and, without limitation upon the foregoing, such insurance shall cover marine, transit and other hazards incident to the acquisition, transportation and delivery of goods financed out of an amount withdrawn from the Loan Account to the place of use or installation, any indemnity thereunder to be made payable in a currency freely usable by the Borrower to replace or repair such goods.

(b) The Borrower shall require any such insurers with which insurances in respect of any insurable property financed out of an amount withdrawn from the Loan Account and other insurable property are taken out and are to be maintained to give notice periodically to the Borrower and the Bank when such insurances are to be renewed and, in addition, advise the Bank immediately on each renewal date whether such insurances are renewed.

Section 7.07 Transfer or Assignment of Loan Agreement or Loan. The Bank shall be entitled to transfer or assign at any time to the Aid Donor(s) all or any of its right, title and interest in and under the Loan Agreement and any instrument (including securities and promissory notes) given as a requirement of the 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.

Section 7.08 Maintenance of Corporate Existence, Licences and Franchises and other special requirements if the Borrower is a limited liability company. (a) Except as the Bank may otherwise agree or as specified in the Loan Agreement, the Borrower shall:

- (i) take all necessary steps as lie within its power and use its best endeavours at all times to maintain its corporate existence and the right to carry on operations and shall acquire, maintain and renew all rights, powers, privileges, licences and franchises owned or held by it and necessary and useful in the implementation of the Project and the conduct of the business contemplated by the Project;
- (ii) not amend its Memorandum or Articles of Association; and

(iii) observe all the Laws of the Project Country affecting the Borrower and, in particular, all the provisions of the Companies legislation in force in the Project Country as amended or modified from time to time especially in filing with the Registrar of Companies any information and documents required to be filed under such legislation.

(b) Except as the Bank may otherwise agree, at least fifty-one percent (51%) of the issued and paid up share capital of the Borrower shall be held at all times by one or more of the Governments, nationals and belongers of Commonwealth Caribbean member countries of the Bank and corporate bodies controlled by such Governments, nationals and belongers and the Borrower shall at all times be controlled by one or more of such Governments, nationals, belongers and corporate bodies.

ARTICLE VIII

Cancellation and Suspension

Section 8.01 Cancellation by Borrower. The Borrower may by notice to the Bank cancel any amount of the Loan which the Borrower shall not have withdrawn prior to the giving of such notice, except that the Borrower may not so cancel any amount of the Loan in respect of which the Bank shall have entered into a special commitment pursuant to Section 4.02.

Section 8.02 Suspension by Bank. (a) If any of the following events shall have occurred and be continuing, the Bank may by notice to the Borrower and the Guarantor suspend in whole or in part the right of the Borrower to make withdrawals from the Loan Account:

- (i) The Borrower shall have failed to make payment (notwithstanding the fact that such payment may have been made by the Guarantor or a third party) of Principal, interest, commission, commitment charge or other charges under the Loan Agreement or any principal, interest, commission, commitment charge or other payment required under any other agreement between the Bank and the Borrower.
- (ii) The Guarantor shall have failed to make payment of Principal, interest, commission, commitment charge or other charges under the Guarantee Agreement or any principal,

interest, commission, commitment charge or other payment required under any other agreement between the Bank and the Guarantor;

- (iii) The Borrower or the Guarantor shall have failed to perform or observe any of its other obligations under the Loan Agreement or the Guarantee Agreement;
- (iv) A situation shall have arisen which shall make it improbable in the Bank's opinion that the Project can be carried out or that the Borrower or the Guarantor will be able to perform or observe any of its obligations under the Loan Agreement or the Guarantee Agreement;
- (v) Prior to the Closing Date, any material adverse change in the condition of the Borrower, as represented by the Borrower, shall have occurred;
- (vi) A representation made by the Borrower or the Guarantor in or pursuant to the Loan Agreement or the Guarantee Agreement or any statement furnished in connection therewith and intended to be relied upon by the Bank in making the Loan shall have been incorrect in any material respect;
- (vii) The Borrower, if it is a member of the Bank, or the Guarantor shall have withdrawn or been suspended from membership in, or ceased to be a member of, the Bank;
- (viii) The right of the Borrower or the Guarantor to make withdrawals under any other agreement with the Bank shall have been suspended in whole or in part by the Bank;
- (ix) The right of the Bank to receive funds for the Project from the Aid Donor(s) shall have been suspended in whole or in part or shall have terminated;
- (x) A situation shall have arisen whereby, in the Bank's opinion, any withdrawal or further withdrawal from the Loan Account will cause the Bank to exceed any of the lending limits of the Bank, established by the Board of Directors of the Bank from time to time;

- (xi) Any event specified in sub-paragraph (vii) of Section 8.03 and sub-paragraphs (iv), (vi), (vii), (viii), (ix), (x), (xi) and (xii) of Section 9.01 shall have occurred; or
- (xii) Any other event specified in the Loan Agreement for the purpose of this Section shall have occurred.

(b) The right of the Borrower to make withdrawals from the Loan Account shall continue to be suspended in whole or in part, as the case may be, until the event or events which gave rise to such suspension shall have ceased to exist or until the Bank shall have notified the Borrower and the Guarantor that the right to make withdrawals shall be restored, whichever is earlier, but, in case of any such notice of restoration, the right to make withdrawals shall be restored only to the extent and subject to the conditions specified in such notice, and no such notice shall affect or impair any right, power or remedy of the Bank in respect of any other or subsequent event described in this Section.

Section 8.03 Cancellation by the Bank. If any of the following events shall occur, then at any time thereafter the Bank may by notice to the Borrower and the Guarantor terminate the right of the Borrower to make withdrawals from the Loan Account or with respect to any amount of the Loan, as the case may be, and, upon the giving of such notice, the amount of the Loan specified therein shall be cancelled:

- (i) The Borrower shall have failed to comply with the conditions set out in Section 6.01 (a), as amplified by the Loan Agreement, by the sixtieth (60th) day after the date of the Loan Agreement or such later date as may be specified in writing by the Bank;
- (ii) In the opinion of the Bank, it is improbable that any requirement specified in or pursuant to Section 6.01 (b) or any condition to be fulfilled in meeting any such requirement will be satisfied;
- (iii) By the date therefor referred to in the Loan Agreement, the Bank has not received any application for withdrawal from the Loan Account or for Special Commitment in accordance with Article IV or all applications received by the date shall not have been acceptable to the Bank;

- (iv) The right of the Borrower to make withdrawals from the Loan Account shall have been suspended with respect to any amount of the Loan for a continuous period of thirty (30) days;
- (v) At any time the Bank determines, after consultation with the Borrower, that an amount of the Loan will not be required to finance the Project's cost to be financed out of the Loan;
- (vi) After the Closing Date an amount of the Loan remains unwithdrawn from the Loan Account; or
- (vii) The Bank shall have received notice from the Guarantor pursuant to Section 3.05 of the General Provisions applicable to Guarantee Agreements with respect to any amount of the Loan.

Section 8.04 Amounts subject to Special Commitment not affected by Cancellation or Suspension by the Bank. No cancellation or suspension by the Bank shall apply to amounts subject to any special commitment entered into by the Bank pursuant to Section 4.02.

Section 8.05 Effectiveness of Provisions after Cancellation or Suspension. Notwithstanding any cancellation or suspension, all the provisions of the Loan Agreement and of these General Provisions which shall have been made applicable thereto shall continue in full force and effect except as in this Article specifically provided.

ARTICLE IX

Events of Default

Section 9.01 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 and the Guarantor declare the Principal due and payable immediately together with interest, commission, commitment charge and other charges under the Loan Agreement and upon such

declaration the Principal together with interest, commission, commitment charge and other charges under the Loan Agreement shall become due and payable immediately:

- (i) A default shall occur in the payment of Principal, interest, commission, commitment charge or other charges under the 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 the Guarantee Agreement and such default shall continue for a period of thirty (30) days;
- (iii) A default shall occur in the payment of Principal, interest, commission, commitment charge or other charge 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;
- (iv) A default shall occur in the payment of Principal, interest, commission, commitment charge, or other charges under any loan or guarantee agreement between the Guarantor and the Bank under circumstances which would make it unlikely that the Guarantor would meet its obligations under the Loan Agreement or the Guarantee Agreement and such default shall continue for a period of thirty (30) days;
- (v) A default shall occur in the performance or observance of any other obligation on the part of the Borrower or the Guarantor under the Loan Agreement or the Guarantee Agreement and such default shall continue for a period of sixty (60) days after notice thereof shall have been given by the Bank to the Borrower and the Guarantor;
- (vi) The Borrower, if it is not a member of the Bank, shall have become unable to pay its debts as they mature or any action or proceeding shall have been taken by the Borrower, if it is not a member of the Bank, or by others whereby any of the property of the Borrower, if it is not a member of the Bank, shall or may be distributed among its creditors;

- (vii) The Borrower, if it is not a member of the Bank, shall have taken or suffered any action for its reorganisation, liquidation or dissolution or the suspension of its operations or a receiver or liquidator shall have been appointed of all or any part of its property;
- (viii) Any modification shall have been made in the purpose, nature or objectives, capital or assets of the Borrower, if it is not a member of the Bank, and particularly any substantial revision of the legislation establishing the Borrower, if it is not a member of the Bank and is established by legislation, which may have a deleterious effect on the Project or on the purpose for which the Loan Agreement was entered into;
- (ix) The Borrower or the Guarantor shall have failed to fulfil any of its obligations to the Bank whether arising under the agreement establishing the Bank or otherwise;
- (x) There shall have been cancellation, pursuant to Section 8.01 or Section 8.03, of such an amount of the Loan as will make it improbable in the Bank's opinion that the Project can be carried out or that the Borrower will be able to perform or observe any of its obligations under the Loan Agreement;
- (xi) The Project shall have been discontinued or suspended without the prior approval of the Bank or the Borrower shall have suspended, or ceases or threatens to cease to carry on, the business contemplated in carrying out the Project; or
- (xii) Any other event specified in the Loan Agreement for the purpose of this Section shall have occurred and shall continue for the period, if any, specified in the Loan Agreement.

ARTICLE X

Termination

Section 10.01 Termination of Loan Agreement. Upon payment in full of the Principal and all interest, commission, commitment charge and other charges under the Loan Agreement, the Loan Agreement and all obligations of the parties thereunder shall forthwith terminate.

ARTICLE XI

Enforceability

Section 11.01 (a) Except as provided in paragraph (b) of this Section, the rights and obligations of the Bank and the Borrower under the Loan Agreement shall be valid and enforceable in accordance with its terms.

(b) If the Borrower is not a member of the Bank, the rights and obligations of the Bank and the Borrower under the Loan Agreement shall be construed and determined in accordance with the laws of the Project Country at the date of the Loan Agreement.

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

ARTICLE XII

Miscellaneous

Section 12.01 All statements, reports, certificates, evidence, opinions, notices, communications and other documents or information furnished or given under the Loan Agreement shall be supplied or submitted in the English Language without cost to the Bank.

Section 12.02 No failure or delay on the part of the Bank to exercise any right, power or privilege under the Loan Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under the Loan Agreement preclude any other or further exercise thereof or the exercise of any right, power or privilege.

Section 12.03 All notices and other communications required or permitted to be given or made under the Loan Agreement and any other Agreement between any of the parties contemplated by the Loan 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 in the Loan Agreement or at such other address as such party may have designated by notice to the party giving such notice or making such communication.

Section 12.04 Subject to Article 42 of the agreement establishing the Bank, if the Borrower, being a member of the Bank, or the Guarantor ceases to be a member of the Bank, any amount due to it for its shares repurchased by the Bank shall be withheld so long as the Borrower or the Guarantor remains liable to the Bank in respect of the Loan. Such amount may, at the option of the Bank, be applied on any such liability as it matures.

Section 12.05 Subject to Article 46 of the agreement establishing the Bank, in the event of a distribution of the assets of the Bank, the Borrower, being a member of the Bank, or the Guarantor shall not be entitled to receive its share in such distribution until it has settled its obligations to the Bank under the Loan Agreement or the Guarantee Agreement.

ARTICLE XIII

Arbitration

Section 13.01 (a) Any controversy between the parties to the Loan Agreement and any claim by any such party against any other such party arising under the 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 the Project Country 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 the 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 the 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 any 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 the 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.

(l) 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 12.03. The parties to the Loan Agreement waive any and all other requirements for the service of any such notice or process.

(m) Notwithstanding the provisions of paragraph (j) of this Section, if the Borrower is not a member of the Bank, nothing in this Section shall be deemed to preclude either of the parties from exercising or instituting any legal or equitable action to enforce any right or claim arising out of or pursuant to any

instrument given as a requirement of the Loan Agreement with respect to the repayment of the Principal and payment of interest, commission, commitment charge and other charges and submission to arbitration under this Section shall not be deemed to be a condition precedent or in any way prejudice such exercise or other enforcement of any such right or claim.

SCHEDULE 2

[Section 1.03 (a)(ii)]

THE PROJECT

OBJECTIVE

1.01 The objective of the Project is to enhance the productive capacity of small-scale farmers and rural entrepreneurs through training and provision of sustainable technical and financial support services to rural communities in selected regions of the Project Country. Rural communities are expected to benefit from the Project through increased household incomes from more efficient production of rice and non-traditional crops and livestock and through involvement in micro-enterprises.

SCOPE

1.02 The Project consists of the following specific objectives:

- (a) providing basic rehabilitation and some modest localised upgrading of selected D&I systems, serving gross command areas of approximately 19,000 hectares (ha) and 9,500 ha in Regions 2 and 3 respectively;
- (b) actively promoting beneficiary group formation centred on areas of common interest, to enhance self-reliance, build capacity to manage assets of economic significance and facilitate the provision of support services in a sustainable manner;
- (c) supporting sound, environmentally friendly interventions, through the investigation, verification and promotion of low-cost technologies, aimed at improving on-farm efficiencies in traditional cropping and livestock production systems;
- (d) providing efficient and sustainable technical services, through training of support staff and farmers, and methodologies in extending appropriate technologies;
- (e) providing adequate credit for small farmers and small rural entrepreneurs;
- (f) providing financial resources for establishing and developing initiatives in rural communities; and
- (g) strengthening both public and private sector suppliers of technical support services to enhance their capacity in dealing with poor rural communities.

PROJECT MANAGEMENT

1.03 The proposal for Project management has been influenced by the characteristics of the Project. A Project Steering Committee (PSC) will be responsible for providing guidance and overall coordination of the Project. Two Regional Steering Committees (RSCs) to be established under PSC will facilitate Project implementation through collaboration with the PMU to be based in Region 3 and with a branch office in Region 2. Project implementation activities will be coordinated by the PMU and all administrative, consultative, technical and other activities associated with the Project will emanate from the PMU.

1.04 PSC will be chaired by the representative of MOA and comprise representatives of the Regional Democratic Councils (RDCs) of Regions 2 and 3, the Ministry of Finance, DIB, representatives of Amerindian communities, women's organisations and other project beneficiaries. Other representatives will be co-opted to the PSC to advise on specific subjects as considered necessary. PSC will meet as necessary to decide on the selection of technical support services (TSS), allocation of resources, review work plans and budgets, assist and guide the implementation process and act as a forum for the exchange of views among the various stakeholders participating in the Project. PSC will advise MOA on Project activities and operations.

1.05 Each RSC will be chaired by the respective Regional Executive Officer and comprise representation of the Project management (the Project Manager (PM) for Region 3 and the PM and Assistant PM for Region 2), regional representatives of the respective RDCs, DIB, MOA, representatives of Amerindian communities, women's organisations and other Project beneficiaries. Representation on the RSCs can be expanded as necessary to provide advice on matters of relevance to Project implementation. RSCs will meet, as necessary, to address issues in Project implementation for each Region. The RSCs will be responsible for providing guidance and coordination of Project related activities at the regional level, reviewing and recommending for approval of the PSC or any special committee established by the PSC, annual work plans of the PMU and sub-projects that have been prepared for implementation in the respective regions, and other activities specified in the manual of operations for the Project. The PMU will be headed by a PM whose qualifications and experience are acceptable to CDB and IFAD, who will provide the management services for all project implementation activities on a day-to-day basis, including the services specified in Section 6.01 (c) of the Loan Agreement.

1.06 PMU will be initially staffed with the PM, a Coordinator of TSS, an Accountant, a Monitoring Officer and a Senior Technical Advisor. GOG will institute and maintain organisational, administrative, accounting and auditing arrangements acceptable to CDB for monitoring the Project. PMU will be supported by independent consultants to provide services and skills in specified areas, in addition to the technical support service providers who will assist in forming the beneficiary groups.

PROJECT COSTS

1.07 The Project is estimated to cost US\$16.539 million. Estimates of capital costs and financing are summarised in Table 1 and details can be found in the Financing Plan at Appendix 1 to this Schedule.

TABLE 1
CAPITAL COSTS AND FINANCING
(US\$'000)

Item	Total	Foreign	Local	IFAD	CDB Loan	CDB Grant	GOG
1. Rehabilitation of D&I Systems							
(a) Engineering	2,950	206	2,744	-	2,950	-	-
(b) Management	673	280	393	160	513	-	-
(c) Studies	430	-	430	430	-	-	-
2. TSRC							
(a) Training	98	-	98	65	-	33	-
(b) Personnel	254	254	-	254	-	-	-
(c) Contracts	1,446	-	1,446	1,446	-	-	-
(d) Rehabilitation of Public Facilities	420	-	420	420	-	-	-
3. Credit Services							
(a) Credit Resources	2,176	-	2,176	2,176	-	-	-
(b) Personnel	114	42	72	114	-	-	-
(c) Furniture and Equipment	5	5	0	5	-	-	-
(d) Administration	33	-	33	32	-	-	1
4. CIDI							
(a) Research and Studies	662	85	577	510	152	-	-
(b) Short-term Consultants	491	417	74	270	-	221	-
(c) Beneficiary Training	318	-	318	151	-	167	-
(d) Community Development	450	330	120	441	-	-	9
(e) CIF	1,707	-	1,707	1,616	-	-	91
5. Project Coordination, M&E							
(a) Personnel	1,282	500	782	1,212	-	-	70
(b) Vehicles and Equipment	120	113	7	90	30	-	-
(c) Studies	250	-	250	250	-	-	-
(d) Administration	300	161	139	210	-	-	90
Total Base	14,179	2,394	11,786	9,852	3,646	420	261
Physical Contingencies	609	59	550	18	590	-	1
Price Contingencies	1,289	149	1,141	630	609	42	8
Interest During Construction	462	462	-	-	238	-	224
Total	16,539	3,063	13,476	10,500	5,083	462	494
Total Project Cost Distribution (%)	100	19	81	63	31	3	3

Physical Contingencies: 20% of base cost for rehabilitation of D&I systems.

Price Contingencies: 5% for local costs, 3% and 4% for foreign costs in 1998 and 1999.

PHASING AND IMPLEMENTATION

1.08 Implementation of the Project is to be phased over a period of six (6) years. Implementation will be influenced by participatory principles and will be demand-driven. A Project Implementation Schedule is set out at Appendix 2 to this Schedule.

ANNEX

[Section 4.04 (a) (ii)]

MEMBERS OF THE BANK

Regional Members

1. Anguilla
2. Antigua and Barbuda
3. Bahamas - Commonwealth of The
4. Barbados
5. Belize
6. British Virgin Islands
7. Cayman Islands
8. Colombia
9. Dominica - Commonwealth of
10. Grenada
11. Guyana - Co-operative Republic of
12. Jamaica
13. Mexico
14. Montserrat
15. Saint Kitts and Nevis
16. Saint Lucia
17. Saint Vincent and the Grenadines
18. Trinidad and Tobago - Republic of
19. Turks and Caicos Islands
20. Venezuela

Non-Regional Members

1. Canada
2. China - The People's Republic of
3. France
4. Germany
5. Italy
6. United Kingdom

SCHEDULE 2

[Section 1.03 (a)(ii)]

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(d) Community Development	450	330	120	441	-	-	9
(e) CIF	1,707	-	1,707	1,616	-	-	91
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(b) Vehicles and Equipment	120	113	7	90	30	-	-
(c) Studies	250	-	250	250	-	-	-
(d) Administration	300	161	139	210	-	-	90
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PROJECT COST PHASING AND FINANCING
('000)

PROJECT COMPONENT	TOTAL COST	FINANCING			1998/99			1999/2000			2000/01			2001/02			2002/03			2003/04			TOTAL			
		IFAD	CDB	GOG	IFAD	CDB	GOG	IFAD	CDB	GOG	IFAD	CDB	GOG	IFAD	CDB	GOG	IFAD	CDB	GOG	IFAD	CDB	GOG	FOREIGN	LOCAL		
D & I Infrastructure																										
Sr. D&I Engineer (International)	280	180	120	-	40	20	-	40	40	-	40	40	-	40	20	-	-	-	-	-	-	-	-	280	-	
Sr D&I User Group/Community Dev. Specialist	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D&I Group Promoters	188	-	188	-	-	24	-	-	48	-	-	48	-	-	48	-	-	-	-	-	-	-	-	-	188	
SRE	101	-	101	-	-	14	-	-	29	-	-	29	-	-	29	-	-	-	-	-	-	-	-	-	101	
Technicians	78	-	78	-	-	8	-	-	24	-	-	24	-	-	24	-	-	-	-	-	-	-	-	-	78	
Inspectors of works	48	-	48	-	-	-	-	-	15	-	-	15	-	-	15	-	-	-	-	-	-	-	-	-	48	
Sub Total	673	180	813	-	40	64	-	40	158	-	40	158	-	40	138	-	-	-	-	-	-	-	-	-	280	
Engineering	2,950	-	2,950	-	-	-	-	-	1,152	-	-	1,799	-	-	-	-	-	-	-	-	-	-	-	-	208	
Sub Total	3,624	180	3,444	-	40	64	-	40	1,308	-	40	1,855	-	40	138	-	-	-	-	-	-	-	-	-	487	
Socio-economic studies	430	430	-	-	108	-	-	129	-	-	129	-	-	43	-	-	22	-	-	-	-	-	-	-	430	
Total	4,054	580	3,444	-	147	64	-	168	1,308	-	168	1,855	-	83	138	-	22	-	-	-	-	-	-	-	487	
TBRC																										
Training for TSS	88	85	33	-	25	18	-	12	18	-	8	-	-	8	-	-	4	-	-	-	-	-	-	-	88	
Sr. Consultant and Miscellaneous Technical Support	254	254	-	-	85	-	-	42	-	-	42	-	-	42	-	-	42	-	-	-	-	-	-	-	254	
Contracts to TSS	1,448	1,448	-	-	70	-	-	184	-	-	332	-	-	410	-	-	304	-	-	-	-	-	-	-	1,448	
Rehabilitation of Public facilities	420	420	-	-	80	-	-	90	-	-	90	-	-	75	-	-	70	-	-	-	-	-	-	-	420	
Total	2,218	2,183	33	-	280	18	-	328	18	-	473	-	-	538	-	-	425	-	-	-	-	-	-	-	254	
Credit Services																										
Credit resources	2,178	2,178	-	-	322	-	-	814	-	-	741	-	-	499	-	-	-	-	-	-	-	-	-	-	-	2,178
Personnel	114	114	-	-	23	-	-	33	-	-	23	-	-	12	-	-	12	-	-	-	-	-	-	-	-	42
Furniture and Equipment	5	5	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	
Administrative Costs	33	32	-	1	8	-	1	10	-	1	7	-	1	3	-	1	3	-	1	3	-	1	-	1	33	
Total	2,328	2,327	-	1	355	-	1	857	-	1	778	-	1	814	-	1	15	-	1	15	-	1	-	1	47	
CIDI																										
Crop production	300	180	140	-	20	48	-	30	73	-	30	18	-	30	-	-	30	-	-	-	-	-	-	-	85	
Crafts	45	45	-	-	5	-	-	10	-	-	10	-	-	10	-	-	10	-	-	-	-	-	-	-	45	
Animal Husbandry	20	20	-	-	5	-	-	5	-	-	5	-	-	5	-	-	-	-	-	-	-	-	-	-	20	
Fish production	50	50	-	-	20	-	-	20	-	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	50	
Disease control	25	25	-	-	10	-	-	5	-	-	5	-	-	5	-	-	-	-	-	-	-	-	-	-	25	
Studies	223	210	13	-	90	-	-	40	10	-	35	5	-	15	-	-	20	-	-	-	-	-	-	-	223	
Short-term consultants	481	270	221	-	88	40	-	89	85	-	83	82	-	45	24	-	21	-	-	-	-	-	-	-	417	
Beneficiary training	318	151	167	-	24	52	-	41	80	-	38	54	-	23	-	-	13	-	-	-	-	-	-	-	318	
Community Development	450	441	-	9	184	-	2	93	-	2	58	-	2	58	-	2	58	-	2	11	-	2	-	-	330	
Infrastructure	1,707	1,818	-	81	203	-	15	350	-	15	424	-	15	378	-	15	191	-	15	89	-	15	-	-	1,707	
Total	3,828	2,988	840	100	807	141	17	844	237	17	880	138	17	888	24	17	342	-	17	187	-	17	-	-	832	
Project Coordination, M & E																										
Professional staff	1,026	1,026	-	-	188	-	-	188	-	-	188	-	-	188	-	-	188	-	-	-	-	-	-	-	500	
Support staff	257	188	-	70	31	-	8	31	-	18	31	-	18	31	-	18	31	-	3	31	-	3	-	-	257	
Vehicles, furniture and equipment	120	80	30	-	80	17	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	113	
Studies	250	250	-	-	80	-	-	25	-	-	20	-	-	85	-	-	20	-	-	-	-	-	-	-	250	
Recurrent Expenses	300	210	-	90	48	-	15	33	-	15	33	-	15	33	-	15	33	-	15	33	-	15	-	-	181	
Total	1,882	1,782	30	180	418	17	24	478	13	34	471	-	34	418	-	34	271	-	18	211	-	18	-	-	774	
Total Base Cost	14,179	9,892	4,068	281	1,788	238	41	2,084	1,575	60	2,383	2,083	60	2,018	180	60	1,074	-	35	618	-	35	-	-	2,384	
Physical Contingencies	609	18	580	1	18	-	1	-	230	-	-	360	-	-	-	-	-	-	-	-	-	-	-	-	59	
Price Contingencies	1,288	830	851	8	20	14	8	80	182	-	155	400	-	185	50	-	121	8	-	58	-	-	-	-	149	
Interest During Implementation	482	-	238	224	-	0	18	-	12	18	-	57	29	-	88	41	-	80	52	-	-	-	-	-	462	
Total Project Cost	16,538	10,500	5,545	484	1,823	253	68	2,174	1,999	68	2,518	2,808	78	2,213	280	81	1,185	84	87	577	-	100	-	-	3,063	

Note: Zero = decimal rounding of <0.5

PROJECT IMPLEMENTATION SCHEDULE

Activity	1996		1997		1998				1999				2000				2001				2002				2003							
	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Loan Approval (IFAD)																																
Loan Approval (CDB)																																
Loan Agreement Signed (IFAD)																																
Loan Agreement Signed (CDB)																																
Conditions Satisfied (IFAD)																																
Conditions Satisfied (CDB)																																
Establish PMU																																
Conditions Satisfied (D&I Works)																																
Recruit Consultants																																
Senior Technical Adviser																																
Senior Consultant (TSRC)																																
Credit Specialist																																
Community Development Specialist																																
Senior D&I Engineer																																
Community Development Coordinator																																
D&I Staff																																
Group Promoters and Group Formations																																
Agric. Mech. Specialist and Agronomist																																
NARI Institutional Strengthening																																
Undertake Training for TSS																																
Group Training																																
Farmer Training																																
Undertake D&I Rehab. Activity																																
Activity Under CIF																																
Credit Delivery																																
Monitoring Studies																																
Evaluation Studies																																
Other Studies																																

SCHEDULE 3

[Section 6.04]

REPORTING REQUIREMENTS

<u>Report</u>	<u>Frequency</u>
<u>List of Reports to be Submitted to CDB</u>	
(a) Monthly progress reports on project implementation	30 days after each calendar month, commencing one month after signing of his/her contract
(b) Quarterly Report on Investment Cost of Project	Within six weeks after the end of each quarter, commencing with quarter following assignment
(c) Project Completion Report (Construction) of the SCE	Within three months of practical completion of construction
(d) Reports on TA Activities	Within 30 days of completion of each assignment
(e) Report of Mid-Term Review	Within three months of the end of the third year from the date of the Loan Agreement
(f) Project Completion Report	Within six months after completion of final disbursement of CDB and IFAD resources
(g) Reports from other consultants providing services to the Project	15 days after completion of each assignment

Nicaragua
Niger
Nigeria
Norway
Oman
Pakistan
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Portugal
Qatar
Republic of Korea
Republic of Maldives
Romania
Rwanda
Sao Tome and Principe
Saudi Arabia
Senegal
Seychelles
Sierra Leone
Solomon Islands
Somalia
Spain
Sri Lanka
Sudan
Suriname
Swaziland
Sweden
Switzerland
Syria
Tajikistan
Tanzania, United Republic of
Thailand
The Former Yugoslav Republic of
Macedonia
Togo
Tonga
Tunisia
Turkey

Uganda
United Arab Emirates
United States
Uruguay
Vietnam
Western Samoa
Yemen
Yugoslavia
Zaire
Zambia
Zimbabwe

SCHEDULE 4

[Section 4.03 (b)]

LIST OF ELIGIBLE COUNTRIES FOR IFAD PROCUREMENT *ISPs*

<u>Country</u>	<u>Country</u>
Albania	Gabon
Algeria	Gambia, The
Angola	Georgia
Argentina	Ghana
Armenia	Greece
Australia	Guatemala
Austria	Guinea
Azerbaijan	Guinea-Bissau
Bangladesh	Haiti
Belgium	Honduras
Benin	India
Bhutan	Indonesia
Bolivia	Iran
Bosnia and Herzegovina	Iraq
Botswana	Ireland
Brazil	Israel
Burkina Faso	Japan
Burundi	Jordan
Cambodia	Kenya
Cameroon	Kuwait
Cape Verde	Kyrgyzstan
Central African Republic	Laos
Chad	Lebanon
Chile	Lesotho
Comoros	Liberia
Congo	Libyan Arab Jamahiriya
Cook Islands	Luxembourg
Costa Rica	Madagascar
Cote d'Ivoire	Malawi
Cuba	Malaysia
Cyprus	Maldives
D.P.R. Korea	Mali
Denmark	Malta
Djibouti	Mauritania
Dominican Republic	Mauritius
Ecuador	Mongolia
Egypt	Morocco
El Salvador	Mozambique
Equatorial Guinea	Myanmar
Eritica	Namibia
Ethiopia	Nepal
Fiji	Netherlands
Finland	New Zealand

Nicaragua
Niger
Nigeria
Norway
Oman
Pakistan
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Portugal
Qatar
Republic of Korea
Republic of Maldives
Romania
Rwanda
Sao Tome and Principe
Saudi Arabia
Senegal
Seychelles
Sierra Leone
Solomon Islands
Somalia
Spain
Sri Lanka
Sudan
Suriname
Swaziland
Sweden
Switzerland
Syria
Tajikistan
Tanzania, United Republic of
Thailand
The Former Yugoslav Republic of
Macedonia
Togo
Tonga
Tunisia
Turkey

Uganda
United Arab Emirates
United States
Uruguay
Vietnam
Western Samoa
Yemen
Yugoslavia
Zaire
Zambia
Zimbabwe

REPORT ON INVESTMENT COST OF PROJECT
(\$'000)

For Quarter Ending _____

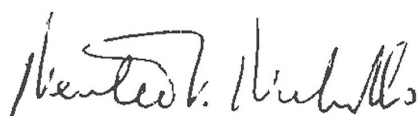
Elements of Project	Expenditure for this Quarter	Cumulative Expenditure To date	Projected Expenditure for the Quarter			Estimated Expenditure To Complete Project	Latest Estimate of Expenditure	Project Estimate as per Appraisal Report	Variance Favourable/ (Adverse)	Comments/Reasons for Adverse Variance and Financing Proposals to Meet Cost Overruns
			Ending	Ending	Ending					
(1)	(2)	(3)	(4) ₁	(4) ₂	(4) ₃	(5)	(6)	(7)	(8)	(9)
1. D&I Infrastructure								4,054		
2. TSRC								2,218		
3. Credit Services								2,328		
4. CIDI								3,628		
5. Project Coordination, M&E								1,952		
Base Cost								14,179		
6. Physical Contingencies								609		
7. Price Contingencies								1,289		
8. Interest During Implementation								462		
Total Project Cost								16,539		

SCHEDULE 5

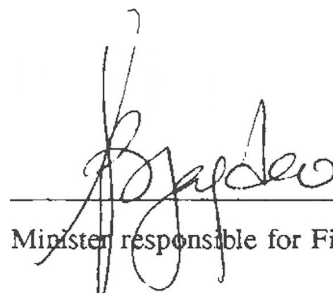
IN WITNESS WHEREOF this Loan Agreement has been signed in two (2) equally valid copies at Wilkey, St. Michael, Barbados and Georgetown, Co-operative Republic of Guyana, on behalf of the Bank and the Borrower by their respective duly authorised representatives and shall be deemed to be in force as of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

CARIBBEAN DEVELOPMENT BANK

CO-OPERATIVE REPUBLIC OF GUYANA



NEVILLE V. NICHOLLS
PRESIDENT



Minister responsible for Finance