

No. 16435

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**UNITED STATES OF AMERICA  
and  
GUYANA**

**Loan Agreement for improvement of Georgetown streets and approaches (with annex). Signed at Georgetown on 9 November 1971**

**Amendment of the above-mentioned Agreement. Signed at Georgetown on 6 November 1975**

*Authentic texts: English.*

*Registered by the United States of America on 13 February 1978.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
GUYANE**

**Accord de prêt relatif à la réfection de rues et voies d'accès à Georgetown (avec annexe). Signé à Georgetown le 9 novembre 1971**

**Avenant à l'Accord susmentionné. Signé à Georgetown le 6 novembre 1975**

*Textes authentiques : anglais.*

*Enregistré par les États-Unis d'Amérique le 13 février 1978.*

## LOAN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF GUYANA AND THE UNITED STATES OF AMERICA FOR IMPROVEMENT OF GEORGETOWN STREETS AND APPROACHES

A.I.D. Loan Number 504-L-010

LOAN AGREEMENT dated November 9, 1971, between the GOVERNMENT OF GUYANA (“Borrower”) and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT (“A.I.D.”).

### *Article I. THE LOAN*

*Section 1.01. THE LOAN.* A.I.D. agrees to lend to Borrower, pursuant to the Foreign Assistance Act of 1961, as amended, an amount not to exceed eight million nine hundred thousand United States dollars (\$8,900,000) (“Loan”) to assist Borrower in carrying out the Project referred to in section 1.02 (“Project”). The Loan shall be used exclusively to finance United States dollar costs (“Dollar Costs”) and local currency costs (“Local Currency Costs”) of goods and services required for the Project. The aggregate amount of disbursements under the Loan is hereinafter referred to as “Principal”.

*Section 1.02. THE PROJECT.* The Project consists of the construction and improvement of several Georgetown approach roads and Georgetown city streets in order to facilitate the flow of traffic in and around Guyana’s major city, to promote safety, to reduce transportation costs, and to encourage economic development in the Greater Georgetown area.

The Loan will be used to finance up to eight million nine hundred thousand United States dollars (\$8,900,000) of the dollar and local currency costs of construction and engineering services, materials and supplies required for the Project, the total cost of which is estimated at the equivalent of eleven million nine hundred thousand United States dollars (\$11,900,000).

The Project is more fully described in annex I, attached hereto, which annex may be modified in writing. The goods and services to be financed under the Loan shall be listed in implementation letters referred to in section 9.03 (“Implementation Letters”).

### *Article II. LOAN TERMS*

*Section 2.01. INTEREST.* Borrower shall pay to A.I.D. interest which shall accrue at the rate of two percent (2%) per annum for ten (10) years following the date of first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance shall accrue from the date of each respective disbursement, as such date is defined in section 7.04, and shall be computed on the basis of a 365-day year. Interest shall be payable semiannually. The first payment of

<sup>1</sup> Came into force on 9 November 1971 by signature.

interest shall be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

*Section 2.02. REPAYMENT.* Borrower shall repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement hereunder in sixty-one (61) approximately equal semiannual installments of Principal and interest. The first installment of Principal shall be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with section 2.01. A.I.D. shall provide Borrower with an amortization schedule in accordance with this section after the final disbursement under the Loan.

*Section 2.03. APPLICATION, CURRENCY AND PLACE OF PAYMENT.* All payments of interest and Principal hereunder shall be made in United States dollars and shall be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, all such payments shall be made to the Controller, USAID Mission to Guyana, and shall be deemed made when received by A.I.D. at the address set forth in section 9.01 of this Agreement.

*Section 2.04. PREPAYMENT.* Upon payment of all interest and refunds then due, Borrower may prepay, without penalty, all or any part of the Principal. Any such prepayment shall be applied to the installments of Principal in the inverse order of their maturity.

*Section 2.05. RENEGOTIATION OF THE TERMS OF THE LOAN.* Borrower agrees to negotiate with A.I.D., at such time or times as A.I.D. may request, an acceleration of the repayment of the Loan in the event that there is any significant improvement in the internal and external economic and financial position and prospects of Guyana, taking into consideration the relative capital requirements of Guyana.

### *Article III. CONDITIONS PRECEDENT TO DISBURSEMENT*

*Section 3.01. CONDITIONS PRECEDENT TO INITIAL DISBURSEMENT.* Prior to the first disbursement or to the issuance of the first Letter of Commitment under the Loan, Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

- a) An opinion of the Attorney General of Guyana that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of Borrower in accordance with all of its terms; and
- b) A statement of the names of the persons holding or acting in the office of Borrower, specified in section 9.02, and a specimen signature of each person specified in such statement; and
- c) An executed contract for engineering or other type of consulting services for the Project acceptable to A.I.D. with a firm acceptable to A.I.D.

*Section 3.02. CONDITIONS PRECEDENT TO ADDITIONAL DISBURSEMENT.* Prior to any disbursement or to the issuance of any Letter of Commitment under the Loan for any individual construction project, Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

- a) A schedule of Borrower's contribution to the individual construction project, including, but not necessarily limited to, financial resources, equipment and personnel; and

- b) Evidence that rights-of-way for the individual construction project, including provision for temporary detours as necessary, have been obtained.

*Section 3.03.* TERMINAL DATES FOR MEETING CONDITIONS PRECEDENT TO DISBURSEMENT. If all of the conditions specified in section 3.01 shall not have been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by giving written notice to Borrower. Upon the giving of such notice, this Agreement and all obligations of the Parties hereunder shall terminate.

*Section 3.04.* NOTIFICATION OF MEETING OF CONDITIONS PRECEDENT TO DISBURSEMENT. A.I.D. shall notify Borrower upon determination by A.I.D. that the conditions precedent to disbursement specified in sections 3.01 and, as the case may be, 3.02 have been met.

#### *Article IV.* GENERAL COVENANTS AND WARRANTIES

*Section 4.01.* EXECUTION OF THE PROJECT. a) Borrower shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, construction and financial and administrative and accounting methods and practices. In this connection, Borrower shall at all times employ suitably qualified and experienced consultants to be professionally responsible for the design and execution of the Project and suitably qualified and competent construction contractors and force account personnel to carry out the Project.

b) Borrower shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedule, and other arrangements, and with all modifications therein, approved by A.I.D. pursuant to this Agreement.

*Section 4.02.* FUNDS AND OTHER RESOURCES TO BE PROVIDED BY BORROWER. Borrower shall provide promptly as needed all funds, in addition to the Loan, and all other resources required for the punctual and effective carrying out, maintenance, repair, and operation of the Project, including, but not limited to, the amounts provided for in article V of this Agreement.

*Section 4.03.* CONTINUING CONSULTATION. Borrower and A.I.D. shall cooperate fully to assure that the purpose of the Loan will be accomplished. To this end, Borrower and A.I.D. 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 Borrower of its obligations under this Agreement, the performance of the agencies, consultants, contractors, and suppliers engaged on the Project, and other matters relating to the Project.

The effect of the Project upon the natural environment shall be taken into consideration prior to and during the implementation of the Project, and A.I.D. and Borrower shall cooperate to minimize any harmful effects upon the natural environment.

*Section 4.04.* MANAGEMENT. Borrower shall provide and cause to be provided qualified and experienced management for the Project, and it shall train and cause to be trained such staff as may be appropriate for the maintenance and operation of the Project.

*Section 4.05.* TAXATION. This Agreement, the Loan and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and

interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within Guyana. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transaction relating to such contracts and (b) any commodity procurement transaction financed hereunder are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in Guyana, Borrower shall, as and to the extent prescribed in and pursuant to Implementation Letters, pay or reimburse the same under section 4.02 of this Agreement with funds other than those provided under the Loan.

*Section 4.06. UTILIZATION OF GOODS AND SERVICES.* a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing. Upon completion of the Project, or at such other time as goods financed under the Loan can no longer usefully be employed for the Project, Borrower may use or dispose of such goods in such manner as A.I.D. may agree to in writing prior to such use or disposition.

b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid project or activity associated with or financed by any country not included in code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

*Section 4.07. DISCLOSURE OF MATERIAL FACTS AND CIRCUMSTANCES.* Borrower represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that it has disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of its obligations under or related to this Agreement. Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the discharge of Borrower's obligations under or related to this Agreement.

*Section 4.08. COMMISSIONS, FEES, AND OTHER PAYMENTS.* a) Borrower warrants and covenants that in connection with obtaining the Loan, or taking any action under or with respect to this Agreement, it has not paid, and will not pay or agree to pay, nor to the best of its knowledge has there been paid nor will there be paid or agree to be paid by any other person or entity, commissions, fees, or other payments of any kind, except as regular compensation to the Borrower's full-time officers and employees or as compensation for bona fide professional, technical, or comparable services. The Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical or comparable services to which it is a Party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

b) Borrower warrants and covenants that no payments have been or will be received by Borrower, or any official of Borrower, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in Guyana.

*Section 4.09. MAINTENANCE AND AUDIT OF RECORDS.* The Borrower shall maintain, or cause to be maintained, in accordance with sound accounting principles

and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- a) The receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- b) The nature and extent of solicitations of prospective suppliers of goods and services acquired;
- c) The basis of the award of contracts and orders to successful bidders; and
- d) The progress of the Project.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

*Section 4.10. REPORTS.* Borrower shall furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may request.

*Section 4.11. INSPECTIONS.* The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and Borrower's books, records and other documents relating to the Project and the Loan. Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of Guyana for any purpose relating to the Loan.

#### *Article V. SPECIAL COVENANTS*

*Section 5.01. BORROWER'S GENERAL CONTRIBUTION.* Borrower covenants to contribute to the Project an amount not less than the equivalent of three million United States dollars (\$3,000,000).

*Section 5.02. MAINTENANCE.* Borrower covenants to make, and to cause the Mayor and Councillors of the City of Georgetown to make, adequate provisions in their respective budgets annually for the cost of maintaining the Project. The amounts so provided for shall be in addition to amounts Borrower provides in its budget for the maintenance of other roads and trails in Guyana and in addition to amounts contributed under such section 5.01 hereof.

#### *Article VI. PROCUREMENT*

*Section 6.01. QUALIFIED WORLD-WIDE PROCUREMENT.* Except as A.I.D. may otherwise agree in writing, and except as provided in subsection 6.08(c) with respect to marine insurance, disbursements made pursuant to section 7.01 shall be used exclusively to finance the procurement for the Project of goods and services having their source and origin in countries included in code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts are entered into for such goods and services ("Qualified World-Wide Goods and Services"). All ocean shipping financed under the Loan shall have both its source and origin in countries included in code 941 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

*Section 6.02. PROCUREMENT FROM GUYANA.* Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to section 7.02 shall be used exclusively to finance the procurement for the Project of goods and services having both their source and origin in Guyana.

*Section 6.03. ELIGIBILITY DATE.* Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement.

*Section 6.04. GOODS AND SERVICES NOT FINANCED UNDER LOAN.* Goods and services procured for the Project but not financed under the Loan shall have their source and origin in countries included in code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

*Section 6.05. IMPLEMENTATION OF PROCUREMENT REQUIREMENTS.* The definitions applicable to the eligibility requirements of sections 6.01, 6.02 and 6.04 will be set forth in detail in Implementation Letters.

*Section 6.06. PLANS, SPECIFICATIONS, AND CONTRACTS.* *a)* Except as A.I.D. may otherwise agree in writing, Borrower shall furnish to A.I.D., promptly upon preparation, all plans, specifications, construction schedules, bid documents and contracts, or other arrangements relating to the Project, and any modifications therein, whether or not the goods and services to which they relate are financed under the Loan.

*b)* Except as A.I.D. may otherwise agree in writing, all of the plans, specifications and construction schedules furnished pursuant to subsection (*a*) above shall be approved by A.I.D. in writing.

*c)* All bid documents and documents related to the solicitation of proposals relating to goods and services financed under the Loan shall be approved by A.I.D. in writing prior to their issuance. All plans, specifications, and other documents relating to goods and services financed under the Loan shall be in terms of United States standards and measurements, except as A.I.D. may otherwise agree in writing.

*d)* The following contracts financed under the Loan shall be approved by A.I.D. in writing prior to their execution :

- i) Contracts for engineering, consultant and other professional services;
- ii) Contracts for construction services;
- iii) Contracts for such other services as A.I.D. may specify; and
- iv) Contracts for such equipment and materials as A.I.D. may specify.

In the case of any of the above contracts for services, A.I.D. shall also approve in writing the contractor and such contractor personnel as A.I.D. may specify. Material modifications in any of such contracts and changes in any of such personnel shall also be approved by A.I.D. in writing prior to their becoming effective.

*e)* Consulting firms (including management consultants) used by Borrower for the Project but not financed under the Loan, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by Borrower for the Project but not financed under the Loan shall be acceptable to A.I.D.

*Section 6.07. REASONABLE PRICE.* No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis in accordance with procedures therefor prescribed in Implementation Letters.

*Section 6.08. SHIPPING AND INSURANCE.* a) Qualified world-wide goods financed under the Loan shall be transported to Guyana on flag carriers of any country included in code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

b) At least fifty percent (50%) of the gross tonnage of all qualified world-wide goods financed under the Loan (computed separately for dry bulk carriers, dry cargo liners, and tankers which shall be transported on ocean vessels shall be transported on privately owned United States-flag commercial vessels unless A.I.D. shall determine that such vessels are not available at fair and reasonable rates for United States-flag commercial vessels. No such goods may be transported on any ocean vessel or aircraft (i) which A.I.D., in a notice to Borrower, has designated as ineligible to carry A.I.D.-financed goods or (ii) which has been chartered for the carriage of A.I.D.-financed goods, unless such charter has been approved by A.I.D.

c) Marine insurance on qualified world-wide goods may be financed under the Loan with disbursements made pursuant to section 7.01, provided (i) such insurance is placed at the lowest available competitive rate in Guyana, or in a country included in code 941 of the A.I.D. Geographic Code Book as in effect at the time of placement, and (ii) claims thereunder are payable in a freely convertible currency. If in connection with the placement of marine insurance on shipments financed under United States legislation authorizing assistance to other nations, Guyana, by statute, decree, rule or regulation, favors any marine insurance company of any country over any marine insurance company authorized to do business in any State of the United States of America, qualified world-wide goods financed under the Loan shall during the continuance of such discrimination be insured against marine risk in the United States of America with a company or companies authorized to do a marine insurance business in any State of the United States of America.

d) Borrower shall insure, or cause to be insured, all qualified world-wide goods financed under the Loan against risks incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice, shall insure the full value of the goods, and shall be payable in the currency in which such goods were financed or in any freely convertible currency. Any indemnification received by Borrower under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse Borrower for the replacement or repair of such goods. Any such replacements shall have their source and origin in Guyana or in countries included in code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts are entered into for such replacements, and shall be otherwise subject to the provisions of this Agreement.

*Section 6.09. NOTIFICATION TO POTENTIAL SUPPLIERS.* In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Loan, Borrower shall furnish to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.



*Section 6.10.* UNITED STATES GOVERNMENT-OWNED EXCESS PROPERTY. Borrower shall utilize, with respect to goods financed under the Loan to which Borrower takes title at the time of procurement, such reconditioned United States Government-owned excess property as may be consistent with the requirements of the Project and as may be available within a reasonable period of time. Borrower shall seek assistance from A.I.D. and A.I.D. will assist Borrower in ascertaining the availability of and in obtaining such excess property. A.I.D. will make arrangements for any necessary inspection of such property by the Borrower or its representative. The costs of inspection and acquisition, and all charges incident to the transfer to the Borrower of such excess property, may be financed under the Loan. Prior to the procurement of any goods, other than excess property, financed under the Loan, and after having sought such A.I.D. assistance, Borrower shall indicate to A.I.D. in writing, on the basis of information then available to it, either that such goods cannot be made available from reconditioned United States Government-owned excess property on a timely basis or that the goods that can be made available are not technically suitable for use in the Project.

*Section 6.11.* INFORMATION AND MARKING. Borrower shall give publicity to the Loan and the Project as a program of United States aid and mark goods financed under the Loan, as prescribed in Implementation Letters.

*Section 6.12.* EMPLOYMENT OF NON-QUALIFIED WORLD-WIDE NATIONALS UNDER CONSTRUCTION CONTRACTS. The employment of personnel to perform services under any construction contract financed under the Loan shall be subject to certain requirements with respect to nationals of countries other than Guyana and countries included in code 941 of the A.I.D. Geographic Code Book as in effect at the time the construction contract is entered into. These requirements will be prescribed in Implementation Letters.

#### *Article VII.* DISBURSEMENTS

*Section 7.01.* DISBURSEMENT FOR UNITED STATES DOLLAR COSTS — LETTERS OF COMMITMENT TO UNITED STATES BANKS. Upon satisfaction of conditions precedent, Borrower may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States Banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, through the use of Letters of Credit or otherwise, for dollar costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of Borrower and may be financed under the Loan.

*Section 7.02.* DISBURSEMENT FOR LOCAL CURRENCY COSTS. Upon satisfaction of conditions precedent, Borrower may, from time to time, request disbursement by A.I.D. of local currency for local currency costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement by submitting to A.I.D. such supporting documentation as A.I.D. may prescribe in Implementation Letters. A.I.D. shall make such disbursements from local currency owned by the United States Government and that obtained by A.I.D. with United States dollars.

The United States dollar equivalent of the local currency made available hereunder will be the amount of U.S. dollars required by A.I.D. to obtain the local currency.

*Section 7.03. OTHER FORMS OF DISBURSEMENT.* Disbursements of the Loan may also be made through such other means as Borrower and A.I.D. may agree to in writing.

*Section 7.04. DATE OF DISBURSEMENT.* Disbursements by A.I.D. shall be deemed to occur (a) in the case of disbursements pursuant to section 7.01 on the date on which A.I.D. makes a disbursement to Borrower, its designee, or a banking institution pursuant to a Letter of Commitment and (b) in the case of disbursements pursuant to section 7.02, on the date on which A.I.D. disburses the local currency to Borrower or its designee.

*Section 7.05. TERMINAL DATE FOR DISBURSEMENT.* Except as A.I.D. may otherwise agree in writing, no Letter of Commitment or other commitment documents which may be called for by another form of disbursement under section 7.03 or amendment thereto shall be issued in response to requests received by A.I.D. after June 30, 1975, and no disbursement shall be made against documentation received by A.I.D. or any bank described in section 7.01 after December 31, 1975. A.I.D. at its option may at any time or times after December 31, 1975, reduce the Loan by all or any part thereof for which documentation was not received by such date.

#### *Article VIII. CANCELLATION AND SUSPENSION*

*Section 8.01. CANCELLATION BY THE BORROWER.* Borrower may, with the prior written consent of A.I.D., by written notice to A.I.D., cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or (ii) which has not then been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

*Section 8.02. EVENTS OF DEFAULT; ACCELERATION.* If any one or more of the following events ("Events of Default") shall occur:

- a) Borrower shall have failed to pay when due any interest or installment of Principal required under this Agreement;
- b) Borrower shall have failed to comply with any other provision of this Agreement, including, but without limitation, the obligation to carry out the Project with due diligence and efficiency;
- c) Borrower shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan agreement, any guaranty agreement, or any other agreement between Borrower or any of its agencies and A.I.D. or any of its predecessor agencies;

then A.I.D. may, at its option, give to Borrower notice that all or any part of the unpaid Principal shall be due and payable sixty (60) days thereafter, and, unless the event of default is cured within such sixty (60) days:

- i) Such unpaid Principal and any accrued interest hereunder shall be due and payable immediately; and

- ii) The amount of any further disbursements made under then outstanding irrevocable Letters of Credit or otherwise shall become due and payable as soon as made.

*Section 8.03. SUSPENSION OF DISBURSEMENT.* In the event that at any time:

- a) An event of default has occurred;
- b) An event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that Borrower will be able to perform its obligations under this Agreement; or
- c) Any disbursement by A.I.D. would be in violation of the legislation governing A.I.D.;
- d) Borrower shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan agreement, any guaranty agreement, or any other agreement between Borrower or any of its agencies and the Government of the United States or any of its agencies;

then A.I.D. may, at its option:

- i) Suspend or cancel outstanding commitment documents to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or through Bank payments made other than under irrevocable Letters of Credit, in which event A.I.D. shall give notice to Borrower promptly thereafter;
- ii) Decline to make disbursements other than under outstanding commitment documents;
- iii) Decline to issue additional commitment documents;
- iv) At A.I.D.'s expense, direct that title to goods financed under the Loan shall be transferred to A.I.D. if the goods are from a source outside Guyana, are in a deliverable state and have not been off-loaded in port of entry of Guyana. Any disbursement made or to be made under the Loan with respect to such transferred goods shall be deducted from Principal.

*Section 8.04. CANCELLATION BY A.I.D.* Following any suspension of disbursements pursuant to section 8.03, if the cause or causes for such suspension of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such suspension, A.I.D. may, at its option, at any time or times thereafter, cancel all or any part of the Loan that is not then either disbursed or subject to irrevocable Letters of Credit.

*Section 8.05. CONTINUED EFFECTIVENESS OF AGREEMENT.* Notwithstanding any cancellation, suspension of disbursement, or acceleration of repayment, the provisions of this Agreement shall continue in full force and effect until the payment in full of all principal and any accrued interest hereunder.

*Section 8.06. REFUNDS.* a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require Borrower to refund such amount in United States dollars to A.I.D. within thirty (30) days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder, if any, shall

be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or to goods that did not conform to specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified, the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

*Section 8.07.* EXPENSES OF COLLECTION. All reasonable costs incurred by A.I.D., other than salaries of its staff, in connection with the collection of any refund or in connection with amounts due A.I.D. by reason of the occurrence of any of the events specified in section 8.02 may be charged to Borrower and reimbursed to A.I.D. in such manner as A.I.D. may specify.

*Section 8.08.* NONWAIVER OF REMEDIES. No delay in exercising or omission to exercise any right, power, or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of any of such rights, power or remedies.

#### *Article IX.* MISCELLANEOUS

*Section 9.01.* COMMUNICATIONS. Any notice, request, document, or other communication given, made, or sent by Borrower or A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable, or radiogram and shall be deemed to have been duly given, made, or sent to the party to which it is addressed when it shall be delivered to such party by hand or by mail, telegram, cable, or radiogram at the following addresses:

To Borrower:

Mail address:

Minister of Finance  
Public Buildings  
Georgetown, Guyana

Cable address:

Same as above.

To A.I.D.:

Mail address:

USAID Mission to Guyana  
P.O. Box 25  
Georgetown, Guyana

Cable address:

USAID  
American Embassy  
Georgetown, Guyana

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications, and documents submitted to A.I.D. hereunder shall be in English and shall refer to “Loan No. 504-L-010”, except as A.I.D. may otherwise agree in writing.

*Section 9.02. REPRESENTATIVES.* For all purposes relative to this Agreement, the Borrower will be represented by the individual holding or acting in the office of Minister of Finance and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID/Guyana. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative of Borrower hereunder, Borrower shall submit a statement of the representative’s name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of Borrower designated pursuant to this section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

*Section 9.03. IMPLEMENTATION LETTERS.* A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

*Section 9.04. PROMISSORY NOTES.* At such time or times as A.I.D. may request, Borrower shall issue promissory notes or such other evidences of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

*Section 9.05. TERMINATION UPON FULL PAYMENT.* Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of Borrower and A.I.D. under this Loan Agreement shall terminate.

IN WITNESS WHEREOF, Borrower and the United States of America, each acting through its respective duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

The Government of Guyana:

By: [Signed — Signé]<sup>1</sup>

Title: Minister of Finance

In the presence of:

[Illegible]

United States of America:

By: [Signed — Signé]<sup>2</sup>

Title: USAID Mission Director

In the presence of:

[Illegible]

## ANNEX I

### DESCRIPTION OF PROJECT<sup>3</sup>

<sup>1</sup> Signed by H. D. Hoyte — Signé par H. D. Hoyte.

<sup>2</sup> Signed by Robert C. Hamer — Signé par Robert C. Hamer.

<sup>3</sup> Publication effected in accordance with article 12 (2) of the General Assembly regulations to give effect to Article 102 of the Charter of the United Nations as amended in the last instance by General Assembly resolution 33/141 A of 19 December 1978.

## AMENDMENT<sup>1</sup> OF LOAN AGREEMENT

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November 6, 1975

### AID Loan 504-L-010: Improvement of Georgetown streets and approaches

The Government of Guyana (“Borrower”) and the United States of America, acting through the Agency for International Development (“A.I.D.”), hereby amend the subject Loan Agreement between the Parties hereto dated November 9, 1971,<sup>2</sup> as follows:

1. In section 1.01, delete “eight million nine hundred thousand United States dollars (\$8,900,000)” and substitute “six million two hundred thousand United States dollars (\$6,200,000)”.

2. In section 1.02:

- a) Delete “eight million nine hundred thousand United States dollars (\$8,900,000)” and substitute “six million two hundred thousand United States dollars (\$6,200,000)”.
- b) Delete “eleven million nine hundred thousand United States dollars (\$11,900,000)” and substitute “eight million three hundred thousand United States dollars (\$8,300,000).”

3. In section 5.01, delete “three million United States dollars (\$3,000,000)” and substitute “two million one hundred thousand (\$2,100,000). United States dollar equivalence of a local currency contribution by the Borrower shall be determined according to the legal exchange rate yielding the most local currency per unit of United States currency on the date the contribution was made”.

4. In section 7.05, substitute “June 30, 1977,” for “June 30, 1975,” and “December 31, 1977,” for “December 31, 1975.”

5. Delete annex I and substitute the following: “ANNEX I. DESCRIPTION OF THE PROJECT”,<sup>3</sup>

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<sup>1</sup> Came into force on 6 November 1975 by signature.

<sup>2</sup> See p. 14 of this volume.

<sup>3</sup> Publication effected in accordance with article 12 (2) of the General Assembly regulations to give effect to Article 102 of the Charter of the United Nations as amended in the last instance by General Assembly resolution 33/141 A of 19 December 1978.

IN WITNESS WHEREOF, Borrower and the United States of America, each acting through its respective duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

The Government of Guyana:

*By:* [*Signed — Signé*]<sup>1</sup>

*Title:* Minister of Finance

*In the presence of:* [*Illegible*]

United States of America:

*By:* [*Signed — Signé*]<sup>2</sup>

*Title:* Director, USAID/Guyana

*In the presence of:* [*Illegible*]

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<sup>1</sup> Signed by F. E. Hope — Signé par F. E. Hope.

<sup>2</sup> Signed by Arthur Mudge — Signé par Arthur Mudge.