

**BILATERAL DEBT SETTLEMENT AGREEMENT
BETWEEN THE KUWAIT INVESTMENT AUTHORITY, STATE OF KUWAIT AND
THE GOVERNMENT OF THE CO-OPERATIVE REPUBLIC OF GUYANA**

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The Kuwait Investment Authority, State of Kuwait and the Government of the Co-operative Republic of Guyana (hereinafter referred to as the "**Parties**"), having regard to the long-standing economic relations between the Parties and the agreements concluded between the Government of the Co-operative Republic of Guyana and its international financial community creditors (the Paris Club, the International Monetary Fund (IMF) and the World Bank) to relieve the country's debt and in relation to the Deposit Agreement between the Central Bank of Kuwait, State of Kuwait and the Bank of Guyana, Co-operative Republic of Guyana signed on 12 January 1975, which was subsequently transferred with effect from 1 January 1998 to the books of the Ministry of Finance, Co-operative Republic of Guyana, have agreed to the debt settlement conditions as follows:

Article 1**Amount**

1.0 The Parties hereby confirm that the total amount (principal and interest) of the Cooperative Republic of Guyana's outstanding debt to the Kuwait Investment Authority, State of Kuwait amounts to **USD77,592,840.90 (seventy-seven million five hundred and ninety-two thousand eight hundred forty dollars and ninety cents)**, of which the principal amounts to **USD9,940,500.00 (nine million nine hundred forty thousand five hundred dollars)** and the interest amounts to **USD67,652,340.90 (sixty-seven million six hundred fifty-two thousand three hundred forty dollars and ninety cents)**.

1.1 The outstanding debt to the Kuwait Investment Authority, State of Kuwait was accrued and consolidated up to the cut-off date as at 31 December 2017.



Article 2**Debt Stock Reduction**

2.0 By virtue of the Government of the Co-operative Republic of Guyana having been declared by the IMF to have attained Completion Point on 18 December 2003, under the Enhanced Heavily Indebted Poor Countries Initiative, and as a consequence, having signed the Paris Club Agreed Minutes on the debt reduction, the Kuwait Investment Authority, State of Kuwait (which is not a Paris Club member) agrees to grant the Co-operative Republic of Guyana debt reduction.

2.1 The Kuwait Investment Authority, State of Kuwait agrees to grant the debt reduction to the Co-operative Republic of Guyana to be used for the development of social projects.


2.2 The Kuwait Investment Authority, State of Kuwait agrees to grant debt reduction on the outstanding interest as set out in accordance with Articles 2.5 and 2.6.

2.3 Treatment of the Principal Amount of USD9,940,500.00: The Parties agree that there will be no reduction in the Principal Amount of USD9,940,500.00.

2.4 Payment Terms: Of the Principal Amount, USD8,000,000.00 is to be repaid in equal annual instalments over four (4) years. The first principal repayment shall commence on 15 May, 2019 and end on 15 May 2022. The residual Principal sum of USD1,940,500.00, not being repaid in cash, would be treated under a debt swap arrangement.

2.5 Treatment of the Penalty Interest (Interest Arrears) of USD67,652,340.90

The Total Interest outstanding is USD67,652,340.90, of which seventy-five percent (75%) or USD50,739,255.67 would be used for the development of social projects, with the remaining twenty-five percent (25%) or USD16,913,085.22 treated, in part, by way of a debt swap arrangement and the balance repaid in cash as set out in accordance with Article 2.6



2.6 *Payment Terms:* Of the remaining Interest of USD16,913,085.22, an amount of USD12,180,838.48 would be covered under a debt swap arrangement, with the balance of USD4,732,246.74 repaid in cash over five (5) years, at an interest rate of one percent (1%) per annum, effective as of 15 May 2024 (as set out in the Amortisation Schedule annexed herein), after the completion of the principal repayment of USD8,000,000.00.

2.7 *Consolidated Treatment:* The Parties agree to a Total Debt Reduction of USD64,860,594.15

- (i) This debt reduction shall comprise as follows: USD50,739,255.67 in Interest and USD14,121,338.40 to be settled through a debt swap arrangement.
- (ii) *The Total Amount to be repaid in Cash* by the Government of the Co-operative Republic of Guyana to the Kuwait Investment Authority, State of Kuwait is USD12,732,246.74.

Article 3

Debt Swap Arrangement

3.0 The Parties agree that an amount of USD14,121,338.40 would be utilised under a debt swap arrangement. The particulars of this arrangement would need to be worked out and documented in a separate Agreement mutually agreed by the relevant authorities of both Parties.

Article 4

Implementation and Payment Schedule

4.0 The Parties agree that the debt of USD12,732,246.74 (twelve million, seven hundred thirty-two thousand, two hundred forty-six dollars and seventy-four cents) shall be repaid in accordance with the payment terms as outlined in Articles 2.4 and 2.6. The Amortisation Schedule related to the Principal Repayments and Interest Payments is hereto attached in **Annex 1**.



4.1 The Parties agree that the Kuwait Investment Authority, State of Kuwait shall issue a Debt Release Document for the amount of USD12,732,246.74, immediately after the full amount has been settled, in accordance with the attached Amortisation Schedule at **Annex 1**.

Article 5

Entry into Force

5.0 This Agreement will come into force upon the signing of the agreement by both Parties.

Article 6

Validity

6.1 This Agreement shall remain valid until the date of issuance of the Debt Release Document mentioned in Article 4.1.

6.2 This Agreement shall not be amended unless by the mutual written agreement of both Parties.

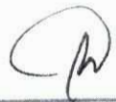
Article 7

Governing Law

7.0 This Agreement, and all matters related to the outstanding debt hereunder, shall be governed and construed in accordance with the laws of England and Wales. The Parties agree that in the event any dispute arises in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, this Agreement or otherwise arising in connection with this Agreement and that are not resolved amicably shall be subject to the non-exclusive jurisdiction of the Courts of England and Wales.

Done in 18th on March 2019 in two (2) identical copies in both English and Arabic.



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For the Kuwait Investment Authority
State of Kuwait

For the Government of the
Cooperative Republic of Guyana

Farouk Bastaki

Farouk Bastaki

MANAGING DIRECTOR

Winston Jordan

Winston Jordan

MINISTER OF FINANCE

WITNESSES:



Ahmad A. Al-Qurtas

Ahmad A. Al-Qurtas

Acting Director

Development Projects & Loans Department

Donna Yearwood

Donna Yearwood

Head

Debt Management Division



Annex 1**Amortisation Schedule**

Instalment	Due Dates	Debt Outstanding in US Dollars	Principal Repayment in US Dollars	Interest Payments in US Dollars	Total Debt Service in US Dollars
		12,732,246.74			
1	May 15, 2019	10,732,246.74	2,000,000.00	0.00	2,000,000.00
2	May 15, 2020	8,732,246.74	2,000,000.00	0.00	2,000,000.00
3	May 15, 2021	6,732,246.74	2,000,000.00	0.00	2,000,000.00
4	May 15, 2022	4,732,246.74	2,000,000.00	0.00	2,000,000.00
5	May 15, 2023	4,732,246.74	0.00	0.00	0.00
6	May 15, 2024	3,785,797.39	946,449.35	47,322.47	993,771.82
7	May 15, 2025	2,839,348.04	946,449.35	37,857.97	984,307.32
8	May 15, 2026	1,892,898.69	946,449.35	28,393.48	974,842.83
9	May 15, 2027	946,449.34	946,449.35	18,928.99	965,378.34
10	May 15, 2028	0.00	946,449.34	9,464.49	955,913.83
Total			12,732,246.74	141,967.40	12,874,214.14