

ATTACHMENT
DEBT RELIEF AGREEMENT
E-HIPC Debt Initiative

Among

THE GOVERNMENT OF THE CO-OPERATIVE REPUBLIC OF GUYANA

And

THE BANK OF GUYANA

And

THE BOARD OF DIRECTORS OF THE CARICOM MULTILATERAL CLEARING
FACILITY

And

THE CENTRAL BANK OF TRINIDAD AND TOBAGO


As Agent

THIS AGREEMENT is made the 14 day of March 2014, among the GOVERNMENT OF THE CO-OPERATIVE REPUBLIC OF GUYANA, acting through the Minister of Finance, Main and Urquhart Streets, Georgetown, County of Demerara, Co-operative Republic of Guyana ("Beneficiary Country") of the First Part, the BANK OF GUYANA, a central bank established under the Bank of Guyana Act, No.19 of 1998 of the Laws of the Co-operative Republic of Guyana, and whose offices are situated at No.1 Avenue of The Republic, Georgetown, Guyana ("Debtor Participant") of the Second Part, the BOARD OF DIRECTORS OF THE CARICOM MULTILATERAL CLEARING FACILITY an unincorporated body established by Agreement dated 4 March 1977 ("Board") of the Third Part, and the CENTRAL BANK OF TRINIDAD AND TOBAGO, a body corporate established under the Central Bank Act, Chap.79:02 of the Laws of the Republic of Trinidad and Tobago with its principal office at Independence Square, Port of Spain, in the Republic of Trinidad and Tobago ("Agent") of the Fourth Part.

WHEREAS:

(A) In this Agreement –

"Beneficiaries" mean the Government of the Co-operative Republic of Guyana and the Bank of Guyana;



"Creditor Participants" mean the Central Bank of Barbados, Central Bank of Belize, Eastern Caribbean Central Bank and the Central Bank of Trinidad and Tobago, and

(B) By an Agreement dated 4 March 1977 ("CARICOM Multilateral Clearing Facility Agreement"), the Central Bank of Barbados, the Monetary Authority of Belize (now called the Central Bank of Belize), the Eastern Caribbean Currency Authority (now called the Eastern Caribbean Central Bank), the Bank of Guyana, the Bank of Jamaica and the Central Bank of Trinidad and Tobago established the CARICOM Multilateral Clearing Facility ("Creditor Facility") which came into effect on 16 June 1977, for the purpose of, *inter alia*, facilitating settlement on a multilateral basis, of payments of eligible transactions among the participating Central Banks;

(C) The authority for the operation of the Creditor Facility is by virtue of Article III(1) of the CARICOM Multilateral Clearing Facility Agreement vested in the Board and in accordance with Article III(3)(a) of that Agreement, the Board appointed the Agent as agent of the Creditor Facility to provide the necessary services for the management and operations of the Creditor Facility;

(D) The International Monetary Fund and the World Bank have designed a framework to provide special assistance for heavily indebted poor countries ("HIPCs") that pursue IMF and World Bank supported adjustment and reform programs, but for whom traditional debt relief mechanisms are insufficient ("Original HIPC Debt Initiative");

(E) The Original HIPC Debt Initiative was enhanced in 1999 to, *inter alia*, enable a broader group of countries to qualify for larger volumes of debt relief and to provide earlier assistance to qualifying countries ("E-HIPC Debt Initiative");

(F) Under the E-HIPC Debt Initiative, a trust fund ("HIPC Trust Fund") serves as a mechanism to facilitate the fulfillment of commitments made by eligible multilateral creditors to provide relief on debts owed to them by eligible HIPCs. The International

Development Association ("IDA") has been appointed as administrator of the HIPC Trust Fund;

(G) By an Agreement dated 14 May 1999 among the Beneficiary Country, the Debtor Participant, the Board and the Agent ("1999 Agreement"), it was agreed that the Debtor Participant would be granted debt relief in the sum of US\$26.678 million in Net Present Value terms on debt owed by the Debtor Participant to the Creditor Facility and Creditor Participants. It was also agreed in the 1999 Agreement that all remaining debt would be fully repaid by 1 April 2009, in accordance with the repayment schedule referred to in the 1999 Agreement;

(H) The Beneficiaries became eligible on 17 November 2000 to participate in the E-HIPC Debt Initiative and the parties hereto agree that relief from the remaining debt under the 1999 Agreement be granted to the Beneficiaries under the E-HIPC Debt Initiative subject to the terms and conditions stipulated in this Agreement;

(I) In 2001, the Beneficiary Country qualified for additional debt relief under E-HIPC Debt Initiative. Under the E-HIPC Debt Initiative, the required debt relief from Creditor Participants to the Debtor Participant was calculated to be US\$38,479,121.25 however, at the end of 2004, the Debtor Participant's outstanding debt to Creditor Participants was US\$35,948,387.25. As such, the Debtor Participant has overpaid the sum of US\$2,530,734.00 to Creditor Participants;

(J) By The CARICOM Multilateral Clearing Facility Winding Up Agreement of 2014 (SEE ATTACHED) between the Board and the Agent, it was agreed that the residual in the CARICOM Multilateral Clearing Facility Accumulated Fund as of the date of retiring of the Creditor Facility will be allocated to the Agent in consideration of management fees for the Creditor Facility and other miscellaneous expenses over the course of the arrangement and will be applied by the Agent in the manner appearing hereunder

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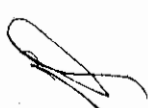
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NOW THEREFORE IT IS HEREBY agreed as follows:

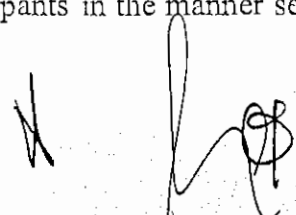
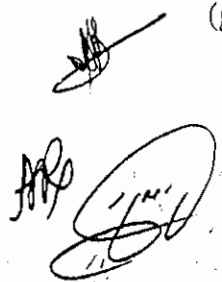
1. The Beneficiaries acknowledge and agree that-
 - (a) with effect from 1 October 2004, the Debtor Participant suspended debt service payments under the 1999 Agreement and as at the date of such suspension, there was due and owing from the Debtor Participant to the Creditor Facility and the Creditor Participants the principal sum of US\$35,948,387.25 ("Principal Sum") together with interest thereon at a rate of 5% per annum.
 - (b) under the 1999 Agreement, accumulated interest for the period commencing on 1 October 2004 and ending on 1 April 2009, amounts to US\$4,493,548.00.
 - (c) the Principal Sum is owed by the Debtor Participant to the Creditor Facility and Creditor Participants in the proportions set forth in the column titled "Principal Sum" in the Schedule to this Agreement.

2. Under the E-HIPC Debt Initiative, the Creditor Facility and the Creditor Participants are required to provide debt relief to the Beneficiaries in the sum of US\$35,948,387.25 (US\$29,245,401.00 in Net Present Value terms) and have agreed to a modality for such relief as follows:
 - (a) The Board and Creditor Participants have agreed to reduce the rate of interest on the Principal Sum from 5% per annum to 0% per annum retroactively from 2 October, 2004 and declare that all outstanding interest arrears are cancelled.
 - (b) Within sixty (60) days of the coming into force of this Agreement, the Agent on behalf of the Board shall from the moneys comprising the CARICOM Multilateral Clearing Facility Accumulated Fund, distribute the sum of US\$19 million ("CMCF Contribution") to each of the Creditor Participants in the proportions set forth in the column titled "Share" in the Schedule to this Agreement, provided however, that the amount so distributed shall not exceed the proportion of the




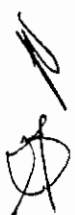


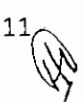
Principal Sum, if any, attributable to such Creditor Participant. The remaining portion of the Principal Sum, if any, attributable to each Creditor Participant shall be reduced by the amount of the assistance from the CARICOM Petroleum Fund (established by the Government of the Republic of Trinidad and Tobago and ratified by CARICOM in May 2005 to provide relief from increasing energy costs to CARICOM Member States that are net importers of petroleum products) and debt write-offs by each such participant.

- (c) Within sixty (60) days of the coming into force of this Agreement, the Debtor Participant will transfer the sum of US\$1,800,000.00 received from the CARICOM Petroleum Fund on 26 June, 2009 to the Central Bank of Barbados to assist in providing the required debt relief to the Debtor Participant.
- (d) Within sixty (60) days of the Debtor Participant's transfer of \$US1,800,000.00 to the Central Bank of Barbados referred to in clause 2 (c) above, the Agent, on behalf of the Creditor Participants shall pay the sum of the US\$2,530,734.00 from the residual in the CARICOM Multilateral Clearing Facility Accumulated Fund to the Debtor Participant in full and final satisfaction of the overpayment of US\$2,530,734.00 by the Debtor Participant to the Creditor Participants.
- (e) The remainder of the residual in the CARICOM Multilateral Clearing Facility Accumulated Fund shall be for the use of the Agent in its sole discretion.
- (f) After the payment of US\$2,530,734.00 by the Agent, the Debtor Participant shall have no cause of action against the Creditor Participants for the overpaid sum amounting to US\$2,530,734.00 and irrevocably releases and discharges the Creditor Participants from any and all liabilities and obligations in relation to the overpaid sum.
- (g) Following the distribution of the CMCF Contribution and the CARICOM Petroleum Fund Contribution to the Creditor Participants in the manner set out



above, the Creditor Participants whose share of relief have not been fully satisfied agree to-

- i) provide the remaining debt relief to the Beneficiaries in accordance with the Schedule to this Agreement ("Write-offs by Central Banks"), and
 - ii) irrevocably release and discharge the Beneficiaries from any and all liabilities and obligations under the 1999 Agreement.
3. The parties to this Agreement acknowledge and declare that the Board and the Agent shall not be liable for any action, claim or demand by, or any liability to, any person in respect of anything done or omitted to be done in the discharge or purported discharge of any functions or duties under this Agreement, the 1999 Agreement and the CARICOM Multilateral Clearing Facility Agreement, unless it is shown that the act or omission was reckless or in bad faith.
 4. This Agreement shall be governed in accordance with the laws of the Republic of Trinidad and Tobago.
 5. This Agreement shall be signed by the Agent, the Beneficiary Country, the Debtor Participant and the members of the Board hereinafter named and shall enter into force on the date on which the last member of the Board signs the said Agreement.




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SCHEDULE

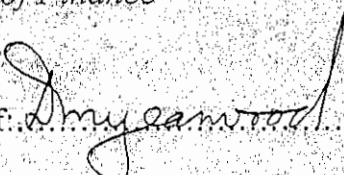
Creditor Participant	Principal Sum	Share ¹	Allocations from CMCF Accumulated Fund ²	Allocations from CARICOM Petroleum Fund ³	Write-offs by Central Banks
	US\$	%	US\$	US\$	US\$
Central Bank of Barbados	19,780,600.08	55.025	10,081,529.77	1,800,000.00	7,899,070.31
Central Bank of Trinidad and Tobago	14,784,493.22	41.127	7,535,176.28	-	7,249,316.94
Eastern Caribbean Central Bank	1,090,314.59	3.033	1,090,314.59	-	-
Central Bank of Belize	292,979.36	0.815	292,979.36	-	-
Total Principal Sum	35,948,387.25	100.000	19,000,000.00	1,800,000.00	15,148,387.25
Overpayment by Debtor Participant	2,530,734.00				
Payment to Debtor Participant of overpayment from Residual in CMCF Accumulated Fund			2,530,734.00		
Remainder of Residual of the CMCF Accumulated Fund to be allocated to the Central Bank of Trinidad and Tobago as Agent			96,114.00		
TOTAL	38,479,121.25		21,626,848.00⁴	1,800,000.00	15,148,387.25

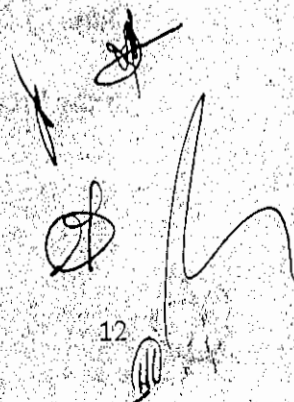
¹ Shall not exceed the proportion of the Principal Sum, for the time being, attributable to each Creditor Participant.
² Allocations to the Eastern Caribbean Central Bank and the Central Bank of Belize facilitate full settlement. Allocations to the Central Bank of Barbados and the Central Bank of Trinidad and Tobago are in proportion to their respective shares of the total principal sum.
³ The Central Bank of Barbados receives US\$1.8 million from the CARICOM Petroleum Fund.
⁴ Based on the CMCF Statement of Financial Position as at December 31, 2013 (Unaudited).

IN WITNESS WHEREOF, the Beneficiary Country, acting through its Minister of Finance, has caused this Agreement to be signed on the _____ day of _____, 2014, the Debtor Participant, acting through its duly authorized representative, has caused this Agreement to be signed on the _____ day of _____, 2014, the members of the Board hereinafter named have signed this Agreement on the respective day and year below written and the Agent acting through its duly authorized representative has caused this Agreement to be signed on the day of _____, 2014.

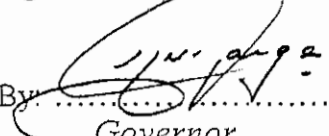
Signed for and on behalf of the
GOVERNMENT OF THE CO-OPERATIVE REPUBLIC OF GUYANA

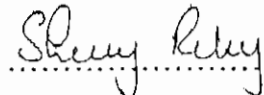
By: 
 Minister of Finance

In the presence of: 
 Dmytro Myer




Signed for and on behalf of the Debtor Participant, BANK OF GUYANA

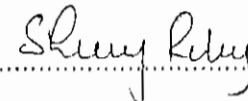
By: 
Governor


In the presence of: 

Signed by the
BOARD OF DIRECTORS OF THE CARICOM MULTILATERAL CLEARING FACILITY

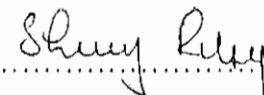

Board representatives of the
Central Bank of Barbados

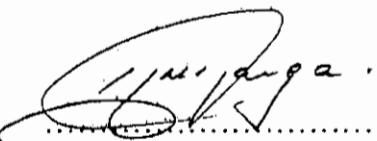
Date: 03-14-14

In the presence of: 

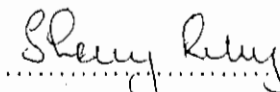

Board representatives of the
Central Bank of Belize


Date: 14th March 2014

In the presence of: 

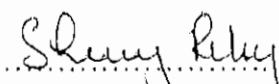

Board representatives of the
Bank of Guyana

Date: 14.3.14

In the presence of: 

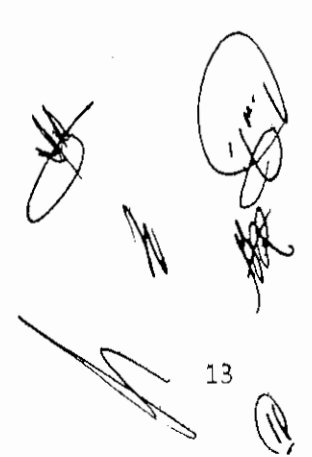

Board representatives of the
Eastern Caribbean Central Bank

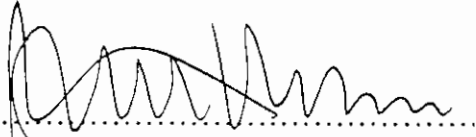
Date: 14.7.14

In the Presence of: 









Board representatives of the
Bank of Jamaica

Date 14/3/14

In the presence of: *Shirley Riley*



Board representatives of the
Central Bank of Trinidad & Tobago

Date 14/3/14

In the Presence of: *Ausha Pachon (Attorney-at-law)*

Signed for and on behalf of the Agent,

CENTRAL BANK OF TRINIDAD AND TOBAGO

By: *Raymond*
Governor

In the presence of: *Ausha Pachon (Attorney-at-law)*

