

LOAN NO. 5 /SFR-OR-GUY

LOAN AGREEMENT
(Community Services Enhancement Project)

BETWEEN

CARIBBEAN DEVELOPMENT BANK

AND

CO-OPERATIVE REPUBLIC OF GUYANA

Dated: October 13, 2005

TABLE OF CONTENTS

NOTE: This table of contents relates only to the special provisions of the Loan Agreement. The table of contents of the General Provisions is to be found at pages i-vii of Schedule 1 hereto.

<u>Articles/Sections</u>	<u>Title</u>	<u>Page</u>
<u>Article I</u>	<u>General Provisions, Interpretation, Definitions</u>	1
Section 1.01	General Provisions.....	1
Section 1.02	Interpretation	1
Section 1.03	Definitions	1-4
<u>Article II</u>	<u>The Loan and its Purpose</u>	4
Section 2.01	Amount of Loan	4
Section 2.02	Loan Accounts.....	4
Section 2.03	Purpose.....	4
<u>Article III</u>	<u>Repayment, Interest, Commission, Commitment Charge and Other Charges</u>	5
	SFR PORTION	5
Section 3.01	Repayment.....	5
Section 3.02	Interest	5
Section 3.03	Commission and Commitment Charge.....	5
	OCR PORTION	5
Section 3.04	Repayment.....	5
Section 3.05	Interest	5
Section 3.06	Commission.....	5
Section 3.07	Commitment Charge.....	6

<u>Article IV</u>	<u>Withdrawal of Loan</u>	6
Section 4.01	Withdrawal and Application of Loan	6
Section 4.02	Period of Disbursement	6
Section 4.03	Procurement.....	7
<u>Article V</u>	<u>Conditions Precedent to First Disbursement</u>	7
Section 5.01	Additional Conditions Precedent to First Disbursement.....	7-8
<u>Article VI</u>	<u>Conditions Precedent to First Disbursement with Respect to Infrastructural Works</u>	8
Section 6.01	Conditions Precedent to First Disbursement with respect to Infrastructural Works.....	8
<u>Article VII</u>	<u>Particular Conditions</u>	9
Section 7.01	Implementation of Project	9
Section 7.02	Establishment of PSC and PMU.....	9
Section 7.03	Engagement of Project Coordinator and Finance Officer and Appointment of Project Manager (Civil Works)	9-10
Section 7.04	Engagement of Consultants, Contractors and Supervisor of Works	10-11
Section 7.05	Maintenance	11-12
Section 7.06	Other Covenants.....	12
Section 7.07	Additional Funds.....	12
Section 7.08	Borrower's Contribution to the Project	12
Section 7.09	Reports and Information.....	12
<u>Article VIII</u>	<u>Cancellation and Suspension</u>	13
Section 8.01	Cancellation by the Bank.....	13

<u>Article IX</u>	<u>Miscellaneous</u>	13
Section 9.01	Addresses for Service	13

SCHEDULES

Schedule 1	General Provisions Applicable to Loan Agreements with Borrower Only	
Schedule 2	Description of Project	
Schedule 3	Arrangements for the Project Steering Committee and Project Management Unit	
Schedule 4	Functions of Project Coordinator and Project Manager (Civil Works)	
Schedule 5	Engineering Services and Solid Waste Management Consultancy Services	
Schedule 6	Terms of Reference - Community Awareness and Participation Programme	
Schedule 7	Terms of Reference - Revaluation of Properties in the Project Communities	
Schedule 8	Reporting Requirements	

AGREEMENT dated the ¹³ day of ~~October~~ 2005 between the Caribbean Development Bank (hereinafter called the Bank) of the one part and the Government of 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 I (hereinafter called the General Provisions) shall apply to this Loan Agreement subject, however, to any modifications thereof set forth 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 set forth therein, 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 community services enhancement project described in Schedule 2;
and
- (iii) "Project Country" shall mean the Co-operative Republic of Guyana.

(b) Wherever used in this Loan Agreement, unless the context otherwise requires, the following additional terms shall have the following meanings:

- (i) "Calendar Quarter" means each three (3) month period ending March 31, June 30, September 30 and December 31 in each year;
- (ii) "CDB" means the Bank;
- (iii) "DTH" means the Department of Transport and Harbours of the Borrower;
- (iv) "Engineering Consultants" means the engineering consultants for the Project to be engaged in accordance with sub-paragraph (a) (i) of Section 7.04;
- (v) "Finance Officer" means the person to be engaged as such pursuant to sub-paragraph (a) (iii) of Section 7.03;
- (vi) "Financing Plan" means the Project Cost, Phasing and Financing Plan for the Project set out in Appendix 1 to Schedule 2;
- (vii) "GOGY" means the Borrower;
- (viii) "Loan Accounts" means the OCR Loan Account and the SFR Loan Account;
- (ix) "Ministry" or "MLGRD" means the Ministry of Local Government and Rural Development of the Borrower;
- (x) "MMU" means the Management and Monitoring Unit of MPWC;
- (xi) "MPWC" means the Ministry of Public Works and Communications of the Borrower;
- (xii) "NDC" means Neighbourhood Democratic Council;

- (xiii) "OCR Loan Account" means the Loan Account to be opened pursuant to paragraph (c) of Section 2.02 and credited with the OCR Portion;
- (xiv) "OCR Portion" means an amount of the Loan not exceeding the equivalent of three million five hundred and eighty thousand United States dollars (USD3,580,000) which is proposed to be lent by the Bank to the Borrower from the Bank's Ordinary Capital Resources;
- (xv) "Project Communities" means the communities of Bartica, Parika, Supenaam and Charity of the Project Country;
- (xvi) "Project Coordinator" or "PC" means the Project Coordinator for the Project to be engaged in accordance with sub-paragraph (a) (i) of Section 7.03;
- (xvii) "Project Management Unit" or "PMU" means the Project Management Unit to be established by the Borrower pursuant to paragraph (ii) of Section 7.02;
- (xviii) "Project Manager (Civil Works)" or "PMCW" means the person appointed as such in accordance with sub-paragraph (a) (ii) of Section 7.03;
- (xix) "Project Steering Committee" or "PSC" means the Project Steering Committee to be established by the Borrower in accordance with paragraph (i) of Section 7.02;
- (xx) "RDC" means Regional Development Council;
- (xxi) "SFR Loan Account" means the Loan Account to be opened pursuant to paragraph (c) of Section 2.02 and credited with the SFR Portion;
- (xxii) "SFR Portion" means an amount of the Loan not exceeding the equivalent of ten million United States dollars (USD10,000,000) which is proposed to be lent by the Bank to the Borrower from the Special Funds Resources of the Bank;
- (xxiii) "TOR" means Terms of Reference;

(xxiv) "United States dollars" or "USD" means dollars in the currency of the United States of America; and

(xxv) "WSG" means the work services group of MPWC.

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 not exceeding the equivalent of thirteen million five hundred and eighty thousand United States dollars (USD13,580,000) consisting of the SFR Portion and the OCR Portion.

Section 2.02 **Loan Accounts.** (a) Section 3.01 of the General Provisions shall not apply to this Loan Agreement.

(b) Other references in the General Provisions to the Loan Account shall mean the OCR Loan Account or the SFR Loan Account or both of such accounts as the context requires.

(c) The Bank shall open two Loan Accounts in its books in the name of the Borrower and shall credit to one such account the amount of the SFR Portion and to the other such account the amount of the OCR Portion. The amounts credited to the Loan Accounts may be withdrawn from the Loan Accounts as provided, and subject to the rights of cancellation and suspension set out in this Loan Agreement and in the General Provisions.

Section 2.03 **Purpose.** The purpose for which the Loan is being made is to assist the Borrower in financing the Project.

ARTICLE III

Repayment, Interest, Commission, Commitment Charge and Other Charges

SFR PORTION

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 SFR 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 SFR Portion 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 the SFR Portion.

OCR PORTION

Section 3.04 **Repayment.** Except as provided in paragraph (b) of Section 3.02 of the General Provisions, the Borrower shall repay the amount withdrawn from the OCR Loan Account in sixty-eight (68) equal or approximately equal and consecutive quarterly instalments on each Due Date, commencing on the first Due Date after the expiry of five (5) years following the date of first disbursement of the Loan or on such later Due Date as the Bank may specify in writing.

Section 3.05 **Interest.** Subject to the provisions of paragraph (b) of Section 3.03 of the General Provisions, the Borrower shall pay to the Bank interest at the rate of six percent (6%) per annum on the amount of the OCR Portion 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 3.06 **Commission.** Section 3.04 of the General Provisions shall not apply to the OCR Portion.

Section 3.07 **Commitment Charge.** The Borrower shall pay to the Bank a commitment charge at the rate of one per cent (1%) per annum on the amount of the OCR Portion unwithdrawn from time to time. Such charge shall accrue from the sixtieth (60th) day after the date of this Loan Agreement and shall be payable quarterly in accordance with Section 3.05 of the General Provisions.

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 Accounts shall be used 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;

(ii) withdrawals from the Loan Accounts:

(a) shall be made rateably in accordance with the respective amounts thereof; and

(bb) shall not exceed in the aggregate eighty-five percent (85%) of the cost of the Project; and

(iii) the Borrower is not required to repay from the Loan the amount of the contingently recoverable TA Loan of USD683,000 which was approved by the Board of Directors of the Bank pursuant to Paper BD 85/03, to assist the Borrower in preparing the Project.

(b) Withdrawals from the Loan Accounts shall not be made on account 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 31, 2008.

Section 4.03 **Procurement.** (a) Goods and services required for the Project shall be procured in accordance with the provisions of paragraph (a) (i) of Section 4.04 of the General Provisions.

(b) The Borrower hereby acknowledges that it has been furnished with a copy of the Bank's:

- (i) "Guidelines for Procurement" revised in November 2000;
- (ii) "Procedures for the Selection and Engagement of Consultants by Recipients of CDB Financing" published in February 1998; and
- (iii) "Handbook for use with Procedures for the Selection and Engagement of Consultants by Recipients of CDB Financing" published in March 1998,

all of which publications are in effect at the date of this Loan Agreement.

ARTICLE V

Conditions Precedent to First Disbursement

Section 5.01 **Additional Conditions Precedent to First Disbursement.** In addition to the requirements of 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:

- (i) the Project Steering Committee and the Project Management Unit have been established in accordance with paragraphs (i) and (ii) of Section 7.02;
- (ii) the Project Coordinator has been engaged and the Project Manager (Civil Works) appointed in accordance with paragraph (a) of Section 7.03;
- (iii) the Engineering Consultants have been engaged in accordance with sub-paragraph (a) (i) of Section 7.04; and

- (iv) the aggregate of all loans (including the Loan) raised under Section 3(1) of the External Loans Act of the Project Country does not exceed the limit imposed thereby.

ARTICLE VI

Conditions Precedent to First Disbursement With Respect to Infrastructural Works

Section 6.01 Conditions Precedent to First Disbursement with respect to Infrastructural Works.

Except as the Bank may otherwise agree, the Borrower shall:

- (a) provide evidence acceptable to the Bank that:
 - (i) the land required for the construction of the roads has been vested in the Borrower free from all encumbrances and without any covenants, conditions or stipulations which might adversely affect the Project, or, alternatively, that arrangements acceptable to the Bank have been made by the Borrower to enter into possession of such land for the purposes of the Project;
 - (ii) the competent authorities in the Project Country have approved the development and construction drawings, and provided development permits and environmental clearances as required; and
 - (iii) the consultants referred to at sub-paragraph (a) (ii) of Section 7.04 have been engaged;
- (b) furnish to the Bank:
 - (i) the time-based relocation plan referred to in paragraph (i) of Section 7.06; and
 - (ii) the maintenance plan referred to in paragraph (ii) of Section 7.05.

ARTICLE VII
Particular Conditions

Section 7.01 **Implementation of Project.** (a) The Borrower shall:

- (i) implement the Project through PMU of MLGRD which shall have overall responsibility for the implementation of the Project; and
- (ii) require MPWC to support MLGRD by supervising the implementation of the infrastructural components of the Project through the Project Manager (Civil Works).

(b) The Borrower shall 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 shall institute and maintain organisational, administrative, accounting and auditing arrangements for the Project acceptable to the Bank.

Section 7.02 **Establishment of PSC and PMU.** The Borrower shall establish and during the life of the Project maintain:

- (i) a Project Steering Committee with the composition set out in Schedule 3 to coordinate and monitor the agencies of the Borrower which will be involved in the planning and implementation of the Project and will carry out the functions outlined in Schedule 3; and
- (ii) a Project Management Unit in MLGRD with the composition set out in Schedule 3 to provide project management services under the Project.

Section 7.03 **Engagement of Project Coordinator and Finance Officer and Appointment of Project Manager (Civil Works).** (a) The Borrower shall:

- (i) in accordance with the procurement procedures applicable to the Loan engage as Project Coordinator on a full-time basis a person whose qualifications and experience are acceptable to the Bank who shall:

- (aa) be responsible for the overall coordination of Project activities;
- (bb) be an ex-officio member of the Project Steering Committee; and
- (cc) undertake the duties outlined in Part 1 of Schedule 4;

- (ii) appoint from WSG as Project Manager (Civil Works) a person with qualifications and experience acceptable to the Bank who will report to the Project Coordinator and undertake the duties outlined in Part 2 of Schedule 4; and
- (iii) in accordance with the procurement procedures applicable to the Loan engage a Finance Officer with qualifications and experience acceptable to the Bank to assist the Project Coordinator in performing his/her duties under the Project.

(b) The Project Coordinator shall be supported by the Finance Officer and clerical staff. No change shall be made to the position of Project Coordinator or Project Manager (Civil Works) without the prior approval of the Bank in writing.

(c) The services of the Project Manager (Civil Works) will not be eligible for financing from the Loan.

Section 7.04 **Engagement of Consultants, Contractors and Supervisor of Works.** The Borrower shall:

- (a) engage:
 - (i) engineering consultants with qualifications and experience acceptable to the Bank to provide the services outlined in Part 1 of Schedule 5;
 - (ii) consultants with qualifications and experience acceptable to the Bank to provide the solid waste management consultancy services described in Part 2 of Schedule 5; and

- (iii) by June 30, 2006 or such later date as the Bank may agree, consultants with qualifications and experience acceptable to the Bank, to provide the services with respect to community awareness, education and participation outlined in the TOR at Schedule 6;
- (b) in accordance with the procurement procedures applicable to the Loan engage:
 - (i) contractors to provide the construction services under the infrastructural works component of the Project; and
 - (ii) consultants to provide the services with respect to property re-evaluation outlined in the TOR at Schedule 7;
- (c) within the first year after project implementation, appoint a Supervisor of Works for each of the Project Communities, to supervise technical operations and maintenance under the Project; and
- (d) the services of the consultants at paragraph (a) of this Section will not be eligible for financing from the Loan.

Section 7.05 **Maintenance.** The Borrower shall:

- (i) keep the roads, markets, stelling, buildings and other facilities financed from the Loan in good repair and condition;
- (ii) furnish to the Bank a five-year maintenance plan for the infrastructure works financed under the Project in form and substance acceptable to the Bank, which shall be regularly updated and submitted to the Bank annually for review by June 30 in each year; and
- (iii) by June 30 in each year, commencing in the financial year after practical completion of the construction of the stelling under the Project, submit through DTH to the Bank an annual report with respect to the allocation to be made in the Borrower's budget for the maintenance of the stelling during the upcoming financial year to facilitate discussion between the Bank

and the Borrower. The annual report should contain information with respect to the condition of the stelling, the nature and cost of maintenance works performed in the preceding year and a maintenance proposal in respect of the current year.

Section 7.06 **Other Covenants.** The Borrower shall:

- (i) furnish to the Bank a time-based relocation plan acceptable to the Bank outlining the measures to be taken by the Borrower for the relocation of persons in Charity and Parika affected by the construction works and displaced by the Project;
- (ii) implement such of the recommendations arising out of the studies to be undertaken in accordance with the TOR at Schedules 6 and 7 as may be acceptable to the Bank; and
- (iii) meet with staff of the Bank at least once annually (at the Bank's request) to discuss, *inter alia*, matters relating to the Project, the fiscal situation of and related operations of central government and the municipalities and communities.

Section 7.07 **Additional Funds.** For the purpose of Section 7.05 of the General Provisions, the estimated cost of the Project is sixteen million one hundred and seven thousand United States dollars (USD16, 107,000).

Section 7.08 **Borrower's Contribution to the Project.** (a) Without prejudice to the provisions of Section 7.05 of the General Provisions, the Borrower shall contribute to the Project an amount of not less than the equivalent of two million three hundred and twenty-seven thousand United States dollars (USD2,327,000).

(b) Except as may be otherwise agreed with the Bank, the contribution which the Borrower is required to make to the Project in accordance with paragraph (a) of this Section shall be expended by the Borrower on the components of the Project to be financed by the Borrower as shown in the Financing Plan up to the respective limits set out therein.

Section 7.09 **Reports and Information.** Without prejudice to the provisions of paragraph (a) of Section 7.01 of the General Provisions, the Borrower shall furnish the Reports listed in Schedule 8 in the form specified therein, or in such form as the Bank may require, not later than the times specified therein.

ARTICLE VIII
Cancellation and Suspension

Section 8.01 **Cancellation by the Bank.** (a) The date referred to in sub-paragraph (iii) of Section 8.03 of the General Provisions is January 31, 2006 or such later date as may be specified in writing by the Bank.

(b) The Bank shall be entitled to suspend or cancel the Loan or any part thereof, if, by June 30, 2007, the Borrower fails to:

- (i) update its tax assessment registers;
- (ii) complete the property revaluation exercise in the Project Communities;
- (iii) recruit the requisite NDC staff complement; and
- (iv) address cost recovery through increases in rates, taxes and user fees.

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
Wildey
St. Michael
BARBADOS, W.I.

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

For the Borrower:

Secretary to the Treasury
Ministry of Finance
Georgetown
GUYANA, S.A.

Cable Address: MINFIN, GUYANA
Telex No.: 9Y 3038
Telefax: (592) 02-72965

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

TABLE OF CONTENTS

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Article I	<u>Application of General Provisions.</u> <u>Inconsistency with Loan Agreement</u>	
Section 1.01	Application of General Provisions.....	1
Section 1.02	Inconsistency with Loan Agreement.....	1
Article II	<u>Definitions, References, Headings</u>	
Section 2.01	Definitions.....	2-3
Section 2.02	References.....	4
Section 2.03	Table of Contents and Headings.....	4

TABLE OF CONTENTS
(Cont'd)

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Article III	<u>Loan Account, Repayment, Interest,</u> <u>Commission, Commitment Charge,</u> <u>Other Charges and Payments</u>	
Section 3.01	Loan Account.....	4
Section 3.02	Repayment.....	4
Section 3.03	Interest.....	5
Section 3.04	Commission.....	5
Section 3.05	Commitment Charge.....	5
Section 3.06	Other Charges and Interest on Overdue Payments.....	5
Section 3.07	Computation of Interest, Commission and Commitment Charge.....	5
Section 3.08	Advance Payments.....	6
Section 3.09	Overdue Payments.....	6
Section 3,10	Place and Application of Payments.....	7

TABLE OF CONTENTS
(Cont'd)

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Article IV	<u>Withdrawal of Loan</u>	
Section 4.01	Withdrawal and Application of Loan.....	7
Section 4.02	Special Commitments.....	7
Section 4.03	Period of Disbursement.....	7
Section 4.04	Procurement.....	7-8
Section 4.05	Goods and Services to be used exclusively in carrying out the Project.....	8
Section 4.06	Request for Withdrawal or Special Commitment.....	8
Section 4.07	Authorisation of Requests for Withdrawals.....	8
Section 4.08	Documentation of Requests for Withdrawals	9
Section 4.09	Application and Documents to satisfy the Bank.....	9
Section 4.10	Payments to the Borrower	9

TABLE OF CONTENTS
(Cont'd)

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Section 4.11	Withdrawal and Deduction of Interest, Commission, Commitment Charge and Other Charges.....	9
Article V	<u>Currency Provisions</u>	
Section 5.01	Currencies in which Withdrawals may be made.....	9
Section 5.02	Currency in which Principal is Repayable.....	10
Section 5.03	Currencies in which Commitment Charge, Interest, Commission and Other Charges are Payable.....	10
Section 5.04	Exchange Control Permission.....	10
Section 5.05	Purchase of Currencies.....	10-11
Section 5.06	Valuation of Currencies.....	11
Article VI	<u>Conditions Precedent to First Disbursement</u>	
	Section 6.01.....	11-12

TABLE OF CONTENTS
(Cont'd)

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Article VII	<u>Particular Covenants</u>	
Section 7.01	Records, Accounts and Information.....	12-13
Section 7.02	Cooperation between the Bank and the Borrower.....	13-14
Section 7.03	Taxes.....	14
Section 7.04	Priority of Loan.....	14-15
Section 7.05	Additional Funds.....	15
Section 7.06	Maintenance of Insurance.....	15-16
Section 7.07	Transfer or Assignment of Loan Agreement or Loan.....	16
Section 7.08	Maintenance of Corporate Existence, Licences and Franchises and other special requirements if the Borrower is a limited liability company.....	16-17
Article VIII	<u>Cancellation and Suspension</u>	
Section 8.01	Cancellation by Borrower.....	17
Section 8.02	Suspension by Bank.....	17-19

TABLE OF CONTENTS
(Cont'd)

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Section 8.03	Cancellation by the Bank.....	19-20
Section 8.04	Amounts subject to Special Commitment not affected by Cancellation or Suspension by the Bank.....	20
Section 8.05	Effectiveness of Provisions after Cancellation or Suspension.....	20
Article IX	<u>Events of Default</u>	
	Section 9.01.....	20-22
Article X	<u>Termination</u>	
Section 10.01	Termination of Loan Agreement	22
Article XI	<u>Enforceability</u>	
	Section 11.01.....	22-23
Article XII	<u>Miscellaneous</u>	
	Section 12.01.....	23
	Section 12.02.....	23

TABLE OF CONTENTS
(Cont'd)

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
	Section 12.03.....	23
	Section 12.04.....	23-24
	Section 12.05.....	24
Article XIII	<u>Arbitration</u>	
	Section 13.01.....	24-26

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 all 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 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 Agreement 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 authorize 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.

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. Germany
4. Italy
5. United Kingdom

SCHEDULE 2

[Section 1.03 (a)(ii)]

DESCRIPTION OF PROJECT

OBJECTIVE

1. The Project seeks to upgrade the Project Communities through legal and financial policy reform initiatives, improved economic and social infrastructure and institutional strengthening measures in Charity, Supenaam, Bartica and Parika..

DESCRIPTION

2. The Project consists of four components as follows: (a) Infrastructure Works, (b) Institutional Strengthening, (c) Engineering Services, and (d) Project Management.

A. Infrastructure Works

The proposed infrastructure works under the Project comprise:

- (a) improvement of 33 km of basic roads in the four communities;
- (b) rehabilitation of the Parika stelling;
- (c) construction of a new stelling in Supenaam;
- (d) repair of markets in Supenaam and Charity, and construction of a new market in Bartica; and
- (e) rehabilitation of NDC offices in Charity and Bartica, and the construction of new NDC offices in Supenaam and Parika.

B. Institutional Strengthening

This component provides institutional strengthening support to enhance the quality of services provided by NDCs and to help to place them on a path towards self-sustainability. The institutional strengthening component consists of municipal/urban management and administration capacity building activities and mechanisms to improve revenue collection. This component which will include the provision of computer facilities to improve management capacity of NDCs will support the following four main areas:

- (a) planning and management of the transition process to municipal status;
- (b) community awareness, education and participation;
- (c) strengthening of Urban Management and Administration; and
- (d) revaluation of properties in the four communities.

The details are as follows:

Planning and Management of the Transition Process to Municipal Status

This sub-component contemplates the contracting of consulting services to:

- (aa) identify and clarify the roles and responsibilities of the various stakeholders in achieving the shared goal of attaining town status;
- (ab) provide a comprehensive framework for the transitioning of the four communities to the status of towns; and
- (ac) specify the timing and scheduling of the major activities including *inter alia*, recruitment and training of staff, systems adaptation and installation, communication and education that are essential for achieving town status.

(ii) *Community Awareness, Education and Participation*

A comprehensive Community Awareness, Education and Participation Programme (CAEPP) has been included to:

- (aa) promote participatory community involvement;
- (bb) disseminate information about
 - the upgrading of the infrastructure in the four communities and their transitioning to the status of towns;
 - community benefits and responsibilities to encourage compliance with obligations with respect to property taxes and other obligations including proper solid waste management; and
- (cc) gather information from the target populations on their needs and expectations regarding urban services.

(iii) *Strengthening of Urban Management and Administration*

Consultancy services will support the municipal management and administration capacity building activities elaborated in the transition action plans. Consultants will provide support to install and operationalise the Management and Financial Administration and Budgeting Systems and the Strategic Planning and Management Framework. They will also assist NDCs in strengthening tax collection and enforcement mechanisms and in developing their capacity to manage sanitation services and urban infrastructure.

(iv) *Revaluation of Properties in the Four Communities*

The viability of the project communities will be contingent on their ability to improve their levels of revenue. Consultancy services will be engaged to facilitate the use of the systems and to adopt standards of practice and technology developed under UDP to:

- (aa) list all properties to develop a tax roll that is 100% complete and accurate for the project communities;
- (bb) consistently apply systematic and acceptable property valuation techniques; and
- (cc) make use of up-to-date technology for property identification, valuation, accounting and record maintenance.

C. Engineering Services

Engineering consultants will be engaged to provide the engineering supervision services set out in Schedule 6.

D. Project Management

Project management will be provided by a Project Management Unit (PMU), to be set-up under MLGRD.

3. PROJECT COST AND FINANCING

Project Cost

1. The Project is estimated to cost USD 6.3 million (mn). The Project costs are summarised in the Table below and the details are set out in the Project Cost, Phasing and Financing Plan at Appendix 1 to this Schedule.

**TABLE: SUMMARY PROJECT COST AND FINANCING PLAN
(USD'000)^{1/}**

Item	CDB I			CDB		Total
	OCR	SI	Total	GRANT	GOGY	
1. Pre-investment Study	-	-	-	-	803	803
2. Infrastructure Works	2,100	,714	9,814	-	-	9,814
3. Institutional Strengthening	-	57	73	182	304	559
4. Engineering Services	-	-	-	-	420	420
5. Project Management	-	-	464	-	567	1,030
Total Base Costs	9	7,772	10,351	182	2,093	12,626
6. Physical Contingency	54	1,252	1,617	18	101	1,735
7. Price Contingency	402	590	792	-	133	925
8. Interest during Construction (IDC) and Commitment Charge	434	385	820	-	-	820
TOTAL PROJECT COST	13,579	10,000	13,579	200	2,327	16,107
Percentage Financing	23	62	85	1	14	100

^{1/} Differences due to rounding

IMPLEMENTATION

2. The Project is expected to be implemented over a period of three years, commencing by October 30, 2005. The Implementation Schedule is shown at Appendix 2 to this Schedule.

PROJECT COST, FINANCING AND PHASING
(USD)

ITEM	Total 2004 to 2008					Total
	OCR	CDB Loans SFR	Total	CDB Grant	GOGY	
1. Pre-investment Study ^{1/}	-	-	-	-	803,000	803,000
2. Infrastructure Works						
(a) Roads and Retaining Structures	1,131,682	4,157,675	5,289,357	-	-	5,289,357
(b) Markets	254,538	935,145	1,189,683	-	-	1,189,683
(c) Stellings	670,724	2,464,167	3,134,891	-	-	3,134,891
(d) Buildings	42,822	157,322	200,144	-	-	200,144
sub-total	2,099,766	7,714,309	9,814,075	-	-	9,814,075
3. Institutional Strengthening	15,619	57,381	73,000	181,818	304,230	559,048
4. Engineering Services ^{2/}	-	-	-	-	419,552	419,552
5. Project Management	463,800	-	463,800	-	566,627	1,030,427
Total Base Costs	2,579,184	7,771,691	10,350,875	181,818	2,093,408	12,626,101
6. Physical Contingency ^{3/}	364,108	1,252,494	1,616,601	18,182	100,709	1,735,493
7. Price Contingency ^{4/}	201,534	590,322	791,856	-	133,169	925,025
8. IDC & Commitment Charges	434,496	385,493	819,989	-	-	819,989
TOTAL PROJECT COST	3,579,321	10,000,000	13,579,321	200,000	2,327,287	16,106,608

^{1/} Includes the existing CDB TA Loan of USD 683,000 approved in December 11, 2003 for the purpose of assisting GOGY in financing the services of consultants to prepare a Secondary Towns Development Project (STDP) for Guyana.

^{2/} 5% of total structures, excluding Pre-Investment Study.

^{3/} Physical Contingency applied as follows:

(a) 20% on item 2 (c);

(b) 15% on item 2 (a) (i); 2 (b) (ii); 2 (d) (ii);

(c) 10% on items 2 (a) (ii); 2 (b) (i); 2 (d) (i); 2 (d) (iii); 2 (d) (iv); 2 (d) (v); 2 (d) (vi); item 3; and item 4;

(d) 5% on item 5.

^{4/} A Price Contingency of 3.1% from 2006 to 2008 (compounded) was applied to foreign costs (excluding Grant-financed components). A price contingency of 5.5% p.a. from 2006 to 2008 (compounded) was applied to local costs (excluding Grant-financed components). The Price Contingencies were not applied for 2005. Project Costs are in 2005 Current Prices.

SUMMARY PROJECT COST AND FINANCING
(USD)

ITEM	TOTAL				Total
	CDB Loans OCR	SFR	CDB Grant	GOGY	
1. Pre-investment Study ^{1/}	-	-	-	803,000	803,000
2. Infrastructure Works					
(a) Roads and Retaining Structures					
(i) Roads, Drains, Culverts & Bridges	1,131,682	4,157,675	-	-	5,289,357
(ii) Revetment	-	-	-	-	-
sub-total	1,131,682	4,157,675	-	-	5,289,357
(b) Markets					
(i) Construction of New Market	155,422	571,003	-	-	726,425
(ii) Rehabilitation of Existing Markets	99,116	364,142	-	-	463,258
sub-total	254,538	935,145	-	-	1,189,683
(c) Stellings					
(i) Construction of New Stelling	560,701	2,059,954	-	-	2,620,655
(ii) Rehabilitation of Existing Stell.	110,023	404,212	-	-	514,235
sub-total	670,724	2,464,167	-	-	3,134,891
(d) Buildings					
(i) New NDC Building	13,832	50,818	-	-	64,650
(ii) Rehabilitation of existing NDC Building	15,337	56,345	-	-	71,682
(iii) Sporting Pavillions	-	-	-	-	-
(iv) New Library & Computer Centre	7,342	26,973	-	-	34,315
(v) Recreation Park	-	-	-	-	-
(vi) Sanitation (Toilet) Facilities	6,311	23,186	-	-	29,497
sub-total	42,822	157,322	-	-	200,144
3. Institutional Strengthening					
(a) Office Equipment	-	-	-	6,700	6,700
(b) Urban Management & Administration	-	-	90,909	12,000	102,909
(c) Property Valuation Systems Implementation	15,619	57,381	-	17,000	90,000
(d) Towns Transition Plan Preparation	-	-	90,909	16,030	106,939
(e) Community Awareness & Participation Programme	-	-	-	252,500	252,500
sub-total	15,619	57,381	181,818	304,230	559,048
4. Engineering Services ^{2/}	-	-	-	419,552	419,552
5. Project Management	463,800	-	-	566,627	1,030,427
Total Base Costs	2,579,184	7,771,691	181,818	2,093,408	12,626,101
6. Physical Contingency ^{3/}	364,108	1,252,494	18,182	100,709	1,735,493
7. Price Contingency ^{4/}	201,534	590,322	-	133,169	925,025
8. IDC & Commitment Charges	434,496	385,493	-	-	819,989
TOTAL PROJECT COST	3,579,321	10,000,000	200,000	2,327,287	16,106,608

^{1/} Includes the existing CDB TA Loan of USD 683,000 approved in December 11, 2003 for the purpose of assisting GOGY in financing the services of consultants to prepare a Secondary Towns Development Project (STDP) for Guyana.

^{2/} 5% of total structures, excluding Pre-Investment Study.

^{3/} Physical Contingency applied as follows:

- (a) 20% on item 2 (c);
- (b) 15% on item 2 (a) (i); 2 (b) (ii); 2 (d) (ii);
- (c) 10% on items 2 (a) (ii); 2 (b) (i); 2 (d) (i); 2 (d) (iii); 2 (d) (iv); 2 (d) (v); 2 (d) (vi); item 3; and item 4;
- (d) 5% on item 5.

^{4/} A Price Contingency of 3.1% from 2006 to 2008 (compounded) was applied to foreign costs (excluding Grant-financed components).
A price contingency of 5.5% p.a. from 2006 to 2008 (compounded) was applied to local costs (excluding Grant-financed components).
The Price Contingencies were not applied for 2005
Project Costs are in 2005 Current Prices.

PROJECT COST, FINANCING AND PHASING
(USD)

ITEM	2004					Total
	OCR	CDB Loans SFR	Total	CDB Grant	GOGY	
1. Pre-investment Study ^{1/}	-	-	-	-	259,032	259,032
2. Infrastructure Works						
(a) Roads and Retaining Structures	-	-	-	-	-	-
(b) Markets	-	-	-	-	-	-
(c) Stellings	-	-	-	-	-	-
(d) Buildings	-	-	-	-	-	-
sub-total	-	-	-	-	-	-
3. Institutional Strengthening	-	-	-	-	-	-
4. Engineering Services ^{2/}	-	-	-	-	-	-
5. Project Management	-	-	-	-	-	-
Total Base Costs	-	-	-	-	259,032	259,032
6. Physical Contingency ^{3/}	-	-	-	-	-	-
7. Price Contingency ^{4/}	-	-	-	-	-	-
8. IDC & Commitment Charges	-	-	-	-	-	-
TOTAL PROJECT COST	-	-	-	-	259,032	259,032

^{1/} Includes the existing CDB TA Loan of USD 683,000 approved in December 11, 2003 for the purpose of assisting GOGY in financing the services of consultants to prepare a Secondary Towns Development Project (STDP) for Guyana.

^{2/} 5% of total structures, excluding Pre-Investment Study.

^{3/} Physical Contingency applied as follows:

(a) 20% on item 2 (c);

(b) 15% on item 2 (a) (i); 2 (b) (ii); 2 (d) (ii);

(c) 10% on items 2 (a) (ii); 2 (b) (i); 2 (d) (i); (2 (d) (iii); 2 (d) (iv); 2 (d) (v); 2 (d) (vi); item 3; and item 4;

(d) 5% on item 5.

^{4/} A Price Contingency of 3.1% from 2006 to 2008 (compounded) was applied to foreign costs (excluding Grant-financed components).

A price contingency of 5.5% p.a. from 2006 to 2008 (compounded) was applied to local costs (excluding Grant-financed components).

The Price Contingencies were not applied for 2005.

Project Costs are in 2005 Current Prices.

PROJECT COST, FINANCING AND PHASING
(USD)

ITEM	2005					Total
	CDB Loans		Total	CDB Grant	GOGY	
	OCR	SFR				
1. Pre-investment Study ^{1/}	-	-	-	-	543,968	543,968
2. Infrastructure Works						
(a) Roads and Retaining Structures	-	-	-	-	-	-
(b) Markets	-	-	-	-	-	-
(c) Stelling	-	-	-	-	-	-
(d) Buildings	-	-	-	-	-	-
sub-total	-	-	-	-	-	-
3. Institutional Strengthening	1,562	5,738	7,300	18,182	30,423	55,905
4. Engineering Services ^{2/}	-	-	-	-	93,234	93,234
5. Project Management	88,122	-	88,122	-	107,659	195,781
Total Base Costs	89,684	5,738	95,422	18,182	775,284	888,887
6. Physical Contingency ^{3/}	4,562	574	5,136	1,818	17,749	24,703
7. Price Contingency ^{4/}	-	-	-	-	-	-
8. IDC & Commitment Charges	16,902	32	16,934	-	-	16,934
TOTAL PROJECT COST	111,148	6,344	117,492	20,000	793,032	930,524

^{1/} Includes the existing CDB TA Loan of USD 683,000 approved in December 11, 2003 for the purpose of assisting GOGY in financing the services of consultants to prepare a Secondary Towns Development Project (STDP) for Guyana.

^{2/} 5% of total structures, excluding Pre-Investment Study.

^{3/} Physical Contingency applied as follows:

(a) 20% on item 2 (c);

(b) 15% on item 2 (a) (i); 2 (b) (ii); 2 (d) (ii);

(c) 10% on items 2 (a) (ii); 2 (b) (i); 2 (d) (i); 2 (d) (iii); 2 (d) (iv); 2 (d) (v); 2 (d) (vi); item 3; and item 4;

(d) 5% on item 5.

^{4/} A Price Contingency of 3.1% from 2006 to 2008 (compounded) was applied to foreign costs (excluding Grant-financed components).
A price contingency of 5.5% p.a. from 2006 to 2008 (compounded) was applied to local costs (excluding Grant-financed components).
The Price Contingencies were not applied for 2005.

PROJECT COST, FINANCING AND PHASING
(USD)

ITEM	2006					Total
	OCR	CDB Loans SFR	Total	CDB Grant	GOGY	
1. Pre-investment Study ^{1/}	-	-	-	-	-	-
2. Infrastructure Works						
(a) Roads and Retaining Structures	537,549	1,974,896	2,512,445	-	-	2,512,445
(b) Markets	181,358	666,291	847,649	-	-	847,649
(c) Stellings	318,594	1,170,479	1,489,073	-	-	1,489,073
(d) Buildings	30,510	112,092	142,602	-	-	142,602
sub-total	1,068,012	3,923,758	4,991,770	-	-	4,991,770
3. Institutional Strengthening	-	-	-	118,182	125,922	244,104
4. Engineering Services ^{2/}	-	-	-	-	139,851	139,851
5. Project Management	132,183	-	132,183	-	161,489	293,672
Total Base Costs	1,200,195	3,923,758	5,123,953	118,182	427,261	5,669,395
6. Physical Contingency ^{3/}	176,225	623,148	799,373	11,818	34,652	845,843
7. Price Contingency ^{4/}	56,396	179,148	235,544	-	21,284	256,828
8. IDC & Commitment Charges	78,563	55,250	133,813	-	-	133,813
TOTAL PROJECT COST	1,511,378	4,781,305	6,292,683	130,000	483,197	6,905,879

^{1/} Includes the existing CDB TA Loan of USD 683,000 approved in December 11, 2003 for the purpose of assisting GOGY in financing the services of consultants to prepare a Secondary Towns Development Project (STDP) for Guyana.

^{2/} 5% of total structures, excluding Pre-Investment Study.

^{3/} Physical Contingency applied as follows:

(a) 20% on item 2 (c);

(b) 15% on item 2 (a) (i); 2 (b) (ii); 2 (d) (ii);

(c) 10% on items 2 (a) (ii); 2 (b) (i); 2 (d) (i); 2 (d) (iii); 2 (d) (iv); 2 (d) (v); 2 (d) (vi); item 3; and item 4;

(d) 5% on item 5.

^{4/} A Price Contingency of 3.1% from 2006 to 2008 (compounded) was applied to foreign costs (excluding Grant-financed components). A price contingency of 5.5% p.a. from 2006 to 2008 (compounded) was applied to local costs (excluding Grant-financed components). The Price Contingencies were not applied for 2005.

**PROJECT COST, FINANCING AND PHASING
(USD)**

ITEM	2007					Total
	OCR	CDB Loans SFR	Total	CDB Grant	GOGY	
1. Pre-investment Study ^{1/}	-	-	-	-	-	-
2. Infrastructure Works						
(a) Roads and Retaining Structures	430,039	1,579,917	2,009,956	-	-	2,009,956
(b) Markets	60,453	222,097	282,550	-	-	282,550
(c) Stellings	254,875	936,383	1,191,258	-	-	1,191,258
(d) Buildings	10,170	37,364	47,534	-	-	47,534
sub-total	755,537	2,775,761	3,531,298	-	-	3,531,298
3. Institutional Strengthening	9,371	34,429	43,800	22,727	76,660	143,187
4. Engineering Services ^{2/}	-	-	-	-	186,467	186,467
5. Project Management	176,244	-	176,244	-	215,318	391,562
Total Base Costs	941,152	2,810,190	3,751,342	22,727	478,446	4,252,515
6. Physical Contingency ^{3/}	133,652	458,646	592,298	2,273	37,079	631,649
7. Price Contingency ^{4/}	92,500	262,992	355,492	-	50,840	406,333
8. IDC & Commitment Charges	149,586	142,390	291,976	-	-	291,976
TOTAL PROJECT COST	1,316,890	3,674,218	4,991,108	25,000	566,364	5,582,473

^{1/} Includes the existing CDB TA Loan of USD 683,000 approved in December 11, 2003 for the purpose of assisting GOGY in financing the services of consultants to prepare a Secondary Towns Development Project (STDP) for Guyana.

^{2/} 5% of total structures, excluding Pre-Investment Study.

^{3/} Physical Contingency applied as follows:

(a) 20% on item 2 (c);

(b) 15% on item 2 (a) (i); 2 (b) (ii); 2 (d) (ii);

(c) 10% on items 2 (a) (ii); 2 (b) (i); 2 (d) (i); 2 (d) (iii); 2 (d) (iv); 2 (d) (v); 2 (d) (vi); item 3; and item 4;

(d) 5% on item 5.

^{4/} A Price Contingency of 3.1% from 2006 to 2008 (compounded) was applied to foreign costs (excluding Grant-financed components).

A price contingency of 5.5% p.a. from 2006 to 2008 (compounded) was applied to local costs (excluding Grant-financed components).

The Price Contingencies were not applied for 2005.

Project Costs are in 2005 Current Prices.

**PROJECT COST, FINANCING AND PHASING
(USD)**

ITEM	2008					Total
	OCR	CDB Loans SFR	Total	CDB Grant	GOGY	
1. Pre-investment Study ^{1/}	-	-	-	-	-	-
2. Infrastructure Works						
(a) Roads and Retaining Structures	164,094	602,863	766,957	-	-	766,957
(b) Markets	12,727	46,757	59,484	-	-	59,484
(c) Stellings	97,255	357,304	454,559	-	-	454,559
(d) Buildings	2,141	7,866	10,007	-	-	10,007
sub-total	276,217	1,014,790	1,291,007	-	-	1,291,007
3. Institutional Strengthening	4,686	17,214	21,900	22,727	71,225	115,852
4. Engineering Services ^{2/}	-	-	-	-	-	-
5. Project Management	67,251	-	67,251	-	82,161	149,412
Total Base Costs	348,153	1,032,005	1,380,158	22,727	153,386	1,556,271
6. Physical Contingency ^{3/}	49,669	170,125	219,794	2,273	11,231	233,298
7. Price Contingency ^{4/}	52,638	148,182	200,819	-	61,045	261,864
8. IDC & Commitment Charges	189,445	187,821	377,266	-	-	377,266
TOTAL PROJECT COST	639,905	1,538,133	2,178,039	25,000	225,661	2,428,700

^{1/} Includes the existing CDB TA Loan of USD 683,000 approved in December 11, 2003 for the purpose of assisting GOGY in financing the services of consultants to prepare a Secondary Towns Development Project (STDP) for Guyana.

^{2/} 5% of total structures, excluding Pre-Investment Study.

^{3/} Physical Contingency applied as follows:

(a) 20% on item 2 (c);

(b) 15% on item 2 (a) (i); 2 (b) (ii); 2 (d) (ii);

(c) 10% on items 2 (a) (ii); 2 (b) (i); 2 (d) (i); 2 (d) (iii); 2 (d) (iv); 2 (d) (v); 2 (d) (vi); item 3; and item 4;

(d) 5% on item 5.

^{4/} A Price Contingency of 3.1% from 2006 to 2008 (compounded) was applied to foreign costs (excluding Grant-financed components).
A price contingency of 5.5% p.a. from 2006 to 2008 (compounded) was applied to local costs (excluding Grant-financed components).
The Price Contingencies were not applied for 2005.

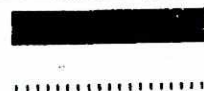
Project Costs are in 2005 Current Prices.

PROJECT IMPLEMENTATION SCHEDULE

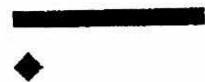
Task Name	2006				2007				2008				2009			
	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
Board Approval		7/14														
Satisfaction of Loan Conditions																
Institutional Strengthening																
Towns Transition Plan Preparation																
Recruitment of Critical Staff																
Strengthening Urban Management & Administration																
Community Awareness & Management																
Property Evaluation Systems Implementation																
Civil Works																
Prequalification of Contractors																
Bid Period																
Bid Evaluation																
Award of Contract																
Relocation of Houses and Vendors																
Construction																
Roads																
Stellings																
NDC Buildings and Markets																
Defects Liability																
Project Management																
Engineering Services																

Date: Fri 7/1/05

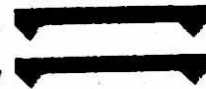
Task
Split



Progress
Milestone



Summary
Project Summary



Community Services Enhancement Project - Guyana

SCHEDULE 3

(Section 7.02)

ARRANGEMENTS FOR THE PROJECT STEERING COMMITTEE AND PROJECT MANAGEMENT UNIT

Project Steering Committee

The PSC will be chaired by the Permanent Secretary, MLGRD or his/her assignee and will comprise the following members:

- (a) PC;
- (b) PMCW; and
- (c) one representative from each of the following:
 - (i) MLGRD;
 - (ii) Ministry of Finance;
 - (iii) NDCs (Bartica, Charley, Parika and Supenaam)
 - (iv) RDC II;
 - (v) RDC - Region III;
 - (vi) RDC - Region VII; and
 - (vii) Private Sector Commission.

The PSC will meet as required but not less than three times per year during project implementation. The primary functions and responsibilities of PSC will be to:

- (a) review progress in implementation of the Project on a quarterly basis;
- (b) facilitate the taking of policy decisions by the relevant authorities to ensure timely fulfillment of loan conditions; and
- (c) review annual work plans and ensure that recommendations with respect to adequate budgetary allocations are made, the selection and release of persons for training are on schedule, and procurement schedules are executed.

Project Management Unit

Project management will be provided by PMU which will be headed by the PC supported by the PMCW and a Finance Officer. The functions of PC and PCMW are outlined in Schedule 4.

SCHEDULE 4

(Section 7.03)

FUNCTIONS OF PROJECT COORDINATOR AND PROJECT MANAGER (CIVIL WORKS)

PART 1

Project Coordinator

The PC shall be assigned exclusively to the Project and will be responsible for the overall coordination of all Project activities. PC will undertake the following duties:

- (a) direct and supervise the day-to-day operations of the Project, guided by the project documents and the annual work plans;
- (b) develop close working relationships with all project participants and stakeholders (including non-governmental organisations, government departments, private sector, Local Government officials) to achieve a shared vision of the Project and its objectives;
- (c) prepare and submit annual work plans;
- (d) ensure that training is on schedule, and procurement schedules are carefully planned and executed and that there is adherence to CDB's procurement procedures;
- (e) serve as secretary to PSC;
- (f) prepare and submit to CDB, quarterly reports on the investment cost of the Project in the form of the Appendix to this Schedule, or in such form or forms as may be specified by CDB within six weeks after the end of each quarter;
- (g) expedite the submission of claims to CDB for disbursement or reimbursement;
- (h) control the budget and introduce safeguards acceptable to CDB to prevent funds and assets misuse;
- (i) keep accounts on project-related expenditure and disbursement activities;
- (j) advertise for, and assist, in the selection and engagement of the various consultants for the Institutional Strengthening component of the Project;
- (k) coordinate, monitor and assess the work of the consultants referred to at (j);
- (l) ensure that all contractual obligations are adhered to and make all necessary arrangements to ensure implementation meets projected targets;
- (m) assist in organising and coordinating the various workshops arising from the consultancy services;

- (n) assist in coordinating and processing all training programmes under the Project, monitor the progress of the trainees and ensure that end-of-training reports are submitted and commented on in a timely fashion;
- (o) prepare timely reports for CDB on the TA component of the Project;
- (p) prepare for submission to CDB a mid-term evaluation report 18 months after first disbursement;
- (q) prepare a PCR for submission to CDB within three months after final disbursement of the Loan;
- (r) liaise with CDB on all relevant technical, financial and administrative aspects of the Project; and
- (s) submit to CDB (within four weeks after the end of each month), monthly reports which will include the monthly reports prepared by the engineering consultants on the progress of the works.

PART 2

Project Manager (Civil Works)

PMCW will report to PC on matters relevant to the Project. He/she will be required, for the components of the Project with respect to architectural and engineering services and the procurement of furniture and equipment, to:

- (a) represent GOGY in all dealings with engineering and architectural consultants;
- (b) invite and evaluate bids including the preparation of bid reports and recommend the award of supply and construction contracts;
- (c) manage and administer the procurement process;
- (d) provide cost control;
- (e) expedite the submission of claims for disbursement to CDB through PC;
- (f) keep accounts on relevant project-related expenditures and disbursement activities;
- (g) submit to CDB, through PC, (within four weeks after the end of each month), monthly reports which will include the monthly reports prepared by the Engineering Consultants on the progress of the works; and
- (h) submit to PC, a construction completion report within one month after the date of issue by the consultants of a certificate of practical completion of each works contract.

SCHEDULE 5

(Section 7.04)

ENGINEERING SERVICES

PART 1

1. Engineering Consultants will be engaged to provide the following services for the Project:
 - (a) assist GOGY in the evaluation of tenders, including preparation of bid evaluation reports;
 - (b) assist GOGY in negotiating contracts for the construction works;
 - (c) inspect construction for compliance with designs;
 - (d) environmental monitoring of construction;
 - (e) consult and advise GOGY during construction;
 - (f) issue payment certificates for work done;
 - (g) prepare monthly reports on the progress of the works indicating any engineering difficulties affecting their efficient and timely execution, commencing one month after engagement;
 - (h) revise designs to suit unforeseen conditions which may arise during construction;
 - (i) issue a certificate of completion to the contractors on the completion of contracts; and
 - (j) prepare a completion report on the construction contracts, including as-built drawings.

PART 2

SOLID WASTE MANAGEMENT CONSULTANCY SERVICES

1. Guyana has made little progress in the area of Solid Waste Management (SWM) compared to other CDB Borrowing Member Countries (BMCs) and much needs to be done to strengthen the country's capacity to safely address this issue which has emerged as a key national priority. IDB is currently preparing a SWM project for Georgetown, which will cost approximately USD9.0 mn. The Environmental Impact Assessment (EIA) Report for this Project has been published and is in the public domain for information/comment/objections for 60 days as required under Guyana's Environmental Protection Act. The issues for the four communities being considered under this Project are much the same as those at the national level *albeit* on a smaller scale. These include:

- (a) insufficient knowledge of quantities, nature and characteristics of the wastes;
- (b) lack of a clear strategy or capacity to address the issues;

- (c) inadequate and inefficient management;
- (d) lack of adequate engineered disposal capacity;
- (e) lack of appropriate institutional, legal and regulatory framework for management; and
- (f) need for public education and awareness programme on the importance of sound SWM for improved public health and environmental management.

2. A SWM project intervention is therefore required to assist GOGY to provide cost-effective environmentally sound solid waste collection and disposal services. The SWM system should be self-sustaining through the design of appropriate institutional arrangements to be embedded within the municipal structures of the four communities. Therefore, consultants are required to provide information on the following:

- (a) waste characterisation to determine landfill land requirements for each project community for at least 15 years;
- (b) the process used to identify and select landfill sites using internationally acceptable criteria for landfill designs such as distances from waste centroid, watercourses and settlements etc.;
- (c) availability of cover material;
- (d) geological and hydrological investigations for each site to substantiate the adequacy for use as a landfill including determination of drainage requirements and requirements for the discharge of leachate and gas emissions;
- (e) institutional analysis necessary to inform the design of an institutional component to address issues such as private sector involvement for e.g. contracting collection services, performance monitoring, cost recovery, information management, public education and awareness and legal aspects necessary to support the system; and
- (f) environmental appraisal for all sites, including documentation of public consultation with stakeholders.

SCHEDULE 6

[Section 7.04 (a) (iii)]

TERMS OF REFERENCE

COMMUNITY AWARENESS AND PARTICIPATION PROGRAMME

BACKGROUND

1. The Government of Guyana (GOGY) has long recognised that social and economic development and the delivery of public services in urban centres in Guyana have been severely hampered by the poor conditions of the infrastructure, inadequate urban management arrangements and the unplanned nature of settlement expansion. To this end, GOGY is undertaking a major programme of infrastructure upgrading and local government reform throughout the six established towns of Georgetown, Linden, New Amsterdam, Corriverton, Anna Regina and Rose Hall. The infrastructure development and reform measures are being supported by the Inter-American Development Bank (IDB), through an Urban Development Project (UDP) and the Government of Canada, through the Municipal Governance and Management Project.
2. GOGY is also conscious of the need to improve economic and social development throughout Guyana and has identified 12 other communities that it intends to elevate to municipalities through infrastructure installation and upgrade, adoption, adaptation and implementation of some of the relevant institutional arrangements and systems developed under the on-going projects.
3. In 2003, the Caribbean Development Bank (CDB) approved a technical assistance loan of six hundred and eighty three thousand United States dollars (USD683,000) to assist GOGY to prepare a project to support socio-economic infrastructure development and local government reforms in 4 of the 12 targeted communities of Parika, Charity, Bartica and Supenaam.
4. GOGY now wishes to proceed with the infrastructure development works and institutional development initiatives which are required for the four communities to be elevated to the status of towns.
5. Project sustainability is inextricably linked to the commitment and participation of the end users and beneficiaries. A comprehensive Community Awareness and Participation Programme (CAPP) has been included to:
 - (a) promote participatory community involvement;
 - (b) disseminate information about
 - (i) the upgrading of the infrastructure in Parika, Supenaam, Charity and Bartica and the transitioning of the four communities to the status of towns; and
 - (ii) community benefits and responsibilities to encourage compliance with obligations with respect to property taxes and other obligations including proper solid waste management; and
 - (c) solicit information from the beneficiaries on their needs and expectations regarding urban services to inform long-term planning.

6. CAPP is an integral part of the project. It is proposed that a comprehensive education programme be developed for all towns and adapted to suit the particular circumstances of the various groups. Approaches to community participation will involve regular meetings with leaders of the various groups and organisations including churches, schools and business associations. Efforts will also be made to identify any other individuals or groups who are interested in being involved in the project.

7. An international Community Awareness and Participation Specialist (CAPS) will be recruited for 12 months and a local firm will be contracted to provide Community Development Organisation (CDO) services over a period of two years. CAPS will take the lead in the design of CAPP for the four communities and will also be responsible for all training activities.

OBJECTIVES

8. The main objectives of CAPP are to:

- (a) inform and make the community aware of the various components of the project in order to ensure ownership of the facilities and greater responsibility for them;
- (b) involve the community in implementation, operation and maintenance, thus ensuring effective identification of their obligations and needs;
- (c) contribute to sustainable delivery of urban services by promoting compliance with taxes, rental and other charges; and
- (d) educate the community on the linkages between the proper disposal of waste and health.

SCOPE OF WORK AND METHODOLOGY

9. CAPS will be responsible for leading the design of the four CAPPs for the Project communities, guiding the development of the correspondent action plans for CAPPs, supervising the implementation the work programme for the first six months of CAPPs and establishing an effective community liaison function in each of the project towns. CAPS will be required to carry out the following tasks and any other activities that facilitate the attainment of the objectives of the consultancy:

- (a) formulate a framework and general outline for the preparation of CAPPs and their companion action plans, taking into consideration the various components of the project, the need to increase the amount of revenues collected by the towns, the public awareness campaign developed under the IDB-financed UDP and the need to encourage preventative maintenance;
- (b) review the draft CAPPs and provide detailed comments and recommendations to guide the finalisation of CAPPs;
- (c) work with CDO firm to prepare, produce and procure Information, Education and Communication (IEC) materials and equipment to support CAPPs including printed, and audio visual material and integrating any appropriate existing initiative;
- (d) develop IEC quality control mechanisms;
- (e) review and update the job description of the Assistant Overseer (AO) and any other relevant staff of the National Democratic Council office to ensure that they fully address the community engagement and liaison function;

- (f) assess the training needs of CDO firm, AOs and other relevant staff with regard to the implementation of CAPP and the establishment and maintenance of the community liaison/engagement function;
- (g) develop and implement an appropriate training plan and programme based on the gaps and training needs identified bearing in mind that personnel assigned from the CDO firm should be trained as trainers to continue the implementation of the training programme after the conclusion of the contract of CAPS;
- (h) guide CDO firm personnel in the preparation of an annual work plan for CAPP;
- (i) prepare guidelines and identify the format for reporting by CDO firm;
- (j) introduce the administrations in the project towns to methods to develop and maintain a dialogue with community groups as part of the process of planning and delivery of urban services and infrastructure;
- (k) assist in developing mechanisms for regular contact with beneficiary communities to establish a participatory monitoring framework and regular dialogue and to promote education programmes; and
- (l) develop and install a monitoring and evaluation system to assess the implementation and impact of CAPP on project activities in the communities.

CDO Firm

10. The CDO firm will work under the guidance of CAPS:

- (a) utilising the framework developed by CAPS, develop and detail the draft CAPP;
- (b) finalise CAPP using the comments and recommendations of CAPS;
- (c) develop and cost an action plan to implement CAPP;
- (d) prepare, produce and procure IEC materials and equipment to support CAPP including printed, and audio visual material and integrating any appropriate existing initiative;
- (e) prepare the initial annual work plan for implementation of CAPP and assist AO in the preparation of future work plans;
- (f) communicate and coordinate with related initiatives by international organisations, other donors, local groups, and foreign non-government organisations in the six established municipalities;
- (g) establish links with existing community groups - churches, schools, business organisations, etc. to obtain their support and to seek their direct participation in the implementation of the various elements of the awareness and education programmes;
- (h) conduct additional training for AOs using the training plan and materials developed by CAPS;

- (i) implement mechanisms for regular contact with beneficiary communities to establish a participatory monitoring framework and regular dialogue and to promote education programmes;
- (j) assist in collecting, recording and analysing socio-economic indicators of project benefits, using community participatory methods; and
- (k) prepare monthly reports to CAPS and the Project Management Unit (PMU) during the first year of project implementation and quarterly report to the PMU during the second year.

PRINCIPLES AND APPROACH

11. In undertaking the assignment, all consultants should adopt a collaborative approach and devise cost-effective recommendations which take into consideration the absorptive capacity of the local government system, the socio-economic profile of the residents and the financial resources available through GOGY.

ROLES AND RESPONSIBILITY

12. The Permanent Secretary of the Ministry of Local Government and Rural Development (MLGRD) shall identify a member of staff to serve as Community Education and Participation Liaison (CEPL). CEPL will facilitate the coordination and implementation of the consultancy and shall also be responsible for liaising with officials of other government ministries. MLGRD will also provide suitable office accommodation for the consultants. GOGY will also make available to the consultants support facilities including relevant reports and other documents.

QUALIFICATIONS AND EXPERIENCE

CAPS

13. The successful consultant should possess a graduate degree in Sociology, Community Development or any other related discipline, a minimum of seven years experience as a Participation Specialist and excellent communication skills.

CDO

14. The ideal candidates proposed by the firm should possess at least an undergraduate degree in Sociology, Social Work, Community Development or any other related discipline, a minimum of five years experience in community development.

DELIVERABLES AND REPORTING REQUIREMENTS

CAPS

15. The consultant will be required to submit two hard copies to CDB and three hard copies and one soft (electronic) copy to GOGY of the following reports and deliverables:

- (a) an Inception Report containing a detailed revised work plan and the Framework, Table of Contents and Preparation Guidelines for CAPP three weeks after the start of the consultancy;

- (b) Training Needs Assessment and Training Plan four months after the start of the consultancy;
- (c) IEC Materials six months after the start of the consultancy;
- (d) all training materials, revised job descriptions, procedural manuals, checklists, etc. six months after the start of the consultancy;
- (e) Quarterly Progress Reports;
- (f) a Draft Final Report two weeks prior to the end of the twelfth month of the consultancy; and
- (g) a Final Report no later than one month after the end of the consultancy.

CDO Firm

- 16.
- (a) Monthly Progress Reports to be submitted within five working days of the conclusion of each month;
 - (b) a draft CAPP two months after the start of the consultancy;
 - (c) a Final CAPP including budget (for each town) three months after the start of the consultancy;
 - (d) IEC Materials six months after the start of the consultancy;
 - (e) a Draft Final Report two weeks prior to the end of the twenty-fourth month of the consultancy; and
 - (f) a Final Report no later than one month after the end of the consultancy.

SCHEDULE 7

[Section 7.04 (b) (ii)]

TERMS OF REFERENCE

REVALUATION OF PROPERTIES IN THE PROJECT COMMUNITIES

BACKGROUND

1. The Government of Guyana (GOGY) has long recognised that social and economic development and the delivery of public services in urban centres in Guyana have been severely hampered by the poor conditions of the infrastructure, inadequate urban management arrangements and the unplanned nature of settlement expansion. To this end, GOGY is undertaking a major programme of infrastructure upgrading and local government reform throughout the six established towns of Georgetown, Linden, New Amsterdam, Corriverton, Anna Regina and Rose Hall. The infrastructure development and reform measures are being supported by the Inter-American Development Bank (IDB), through an Urban Development Project (UDP) and the Government of Canada, through the Municipal Governance and Management Project.
2. GOGY is also conscious of the need to improve economic and social development throughout Guyana and has identified 12 other communities that it intends to elevate to municipalities through infrastructure installation and upgrade, adoption, adaptation and implementation of some of the relevant institutional arrangements and systems developed under the on-going projects.
3. In 2003, the Caribbean Development Bank approved a technical assistance (TA) loan of United States dollars 683,000 to assist GOGY to prepare a project to support socio-economic infrastructure development and local government reforms in 4 of the 12 targeted communities of Parika, Charity, Bartica and Supenaam.
4. GOGY now wishes to proceed with the infrastructure development works and institutional development initiatives which are required for the four communities to be elevated to the status of towns.
5. The most important source of revenue for the Neighbourhood Democratic Councils (NDCs) in the four targeted communities is property taxes. However, this source of income has been eroded by under-taxation as a result of out-dated assessments, a failure to maintain up-to-date taxation registers, and low rates of compliance. Further limited human and financial resources in NDCs constrain them from actively and aggressively pursuing tax evaders and non-compliant property owners.
6. Responsibility for providing fair and accurate assessments to NDCs resides with the Valuation Division of the Ministry of Finance (MOF) which for several years has been hamstrung with under-funding and concomitant staff shortages. In 1997, the Valuation Division completed a revaluation for the city of Georgetown. More recently, TA under the IDB-financed Urban Development Programme (UDP) has overhauled the structure and systems at the Valuation Division, introduced up-to-date technology and developed and implemented a taxpayer awareness and education programme. Notwithstanding, the Valuation Division remains hard-pressed to extend the valuation development and update exercise throughout Guyana.
7. The viability of the proposed towns is contingent on their ability to improve their levels of revenue. Consultancy services are therefore required to facilitate the use of the systems, standards of practice and technology developed under UDP to:

- (a) capture all properties to develop a tax roll that is 100% complete and accurate for the project communities;
- (b) consistently apply systematic and acceptable valuation techniques to value the properties; and
- (c) make use of up-to-date technology for property identification, valuation, accounting and record maintenance in Parika, Bartica, Charity and Supenaam.

OBJECTIVES

8. The objective of this consultancy is to improve the overall equity and efficiency of the property tax system in Parika, Bartica, Charity and Supenaam. This will ultimately lead to:

- (a) increased NDC revenues from real property;
- (b) reduced arrears and evasion; and
- (c) increased voluntary compliance.

SCOPE OF WORK AND METHODOLOGY

9. The consultant will adhere to the standards of practice adopted and quality assurance guidelines established under UDP:

- (a) develop a work programme for the conduct of the valuation exercise in Parika, Bartica, Charity and Supenaam;
- (b) develop and execute an appropriate training programme; and
- (c) coordinate and supervise the implementation of the valuation exercise.

10. The major activities to be undertaken by the consultant include:

- (a) become familiar with the new standards, system and administrative guidelines for property tax assessment in Guyana;
- (b) collaborate with officials of the Valuation Division and develop a strategy and comprehensive implementation plan for the conduct of the evaluation exercise in Parika, Bartica, Charity and Supenaam;
- (c) identify any temporary staff required and assist in the recruitment and training of the temporary staff;
- (d) support the completion of the analysis of assessment valuations of all property types;
- (e) control property values taking into consideration replacement costs and adjusted replacement cost;
- (f) justify value per region or neighbourhood;

- (g) coordinate and supervise the implementation of the valuation exercise; and
- (h) monitor the implementation of the valuation exercise and prepare monthly reports.

PRINCIPLES AND APPROACH

11. The principles underlying the new property assessment regime are fairness and equity and these principles must also guide the valuation exercise in the four project communities.

ROLES AND RESPONSIBILITIES

12. The consultant will work in close collaboration with the Chief Valuation Officer. The Valuation Division of MOF will be responsible for providing technical and administrative support and ensuring the integration of the outputs of the valuation exercise in the four communities into the national database. GOGY will also facilitate access to the systems, administrative guidelines and manuals for the recently revamped property tax regime and provide office accommodation, information technology and local transportation.

QUALIFICATIONS

13. The ideal candidate should have an extensive and successful track record in the implementation of similar assignments with the following qualifications as a minimum:

- (a) Master of Science (MSc) in Land Economy and Valuation Surveying or a related discipline and formal training in Project Management with extensive practical experience in the use of Geographic Information System (GIS) and property valuation software; or
- (b) MSc in Project Management and formal training from a reputable institution in Valuation Surveying as well as extensive practical experience in the use of GIS and property valuation software.

SCHEDULE 8

(Section 7.09)

REPORTING REQUIREMENTS

<u>Reports</u>	<u>Time of Submission</u>
1. Monthly Progress Reports on Project Implementation prepared by the Engineering Consultants.	Within 30 days after the end of each calendar month until construction is completed, commencing one month after the start date as defined in the construction contract.
2. Quarterly Reports on Investment Costs of the Project prepared by the Project Coordinator.	Six weeks after the end of each quarter until construction is completed, commencing with the quarter following the assignment.
3. Completion Report prepared by the Engineering Consultants.	Within three months after the date of issue by the engineering consultants of the certificates of practical completion of construction, including as-built drawings.
4. PCR prepared by PC.	Within six months after practical completion of the works.
5. Annual report on maintenance prepared by MFWC on the condition of Parika and Supenaam stelling, the nature and cost of maintenance works performed in the preceding year, in the current year and those proposed for the ensuing year.	By June 30 of each year, commencing in FY after practical completion of the Project.
6. Such other reports as may be expressly required by the Loan Agreement.	

REPORT ON INVESTMENT COST OF PROJECT
(USD'000)

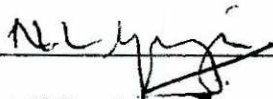
FOR QUARTER ENDING _____

Elements of Programme (1)	Expenditure for this Quarter (2)	Cumulative Expenditure to date (3)	Projected Expenditure for the Quarter			Estimated Expenditure to Complete Programme (5)	Latest Estimate of Expenditure (6)	Programme Estimate as per Appraisal Report (7)	Variance Favourable/ (Adverse) (8)	Comments/Reasons for Adverse Variance and Financing Proposal to Cost Overrun (9)
			Ending (4) 1	Ending (4) 2	Ending (4) 3					
1. Pre-investment Study						803				
2. Infrastructure Works										
(a) Roads and Retaining Structures										
(i) Roads, Drains, Culverts & Bridges										
(ii) Revetment						5,289				
sub-total										
(b) Markets						5,289				
(i) Construction of New Market										
(ii) Rehabilitation of Existing Markets						726				
sub-total						463				
(c) Stellingings						1,190				
(i) Construction of New Stelling										
(ii) Rehabilitation of Existing Stelling						2,621				
sub-total						514				
(d) Buildings						3,135				
(i) New NDC Building										
(ii) Rehabilitation of existing NDC Building						65				
(iii) Sporting Pavilions						72				
(iv) New Library & Computer Centre										
(v) Recreation Park						34				
(vi) Sanitation (Toilet) Facilities										
sub-total						29				
3. Institutional Strengthening						280				
(a) Office Equipment										
(b) Urban Management & Administration						7				
(c) Property Valuation Systems Implementation						103				
(d) Towns Transition Plan Preparation						90				
(e) Community Awareness & Participation Programme						107				
sub-total						253				
4. Engineering Services						559				
5. Project Management						420				
Total Base Costs						1,030				
6. Physical Contingency						12,626				
7. Price Contingency						1,735				
8. IDC & Convenience Charges						925				
Total Project Cost						820				
Financing:						16,107				
CDB										
- OCR						3,579				
- SFR						10,000				
- Grant (CTCF)						200				
GGGY						2,327				
Total						16,107				

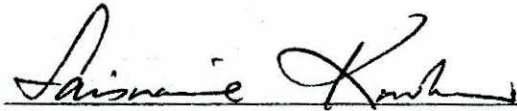
IN WITNESS WHEREOF this Loan Agreement has been executed in two (2) equally valid copies at Wildey, St. Michael, Barbados and at Georgetown, Guyana on behalf of the Bank and the Borrower by their duly authorised representatives and shall be deemed to be in force as of the day and year first hereinabove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

CARIBBEAN DEVELOPMENT BANK

GOVERNMENT OF THE CO-OPERATIVE
REPUBLIC OF GUYANA



Neville L. Grainger
Vice-President (Finance)



Minister responsible for Finance