

CHAPTER 128D
GRENADA CREDIT FACILITY AND CAISSE FRANCAISE DE
DEVELOPPEMENT APPROVAL ACT

• Act • Subsidiary Legislation •

ACT

Act No. 18 of 1995

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CHAPTER 128D
GRENADA CREDIT FACILITY AND CAISSE FRANCAISE DE
DEVELOPPEMENT APPROVAL ACT

**An Act for the approval by Parliament of a Credit Facility Agreement between
Grenada and Caisse Francaise De Developpement.**

[Act No. 18 of 1995.]

[5th April, 1995.]

1. Short title

This Act may be cited as the Grenada Credit Facility and Caisse Francaise De Developpement Approval Act.

2. Approval of Credit Facility Agreement

The approval of Parliament is hereby given to the Credit Facility Agreement set out in the Schedule hereto and it shall be lawful for the Minister of Finance to do everything that appears to him or her to be necessary or proper for carrying that Agreement into effect.

3. Charge on Consolidated Fund

The Credit raised under the said Credit Facility Agreement shall be a charge on and paid out of the Consolidated Fund.

Schedule

GRENADA CREDIT FACILITY AND CAISSE FRANCAISE DE DEVELOPPEMENT
APPROVAL ACT

CREDIT FACILITY AGREEMENT NO. 58 381 00 004 OP/CGD 1003 01

BETWEEN

the STATE OF GRENADA,

represented by Hon. Michael Andrews acting in his capacity as Minister of Finance pursuant to Cabinet decision of 13th March, 1995.

OF THE FIRST PART,

AND

CAISSE FRANCAISE DE DEVELOPPEMENT, formerly, Caisse Centrale de Coopération Economique,

a public establishment (*établissement public*) having its head office at Cité du Retiro, 35-37 rue Boissy d'Anglas, PARIS VIII^e,

represented by Mr. Xavier Blanchard its Regional Manager acting in that capacity and in accordance with the powers conferred on him for such purpose,

pursuant to Decision No. C 1994 0591 of the Director General of the said CFD made on 7 October, 1994, pursuant to the delegation given by the Supervisory Board on 3 March, 1993 (Resolution No. C19930035),

OF THE SECOND PART,

IT IS HEREBY AGREED AS FOLLOWS.

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AGREEMENT

PREAMBLE

It is the intention of the parties that their obligations hereunder be described by the “Specific Provisions” provided for hereinafter and in the schedules which form an integral part hereof as well as by the “General Provisions” set forth hereinbelow. The Specific Provisions and the General Provisions shall be deemed to form a single document hereinafter referred to as the “Present Agreement”.

In case of any discrepancy between the General Provisions and the Specific Provisions, the Specific Provisions will prevail over the General Provisions.

In the Present Agreement, the expression—

- “LENDER” shall mean CAISSE FRANCAISE DE DEVELOPPEMENT;
- “BORROWER” shall mean the STATE OF GRENADA;
- “PROJECT” shall mean the emergency programme for leakage detection and installation of meters on the Southern water network, the description and cost whereof are attached in the Appendix hereto;
- “CREDIT FACILITY” shall mean the credit facility made available to the STATE OF GRENADA by CAISSE FRANCAISE DE DEVELOPPEMENT, pursuant to the terms of the Present Agreement;
- “BENEFICIARY” shall mean the NATIONAL WATER AND SEWERAGE AUTHORITY (NAWASA) responsible for implementation of the PROJECT.

It is agreed that the provisions referring to CO-FINANCING ENTITIES are not applicable in the context of the Present Agreement.

The following appendices are attached to the Specific Provisions—

- APPENDIX I: Description, cost and financing plan of the PROJECT

- APPENDIX II: Legal opinion

SPECIFIC PROVISIONS

SECTION I – CONDITIONS OF THE CREDIT FACILITY

Clause 1 – Purpose of the Agreement

The LENDER provides the BORROWER, which accepts, with a CREDIT FACILITY for a maximum amount of:

1,500,000 (ONE MILLION FIVE HUNDRED THOUSAND) U.S. dollars.

It is agreed that all amounts mentioned in the Present Agreement are expressed in U.S. dollars, unless specific reference is made to another currency.

Clause 2 – Interest

All amounts payable by the BORROWER to the LENDER shall bear interest at the nominal rate of:

3.25% (THREE AND ONE-QUARTER PER CENT) per annum,

in accordance with the conditions set forth in Clause 1 of the General Provisions.

Such interest shall be due and payable on 30 April and 31 October each year.

Clause 3 – Repayments

The BORROWER will repay the LENDER the principal amounts made available to it in 24 (TWENTY-FOUR) equal semi-annual instalments, which shall be due and payable on 30 April and 31 October each year.

The first instalment shall be due and payable on 30 April, 2005, and the twenty-fourth and last on 31 October, 2016.

SECTION II – METHOD OF USING THE CREDIT FACILITY

Clause 4 – Application of funds

The proceeds shall be exclusively applied to financing the expenditures, net of any taxes, duties and levies whatsoever, incurred in connection with the PROJECT and up to the following amounts—

- equipment, up to 950,000 U.S. dollars;
- technical assistance, up to 140,000 U.S. dollars;
- personnel and transport, up to 105,000 U.S. dollars;
- supervision, up to 35,000 U.S. dollars;
- unforeseen expenses, up to 185,000 U.S. dollars;
- price revisions, up to 61,000 U.S. dollars.

Clause 5 – On-lending

The proceeds will be on-lent by the BORROWER to the BENEFICIARY in the form of a loan, at a rate and for a term at least as favourable as those set out in the Present Agreement.

The Borrower undertakes to provide the LENDER with all information concerning the on-lending, (including information on loan repayments). Such on-lending shall be registered in the accounts of the BENEFICIARY and the BORROWER shall ensure that the BENEFICIARY does not use the funds so on-lent for purposes other than financing the PROJECT in accordance with the conditions set out in Clause 4 hereinabove.

Clause 6 – Conditions precedent to disbursement of funds

Disbursement of funds may only be made if the conditions precedent provided for in Clause 4 of the General Provisions have been met, as well as the following conditions—

- presentation to the LENDER of a legal opinion from a qualified lawyer, chosen by agreement with the LENDER, in the form annexed hereto;
- prior agreement of the LENDER on the provisions of the deed or decision of on-lending.

Clause 7 – Methods of disbursement of funds

The BORROWER shall present disbursement requests to the Director of the CAISSE FRANCAISE DE DEVELOPPEMENT in FORT-DE-FRANCE. Such requests must have received the prior approval of the Engineering Consultant for the PROJECT.

Prior to each request, the BORROWER shall provide the LENDER with the name and position and the specimen signature of the person(s) who will be authorised to sign the disbursement requests on its behalf.

Disbursements to the BENEFICIARY shall be made in accordance with Clause 5 of the General Provisions for the BORROWER.

Clause 8 – Deadline for disbursement of funds

The deadline for disbursement of funds shall be 31 December, 1996.

SECTION III – GUARANTEES

Clause 9 – Transfer authorisation

1. The BORROWER confirms, as required, that all amounts payable to the LENDER pursuant to the Present Agreement, whether as to principal, default interest, costs or incidental expenses, will be transferred to France.

It is understood that such transfer authorisation also applies to any amounts which are payable to the LENDER, pursuant to the Present Agreement, for any reason whatsoever.

Such authorisation will remain in force until repayment in full of all amounts payable to the LENDER without the requirement of confirmation by separate deed where the LENDER has granted any extension of the repayment dates of the amounts lent.

2. The BORROWER undertakes to take all necessary steps to obtain the U.S. dollars required in due time for the performance of the present transfer authorisation.

3. The BORROWER authorises the LENDER to make direct disbursements in France or any other country in accordance with the conditions provided for in the Present Agreement.

SECTION IV – UNDERTAKINGS AND MISCELLANEOUS PROVISIONS

Clause 10 – Specific undertakings

In order to insure a better utilisation of the water resources and to yield revenues which will ensure the financial viability of NAWASA, the BORROWER undertakes to implement the rate reform as of 15th April, 1995.

Clause 11 – Exceptions to the General Provisions

1. Clause 2 of the General Provisions is replaced by the following clause—

“Clause 2 – Incidental expenses – (NEW)