

CONFORMED COPY

LOAN NUMBER 3174 JM

DEVELOPMENT GRANT AGREEMENT

(in conjunction with the
Agricultural Sector Adjustment Loan)

between

JAMAICA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

ACTING AS ADMINISTRATOR ON BEHALF
OF THE MINISTER FOR DEVELOPMENT COOPERATION OF
THE NETHERLANDS

Dated May 18, 1990

LOAN NUMBER 3174 JM

DEVELOPMENT GRANT AGREEMENT

AGREEMENT, dated May 18, 1990, between JAMAICA (the Beneficiary) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) acting as Administrator (the Administrator) on behalf of the MINISTER FOR DEVELOPMENT COOPERATION OF THE NETHERLANDS (the Minister).

WHEREAS (A) pursuant to a Loan Agreement (Agricultural Sector Adjustment Loan), dated March 23, 1990, between Jamaica (the Borrower) and the Bank (the Loan Agreement), the Bank has agreed to extend to the Borrower a loan in an amount in various currencies equivalent to twenty-five million dollars (\$25,000,000) to assist in the financing of a program of agricultural sector adjustment as defined in the Preamble to the Loan

Agreement (the Program);

(B) the Beneficiary, having satisfied itself as to the feasibility and priority of the Program has requested the Minister to provide development aid finance (the Grant) in accordance with the Co-financing Agreement, dated May 16, 1984, entered into between the Minister of Finance of the Netherlands and the Minister (as defined) and the International Development Association and the Bank, to assist in the financing of the Project;

(C) pursuant to the Arrangements for Administration, dated December 11, 1986, entered into between the Minister and the Bank (the Administration Arrangements), the Minister has appointed the Bank as Administrator of the Grant and has authorized the Bank to do all such acts and things as may be necessary or appropriate to carry out such administration, including entering into this Development Grant Agreement on behalf of the Minister, and to extend the Grant on the terms and conditions set forth in this Agreement;

(D) the Bank has agreed on the basis, inter-alia, of the foregoing to act as Administrator of the Grant;

NOW THEREFORE the parties hereto hereby agree as follows

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan Agreements" of the International Bank for Reconstruction and Development, dated January 1, 1985, with the modifications set forth below (the General Conditions), constitute an integral part of this Agreement:

(a) the term "Bank", wherever used in the General Conditions, means the Bank acting as Administrator of the Grant;

(b) the term "Borrower", wherever used in the General Conditions, means Jamaica;

(c) the term "Loan", whenever used in the General Conditions, means the Grant;

(d) the term "Loan Account", whenever used in the General Conditions and herein, means the separate account opened by the Administrator in its books in the name of the Beneficiary, (for use by the Borrower pursuant to the terms of the Loan Agreement), pursuant to Section 3 01 of the Administration Arrangements, to which the amount of the Grant is credited;

(e) the term "Loan Agreement", whenever used in the General Conditions, means this Development Grant Agreement;

(f) Sections 3 02, 3 03, 3 04, 3 05, 4 01, 4 02, 4 03, 4 04, 4 05, 4 06, 4 07, 4 08, 4 09 (except the first sentence thereof), 4 10, Section 6 02 (except paragraph (b) thereof), 7 01, 8 01 (a), 12 05, and the second sentence of Section 5 01, are deleted; and

(g) in Sections 2 01 and 6 02, the term "Bank" shall include also the Bank acting in its own capacity.

Section 1.02. Wherever used in this Agreement,

unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth.

ARTICLE II

The Grant

Section 2.01. The Administrator agrees to extend to the Beneficiary, on the terms and conditions set forth or referred to in this Agreement and subject to the receipt of the funds to be made available to the Administrator pursuant to Section 1.05 of the Administration Arrangements, a grant in the amount of up to ten million Guilders (Dfl 10,000,000).

Section 2.02. (a) The amount of the Grant may be withdrawn from the Loan Account in accordance with Section 2.02 and Schedule I of the Loan Agreement for expenditures made in respect of the reasonable cost of goods required during the execution of the Program and to be financed out of the proceeds of the Grant.

(b) Whenever a disbursement from the Loan Account is required to be made in a currency other than Dutch Guilders for the purposes of this Grant Agreement, the Administrator shall withdraw from the Loan Account an amount in Dutch Guilders sufficient for the Administrator to purchase the required amount of the appropriate currency.

Section 2.03. Except as the Administrator shall otherwise agree, procurement of the goods to be financed out of the proceeds of the Grant shall be governed by the provisions of Schedule 3 to the Loan Agreement.

Section 2.04. The Closing Date shall be September 30, 1990 or such later date as the Administrator shall establish. The Administrator shall promptly notify the Beneficiary of such later date.

ARTICLE III

Effective Date; Termination; Representatives

Section 3.01. The following event is specified as an additional condition to the effectiveness of this Agreement within the meaning of Section 12.01 (c) of the General Conditions, namely, that the Administrator shall have received the funds referred to in Section 2.01 of this Agreement.

Section 3.02. The date 60 days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 3.03. The Minister of Finance of the Beneficiary shall be representative of the Beneficiary for the purposes of Section 11.03 of the General Conditions.

Section 3.04. The addresses specified in Section 6.02 of the Loan Agreement shall be the addresses specified for the purposes of Section 11.01 of the General Conditions.

ARTICLE IV

Transfer of Rights and Obligations

Section 4.01. In accordance with Section 5.03 of the Administration Arrangements; the rights and obligations of the Administrator under this Agreement may be transferred to the Minister. The Beneficiary accepts and agrees that, upon notice by the Administrator to the Beneficiary to that effect, the Minister shall, ipso facto, from the date specified in such notice, be substituted in all rights and obligations of the Administrator under this Agreement as if the Minister had been an original party to this Agreement, without any further action or formality required on the part of any party, and from such date the Administrator shall cease to have any rights or obligations as a party under this Agreement.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written

JAMAICA

By /s/ Keith Johnson
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
as Administrator on behalf of the MINISTER FOR
DEVELOPMENT COOPERATION OF THE NETHERLANDS

By /s/ S. Shahid Husain
Authorized Representative

