

**ARRANGEMENT OF CLAUSES**

1. Short title
2. Authority to raise loan

286 Act 9

*Schools Rehabilitation Project (Phase I)*  
*Loan Authorisation*

2012

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GRENADA

ACT NO. 9 OF 2012

I assent,

CARLYLE ARNOLD GLEAN  
*Governor-General.**8th February, 2012.*

An Act to authorise the Minister of Finance to borrow from the OPEC Fund for International Development an amount of ten million five hundred thousand United States Dollars.

*[ 17th February, 2012 ].*

WHEREAS the Government of Grenada deems it desirable to improve Grenada's educational sector, increase equitable access to education and strengthen its institutional capacity;

WHEREAS the Government of Grenada has therefore deemed it necessary to secure funding for the same;

WHEREAS section 49 of the Public Finance Management Act No. 27 of 2007, authorises the Minister of Finance to secure a liability by borrowing for the purposes specified therein, including for any purpose of a capital nature;

AND WHEREAS the Minister of Finance proposes to borrow on behalf of the Government of Grenada the sum of ten million, five hundred thousand United States Dollars for the purposes afore-mentioned;

BE IT ENACTED by the Queen's Most Excellent Majesty by and with the advice and consent of the Senate and the House of Representatives and by the authority of the same as follows;

Short title.

1. This Act may be cited as the

SCHOOLS REHABILITATION PROJECT (PHASE I)  
LOAN AUTHORISATION ACT, 2012.

Authority to  
raise loan.

2.—(1) The Minister of Finance is hereby authorised to raise a loan of an amount of ten million, five hundred thousand United States Dollars for the purposes of improving Grenada's educational sector, increasing equitable access to education and strengthening its institutional capacity.

(2) All monies borrowed under this Act shall be effected and secured pursuant to the terms and conditions specified in the Schedule.

2011

*Schools Rehabilitation Project (Phase I)*  
*Loan Authorisation*

Act 9 289



**OFID** The OPEC Fund for International Development

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LOAN NO. \_\_\_\_\_ PB

SCHOOLS REHABILITATION  
PROJECT - PHASE I

LOAN AGREEMENT

BETWEEN

GRENADA

AND

THE OPEC FUND FOR  
INTERNATIONAL DEVELOPMENT

DATED

\_\_\_\_\_, 2011

**OFID** The OPEC Fund for International Development

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AGREEMENT dated \_\_\_\_\_, 2011, between Grenada (“the Borrower”) and OFID.

Whereas the Borrower has requested a loan from OFID for part financing of the Project described in Schedule 1;

And whereas OFID has approved a loan to the Borrower in the amount of ten million five hundred thousand dollars (\$10,500,000) upon the terms and conditions set forth hereinafter;

Now, therefore, the parties to this Loan Agreement (the “Agreement”) hereby agree as follows:

**Article 1**

**GENERAL CONDITIONS; DEFINITIONS**

1.01 The General Conditions attached hereto shall constitute an integral part of this Agreement.

1.02 In addition to the terms defined in the preamble, the following terms and expressions shall have the following meanings or, where they duplicate terms and expressions in the General Conditions, the following specific meanings:

- (a) “Authorized Representative of the Borrower” means the Minister of Finance, Planning, Economic Development, Energy and Cooperatives of the Borrower;
- (b) “Closing Date” means June 30, 2014;
- (c) “Dollar and the sign \$” mean and refer to the lawful currency of the United States of America;

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- (d) “Eligible Expenditure Commencement Date” means December 14, 2010;
- (e) “Executing Agency” means the Borrower’s Ministry of Education and Human Resource Development;
- (f) “General Conditions” means OFID General Conditions Applicable to Public Sector Loan Agreements, December 2007; and
- (g) “Grace Period” means the period beginning on [Date of the Agreement], and ending four (4) years from that Date.

**Article 2**

## THE LOAN

2.01 OFID agrees to lend to the Borrower and the Borrower agrees to borrow from OFID the Loan in the amount of ten million five hundred thousand dollars (\$10,500,000) on the terms and conditions set forth in this Agreement.

2.02 The Borrower shall pay interest at the rate of five per cent (5%) per annum on the principal amount of the Loan withdrawn and outstanding.

2.03 Interest shall be paid semi-annually on April 15 and November 15 in each year into OFID Account.

2.04 Immediately following the end of the Grace Period, the Borrower shall repay the principal of the Loan in Dollars, or in any other freely convertible currency acceptable to OFID Management, in an amount equivalent to the Dollar amount due according to the market exchange rate prevailing at the time and place of repayment. Repayment shall be effected in twenty-eight (28) semi-annual instalments in the amounts, and on the dates, all as specified in Schedule 3 (AMORTIZATION).

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**Article 3**

## EFFECTIVENESS

3.01 This Agreement shall enter into force and effect in accordance with Section 3.02 upon fulfilment of the following conditions:

- (a) Receipt by OFID of:
  - (i) satisfactory evidence that the execution and delivery of this Agreement on behalf of the Borrower have been duly authorized and ratified according to the constitutional requirements of the Borrower; and
  - (ii) a certificate issued by the Minister of Justice or the Attorney General or any other competent legal authority of the Borrower confirming that this Agreement has been duly authorized and ratified by the Borrower and constitutes a valid and binding obligation of the Borrower in accordance with its terms.

3.02 As soon as possible after the conditions specified in Section 3.01 shall have been satisfactorily fulfilled, this Agreement shall enter into full force and effect on the Date of Effectiveness.

3.03 If this Agreement shall not have become effective within ninety (90) days after the Date of the Agreement, the Agreement and all obligations of the parties hereunder shall terminate, unless OFID Management, after consideration of the reasons for the delay, shall establish a later date for the purposes of this Section.

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**Article 4**

ADDRESSES

4.01 The parties' addresses are as specified below:

For the Borrower:

Ministry of Finance, Planning,  
Economic Development, Energy and Cooperatives  
St. George's, GRENADA  
Facsimile: (++1-473) 4400775

For OFID:

The OPEC Fund for International Development  
Parkring 8  
A-1010 Vienna  
AUSTRIA  
Facsimile: (++43-1) 513 92 38

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LOAN NO. \_\_\_\_ PB

IN WITNESS whereof the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed and delivered at Vienna in two copies in the English language, each considered an original and both to the same and one effect as of the day and year first above written.

FOR THE BORROWER:

Signature:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

FOR THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT:

Signature:

Name: Mr. Suleiman J. Al-Herbish

Title: Director-General

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## GRENADA

## SCHOOLS REHABILITATION PROJECT – PHASE I

## SCHEDULE 1

## DESCRIPTION OF THE PROJECT

The Project's main objectives are the improvement of Grenada's educational sector in general and an increase of the equitable access to education as well as strengthening its institutional capacity. The specific objectives are to be achieved through the implementation of the following components:

- (a) **Construction / Rehabilitation of Schools**, covering the construction of one school and two central schools kitchens as well as the rehabilitation of six schools and five schools kitchens;
- (b) **Equipment and Furniture**, embracing the procurement of school furniture, electronic equipments, appliances and industrial cookers and two vehicles to assist with the delivery of the school feeding program;
- (c) **Capacity Building and Institutional Strengthening**, including training of staff of the project executing agency, staff training for the school feeding program as well as training of teachers at secondary level and at master level in science and technical disciplines; and
- (d) **Institutional Support and Consultancy Services**, encompassing the recruitment of a specialised consultant to assist in preparing the architectural and engineering designs together with the tender documentation as well as the staff and operational costs of the project management unit.

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SCHEDULE 2

## LOAN ALLOCATION

1. Unless otherwise agreed between the Borrower and OFID Management, the table below sets forth the components to be financed out of the proceeds of the Loan, the allocation of amounts of the Loan to each component and the percentage of total expenditures for items so to be financed in respect of each component:

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Component	Amount of the Loan Allocated (Expressed in Dollars)	Percentage of Total Expenditures to be Financed
(a) Construction / Rehabilitation of Schools	9,200,000	91
(b) Equipment and Furniture	—	—
(b) Capacity Building and Institutional Strengthening	200,000	61
(c) Institutional Support and Consultancy Services	1,100,000	75
	<u>Total: 10,500,000</u>	

2. Notwithstanding the allocation.....

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**SCHEDULE 3**
**AMORTIZATION**

No.	Date of Repayment	Amount Due (Expressed in Dollars)
1	November 15, 2014	375,000
2	April 15, 2015	375,000
3	November 15, 2015	375,000
4	April 15, 2016	375,000
5	November 15, 2016	375,000
6	April 15, 2017	375,000
7	November 15, 2017	375,000
8	April 15, 2018	375,000
9	November 15, 2018	375,000
10	April 15, 2019	375,000
11	November 15, 2019	375,000

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No.	Date of Repayment	Amount Due (Expressed in Dollars)
12	April 15, 2020	375,000
13	November 15, 2020	375,000
14	April 15, 2021	375,000
15	November 15, 2021	375,000
16	April 15, 2022	375,000
17	November 15, 2022	375,000
18	April 15, 2023	375,000
19	November 15, 2023	375,000
20	April 15, 2024	375,000
21	November 15, 2024	375,000
22	April 15, 2025	375,000
23	November 15, 2025	375,000
24	April 15, 2026	375,000
25	November 15, 2026	375,000
26	April 15, 2027	375,000
27	November 15, 2027	375,000
28	April 15, 2028	<u>375,000</u>
	Total:	<u><u>10,500,000</u></u>

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Passed in the House of Representatives this 4th day of March, 2011.

ADRIAN C. A. HAYES  
*Clerk to the House of Representatives.*

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Passed in the Senate this 22nd day of March, 2011.

ADRIAN C. A. HAYES  
*Clerk to the Senate.*

GRENADA

PRINTED BY THE GOVERNMENT PRINTER, AT THE GOVERNMENT PRINTING OFFICE,  
ST. GEORGE'S  
17/2/2012.