



AGREEMENT RELATING TO THE OPERATION OF THE CARICOM DEVELOPMENT FUND

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THE STATES PARTIES:

AWARE that the Revised Treaty of Chaguaramas established a regime for disadvantaged countries, regions and sectors in order to enhance their prospects for development and successful competition within the context of the CARICOM Single Market and Economy (CSME), and to redress, to the extent possible, any economic dislocation arising from the establishment of the CSME within the context of that regime;

MINDFUL that paragraph 1 of Article 158 of the Revised Treaty established a Development Fund for the purpose of providing financial or technical assistance to disadvantaged countries, regions and sectors;

MINDFUL FURTHER that paragraph 2 of Article 158 of the Revised Treaty provides that subject to the provisions of that Article and relevant provisions of the Revised Treaty, the Community Council in collaboration with the Council for Finance and Planning shall determine the status, composition and functions of the Development Fund and the contributions of certain Member States of the Caribbean Community to the CARICOM Development Fund;

DESIROUS of bringing into effect paragraph 2 of Article 158 of the Revised Treaty;

RECALLING the decisions of the Twenty-Seventh Meeting and the Eighteenth Inter-Sessional Meeting of the Conference of Heads of Government of the Caribbean Community, held on 3 – 6 July 2006 in Basseterre, St. Kitts and Nevis and 12 – 14 February 2007 in Kingstown, St. Vincent and the Grenadines, respectively, on important structural aspects of the CARICOM Development Fund, including in particular: governance and management arrangements; the purpose and priorities of the CARICOM Development Fund; country eligibility and intervention size; the formula for and contributions to the Fund by the Member States; and the sustainability of the Fund;

RECALLING FURTHER the decision of the Nineteenth Inter-Sessional Meeting of the Conference of Heads of Government of the Caribbean Community, held on 7- 8 March, 2008 in Nassau, The Bahamas, that given the holistic and integrated nature of the function of economic restructuring, technical assistance, business development, and small and medium enterprise development within the CARICOM economic space, the CARICOM Development Fund should be a

strong and expansive institution with a technical division performing the development functions established in Chapter Seven of the Revised Treaty,

AGREE AS FOLLOWS:

ARTICLE I
INTERPRETATION

In this Agreement –

“Board” means the Board of Directors referred to in Article III (1);

“CARICOM Development Fund” means the Development Fund referred to in Article II;

“CARICOM Single Market and Economy” or “CSME” means the regime established by the Revised Treaty replacing Chapters Three through Seven of the Annex to the Treaty Establishing the Caribbean Community and Common Market signed at Chaguaramas on 4 July 1973;

“Community” means the Caribbean Community including the CARICOM Single Market and Economy established by the Revised Treaty;

“Community Council of Ministers” or “the Community Council” means the Organ of the Community so named in paragraph 1(b) of Article 10 of the Revised Treaty;

“Conference of Heads of Government” or “the Conference” means the Organ of the Community so named in paragraph 1(a) of Article 10 of the Revised Treaty;

“contribution” means the funds provided by a contributor to the CARICOM Development Fund on a non-reimbursable basis;

“contribution agreement” means the agreement between the CARICOM Development Fund and a contributor for a contribution;

“contribution and subvention cycle” means the period specified in paragraph 1 of Annex II;

“contributor” means a Member State that contributes to the CARICOM Development Fund;

“Council for Finance and Planning” or “COFAP” means the Organ of the Community so named in paragraph 2(a) of Article 10 of the Revised Treaty;

“Director” means a Director of the Board;

“disadvantaged countries” means:

- (a) the Less Developed Countries within the meaning of Article 4 of the Revised Treaty; or
- (b) Member States that may require special support measures of a transitional or temporary nature by reason of:
 - (i) impairment of resources resulting from natural disasters;
 - (ii) the adverse impact of the operation of the CSME on their economies;
 - (iii) temporary low levels of economic development; or
 - (iv) being a Highly-Indebted Poor Country designated as such by the competent inter-governmental organisation;

“disadvantaged regions” means:

- (a) regions within Member States experiencing economic dislocation from the operation of the CSME; or
- (b) regions that may require special support measures of a transitional or temporary nature by reason of:
 - (i) impairment of resources resulting from natural disasters; or
 - (ii) temporary low levels of economic development;

“disadvantaged sectors” means:

- (a) sectors of the economies of Member States in which economic enterprises experience dislocation from the operation of the CSME; or
- (b) sectors that may require special support measures of a transitional or temporary nature by reason of natural disasters, whereby the loss in the sector causes social and economic disorder;

“donor” means a public or private sector entity of a Member State or an entity external to the Community, that makes a subvention to the CARICOM Development Fund;

“donor agreement” means the Agreement between the CARICOM Development Fund and a donor for a subvention;

“less developed country” means a country designated as such in accordance with Article 4 of the Revised Treaty;

“Member State” means a Member State of the Community that participates in the CSME;

“negotiation meeting” means a meeting held pursuant to Article X;

“negotiation period” means the period specified in paragraph 3 of Annex II;

“Organisation of Eastern Caribbean States” or “OECS” means the Organisation established by the Agreement establishing the Organisation of Eastern Caribbean States signed at Basseterre, St. Kitts and Nevis, on the 18th day of June 1981;

“resources” means resources of the CARICOM Development Fund referred to in Article XI ;

“Revised Treaty” means the Revised Treaty of Chaguaramas, including the CARICOM Single Market and Economy, signed at Nassau, The Bahamas on 5 July 2001;

“Secretary General” means the Secretary General of the Community; and

“subvention” means the funds provided to the CARICOM Development Fund by a donor.

ARTICLE II

OPERATION AND FUNCTIONS OF THE CARICOM DEVELOPMENT FUND

(1) The Development Fund established by paragraph 1 of Article 158 of the Revised Treaty shall be known as the CARICOM Development Fund and shall be operated in accordance with this Agreement.

(2) Without prejudice to the generality of Article 158 of the Revised Treaty, the financial and technical assistance to be provided by the CARICOM Development Fund to disadvantaged countries, regions and sectors shall include assistance to –

(a) address –

- (i) economic dislocation and other adverse economic impact arising from the operations of the CSME;
- (ii) adverse social impact arising from the operations of the CSME; and
- (iii) structural diversification and infrastructural development needs; and

(b) facilitate –

- (i) regional investment promotion and mobilisation; and
- (ii) business development and enterprise competitiveness.

ARTICLE III

MANAGEMENT OF THE CARICOM DEVELOPMENT FUND

(1) The CARICOM Development Fund shall be managed by a Board of Directors.

(2) The Community Council, in collaboration with COFAP, may give such directions to the Board as are required to give effect to the operations of the CARICOM Development Fund, in accordance with Article 158 of the Revised Treaty.

ARTICLE IV

COMPOSITION AND APPOINTMENT OF THE BOARD

(1) Subject to paragraph (2), the Board shall consist of eight Directors, who shall be persons with knowledge of and experience in accountancy, economics, business, finance, management or law, as follows –

- (a) one Director selected by COFAP who shall be appointed as the Chairperson for a term of two years;

- (b) two Directors jointly nominated by the Less Developed Countries, one of whom shall be appointed for a term of three years and the other for a term of two years;
 - (c) two Directors jointly nominated by the Member States, other than those referred to in paragraph (b), one of whom shall be appointed for a term of three years and the other for a term of two years;
 - (d) one Director nominated by the Secretary General, after consultation with bodies representing the private business sector of Member States, who shall be appointed for a term of two years;
 - (e) one Director nominated by the Secretary General, who shall be a non-voting member of the Board, appointed for a term of three years; and
 - (f) one Director nominated by the Director General of the Organisation of Eastern Caribbean States who shall be a non-voting member of the Board, appointed for a term three years.
- (2) The Board as first constituted shall have an additional Director nominated by Barbados who shall be appointed for a non-renewable term of three years.
- (3) The Board shall appoint one of the Directors as Deputy Chairperson.
- (4) The Chief Executive Officer shall attend meetings of the Board.
- (5) An alternate for each Director, excepting the Chairperson, shall be appointed in like manner and on the same basis as the appointment of the Director for whom he is the alternate.
- (6) Directors appointed, selected or nominated accordingly as Members of the Board in accordance with this Article, with the exception of the nominations pursuant to paragraphs (2) and (5), shall not be eligible for a renewable term as Director. The Alternate for a Director shall be eligible for appointment as a Director at the expiration of the term of that Director.
- (7) A Member State which has not made its required contribution to the CARICOM Development Fund is not entitled to participate in the nomination of any Director under paragraph (1)(b) or (c) or in the selection of the Chairperson.

ARTICLE V

FUNCTIONS OF THE BOARD

(1) The Board shall, in addition to the functions set out in any other Article, be responsible for the direction of the operations of the CARICOM Development Fund and, for that purpose, shall -

- (a) take decisions concerning the provision of loans, grants and technical assistance;
- (b) accept, subject to Article VIII(4), subventions to the CARICOM Development Fund;
- (c) invest such resources of the CARICOM Development Fund as are available for that purpose, in accordance with the investment strategy approved by the Community Council, in collaboration with COFAP;
- (d) submit the accounts of the CARICOM Development Fund for each year to the Community Council;
- (e) approve the budget for the CARICOM Development Fund;
- (f) appoint a Chief Executive Officer; and
- (g) undertake a detailed in-depth evaluation of the operations of the CARICOM Development Fund, including the effectiveness of the measures taken pursuant to Chapter Seven of the Revised Treaty.

(2) The Board may appoint one or more committees to inquire into and advise the Board on such matters as the Board refers to it.

(3) Subject to any directions that may be given by the Board, a committee may regulate its own procedure.

ARTICLE VI

PROCEDURE OF THE BOARD

(1) The Board shall meet in ordinary session at least once in every quarter and in special session as often as the circumstances may require.

(2) Where circumstances warrant, the Board may take decisions through prior consultations and without meeting in formal session.

- (3) The Chairperson, or in his absence the Deputy Chairperson and at least one Director appointed by virtue of a nomination under Article IV (1)(b), one Director appointed by virtue of a nomination under Article IV 1(c) and one other Director, shall constitute a quorum.
- (4) The Chairperson or in his absence, the Deputy Chairperson shall preside at meetings of the Board.
- (5) A matter before the Board shall be decided by a majority of votes of the Directors represented at the meeting.
- (6) Subject to Article IV (1)(e) and (f), each Director shall have one vote.
- (7) In the case of equality of votes, the Chairperson or, in his absence, the Deputy Chairperson shall have a second or casting vote.
- (8) All decisions made by the Board shall be certified by the Chairperson.
- (9) The validity of a decision of the Board is not affected on the ground of –
 - (a) the existence of a vacancy in the membership, or a defect in the constitution of the Board; or
 - (b) an omission, defect or irregularity not affecting the substance of the matter.
- (10) Minutes of each meeting of the Board shall be kept in proper form by the Secretary appointed under Article VII(2)(d) or such other person as the Chief Executive Officer may appoint for this purpose, and shall be confirmed in writing at the next meeting.
- (11) Each donor for a contribution and subvention cycle shall be entitled to participate at such meetings of the Board at which matters related to loans, grants and technical assistance or policies regarding same are being considered during that contribution and subvention cycle, as determined by the Board.
- (12) Subject to this Article, the Board may regulate its own proceedings.

ARTICLE VII

FUNCTIONS OF THE CHIEF EXECUTIVE OFFICER

- (1) Subject to the approval of the Board, the Chief Executive Officer may engage such persons, including consultants, investment managers, brokers, and

other entities as he may consider necessary to assist the Board in carrying out its functions.

(2) Subject to the general directions of the Board, the Chief Executive Officer shall be responsible for, *inter alia* –

- (a) ensuring the implementation of the policies of the Board;
- (b) the overall administration and co-ordination of activities and programmes of the CARICOM Development Fund;
- (c) preparing, for the approval of the Board, the biennial budget for the CARICOM Development Fund;
- (d) the appointment of the Secretary to the Board and other officers and staff; and
- (e) ensuring that the correct procedures are followed with respect to all matters within the competence of the Board.

(3) The Chief Executive Officer shall -

- (a) cause the accounts of the CARICOM Development Fund to be audited annually, in accordance with Article XX, by external auditors appointed by the Board; and
- (b) present the report of the auditors to the Board for consideration and approval.

ARTICLE VIII

CONTRIBUTIONS AND SUBVENTIONS

(1) A State Party shall, upon entry into force of this Agreement, contribute or cause to be contributed to the CARICOM Development Fund, the amount set out in Annex I.

(2) Subsequent contributions of a State Party shall be in such amounts or in accordance with such formula as determined, from time to time, by the Community Council.

(3) Subject to paragraph (4), subventions for inclusion in the CARICOM Development Fund may be accepted from public or private entities of Member States of the Community or from entities external to the Community.

(4) Subventions shall not be accepted or applied on conditions that discriminate against any Member State or disadvantaged country, region or sector, except in accordance with the provisions of the Revised Treaty.

(5) Each contribution or subvention shall be denominated and paid in United States dollars.

(6) The terms on which a contribution or subvention is to be made shall be set forth in a contribution or donor agreement, as the case may be, which shall -

- (a) be subject to this Agreement and to decisions taken during the relevant negotiation period; and
- (b) specify the amount of the contribution or subvention and the form and terms in which the contribution or subvention is to be made.

ARTICLE IX

MEETINGS OF CONTRIBUTORS AND DONORS

(1) The Board shall convene an annual meeting of the contributors and donors to -

- (a) review the progress of the CARICOM Development Fund on the basis of the information contained in its Annual Report referred to in Article XX(8); and
- (b) evaluate the operations of the CARICOM Development Fund in accordance with Article XX (9).

(2) The annual meeting of contributors and donors shall be held at such time and in such Member State as the Board in consultation with the contributors and the donors may determine.

(3) Each donor shall be invited to participate at annual meetings of contributors and donors.

ARTICLE X

NEGOTIATION MEETINGS

- (1) Negotiation meetings of the contributors and donors, other than the annual meeting of contributors and donors, to discuss the replenishment of the resources and financial commitments of contributors and donors, shall be held during a negotiation period.
- (2) The first negotiation meeting during a negotiation period shall be in the same Member State as, and shall immediately precede, each fourth annual meeting of contributors and donors or at such other time and place as the Board, in consultation with the contributors and donors, may determine.
- (3) Each subsequent negotiation meeting shall be held at such time and place as the Board in consultation with the contributors and donors may determine.
- (4) Each donor shall be entitled to participate at a negotiation meeting.
- (5) The Board may invite a potential donor to attend a negotiation meeting.

ARTICLE XI

RESOURCES OF THE CARICOM DEVELOPMENT FUND

The resources of the CARICOM Development Fund shall be from the following sources -

- (a) contributions;
- (b) subventions;
- (c) net income earned from investments and loans from the CARICOM Development Fund;
- (d) repayment of amounts lent from the CARICOM Development Fund;
and
- (e) fees, charges and such other moneys that may accrue from the operations of the CARICOM Development Fund.

ARTICLE XII

PROCEDURES FOR DRAWDOWNS

- (1) The procedure for drawdowns of contributions or subventions by the CARICOM Development Fund shall be as set out in this Article.

- (2) The Board shall submit, annually, the following to each contributor and donor –
- (a) requests for drawdowns from the contributor and donor;
 - (b) a statement of the amounts drawdown from each contributor and donor as at the end of the immediately preceding year;
 - (c) a statement of disbursements from the resources during the immediately preceding year;
 - (d) projected estimates of disbursements for the current and immediately succeeding years and the pro-rata projected drawdowns from each contributor and donor to meet such disbursement; and
 - (e) details of the absolute and relative updated contribution and subvention of each contributor and donor for the given contribution period.

ARTICLE XIII

ELIGIBLE RECIPIENTS

- (1) The CARICOM Development Fund may provide financial and technical assistance to eligible recipients to promote and facilitate appropriate programmes and projects in disadvantaged countries, regions and sectors.
- (2) Eligible recipients for the purposes of paragraph (1) are –
- (a) Member States;
 - (b) subject to the approval of the Member State:
 - (i) any agency of such a Member State;
 - (ii) any entity in the public sector operating in such a Member State;
 - (iii) regional agencies and private sector entities that are concerned with the economic development of such a Member State.

ARTICLE XIV

TIMING OF CONTRIBUTIONS SUBVENTIONS AND DRAWDOWNS

The timing of contributions, subventions and drawdown shall be as set out in Annex II.

ARTICLE XV

LOANS AND GRANTS

The terms and conditions of a loan, interest subsidy grant or other grant agreement, including those relating to the disbursement of funds and any interest, fees and other charges, maturities and dates of payment, shall be established in conformity with the general operating principles outlined in Annex III and other applicable provisions of this Agreement.

ARTICLE XVI

PROCUREMENT

Procurement of goods and services for projects financed from the resources of the CARICOM development Fund shall be in accordance with Procurement Rules established by the Board.

ARTICLE XVII

RECYCLING OF RESOURCES

The funds received by the CARICOM Development Fund from repayment of amounts lent by it from the resources shall be held and administered by the Board in accordance with this Agreement and may be used by it in the same manner as the resources.

ARTICLE XVIII

INVESTMENTS

The Board may invest any portion of the resources held by it and not immediately needed for its operations in such manner as the Community Council shall determine, paying due regard to the need to maximise income and ensuring liquidity or availability when needed.

ARTICLE XIX

INCOME AND EXPENSES

(1) The income of the CARICOM Development Fund shall be -

- (a) interest, fees and charges on loans; and
- (b) income from investments made in accordance with Article XVIII.

(2) The administrative expenses relating directly to the operations of the CARICOM Development Fund shall be charged to the income of the CARICOM Development Fund.

ARTICLE XX

AUDIT AND EVALUATION

(1) The Board shall ensure the maintenance of accounts adequate to record the operations of the CARICOM Development Fund and to reflect, in accordance with generally accepted accounting principles, the status of the CARICOM Development Fund showing the income and projects and programmes financed thereby.

(2) The Board shall appoint an auditor.

(3) The accounts of the CARICOM Development Fund shall be audited at the close of each financial year by the auditor who shall prepare a report of the accounts of the CARICOM Development Fund.

(4) The auditor shall include in the report, a statement whether, in the auditor's opinion –

- (a) the income and expenditure for the financial year under review gave a true and fair view of the income and expenditure of the CARICOM Development Fund; and
- (b) the balance sheet for the financial year under review gives a true and fair view of the financial affairs of the CARICOM Development Fund at the end of that financial year.

(5) An auditor appointed by the Board under paragraph (2) shall have the right to access at all reasonable times, the books, accounts, vouchers and other records of the CARICOM Development Fund and shall be entitled to require from the Chief Executive Officer and other officials and staff of the CARICOM Development Fund, such information and explanations as he considers necessary for the performance of his duties as auditor.

(6) The Board shall submit to COFAP for approval the audited financial statements of the CARICOM Development Fund including a general balance sheet and a statement of income and expenditure together with the statements relating to the contributions, subventions and the income.

(7) The audited financial statements referred to in paragraph (6) and evidence of their approval by COFAP shall also be submitted to the annual meeting of contributors and donors.

(8) The Board shall include in its Annual Report appropriate information on contributions and subventions, projects and programmes financed by the resources, and the receipts and disbursements of, and the balance in, each contribution and subvention.

(9) The Board shall undertake a detailed in-depth evaluation of the operations of the CARICOM Development Fund which shall be completed for distribution to the contributors and donors at least three (3) months prior to the annual meeting of contributors and donors immediately preceding each fourth annual meeting of contributors and donors and shall include -

- (a) the financial situation of the CARICOM Development Fund;
- (b) the uses for which the resources have been committed; and
- (c) the general operations and issues associated with the CARICOM Development Fund.

ARTICLE XXI

JURIDICAL PERSONALITY AND LEGAL CAPACITY

The CARICOM Development Fund shall possess full juridical personality.

ARTICLE XXII

HEADQUARTERS OF THE CARICOM DEVELOPMENT FUND

(1) The Headquarters of the CARICOM Development Fund shall be located in Barbados.

(2) The CARICOM Development Fund shall conclude a headquarters agreement with the Government of Barbados respecting the status, and the observance of the privileges and immunities of the CARICOM Development Fund granted under this Agreement.

ARTICLE XXIII

PRIVILEGES AND IMMUNITIES

To enable the Board and officers of the CARICOM Development Fund to fulfil the functions with which the CARICOM Development Fund is entrusted, the immunities and privileges provided in Articles XXIV to XXVII shall be accorded to the CARICOM Development Fund in the territory of each State Party.

ARTICLE XXIV

PROPERTY AND FUNDS

(1) The CARICOM Development Fund, its property and assets, wherever located and by whomsoever held, shall be immune from every form of legal process except in so far as in any particular case it has expressly waived its immunity, and no waiver of immunity shall extend to any measure of execution.

(2) The premises of the CARICOM Development Fund shall be inviolable.

(3) The property and assets of the CARICOM Development Fund, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation or any other form of interference, whether by executive, administrative, judicial or legislative action.

(4) The archives of the CARICOM Development Fund and in general all documents belonging to or held by it shall be inviolable, wherever located.

(5) To the extent necessary to effectively achieve its objectives and perform its functions, and subject to the provisions of this Agreement, the CARICOM Development Fund may –

- (a) hold assets of any kind and operate accounts in any currency;
- (b) freely transfer its assets from one country to another or within any country, and convert any currency held by it into any other currency, without being restricted by financial controls, regulations or moratoria of any kind.

ARTICLE XXV COMMUNICATIONS

The Development Fund shall enjoy, in the territory of each State Party, for its official communications, treatment not less favourable than that accorded by the Government of such State to any other Government, including the latter's diplomatic mission.

ARTICLE XXVI EXEMPTION FROM TAXATION

(1) The CARICOM Development Fund, its assets, property, income, operations and transactions shall be exempt from all –

- (a) direct taxation;
- (b) customs duties on goods imported for its official use; and
- (c) other imposts.

(2) Notwithstanding paragraph (1), the CARICOM Development Fund shall not claim exemption from taxes which are no more than charges for public utility services.

(3) Subject to paragraph (4), the CARICOM Development Fund shall not normally claim exemption from excise duties and from taxes on the sale of personal or movable and real or immovable property which form part of the price to be paid.

(4) Where the CARICOM Development Fund purchases property for official use on which duties and taxes have been charged or are chargeable, States Parties shall, whenever possible, make appropriate administrative arrangements for the remission or the return of the amount of duty or tax.

(5) Goods imported under an exemption from customs duties as provided by paragraph (1), or in respect of which a remission or return of duty or tax has been made under paragraph (4), shall not be sold in the territory of the State Party which granted the exemption, remission or reprieve except under conditions agreed with the State Party.

(6) Subject to paragraph (7), tax shall not be levied on or in respect of salaries and emoluments paid by the CARICOM Development Fund to the officials of the CARICOM Development Fund.

- (7) States Parties reserve the right to tax their own citizens, nationals or persons permanently resident in the territories of such State Parties.

ARTICLE XXVII

PRIVILEGES AND IMMUNITIES OF DIRECTORS AND OFFICIALS

- (1) Directors and officials of the CARICOM Development Fund shall -
- (a) be immune from legal process in respect of acts performed by them in their official capacity; and
 - (b) unless they are nationals of the host State Party -
 - (i) be accorded such immunities from immigration restrictions, alien registration requirements and national service obligations, and such facilities as regards exchange control regulations; and
 - (ii) be granted such repatriation facilities in times of international crisis, as are not less favourable than those accorded by the States Parties to the representatives, officials and experts of comparable rank of any other State Party.
- (2) The Chief Executive Officer shall notify the States Parties of the Directors and officials to be accorded the immunities and privileges specified in paragraph (1).

ARTICLE XXVIII

WITHDRAWAL OF CONTRIBUTION OR SUBVENTION

Where a contribution or donor agreement provides that a contributor or donor may, after consultation with the Board, withdraw all or part of its contribution or subvention, the CARICOM Development Fund, upon receipt of notice of withdrawal, shall, within a reasonable period, unless such notice is cancelled, transfer to the contributor or donor -

- (a) the portion of the said contribution or subvention as is in the possession of the CARICOM Development Fund and is not required for the purpose of settlement of any obligations; and

- (b) the balance of such contribution or subvention as and when received by the CARICOM Development Fund .

ARTICLE XXIX

SUSPENSION OF OPERATIONS OF THE CARICOM DEVELOPMENT FUND

- (1) Subject to paragraph (2), the Community Council may, after consultation with the contributors and donors, suspend the operations of the CARICOM Development Fund.
- (2) Upon suspension of the operations of the CARICOM Development Fund, the CARICOM Development Fund, shall forthwith cease all activities relating to the resources, except those incidental to their orderly realisation, conservation and preservation and settlement of the direct or contingent obligations to which they may be subject.
- (3) Each State Party shall cause to be publicised in its territory, the fact and duration of any suspension of the CARICOM Development Fund.

ARTICLE XXX

SETTLEMENT OF DISPUTES

- (1) In the case of a dispute between the CARICOM Development Fund and a State Party, contributor or donor concerning any matter arising out of, or in connection with the operation of the CARICOM Development Fund which cannot be settled by consultation between the parties, the disagreement shall be submitted to arbitration by a tribunal of three arbitrators.
- (2) One of the arbitrators shall be appointed by the CARICOM Development Fund, and another by the State Party, contributor or donor and the third, unless the parties otherwise agree, by the President of the Caribbean Court of Justice.
- (3) A majority vote of the arbitrators shall be sufficient to reach a decision which shall be final and binding upon all the parties.
- (4) The third arbitrator shall be empowered to settle all questions of procedure, in any case where the parties are in disagreement with respect thereto.

ARTICLE XXXI DEPOSITARY

This Agreement, any amendment thereof, instruments of accession and ratification shall be deposited with the Secretary General who shall forward certified true copies thereof to all States Parties.

ARTICLE XXXII SIGNATURE AND RATIFICATION

- (1) This Agreement shall be open for signature by all Member States.
- (2) This Agreement shall be subject to ratification by the signatory States in accordance with their respective constitutional procedures.

ARTICLE XXXIII ENTRY INTO FORCE

- (1) This Agreement shall enter into force 30 days after the deposit of the third instrument of ratification.
- (2) Notwithstanding paragraph (1), this Agreement shall be provisionally applied upon signature by five Member States.

ARTICLE XXXIV AMENDMENT

- (1) This Agreement may be amended by the States Parties.
- (2) Every amendment shall be subject to ratification by the States Parties and shall enter into force 30 days after the deposit of the last instrument of ratification.

ARTICLE XXXV ACCESSION

- (1) After the entry into force of this Agreement, a Member State may accede to this Agreement.

(2) Instruments of Accession shall be deposited with the Depositary who shall forward copies of the instruments to each State Party notifying it of the dates of deposit of the instruments.

(3) Instruments of Accession shall take effect 30 days following the deposit of the instrument of accession with the Depositary.

ARTICLE XXXVI WITHDRAWAL

(1) A State Party may withdraw from this Agreement at any time by written notification to the Depositary.

(2) The Depositary shall promptly notify the other States Parties of the receipt of the notification.

(3) The withdrawal shall take effect one year after the date of receipt of the notification by the Depositary, unless the State Party notifies the Depositary in writing of the cancellation of its notice of withdrawal before the effective date of the withdrawal.

IN WITNESS WHEREOF the undermentioned representatives duly authorised in that behalf have executed this Agreement for their respective Governments.

Signed by

For the Government of Antigua and Barbuda, on

at St. John's

[Signature] 4th July 2008
Antigua

Signed by

For the Government of Barbados, on

at ST. JOHN'S ANTIGUA

[Signature] 4th July, 2008

Signed by

For the Government of Belize, on

at

[Signature] 4th July, 2008
St. Johns, Antigua.

Signed by



For the Government of the Commonwealth of Dominica, on

10th October 2008

at

Roseau, Dominica

Signed by



For the Government of Grenada, on

13th March 2009

at

Signed by



For the Government of the Co-operative Republic of Guyana, on

4th July 2008.

at

Signed by

For the Government of the Republic of Haiti, on

at

Signed by



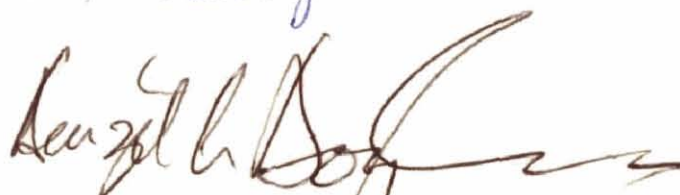
For the Government of Jamaica, on

4th July 2008

at

St. John's, Antigua + Barbuda.

Signed by



For the Government of the Federation of Saint Christopher and Nevis, on

13th MARCH 2009.

at

BELIZE CITY, BELIZE

Signed by



For the Government of Saint Lucia, on

13 March 2009

at

Belize City Belize

Signed by



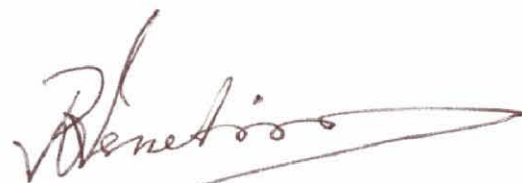
For the Government of St. Vincent and the Grenadines, on

4th July 2008

at

St. John's, Antigua and Barbuda

Signed by



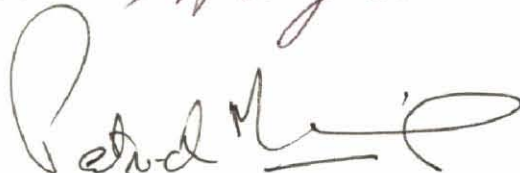
For the Government of the Republic of Suriname, on

4 July 2008

at

St. Johns, Antigua and Barbuda.

Signed by



For the Government of the Republic of Trinidad and Tobago, on

4th July 2008

at

Antigua and Barbuda

| Table A | |
|--|---------------------|
| ASSESSED CONTRIBUTION OF MEMBER STATES | |
| MEMBER STATES | Contribution (USDM) |
| More Developed Countries | |
| Barbados | 11.48 |
| Guyana | 3.50 |
| Jamaica | 19.69 |
| Suriname | 4.54 |
| Trinidad and Tobago | 37.07 |
| Less Developed Countries | |
| Antigua and Barbuda | 2.23 |
| Belize | 3.05 |
| Dominica | 1.40 |
| Grenada | 1.76 |
| St. Kitts and Nevis | 1.61 |
| Saint Lucia | 2.37 |
| St. Vincent and the Grenadines | 1.64 |
| TOTAL | 90.34 |

| Table B | | |
|---|--------------------------------------|---|
| ASSESSED CONTRIBUTION OF MEMBER STATES Required Initial Contribution | | |
| | In Millions of United States Dollars | |
| MORE DEVELOPED | Assessed | Minimum contribution for the purposes of Article IV (7) |
| Barbados | 11.48 | 5.01 |
| Guyana | 3.50 | 1.45 |
| Jamaica | 19.69 | 8.13 |
| Suriname | 4.54 | 1.87 |
| Trinidad & Tobago | 37.07 | 38.00 |
| Sub-Total | 76.28 | 54.46 |
| LESS DEVELOPED | | |
| Antigua & Barbuda | 2.23 | 0.92 |
| Belize | 3.05 | 1.26 |
| Dominica | 1.40 | 0.58 |
| Grenada | 1.76 | 0.73 |
| St Kitts & Nevis | 1.61 | 0.66 |
| Saint Lucia | 2.37 | 0.98 |
| St Vincent & Grenadines | 1.64 | 0.68 |
| Sub-Total | 14.06 | 5.81 |
| GRAND TOTAL | 90.34 | 60.27 |

TIMING OF CONTRIBUTIONS SUBVENTIONS AND DRAWDOWNS

- (1) Contribution and subvention cycles shall be four (4) years each or such other period as the Board, in consultation with the contributors and donors, may from time to time determine and shall be the period during which projects and programmes are to be financed by the CARICOM Development Fund from contributions and subventions pledged for a contribution and subvention cycle.
- (2) The first contribution and subvention cycle shall commence on such date as the Board in consultation with the contributors and donors may determine.
- (3) A negotiation period shall be the period during which decisions are taken by contributors and donors as to the procedures and the terms and conditions under which contributions and subventions and drawdowns for the relevant contribution and subvention cycle are to be made.
- (4) The first negotiation period shall commence and end at such time as the Board in consultation with potential contributors and donors shall determine.
- (5) Subsequent negotiation periods shall commence on or about the date of the Annual Meeting of Contributors and Donors immediately preceding each Fourth Annual Meeting of Contributors and Donors or such other date as the Board in consultation with the contributors and donors may determine and end at such time as the Board in consultation with the contributors and donors may determine.
- (6) Contributions and subventions shall be made in accordance with decisions taken during the negotiation period for the contribution and subvention cycle for which such contributions and subventions are to be made.
- (7) A contribution or subvention may be pledged at any time after such decisions are taken, but shall be consistent with such decisions and any such pledge shall be concluded within six months there from by a contribution or donor agreement referred to in Article VIII(6).
- (8) Payment of contributions and subventions shall be by means of readily realisable negotiable instruments or any other form of payment approved by the Board from time to time, to meet pledges.
- (9) Drawdowns of such contributions or subventions shall be at least semi-annually based on the projected disbursement requirements for the ensuing

period of six months and in amounts pro-rated to the size and time of each contribution or subvention.

TERMS AND CONDITIONS OF LOANS AND GRANTS

- (1) Loans and grants shall be denominated in United States dollars and each Loan Agreement shall provide that all payments to the CARICOM Development Fund of interest and any fees or other charges and the repayment of principal under the Loan Agreement shall be made in United States dollars.
- (2) Where the recipient of a loan or a guarantor of a loan is not itself a Member State, the Board may, when it deems advisable, make it a condition of the Loan Agreement that the Member State in whose territory the project or programme concerned is to be carried out or a public agency of that Member State, acceptable to the Board, or more than one Member State, acceptable to the Board, guarantee the repayment of the principal and the payment of interest and any fees and other charges on the loan in accordance with the terms thereof.
- (3) The interest rate on loans shall be fixed by the Board from time to time as the Board may determine. Such rate shall be based on the financial and administrative costs related to the CARICOM Development Fund.
- (4) The grace period and maturities on loans, and any fees and charges payable in respect thereof shall be as determined by the Board, having regard to the nature of the loans, the requirements of prudent financial management of the CARICOM Development Fund and the development needs of eligible recipients.
- (5) Before a loan or grant or technical assistance is approved by the Board, the applicant shall submit an adequate loan, grant or technical assistance proposal and the Chief Executive Officer shall present to the Board a written report on the need for the financial or technical assistance, together with recommendations based on a staff study.
- (6) An application for financial or technical assistance by –
 - (a) a State Party;
 - (b) any agency of such a State Party;
 - (ii) any entity in the public sector operating in such a State Party;
 - (iii) regional agencies and private sector entities that are concerned with the economic development of such a State Party;

shall not be considered by the Board unless the State Party has paid up its contribution in accordance with the contribution agreement concluded pursuant to Article (VIII)(6) for the relevant Contribution and Subvention Cycle .

(7) A State Party shall not be eligible to receive a grant in an amount which is in excess of its paid-up contribution for the relevant Contribution and Subvention Cycle.

(8) In making loans and grants the CARICOM Development Fund may furnish eligible recipients with foreign currencies which are required to meet the direct and estimated indirect foreign exchange costs of the project and programme for which loans and grants are made.

(9) The CARICOM Development Fund may also provide foreign currencies to meet a reasonable portion of the local expenditures on a project or programme if considered by the Board appropriate, having regard to the internal and external economic position and prospects of the eligible recipient and the nature and requirements of the project or programme.