

Ministry Paper # 18/09

Government Guarantee under the provisions of the Approved Organizations and Authorities (Government Guarantee) Act of the amount of US\$ 2.75 million, of a loan of US\$5.5 million, from the Caribbean Development Bank to the University of the West Indies (UWI) to partially finance the construction of a Vice Chancellery Building on lands adjacent to the Mona Campus

1. Introduction

1.1 The Honourable House of Representatives is being asked to approve:

- a) the granting of a Government Guarantee under the provisions of the Approved Organisations and Authorities (Government Guarantee) Act of the amount of US\$ 2.75 million, of a loan of US\$5.5 million, to the University of the West Indies to partially finance the construction of a Vice Chancellery Building on lands adjacent to the Mona Campus.
- b) The charge of a guarantee fee at the rate of 0.015% in accordance with Section 3(2) of the Approved Organisations and Authorities (Government Guarantee) Act:

2. Background

2.1 The management of the UWI at the regional level is vested in the Office of the Vice Chancellor. The Vice Chancellery, currently sited at the Mona Campus is the University's central administrative 'arm' referred to as the 'Centre'. The University Centre was an outcome of restructuring in 1984, which formally recognized UWI's regional role and the need for central direction and coordination.

2.2 Currently, most of the units supporting the Vice Chancellor in the management and administration of the University at the regional level are located on the Mona Campus which has accommodated the Vice Chancellery over the fifty-nine years of

the University's operations. The growth of the University is at a point however, that increasing congestion negatively affects the productivity of the Vice Chancellery. Further, units of the Vice Chancellery at present are scattered across the Mona Campus. This situation inhibits the growth and productivity of the Centre given that units are unable to contract needed staff as there is physically no space to house them.

- 2.3 The Governance Report of 1994, "A New Structure" stated that the Vice Chancellor's Office and the University Centre remained too identified with the Mona Campus. The Commission therefore recommended that funds should be found to move the University centre from its present buildings at the heart of the Mona Campus to somewhere peripheral to the campus.

3. Relocation of Vice Chancellery

- 3.1 Lands have been identified opposite the Mona Campus for the relocation of the Vice Chancellery Building. The Vice Chancellery comprising approximately 57,000 sq. ft. will be located on the orchard area south of the Queens Way entrance of the campus, adjoining the University's College Common housing. The building will house administrative and management units, the University Council Room, reconfigurable conference rooms, the University Archives, The University Museum, the Institute for Crime, Security and Justice and the Institute for Sustainable Development.
- 3.2 The relocation of the Vice Chancellery under one roof on the periphery of the Mona Campus will fulfill the mandated action of the 1994 Governance Report removing the perception of being an integral part of the Mona Campus. Additionally, the integration of the administrative and management units as well as the institutes will also lend itself to an increase in productivity.

4. Vice Chancellery Building Specifications

4.1 The building will be comprised of the following areas:

- Administrative and Management Units – 22,050 sq. ft
- The University Council Room comprising 3,000 sq. ft will be designed to modern international standards with provision to accommodate international level assemblies. The room will be equipped with translation and multimedia facilities and state-of-the-art technological features to allow for reporting and presentations.
- Reconfigurable Conference Rooms comprising 2,500 sq. ft. will accommodate the seating of 20 to 60 persons. Six (6) small meeting rooms /break-out rooms will also be constructed. The rooms will service the entire building as it is proposed that in the interest of cost-savings, only the Vice Chancellor, University Bursar, and University Registrar would be allocated adjoining meeting rooms.
- The University Archives comprising 5000 sq. ft. will be designed to provide for fireproofing, temperature control/relative humidity, protection from direct sunlight, facilities for pest control and effective drainage for rainwater.
- The University Museum will account for 2,000 sq. ft and will display documents and other materials and artifacts, possibly utilizing interactive technologies that will tell the story of the University of the West Indies. The design features will be similar to those of the archives.
- Regional Institutes – Two regional institutions that speak to policy issues of critical importance to the region, namely the Institute for Sustainable

Development and the Institute for Crime, Security, and Justice will be housed on the building. Training seminars, workshops and conferences will also be undertaken by the institutes. The total floor space of the institutes will be 5,500 sq. ft

5. Costing/Financing

5.1 The total cost of construction of the Vice Chancellery Building is estimated to be US\$12.2 million. Outlined below is a detailed projection of the costing:

Items	Cost (US\$ M)
Construction of building including special design features, furniture and equipment	\$9,100,000
External areas (e.g. Generators, hard and soft landscaping, roadways, parking, pedestrian areas, security lighting, garden seating with gazebos, flag pole area	\$810,000
Consulting Fees	\$766,000
Architectural Services	\$395,000
Contingency (10%)	\$1,107,100
Grand Total	US\$12,178,100

5.2 Financing of the project will be secured from a combination of sources including internal funding, donations, and debt. Projections are that the internal funding and donations, will each contribute US\$ 3 million towards the project. The University has been in discussion with the Caribbean Development Bank regarding the provision of a loan in the amount of US\$5.5 million and a grant for technical assistance amounting to US\$760,000 to partially finance the cost of construction of a Vice Chancellery Building at Mona. The indicative terms of the loan include:

Term	20-25 years
Moratorium	5-7 years
Repayment	15-18 years

5.3 A condition of the loan to the University is the guarantee by the government of the territory in which the campus is located. However, given the regional scope of the Vice Chancellery, the University has also approached the Government of Barbados to co-guarantee the proposed loan. The Government of Barbados has indicated its willingness to do so. Accordingly, both the Governments of Jamaica and Barbados will each be required to guarantee the repayment of an amount to the value of US\$2.75 million of the loan.

6. Recommendation

6.1 The Honourable House of Representatives is accordingly asked to approve:

- a) The granting of a Government Guarantee under the provisions of the Approved Organisations and Authorities (Government Guarantee) Act of the amount of US\$ 2.75 million, of a loan of US\$5.5 million, to the University of the West Indies to partially finance the construction of a Vice Chancellery Building on lands adjacent to the Mona Campus;
- b) The charge of a guarantee fee at the rate of 0.015% in accordance with Section 3(2) of the Approved Organisations and Authorities (Government Guarantee) Act; and
- c) The moving of the appropriate Resolution of the House of Representatives.



Audley Shaw, M.P

Minister of Finance and the Public Service

March 12, 2009

JAMAICA GOVERNMENT GUARANTEED LOANS STOCK OF EXTERNAL DEBT By Creditor in USD December 31,2008					
ENTITY	CURRENCY	LOAN AMOUNT Original Currency	AMOUNT DISB. Original Currency	AMOUNT REPAYD Original Currency	DISB. OUTSTANDING US\$US Equivalent
Air Jamaica	USD	US\$450,000,000	450,000,000.00	-	450,000,000.0
Port Authority (PA)	JPY	JPY266,368,381	266,368,381.00	218,083,021.00	357,866.9
	GBP	GBP 757,532	757,532.00	294,350.00	802,542.1
	CHF	CHF 3,613,628	3,613,628.00	1,501,284.00	2,392,639.0
	EUR	EUR 18,664,003	18,664,003.00	4,808,496.00	11,980,193.6
	USD	220,867,016.00	196,826,408.00	45,832,181.00	150,994,227.0
					166,527,468.6
Jamaica Telephone Co.	USD	US\$21,500,000	21,500,000.00	16,102,127.71	5,397,872.3
Development Bank of Jamaica (DBJ)	USD	US\$72,000,000	72,000,000.00	43,676,231.09	28,323,768.91
	EUR	EUR 108,860,000	108,860,000.00	95,478,795.15	18,599,874.7
					46,923,643.7
Urban Development Corporation (UDC)	USD	US\$15,000,000	15,000,000.00	3,159,273.60	11,840,726.4
Coffee Industry Board (CIB)	EUR	EUR 3,300,000	1,830,762.00	707,573.40	1,779,804.7
National Water Commission (NWC)	EUR	EUR 16,495,150	16,495,150.00	3,022,842.99	12,293,398.2
	USD	US\$4,818,180	4,818,180.00	2,409,090.00	2,409,090.0
					14,702,488.2
BOND Holders - CAP	USD	US\$200,000,000	200,000,000.00	-	200,000,000.0
NROCC	USD	US\$75,000,000	75,000,000.00	75,000,000.00	-
University of the West Indies (UWI)	USD	US\$3,350,102	3,350,102.00	2,642,678.00	707,424.0
Caribbean Housing Finance Corporation	GBP	GBP 10,000,000	10,000,000.00	7,333,329.95	3,834,138.2
TOTAL					901,713,566.0
TOTAL J\$					72,562,062,883.3

Legend

Agency for International Development
 Bank of Nova Scotia
 Banque de Paribas
 Commonwealth Development Commission
 Caribbean Development Bank
 Duetsche Entwicklungsland GMBH
 Export Development Corporation
 European Investment Bank
 European Economic Community Commission
 HSBC Bank
 Inter American Development Bank
 KBC Bank
 Organisation of Petroleum Exporting Countries
 Netherland Investment Bank
 Clarendon Aluminum Partners

USD United States Dollars
JPY Japanese Yen
GBP Great Britain Pound
CHF Switzerland Francs
EUR European Currency

Debt Management Unit
 February 16,2008

**GOVERNMENT GUARANTEED LOANS OUTSTANDING BALANCES
UNDER THE APPROVED ORGANIZATIONS AND AUTHORITIES
LOANS (GOVERNMENT GUARANTEED) ACT
AS @ 31st DECEMBER, 2008 (J\$)**

DOMESTIC DEBT

ENTITY	AMOUNT AUTHORISED	AMOUNT DISBURSED	AMOUNT REPAYED	AMOUNT OUTSTANDING	No. of Loans
AIR JA	\$ 804,713,000.00	\$ 804,713,000.00	\$ -	\$ 804,713,000.00	1
DBJ	\$ 600,000,000.00	\$ 600,000,000.00	\$ 50,002,000.00	\$ 549,998,000.00	1
JMB	\$ 500,000,000.00	\$ 500,000,000.00	\$ -	\$ 500,000,000.00	1
JUTC	\$ 300,000,000.00	\$ 300,000,000.00	\$ 131,250,000.00	\$ 168,750,000.00	1
NWC	\$ 2,157,417,995.00	\$ 2,157,417,995.00	\$ 352,370,436.02	\$ 1,805,047,558.98	3
NROCC*	\$ 3,552,000,000.00	\$ 3,552,000,000.00	\$ -	\$ 7,984,709,358.00	1
PAJ	\$ 7,556,255,070.00	\$ 7,556,255,070.00	\$ 1,441,217,324.44	\$ 6,115,037,745.56	3
PCJ	\$ 1,287,540,800.00	\$ 1,287,540,800.00	\$ 337,979,726.36	\$ 949,561,073.64	1
SLB	\$ 1,774,170,000.00	\$ 1,757,040,000.00	\$ 373,138,888.90	\$ 1,383,901,111.10	1
TOTAL	\$ 18,532,096,865.00	\$ 18,514,966,865.00	\$ 2,685,958,375.72	\$ 20,261,717,847.28	13

LEGEND

AIR JA	Air Jamaica
DBJ	Development Bank of Jamaica
JMB	Jamaica Mortgage Bank
JUTC	Jamaica Urban Transit Company Limited
NWC	National Water Commission
NROCC	National Road Operating and Constructing Company
PAJ	Port Authority of Jamaica
PCJ	Petroleum Corporation of Jamaica
SLB	Students Loan Bureau

N.B.

* Linked to CPI; includes inflation- compensating amount in the form of capitalised interest.

EXCHANGE RATES

US\$1 = JA\$ 80.4713
€ = JA\$104.3475
(as @ 2008/12/31)

**Debt Management Unit
27th February, 2009**