No. 8463

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
and
JAMAICA

Loan Agreement—*Education Project* (with related letters and annexed Loan Regulations No. 3). Signed at Washington, on 30 September 1966

Official text: English.

Registered by the International Bank for Reconstruction and Development on 14 December 1966.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
JAMAÏQUE

Contrat d'emprunt — *Projet relatif à l'éducation* (avec lettres y relatives et, en annexe, le Règlement n° 3 sur les emprunts). Signé à Washington, le 30 septembre 1966

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 14 décembre 1966.

No. 8463. LOAN AGREEMENT[1] (*EDUCATION PROJECT*) BETWEEN JAMAICA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 30 SEPTEMBER 1966

AGREEMENT, dated September 30, 1966, between JAMAICA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS the Borrower has requested the Bank to assist in the financing of a project to improve and expand educational facilities in the territories of the Borrower; and

WHEREAS the Bank has agreed to make for the purpose a loan to the Borrower on the terms and conditions provided herein;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

LOAN REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank dated February 15, 1961,[2] subject, however, to the modifications thereof set forth in Section 1.02 of this Agreement, with the same force and effect as if they were fully set forth herein (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations).

Section 1.02. For the purposes of this Loan Agreement Sections 3.02, 4.01 and 9.04 of the Loan Regulations are deleted.

Section 1.03. Unless the context otherwise requires, the following terms wherever used in this Loan Agreement have the following meanings :

(*a*) The term " First Loan Agreement " means the loan agreement (*Highway Project*) between the Borrower and the Bank dated April 8, 1965;[3]

(*b*) The term " First Loan " means the loan provided for in the First Loan Agreement.

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[1] Came into force on 25 October 1966, upon notification by the Bank to the Government of Jamaica.
[2] See p. 206 of this volume.
[3] United Nations, *Treaty Series*, Vol. 539, p. 303.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to nine million five hundred thousand dollars ($9,500,000).

Section 2.02. The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Agreement.

Section 2.03. Except as the Borrower and the Bank shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Loan Agreement, to withdraw from the Loan Account such amounts as shall be the equivalent of such a percentage as may from time to time be agreed between the Borrower and the Bank of such amounts as shall have been expended by the Borrower for the reasonable cost of goods required to carry out the Project; provided, however, that no withdrawals shall be made on account of : (i) expenditures prior to June 1, 1966 or (ii) expenditures made in the territories of any country (except Switzerland) which is not a member of the Bank or for goods produced in (including services supplied from) such territories.

Section 2.04. Withdrawals from the Loan Account shall be made in such currency or currencies as the Bank shall reasonably select.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three eighths of one per cent ($^3/_8$ of 1%) per annum on the principal amount of the Loan not so withdrawn and outstanding from time to time.

Section 2.06. The Borrower shall pay interest at the rate of six per cent (6%) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semi-annually on January 15 and July 15 in each year.

Section 2.08. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

Section 2.09. For the purposes of facilitating the sale of portions of the Loan, Bonds, portions of the First Loan or bonds representing the First Loan, it is agreed that in connection with any such sale :

(*a*) notwithstanding the provisions of Section 3.03 of the Loan Regulations (applicable to this Loan Agreement and to the First Loan Agreement), the Bank and the Borrower may from time to time agree that any portion of the Loan or the First Loan repayable in one currency may be made repayable in one or more other currencies and from the date specified in such agreement such portion of the Loan or the First Loan shall be repayable in such other currency or currencies; and

(*b*) the Bank may from time to time, by notice to the Borrower, interchange equivalent portions of the Loan and the First Loan repayable in different currencies under the provisions of Section 3.03 of the Loan Regulations (applicable to this Loan Agreement and the First Loan Agreement), provided that the aggregate amount so to be repaid in any currency in respect of the Loan and the First Loan and the amounts of the respective maturities set forth in the amortization schedules to this Loan Agreement and the First Loan Agreement shall not be varied.

Article III

USE OF PROCEEDS OF LOAN

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to financing the cost of goods required to carry out the Project described in Schedule 2 to this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Borrower and the Bank, subject to modification by further agreement between them.

Section 3.02. Except as the Borrower and the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Project.

Section 3.03. The specific educational institutions included in the Project and the locations thereof shall be determined by agreement between the Borrower and the Bank, subject to modification by further agreement between them.

Article IV

BONDS

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The Minister of Finance of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 of the Loan Regulations.

Section 4.03. Notwithstanding the provisions of Section 6.06 of the Loan Regulations, the Bank may from time to time request pursuant to Section 6.03 or Section 6.11 of the Loan Regulations, and the Borrower shall execute and deliver, Bonds providing: (*a*) for the payment on a single date of two or more maturities, or parts thereof, specified in such request, of installments of the principal amount of the Loan set forth in Schedule 1 to this Agreement; (*b*) that the principal amount of each such Bond shall be payable in a single currency on the date of the latest maturity of the installments specified in such request; (*c*) that as a sinking fund for such Bonds the Borrower will, on each date specified in Schedule 1 to this Agreement as the maturity of an installment of the portion, or all, of the Loan represented by such Bonds, redeem a principal amount of such Bonds equal to the amount of such installments; (*d*) that the Bonds to be redeemed in whole or in part shall be selected by lot; (*e*) that no premium shall be payable on such redemption; (*f*) that the obligation of the Borrower to redeem Bonds shall be satisfied *pro tanto* by the substitution of uncancelled Bonds issued pursuant to such request, Bonds so substituted to be valued for such purpose at their principal amount; and (*g*) that all Bonds so redeemed or substituted shall be immediately cancelled. All the provisions of this Article IV and of Article VI of the Loan Regulations shall apply to such Bonds except that appropriate changes shall be made in the forms of Bonds as the Bank shall reasonably request in order to give effect to the provisions of this Section 4.03.

Article V

PARTICULAR COVENANTS

Section 5.01. (*a*) The Borrower shall carry out the Project or cause the Project to be carried out with due diligence and efficiency, in conformity with sound technical standards and with due regard to economy.

(*b*) The Borrower shall cause the educational institutions included in the Project to be operated so as to promote the educational objectives of the Borrower and to be provided with qualified teachers and administrators in adequate numbers.

(*c*) The Borrower shall cause the buildings and equipment of the educational institutions included in the Project to be adequately maintained and shall cause all necessary renewals and repairs to be made thereto.