# No. 8662

## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and TRINIDAD AND TOBAGO

**Loan Agreement—*Crown Lands Development Project* (with annexed Loan Regulations No. 3). Signed at Washington, on 10 March 1967**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on 23 June 1967.*

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## BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT et TRINITÉ-ET-TOBAGO

**Contrat d'emprunt — *Projet de mise en valeur des terres de la Couronne* (avec, en annexe, le Règlement n° 3 sur les emprunts). Signé à Washington, le 10 mars 1967**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 23 juin 1967.*

# No. 8662. LOAN AGREEMENT[1] (*CROWN LANDS DEVELOPMENT PROJECT*) BETWEEN TRINIDAD AND TOBAGO AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 10 MARCH 1967

AGREEMENT, dated March 10, 1967, between TRINIDAD AND TOBAGO (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

## *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] with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations) :

(*a*) The second sentence of Section 3.02 of the Loan Regulations shall apply only to withdrawals in respect of expenditures in currencies other than the currency of the Borrower.

(*b*) Section 4.01 of the Loan Regulations is deleted.

(*c*) Section 9.04 of the Loan Regulations is deleted.

*Section 1.02.* Wherever used in the Loan Agreement, unless the context otherwise requires, the following terms shall have the following meanings :

(*a*) " ACB " means the Agricultural Credit Bank, a body corporate established and operating under Chapter 23, No. 5 of the laws of the Borrower, as amended, and any successor thereto;

(*b*) " beneficiary " means any individual who has entered into arrangements with the Borrower for receipt and utilization in the Project of goods and loans all in accordance with the policies and procedures determined pursuant to Section 5.01 (*c*) of this Agreement;

[1] Came into force on 26 April 1967, upon notification by the Bank to the Government of Trinidad and Tobago.

[2] See p. 24 of this volume.

(*c*) " Crown land " means land which is vested in the Borrower;

(*d*) " First Loan Agreement " means the loan agreement (*Trinidad and Tobago Electricity Commission Project*) dated August 16, 1961[1] between the Territory of Trinidad and Tobago and the Bank; and

(*e*) " First Loan " means the loan provided for in the First Loan Agreement.

*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 five million dollars ($5,000,000).

*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; provided, however, that no withdrawals shall be made : (i) with respect to expenditures for dairy farming, until a dairy husbandry expert and dairy stockman schall have been employed in accordance with Section 5.01 (*f*) of this Agreement, and (ii) with respect to expenditures for pig farming, until a pig husbandry expert shall have been employed in accordance with the said Section.

*Section 2.03.* (*a*) Except as the Bank shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Loan Agreement, to withdraw from the Loan Account :

(i) such amounts as shall have been paid (other than for local currency expenditures) for the reasonable cost of the imported goods to be financed out of the proceeds of the Loan and, if the Bank shall so agree, such amounts as shall be required to meet payments to be made for the reasonable cost of such goods; and

(ii) the equivalent of a percentage or percentages to be established from time to time by agreement between the Borrower and the Bank of such amounts as shall have been paid by the Borrower for the reasonable cost of all other goods to be financed out of the proceeds of the Loan and not included in the foregoing;

provided, however, that no withdrawals shall be made on account of (i) expenditures prior to the date of this Agreement, or (ii) expenditures made in the

[1] United Nations, *Treaty Series*, Vol. 426, p. 287.

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.

As used in this Section, the term " local currency expenditures " means expenditures in the currency of the Borrower or for goods produced in (including services supplied from) the territories of the Borrower.

(*b*) Withdrawals from the Loan Account pursuant to subsection 2.03 (*a*) (ii) above shall be in such freely convertible currency or currencies, other than the currency of the Borrower, as the Bank shall from time to time reasonably elect.

*Section 2.04.* 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 from time to time.

*Section 2.05.* 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 2.06.* Except as the Borrower and the Bank shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($\frac{1}{2}$ of 1%) per annum on the principal amount of any such special commitment 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.* (*a*) For the purpose of facilitating the sale of portions of the Loan, the Bonds, portions of the First Loan or bonds representing the First Loan, it is agreed that in connection with any such sale :

(i) notwithstanding the provisions of Section 3.03 of Loan Regulations No. 4 of the Bank dated February 15, 1961[1] (applicable to the First Loan Agreement) and of Section 3.03 of the Loan Regulations, the Borrower and the Bank 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

[1] United Nations, *Treaty Series*, Vol. 400, p. 212.

(ii) 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 said Loan Regulations No. 4 (applicable to the First Loan Agreement) and of Section 3.03 of the Loan Regulations, 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.

(*b*) Any agreement between the Borrower and the Bank pursuant to sub-paragraph (*a*) (i) of this Section with respect to the First Loan, and any interchange of equivalent portions of the Loan and the First Loan pursuant to sub-paragraph (*a*) (ii) of this Section shall be subject to the approval of the United Kingdom of Great Britain and Northern Ireland as party to the guarantee agreement (*Trinidad and Tobago Electricity Commission Project*) dated August 16, 1961[1] with respect to the First Loan.

## *Article III*

### Use of Proceeds of the 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 in the territories of the Borrower exclusively in the carrying out of the Project.

## *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.

[1] United Nations, *Treaty Series*, Vol. 426, p. 287.