No. 8885

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and TRINIDAD AND TOBAGO

Loan Agreement—*Highway Project* (with annexed Loan Regulations No. 3, as amended). Signed at Washington, on 12 June 1967

Official text: English.

Registered by the International Bank for Reconstruction and Development on 29 December 1967.

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

Contrat d'emprunt — *Projet relatif au réseau routier* (avec, en annexe, le règlement n° 3 sur les emprunts, tel qu'il a été modifié). Signé à Washington, le 12 juin 1967

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 29 décembre 1967.

No. 8885. LOAN AGREEMENT[1] *(HIGHWAY PROJECT)* BETWEEN TRINIDAD AND TOBAGO AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 12 JUNE 1967

AGREEMENT, dated June 12, 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, as amended February 9, 1967,[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*) A new paragraph is added to Section 3.03 to read as follows :

" (*e*) Any agreement between the Borrower and the Bank pursuant to sub-paragraph (*d*) (i) of this Section with respect to the First Loan, and any interchange of portions of the Loan or the Second Loan with equivalent portions of the First Loan pursuant to sub-paragraph (*d*) (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 with respect to the First Loan. "

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[1] Came into force on 27 July 1967, upon notification by the Bank to the Government of Trinidad and Tobago.

[2] See p. 340 of this volume.

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

(*a*) " First Loan Agreement " means the loan agreement (*Trinidad and Tobago Electricity Commission Project*) dated August 16, 1961, between the Territory of Trinidad and Tobago and the Bank and " First Loan " means the loan provided for in the First Loan Agreement.

(*b*) " Second Loan Agreement " means the loan agreement (*Crown Lands Development Project*) dated March 10, 1967, between Trinidad and Tobago and the Bank, and " Second Loan " means the loan provided for in the Second 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 eight million six hundred thousand dollars ($8,600,000).

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 Bank shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Loan Agreement, to withdraw from the Loan Account 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 goods required for carrying out the Project; provided, however, that no withdrawals shall be made on account of: (i) expenditures for Part I of the Project prior to January 1, 1966; (ii) expenditures for Part II of the Project prior to January 1, 1967; or (iii) expenditures 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 pursuant to subsection 2.03 (*a*) 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 2.05. 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 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. 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 (½ of 1 %) per annum on the principal amount of any such special commitment outstanding from time to time.

Section 2.08. Interest and other charges shall be payable semi-annually on January 15 and July 15 in each year.

Section 2.09. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

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.

Section 4.02. The Minister of the Borrower responsible for finance 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 with due diligence and efficiency and in accordance with sound engineering, administrative and financial practices and shall make available, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(*b*) In carrying out Part I of the Project, the Borrower shall employ consultants acceptable to and upon terms and conditions satisfactory to the Borrower and the Bank.

(*c*) The general design standards to be used in the Project shall be satisfactory to the Borrower and the Bank.