No. 9364

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and SINGAPORE

Loan Agreement—*Singapore Sewerage Project* (with annexed Loan Regulations No. 3, as amended). Signed at Washington, on 3 July 1968

Official text: English.

Registered by the International Bank for Reconstruction and Development on 21 December 1968.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT et SINGAPOUR

Contrat d'emprunt — *Projet relatif à l'aménagement du réseau d'égouts de Singapour* (avec, en annexe, le Règlement n° 3 sur les emprunts, tel qu'il a été modifié). Signé à Washington, le 3 juillet 1968

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 21 décembre 1968.

No. 9364. LOAN AGREEMENT[1] *(SINGAPORE SEWERAGE PROJECT)* BETWEEN THE REPUBLIC OF SINGAPORE AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 3 JULY 1968

AGREEMENT, dated July 3, 1968, between REPUBLIC OF SINGAPORE (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 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 full set forth herein, subject, however, to the following modification thereof (said Loan Regulations No. 3, as so modified, being hereinafter called the Loan Regulations) :

The last sentence of Section 4.01 is amended by deleting the words " Effective Date " in the fourth line of said sentence and substituting therefor the words " date of the Loan Agreement ".

Section 1.02. Unless the context otherwise requires, the term " Sewerage Branch " wherever used in this Agreement shall mean the Sewerage Branch of the Borrower's Public Works Department, a division of the said Department charged with responsibility for operating the sewerage system of the Borrower.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower an amount in various currencies equivalent to six million dollars ($6,000,000).

Section 2.02 (*a*). 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.

[1] Came into force on 20 August 1968, upon notification by the Bank to the Government of Singapore.
[2] See p. 272 of this volume.

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, this Agreement and the Loan Regulations.

(*b*) Withdrawals from the Loan Account shall be limited to the foreign exchange component of the cost of goods or services to be financed out of the proceeds of the Loan, as determined by the Bank after review of the contracts for the procurement of such goods and services and of the analysis, prepared by the Sewerage Branch or by the consultants of the Borrower, of the composition of their price.

(*c*) Where goods produced outside the territories of the Borrower are purchased through local importers for use in the Project and are invoiced and paid for in the currency of the Borrower, 85% of the total expenditures for such goods will be eligible for withdrawal from the Loan Account, the balance of such expenditures being a reasonable estimate of the local currency costs for such goods.

(*d*) Withdrawals from the Loan Account in respect of expenditures in the currency of the Borrower shall be in such currency or currencies as the Bank shall from time to time reasonably select.

Section 2.03. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($^3/_4$ of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.04. The Borrower shall pay interest at the rate of six and one-quarter per cent ($6^1/_4$%) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.05. 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 ($^1/_2$ of 1%) per annum on the principal amount of any such special commitments outstanding from time to time.

Section 2.06. Interest and other charges shall be payable semi-annually on May 15 and November 15 in each year.

Section 2.07. The Borrower shall repay the principal of the Loan withdrawn from the Loan Account 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 apply the proceeds of the Loan in accordance with the provisions of this Agreement exclusively to expenditures on the Project described in Schedule 2 to this Agreement. The allocation of the proceeds of the Loan is set forth in Schedule 3 to this Agreement and shall be subject to modification by agreement between the Borrower and the Bank.

Section 3.02. Except as the Bank shall otherwise agree, (i) the goods to be financed out of the proceeds of the Loan shall be procured on the basis of international competitive bidding as set forth in the " Guidelines Relating to Procurement under World Bank Loans and IDA Credits " published by the Bank in February 1968, and in accordance with such other procedures supplemental thereto as shall be agreed between the Bank and the Borrower, and (ii) any contract for the procurement of such goods shall be subject to the approval of the Bank.

Section 3.03. 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 carrying out the Project.

Article IV

BONDS

Section 4.01. If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VI of the Loan Regulations.

Section 4.02. The Minister of Finance of the Borrower is designated as authorized representative of the Borrower for the purposes of Section 6.12 of the Loan Regulations. The Minister for Finance may designate additional or other authorized representatives by appointment in writing notified to the Bank.

Article V

PARTICULAR COVENANTS

Section 5.01. (*a*) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering, financial and administrative standards and practices.

(*b*) The Borrower shall at all times make available, promptly as needed, all funds and other resources which shall be required for the carrying out and operation of the Project.

Section 5.02. (*a*) In the carrying out of the Project, the Borrower shall, to the extent agreed from time to time between the Bank and the Borrower, employ competent and experienced consultants and contractors acceptable to the Bank, upon terms and conditions satisfactory to the Borrower and the Bank.

(*b*) Upon request from time to time by the Bank, the Borrower shall cause the Sewerage Branch to furnish to the Bank, promptly upon their preparation, the plans, specifications and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Bank shall reasonably request.

Section 5.03. The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained, sound accounting practices the operations and revenues of the Sewerage Branch; and shall enable the Bank's representatives to inspect the Project, the goods, and any relevant records and documents.

Section 5.04. (*a*) The Borrower shall cause the Sewerage Branch to conduct its affairs in accordance with sound engineering, financial and administrative standards and practices and under the supervision of experienced and competent management.

(*b*) The Borrower shall prepare a long-term plan of the organization and functions of the Sewerage Branch and shall implement the said plan, in consultation with the Bank, to assure the expansion of the Sewerage Branch on a sound basis.

(*c*) The Borrower shall cause all sewerage works, facilities, plants and equipment of the Borrower to be adequately maintained, and all necessary renewals and repairs thereof to be made promptly, all in accordance with sound engineering practices.

Section 5.05. (*a*) The Borrower shall establish and maintain, or cause the Sewerage Branch to establish and maintain, such sound accounting procedures and data collecting system as are required to assess the technical, economic and financial aspects of the Borrower's sewerage system.

(*b*) Without limiting the generality of the foregoing paragraph (*a*), the Borrower shall cause the Sewerage Branch to install dependable flow measurement devices at appropriate locations in the said sewerage system and to undertake all necessary investigation and analysis of all relevant data for the purposes of collecting adequate information with respect to the population served by such sewerage system, sewage flow patterns and trends, sewage characteristics and the effectiveness of sewage treatment.

(*c*) The Borrower shall use, or cause the Sewerage Branch to use, the data and information collected pursuant to the provisions of paragraphs (*a*) and (*b*) of this Section as the basis for planning the extension of the said sewerage system, and for carrying out all necessary improvements therein.