

No. 9651

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
TRINIDAD AND TOBAGO

Loan Agreement—*Education Project* (with annexed Loan Regulations No. 3, as amended). Signed at Washington on 16 October 1968

Authentic text: English.

Registered by the International Bank for Reconstruction and Development on 23 June 1969.

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

Contrat d'emprunt — *Projet relatif à l'enseignement* (avec, en annexe, le Règlement n° 3 sur les emprunts, tel qu'il a été modifié). Signé à Washington le 16 octobre 1968

Texte authentique: anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 23 juin 1969.

LOAN AGREEMENT¹

AGREEMENT, dated October 16, 1968, between TRINIDAD AND TOBAGO (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

LOAN REGULATIONS

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 fully set forth herein, subject, however, to the following modification thereof (said Loan Regulations No. 3 as so modified, being hereinafter called the Loan Regulations):

Section 4.01 is deleted.

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 four hundred thousand dollars (\$9,400,000).

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.

(b) The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement and the Loan Regulations and in accordance with the allocation of the proceeds of the Loan set forth in Schedule 1 to this

¹ Came into force on 26 March 1969, upon notification by the Bank to the Government of Trinidad and Tobago.

² See p. 348 of this volume.

Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower and the Bank.

Section 2.03. (a) The Borrower shall be entitled to withdraw from the Loan Account in respect of the reasonable cost of goods required for the Project and to be financed under this Loan Agreement:

- (i) such amounts as shall have been paid (or, if the Bank shall so agree, shall be required to meet payments to be made) in currencies other than currency of the Borrower for expenditures under Category I of the allocation of the proceeds of the Loan set forth in Schedule 1 to this Agreement; and
- (ii) the equivalent of forty-four per cent (44%) of such amounts as shall have been paid for expenditures under Category II of said Schedule 1; provided, however, that if there shall be an increase in the estimate of such expenditures, the Bank may by notice to the Borrower adjust the above percentage as required in order that withdrawals of the amount of the Loan then allocated to such Category and not withdrawn may continue *pro rata* with the expenditures remaining to be made under such Category; and provided further that if there shall be a decrease in the estimate of the total cost of the Project, the Bank may by notice to the Borrower further adjust the above percentage in order that withdrawals from the Loan Account may approximate one-half of the total cost of the Project.

(b) Except as shall be otherwise agreed between the Borrower and the Bank, no withdrawals shall be made on account of: (i) expenditures made prior to the date of this Agreement, or (ii) expenditures made in the territories of any country which is not a member of the Bank (except Switzerland) or for goods produced in (including services supplied from) such territories.

Section 2.04. Withdrawals from the Loan Account pursuant to Section 2.03 (a) (ii) of this Agreement shall be in such currency or currencies as the Bank shall from time to time reasonably select.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.06. The Borrower shall pay interest at the rate of six and one-half per cent ($6\frac{1}{2}\%$) per annum on the principal amount of the Loan 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 ($\frac{1}{2}$ 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 April 15 and October 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 2 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 to expenditures on the Project, described in Schedule 3 to this Agreement.

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 in accordance with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in February 1968, and in accordance with such other procedures supplementary thereto as shall be agreed between the Borrower and the Bank, and (ii) contracts for the procurement of such goods shall be subject to the approval of the Bank. When evaluating bids for the supply of furniture or instructional equipment, prices of locally produced goods may be compared with prices of imported goods on the following basis: (i) the price of goods produced in the territories of the Borrower shall consist exclusively of the ex-factory price of such goods; and (ii) the price of imported goods shall consist exclusively of the c.i.f. landed cost of such imported goods, excluding customs duties or any other similar charges, plus a margin of up to 15% of such cost.

Section 3.03. Except as 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 the Borrower responsible for finance is designated as authorized representative of the Borrower for the purposes of Section 6.12 of the Loan Regulations. The said Minister 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 carry out the Project with due diligence and efficiency, in conformity with sound technical and administrative standards and with due regard to economy, and shall at all times make or cause to be made available, promptly as needed, all funds and other resources required for carrying out the Project and for the effective utilization, staffing, equipping, operation and maintenance of the educational institutions included in the Project.

(b) The Borrower shall cause the educational institutions included in the Project to be so operated 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 establish a special unit within the Borrower's Ministry of Works for the purpose of supervising the technical, financial and administrative aspects of the carrying out of the Project as described in Schedule 3. The Borrower shall designate an architect or an engineer, acceptable to the Bank, to be the full-time head of said unit.