

No. 7841

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
JAMAICA**

Loan Agreement—*Highway Project* (with annexed Loan Regulations No. 3). Signed at Washington, on 8 April 1965

Official text: English.

Registered by the International Bank for Reconstruction and Development on 22 June 1965.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
JAMAÏQUE**

**Contrat d'emprunt — *Projet de construction de routes*
(avec, en annexe, le Règlement n° 3 sur les emprunts).
Signé à Washington, le 8 avril 1965**

Texte officiel anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement
le 22 juin 1965.*

No. 7841. LOAN AGREEMENT¹ (*HIGHWAY PROJECT*) BETWEEN JAMAICA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 8 APRIL 1965

AGREEMENT, dated April 8, 1965, between JAMAICA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

LOAN REGULATIONS; SPECIAL DEFINITION

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 (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Section 1.02. For the purposes of this Agreement the provisions of the Loan Regulations are hereby modified by the deletion of Section 3.02 and of Section 4.01 thereof.

Section 1.03. Wherever used in this Loan Agreement, the term "Ministry" shall mean the Ministry of Communications and Works of the Borrower, any successor thereto, or any other agency or agencies of the Borrower charged with carrying out the Project or any part thereof or with the maintenance of the roads included in the Project.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Loan Agreement set forth or referred to, an amount in various currencies equivalent to five million five hundred thousand dollars (\$5,500,000).

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.

¹ Came into force on 9 June 1965, upon notification by the Bank to the Government of Jamaica.

² See p. 318 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, 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 to be established from time to time by agreement between the Borrower and the Bank of such amounts as shall have been expended 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, 1964, 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 in dollars or in such other 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-eighths of one per cent ($\frac{3}{8}$ 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 five and one-half per cent ($5\frac{1}{2}$ %) 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 semiannually 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.

Article III

USE OF PROCEEDS OF LOAN

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied by the Ministry 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 by the Ministry 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 responsible for 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.

Article V

PARTICULAR COVENANTS

Section 5.01. The Borrower shall cause the Project to be carried out with due diligence and efficiency and in accordance with sound engineering, administrative and financial practices, shall cause the roads included in the Project to be adequately maintained and repaired in accordance with sound highway-engineering practices and for the purpose shall make available, or cause to be made available, promptly as needed all funds and other resources which shall be required therefor.

Section 5.02. (a) Upon request from time to time by the Bank, the Borrower shall promptly furnish or cause to be furnished to the Bank the plans, specifications and construction schedules for the Project and any material modifications subsequently made therein, in such detail as the Bank shall request.

(b) 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 financial condition of the Ministry with respect to the Project; shall enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods, and the

operations, administration and financial condition of the Ministry with respect to the Project.

(c) Except as the Bank shall otherwise agree, the Borrower shall, in carrying out the Project, employ engineering consultants acceptable to and upon terms and conditions satisfactory to the Borrower and the Bank.

(d) The general design standards to be used for the roads included in the Project shall be determined by agreement between the Borrower and the Bank.

(e) Except as the Bank shall otherwise agree, the roads included in the Project shall be constructed by contractors satisfactory to the Borrower and the Bank, employed under contracts satisfactory to the Borrower and the Bank.

Section 5.03. The Borrower shall cause priority to be given by the Ministry to the carrying out of the Project and shall cause such priority to be taken into account in the allocation of funds for, and in the formulation and carrying out of, any program of investment by the Ministry.

Section 5.04. (a) The Borrower and the Bank shall cooperate fully to ensure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan, the maintenance of the service thereof and the operations, administration and financial condition of the Ministry with respect to the Project.

(c) The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(d) The Borrower shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Borrower for purposes related to the Loan.

Section 5.05. It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that

the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property, or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term "assets of the Borrower" as used in this Section includes assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision, including the assets of the Bank of Jamaica and any other institution performing the functions of a central bank for the Borrower.

Section 5.06. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Borrower.

Section 5.07. The Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof, and the Borrower shall pay all such taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries.

Section 5.08. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.

Article VI

REMEDIES OF BANK

Section 6.01. (i) If any event specified in paragraph (a) or paragraph (b) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option may declare the principal of the Loan and of all the Bonds then outstanding to

be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be March 31, 1970 or such other date as may from time to time be agreed between the Borrower and the Bank.

Section 7.02. A date sixty days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

Section 7.03. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Ministry of Finance
Kingston
Jamaica

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cables and radiograms :

Intbafrad
Washington, D.C.

Section 7.04. The Minister responsible for Finance of the Borrower is designated for the purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Jamaica :

By Neville ASHENHEIM
Authorized Representative

International Bank for Reconstruction and Development :

By J. Burke KNAPP
Vice President

SCHEDULE 1

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>
July 15, 1970	\$ 75,000	January 15, 1981	\$ 130,000
January 15, 1971	75,000	July 15, 1981	135,000
July 15, 1971	80,000	January 15, 1982	140,000
January 15, 1972	80,000	July 15, 1982	140,000
July 15, 1972	85,000	January 15, 1983	145,000
January 15, 1973	85,000	July 15, 1983	150,000
July 15, 1973	85,000	January 15, 1984	155,000
January 15, 1974	90,000	July 15, 1984	160,000
July 15, 1974	90,000	January 15, 1985	165,000
January 15, 1975	95,000	July 15, 1985	165,000
July 15, 1975	95,000	January 15, 1986	170,000
January 15, 1976	100,000	July 15, 1986	175,000
July 15, 1976	105,000	January 15, 1987	180,000
January 15, 1977	105,000	July 15, 1987	185,000
July 15, 1977	110,000	January 15, 1988	190,000
January 15, 1978	110,000	July 15, 1988	195,000
July 15, 1978	115,000	January 15, 1989	200,000
January 15, 1979	120,000	July 15, 1989	210,000
July 15, 1979	120,000	January 15, 1990	215,000
January 15, 1980	125,000	July 15, 1990	225,000
July 15, 1980	125,000		<u>\$5,500,000</u>

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity	½%
More than three years but not more than six years before maturity	1%
More than six years but not more than eleven years before maturity	1½%
More than eleven years but not more than sixteen years before maturity	2½%
More than sixteen years but not more than twenty-one years before maturity	3½%
More than twenty-one years but not more than twenty-three years before maturity	4½%
More than twenty-three years before maturity	5½%

SCHEDULE 2

DESCRIPTION OF PROJECT

The Project consists in :

(a) The construction of a four-lane road from Kingston to Spanish Town about 15 miles long, including a two-lane by-pass around Spanish Town and the improvement of the urban avenue from North Street in Kingston to the Duhaney Junction;

(b) The relocation of a two-lane road section about 7.5 miles long between Spanish Town and Bogwalk;

(c) The improvement, with some realignment, of the two-lane road section of about 4 miles between Moneague and Crescent Park;

(d) The review and completion of final design, preparation of contract documents, and supervision of the above works, by consultant engineers.

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* * *

The Project is scheduled to be completed in 1970.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961

LOAN REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 414, p. 268.*]