

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.

**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 AGREEMENT¹ (*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, 1961¹ 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 shall 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 ($\frac{3}{8}$ 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, 1961¹ (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 subparagraph (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 subparagraph (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, 1961¹ 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.

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 uncanceled 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 or cause the Project to be carried out with due diligence and efficiency and in conformity with sound agricultural, animal husbandry, administrative and financial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose. The Project shall be carried out under a Project Director acceptable to the Bank, whose authority and functions shall be determined by agreement between the Borrower and the Bank.

(b) The Borrower shall cause those of its agencies responsible for providing technical and administrative services in agriculture, animal husbandry and

marketing to co-operate with each other and with the Industrial Development Corporation, the National Housing Authority and other appropriate agencies of the Borrower in such manner and to such extent as shall be necessary for the diligent and efficient carrying out of the Project. The Borrower shall maintain a Crown Lands Development Committee responsible for co-ordinating the work of the said agencies with respect to the Project and advising the Project Director, so organized and with such other functions as shall be determined by agreement between the Borrower and the Bank.

(c) The policies and procedures for carrying out the Project shall be determined by agreement between the Borrower and the Bank, and shall not be modified, suspended or terminated except by further agreement between them.

(d) The Borrower shall establish and maintain arrangements satisfactory to the Bank, with ACB and such other public entities, and with such private enterprises as may be necessary for the carrying out of the Project.

(e) The Borrower shall furnish to the Bank, promptly upon their preparation, the work and procurement schedules for the Project and any modification subsequently made therein, in such detail as the Bank shall reasonably request.

(f) The Borrower shall, in the carrying out of the Project, employ or cause to be employed consultants and experts acceptable to, and to an extent and upon terms and conditions satisfactory to, the Borrower and the Bank.

(g) The Borrower shall (i) cause separate records to be maintained such as shall be 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 of the Borrower's Ministry of Agriculture and of ACB with respect to the administration and operation of the Project or any part thereof; (ii) cause all accounts for the Project to be audited annually by an independent auditor acceptable to the Bank; (iii) enable the Bank's representatives to inspect the Project, the operation thereof, the goods and any records and documents relevant thereto; and (iv) 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 ACB and any agency or agencies of the Borrower responsible for the administration and operation of the Project or any part thereof.

Section 5.02. The Borrower undertakes to insure the imported goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of

use or installation and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

Section 5.03. (a) The Borrower and the Bank shall cooperate fully with each other to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as either 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 and the maintenance of the service thereof. 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.

(c) 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 5.04. 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 statutory authority established by the Borrower or of any agency of the foregoing, including, without limitation, the Central Bank of Trinidad and Tobago or any other institution performing the functions of a central bank.

Section 5.05. 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, and free from all restrictions, 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 5.06. 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.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a) or paragraph (b) of Section 5.02 of the Loan Regulations or paragraph (a) of Section 6.02 of this Agreement 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.

Section 6.02. Pursuant to paragraph (h) of Section 5.02 of the Loan Regulations, the following are specified as additional events for the purposes of said Section :

(a) a default shall have occurred in the payment of principal or service charges or any other payment required under any credit agreement between the Borrower and the International Development Association; and

(b) failure by the Borrower to fulfil an obligation to make payment of principal or interest or any other payment required under the Loan Agreement or the Bonds or under any other loan or guarantee agreement between the Bank and the Borrower or under any bond delivered pursuant to any such agreement or under any credit agreement between the Borrower and the International Development Association even though such payment has been made by other persons.

Article VII

MISCELLANEOUS

Section 7.01. If this Loan Agreement shall not have come into force and effect by May 15, 1967, this Loan Agreement and all obligations of the parties hereunder shall terminate, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purposes of this Section. The Bank shall promptly notify the Borrower of such later date.

Section 7.02. The Closing Date shall be June 30, 1971, or such other date as shall be agreed between the Borrower and the Bank.

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

For the Borrower :

Permanent Secretary
Ministry of Finance
Port-of-Spain, Trinidad

Alternative address for cables and radiograms :

Minfin
Trinidad

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 of the Borrower responsible for finance 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.

Trinidad and Tobago :

By Ellis CLARKE
Authorized Representative

International Bank for Reconstruction and Development :

By Simon ALDEWERELD
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>
January 15, 1972	\$ 75,000	July 15, 1981	\$130,000
July 15, 1972	80,000	January 15, 1982	135,000
January 15, 1973	80,000	July 15, 1982	140,000
July 15, 1973	85,000	January 15, 1983	145,000
January 15, 1974	85,000	July 15, 1983	150,000
July 15, 1974	90,000	January 15, 1984	155,000
January 15, 1975	90,000	July 15, 1984	160,000
July 15, 1975	95,000	January 15, 1985	160,000
January 15, 1976	95,000	July 15, 1985	165,000
July 15, 1976	100,000	January 15, 1986	170,000
January 15, 1977	100,000	July 15, 1986	180,000
July 15, 1977	105,000	January 15, 1987	185,000
January 15, 1978	110,000	July 15, 1987	190,000
July 15, 1978	110,000	January 15, 1988	195,000
January 15, 1979	115,000	July 15, 1988	200,000
July 15, 1979	120,000	January 15, 1989	205,000
January 15, 1980	120,000	July 15, 1989	210,000
July 15, 1980	125,000	January 15, 1990	215,000
January 15, 1981	130,000		

* 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	1½%
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	2%
More than eleven years but not more than sixteen years before maturity	3%
More than sixteen years but not more than nineteen years before maturity	4%
More than nineteen years but not more than twenty-one years before maturity	5%
More than twenty-one years before maturity	6%

SCHEDULE 2

DESCRIPTION OF THE PROJECT

The Project consists of the development of about 12,000 acres of Crown land and the provision of certain related facilities as follows :

- I. Preparation (including provision of infrastructure) of approximately 200 dairy farms, 70 pig breeding and fattening farms, 135 tree crop farms, 395 vegetable crop farms, 925 food crop farms and 80 tobacco farms, and settlement of beneficiaries thereon; establishment of approximately 30 produce-marketing units at suitable locations.
- II. Arrangements with public or private enterprises for provision of facilities for
 - (1) collection, processing and distribution of milk;
 - (2) slaughtering of pigs, and processing, storage and marketing of pork;
 - (3) marketing of vegetable and food crops;
 - (4) marketing and export handling of tree crops;
 - (5) making available credit, technical supervision and technical advice, and for processing and marketing of crops to beneficiaries settled on tobacco farms.
- III. (a) Arrangements for training beneficiaries, and for supervision of, and provision of technical advice to, beneficiaries through appropriate extension services;
 - (b) recruitment of personnel for the produce-marketing units specified in I above; and
 - (c) training of personnel to perform functions under (a) and (b) of this paragraph.
- IV. (a) Arrangements with ACB for
 - (i) collection on behalf of the Borrower of amounts due from beneficiaries for goods made available to them by the Borrower as loans in kind;
 - (ii) making loans to beneficiaries out of funds provided by the Borrower; and
 - (iii) maintenance of individual beneficiaries' accounts.(b) Reorganization of ACB and strengthening of its personnel and management along lines agreed between the Borrower and the Bank.

The Project is expected to be completed by December 1970.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

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