

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 AGREEMENT¹ (*HIGHWAY PROJECT*)
BETWEEN TRINIDAD AND TOBAGO AND THE INTER-
NATIONAL BANK FOR RECONSTRUCTION AND DEVEL-
OPMENT. 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.”

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 ($\frac{3}{8}$ 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 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 ($\frac{1}{2}$ 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 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 author-

ized 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 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.

(d) Except as the Bank shall otherwise agree, the highway construction included in the Project shall be carried out by contractors satisfactory to the Borrower and the Bank, employed under contracts satisfactory to the Borrower and the Bank.

(e) The Borrower shall furnish to the Bank, promptly upon their preparation : (i) the plans, specifications and work and construction schedules for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request ; and (ii) in respect of Part I of the Project, copies of the documents, including any reports, studies, plans, designs, specifications, schedules and estimates of costs and documents required for international competitive bidding prepared thereunder.

Section 5.02. 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 agency or agencies of the Borrower responsible for the construction, operation and maintenance of the Project or any part thereof ; shall enable the Bank's representatives to inspect the Project, the operation thereof, 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, the operations, administration and financial condition of the agency or agencies of the Borrower responsible for the construction, operation and maintenance of the Project or any part thereof.

Section 5.03. 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 5.04. (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 5.05. 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 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 5.06. 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, 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 5.07. 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 Borrower shall: (i) acquire all rights in immovable property required for the carrying out of the Project; and (ii) make arrangements for the removal or re-location of any utility lines the present location of which would interfere with the carrying out of the Project, all in a timely manner and in accordance with a schedule to be agreed upon from time to time between the Borrower and the Bank.

Section 5.09. The Borrower shall ensure: (i) that all main roads as defined in Section 2 of Chapter 16, No. 1 of the laws of the Borrower or any re-enactment or modifications thereof are administered, maintained, and repaired in accordance with sound practices; (ii) that highway maintenance equipment required therefor is adequately maintained and promptly repaired or replaced where necessary, and that suitable workshops and other repair facilities for such equipment are maintained; (iii) that the dimensions and weight limits of the vehicles using the main roads of the Borrower are kept within limits prescribed on the basis of the National Transportation Study scheduled for completion in August 1967; and (iv) that the traffic regulations of the Borrower are permanently and consistently enforced.

Section 5.10. The Borrower shall establish facilities to collect and process all data required to assess the technical, economic and financial aspects of the Borrower's main road system.

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 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 December 31, 1971, or such other date as shall be agreed between the Borrower and the Bank.

Section 7.02. Pursuant to Section 9.04 of the Loan Regulations, September 15, 1967, is specified for the purposes of the said Section.

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 *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>
January 15, 1972	\$105,000	July 15, 1982	\$195,000
July 15, 1972	110,000	January 15, 1983	200,000
January 15, 1973	110,000	July 15, 1983	205,000
July 15, 1973	115,000	January 15, 1984	215,000
January 15, 1974	120,000	July 15, 1984	220,000
July 15, 1974	120,000	January 15, 1985	225,000
January 15, 1975	125,000	July 15, 1985	235,000
July 15, 1975	130,000	January 15, 1986	240,000
January 15, 1976	135,000	July 15, 1986	245,000
July 15, 1976	135,000	January 15, 1987	255,000
January 15, 1977	140,000	July 15, 1987	260,000
July 15, 1977	145,000	January 15, 1988	270,000
January 15, 1978	150,000	July 15, 1988	280,000
July 15, 1978	155,000	January 15, 1989	285,000
January 15, 1979	160,000	July 15, 1989	296,000
July 15, 1979	165,000	January 15, 1990	305,000
January 15, 1980	170,000	July 15, 1990	315,000
July 15, 1980	175,000	January 15, 1991	320,000
January 15, 1981	180,000	July 15, 1991	330,000
July 15, 1981	185,000	January 15, 1992	340,000
January 15, 1982	190,000	July 15, 1992	345,000

* To the extent that any portion 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 ..	2%
More than eleven years but not more than sixteen years before maturity ..	3%
More than sixteen years but not more than twenty-one years before maturity ..	4%
More than twenty-one years but not more than twenty-three years before maturity ..	5%
More than twenty-three years before maturity.....	6%

SCHEDULE 2

DESCRIPTION OF PROJECT

The Project consists of two parts as follows :

I

(a) Detailed engineering and preparation of contract documents for, and supervision of the highway construction provided for in Part II hereof ;

(b) Feasibility studies for sections of the route between Port-of-Spain and Chaguanas, for extension of the Southern Highway for approximately 3 miles south of its northern connection to San Fernando and for southern connections from such extension to San Fernando and South Trunk Road ; and

(c) Detailed engineering of highway sections the technical and economic feasibility of which is to be established by the studies carried out under paragraph (b) of this Part I.

II

The construction of a four-lane expressway (Southern Highway) approximately 17 miles long between Chaguanas and San Fernando, including the half-mile long connection to San Fernando. The Project is expected to be completed by mid-1971.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961,
AS AMENDED 9 FEBRUARY 1967

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

[Not published herein. See p. 98 of this volume.]