

No. 9254

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
REPUBLIC OF CHINA**

**Loan Agreement—*Second Railway Project* (with annexed Loan Regulations No. 3, as amended, and Project Agreement between the Bank, the Province of Taiwan and the Taiwan Railway Administration). Signed at Washington, on 18 January 1968**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on 25 September 1968.*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT  
et  
RÉPUBLIQUE DE CHINE**

**Contrat d'emprunt — *Deuxième projet relatif aux chemins de fer* (avec, en annexe, le Règlement n° 3 sur les emprunts, tel qu'il a été modifié, et le Contrat relatif au Projet entre la Banque, la Province de Taïwan et l'Administration des chemins de fer de Taïwan . Signé à Washington, le 18 janvier 1968**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 25 septembre 1968.*

No. 9254. LOAN AGREEMENT<sup>1</sup> (*SECOND RAILWAY PROJECT*) BETWEEN THE REPUBLIC OF CHINA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON ON 18 JANUARY 1968

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AGREEMENT, dated January 18, 1968, between REPUBLIC OF CHINA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS the Borrower and the Taiwan Railway Administration (hereinafter called TRA), an agency of the Province of Taiwan (hereinafter called the Province) entrusted with the administration and operation of the Borrower's railway facilities in the Province of Taiwan, have requested the Bank to assist in the financing of part of TRA's Investment Program for the years 1967 to 1968;

WHEREAS TRA will, with the Borrower's assistance, carry out such program, and, as part of such assistance, the Borrower will make available to TRA the proceeds of the loan provided for herein;

WHEREAS the Bank is willing to make a loan available on the terms and conditions provided herein and in a project agreement of even date herewith<sup>2</sup> between the Bank, the Province and TRA;

NOW THEREFORE the parties hereto hereby agree as follows :

*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,<sup>3</sup> 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) :

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<sup>1</sup> Came into force on 12 March 1968, upon notification by the Bank to the Republic of China.

<sup>2</sup> See p. 210 of this volume.

<sup>3</sup> See p. 210 of this volume.

(a) by the deletion in Section 5.06 of the words “ these Regulations and the Loan Agreement ” and the substitution therefor of the words “ these Regulations, the Loan Agreement and the Project Agreement ”; and

(b) by the insertion in Section 7.02 of the words “ or the Project Agreement ” after the words “ the Loan Agreement ”.

*Section 1.02.* Unless the context otherwise requires, the following terms wherever used in this Agreement have the following meanings :

(a) the term “ Project Agreement ” means the agreement of even date herewith between the Bank, the Province and TRA, as the same may be amended from time to time by agreement between the Bank, the Province and TRA; and

(b) the term “ Subsidiary Loan Agreement ” means the loan agreement, referred to in Section 5.02 (a) of this Agreement, to be entered into between the Borrower and TRA.

## Article II

### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower an amount in various currencies equivalent to seventeen million five hundred thousand dollars (\$17,500,000).

*Section 2.02.* The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Loan 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, this Agreement and the Loan Regulations.

*Section 2.03.* 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 so withdrawn from time to time from the Loan Account.

*Section 2.04.* The Borrower shall pay interest at the rate of six and one-fourth per cent ( $6\frac{1}{4}\%$ ) 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 ( $\frac{1}{2}$  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 January 15 and July 15 in each year.

*Section 2.07.* 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 specific allocation of the proceeds of the Loan and the methods and procedures for procurement of the goods to be financed out of such proceeds shall be determined by agreement between the Borrower, TRA and the Bank, subject to modification by further agreement among them.

*Section 3.02.* Except as the Borrower and 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 described in Schedule 2 to this Agreement.

### *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 of Finance of the Borrower 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 and the operations of the railway facilities administered by TRA to be conducted with due diligence and efficiency and in conformity with sound railway, engineering and financial practices.

*(b)* The Borrower shall cause the Province and TRA punctually to perform all the covenants and agreements on their part to be performed as set forth in the

Project Agreement, shall take or cause to be taken all action which shall be necessary to enable the Province and TRA to perform such covenants and agreements and shall not take any action that would interfere with such performance.

*Section 5.02.* (a) The Borrower shall enter into a Subsidiary Loan Agreement with TRA, satisfactory to the Bank, which shall provide for the relending of the proceeds of the Loan by the Borrower to TRA and shall contain appropriate provisions with respect to the financing and carrying out of the Project and other obligations of the Borrower and TRA under the Loan Agreement and the Project Agreement.

(b) Except as the Bank shall otherwise agree, the Borrower shall not amend, assign, abrogate or waive any provisions of the Subsidiary Loan Agreement.

*Section 5.03.* (a) It is the mutual understanding of the Borrower and the Bank that TRA and the Province are primarily responsible for the provision of funds required for the Project.

(b) Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Borrower shall, whenever there is reasonable cause to believe that the funds available to TRA will be inadequate to meet the estimated expenditures required for carrying out the Project, make arrangements, satisfactory to the Bank, promptly to provide TRA or cause TRA to be provided with such funds as are necessary to meet such expenditures.

*Section 5.04.* (a) The Borrower and the Bank shall co-operate fully 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 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 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 agency of the Borrower or of any such political subdivision, including the Central Bank of China or any other institution performing the functions of a central bank.

*Section 5.06.* Unless otherwise agreed between the Borrower and the Bank, if TRA shall repay in advance of maturity any part or all of its indebtedness under the Subsidiary Loan Agreement, the Borrower shall repay, in advance of maturity, an equivalent amount of the Loan. All the provisions of the Loan Regulations relating to repayment in advance of maturity shall apply to any repayment by the Borrower in accordance with this Section; provided, however, that any amount of the Loan to be repaid pursuant to the foregoing provisions of this Section which cannot be applied to the payment of an entire maturity may, notwithstanding the provisions of Section 2.05 (b) of the Loan Regulations, be applied to the payment of a part of a maturity only.

*Section 5.07.* 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 5.08.* The Loan Agreement, the Bonds and the Project Agreement 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 5.09.* (a) The Borrower shall from time to time take or cause to be taken all necessary measures (including, but without limitation, adjustments of the tariff structure and/or the rates of TRA) satisfactory to the Bank, as shall be required to provide TRA with revenues sufficient to cover all operating expenses, including depreciation and to earn an adequate return on the value of the net fixed assets in use by TRA.

(b) For the purposes of this Section, the assets administered by TRA shall be deemed to be assets of TRA.

### *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 or referred to in paragraph (c) of Section 5.02 of the Loan Regulations or in Section 6.02 of this Agreement 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 (i) of Section 5.02 of the Loan Regulations, the following is specified as an additional event for the purposes of said Section : a default shall have occurred in the performance of any covenant or agreement of the Province or TRA under the Project Agreement.

### *Article VII*

#### EFFECTIVE DATE; TERMINATION

*Section 7.01.* The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 9.01 (b) of the Loan Regulations :

(a) that the execution and delivery of the Project Agreement on behalf of the Province and TRA have been duly authorized or ratified by all necessary corporate and governmental action; and

(b) that the Subsidiary Loan Agreement has been duly executed in form satisfactory to the Bank and has become binding upon the parties thereto in accordance with its terms.

*Section 7.02.* The following are specified as additional matters, within the meaning of Section 9.02 (c) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank :

(a) that the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Province and TRA, that all acts, consents and approvals necessary therefor have been duly and validly performed or given, and that such Project Agreement constitutes a valid and binding obligation of the Province and TRA in accordance with its terms; and

(b) that the Subsidiary Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the parties thereto, that all acts, consents and approvals necessary therefor have been duly and validly performed or given, and that such Subsidiary Loan Agreement constitutes a valid and binding obligation of the parties thereto in accordance with its terms.

*Section 7.03.* If this Agreement shall not have come into force and effect by March 15, 1968, this 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 purposes of this Section. The Bank shall promptly notify the Borrower of such later date.

### *Article VIII*

#### MISCELLANEOUS

*Section 8.01.* The Closing Date shall be June 30, 1970, or such later date as may be agreed by the Bank.

*Section 8.02.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Ministry of Finance  
Taipei  
Taiwan, China

Cable address :

Chifinance  
Taipei



For the Bank :

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

Cable address :

Intbafrad  
Washington, D. C.

*Section 8.03.* The Minister of 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.

Republic of China :

By Martin WONG  
Authorized Representative

International Bank for Reconstruction and Development :

By J. Burke KNAPP  
Vice President

### SCHEDULE 1

#### AMORTIZATION SCHEDULE

| <i>Date<br/>Payment Due</i> | <i>Payment<br/>of Principal<br/>(expressed<br/>in dollars)*</i> | <i>Date<br/>Payment Due</i> | <i>Payment<br/>of Principal<br/>(expressed<br/>in dollars)*</i> |
|-----------------------------|---|-----------------------------|---|
| January 15, 1971 . . . . .  | \$475,000   | July 15, 1977 . . . . .     | \$705,000   |
| July 15, 1971 . . . . .     | 485,000   | January 15, 1978 . . . . .  | 725,000   |
| January 15, 1972 . . . . .  | 500,000   | July 15, 1978 . . . . .     | 750,000   |
| July 15, 1972 . . . . .     | 520,000   | January 15, 1979 . . . . .  | 775,000   |
| January 15, 1973 . . . . .  | 535,000   | July 15, 1979 . . . . .     | 795,000   |
| July 15, 1973 . . . . .     | 550,000   | January 15, 1980 . . . . .  | 820,000   |
| January 15, 1974 . . . . .  | 570,000   | July 15, 1980 . . . . .     | 845,000   |
| July 15, 1974 . . . . .     | 585,000   | January 15, 1981 . . . . .  | 875,000   |
| January 15, 1975 . . . . .  | 605,000   | July 15, 1981 . . . . .     | 900,000   |
| July 15, 1975 . . . . .     | 625,000   | January 15, 1982 . . . . .  | 930,000   |
| January 15, 1976 . . . . .  | 640,000   | July 15, 1982 . . . . .     | 960,000   |
| July 15, 1976 . . . . .     | 660,000   | January 15, 1983 . . . . .  | 985,000   |
| January 15, 1977 . . . . .  | 685,000   |                             |   |

\* 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 . . . . .                               | 1/8%           |
| More than three years but not more than six years before maturity . . . . .       | 2 1/4%         |
| More than six years but not more than eleven years before maturity . . . . .      | 3 3/4%         |
| More than eleven years but not more than thirteen years before maturity . . . . . | 5%             |
| More than thirteen years before maturity . . . . .                                | 6 1/4%         |

## SCHEDULE 2

## DESCRIPTION OF THE PROJECT

The Project is the Taiwan Railway Administration's Investment Program 1967-1968 for modernization, expansion and increase in the capacity of, and more effective utilization of, the railway facilities administered by TRA.

The Project includes, *inter alia*, the acquisition and placing in service of diesel locomotives, diesel engines for railcars, trailers and passenger cars, bogies for passenger cars, freight cars, signalling equipment, track and bridge material, and track maintenance equipment.

The Project is expected to be completed by June 30, 1969.

## 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 United Nations, Treaty Series, Vol. 615, p. 98.*)

## PROJECT AGREEMENT

## (SECOND RAILWAY PROJECT)

AGREEMENT, dated January 18, 1968, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank), the PROVINCE OF TAIWAN (hereinafter called the Province) and TAIWAN RAILWAY ADMINISTRATION (hereinafter called TRA).

WHEREAS, by an agreement of even date herewith between Republic of China (hereinafter called the Borrower) and the Bank, which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,<sup>1</sup> the Bank has agreed to make available to the Borrower a loan in various currencies equivalent to seventeen million five hundred thousand dollars (\$17,500,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Province and TRA agree to undertake certain obligations to the Bank as hereinafter in this Project Agreement set forth;

NOW THEREFORE the parties hereto hereby agree as follows :

### *Article I*

#### DEFINITIONS

*Section 1.01.* Wherever used in this Project Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement and in the Loan Regulations<sup>2</sup> (as so defined) shall have the respective meanings therein set forth.

### *Article II*

#### PARTICULAR COVENANTS

*Section 1.02. (a)* TRA shall carry out the Project with due diligence and efficiency and in conformity with sound railway, engineering and financial practices.

*(b)* TRA shall make available promptly as needed all funds which shall be required for the carrying out and operation of the Project.

*Section 2.02. (a)* Upon request from time to time by the Bank, TRA shall furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall request.

*(b)* TRA shall maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, and to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices its operations and financial condition; shall enable the Bank's representatives to inspect the Project, the goods, the railway property and equipment owned, administered or operated by TRA 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 goods, and its operations and financial condition.

*Section 2.03. (a)* The Bank, the Province and TRA shall cooperate fully 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 it shall reasonably request.

<sup>1</sup> See p. 193 of this volume.

<sup>2</sup> See p. 210 of this volume.

(b) The Bank, the Province and TRA shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan. The Province and TRA 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 performance by the Province or TRA of their respective obligations under this Project Agreement or by TRA under the Subsidiary Loan Agreement or which shall increase or threaten to increase materially the estimated cost of the Project.

*Section 2.04.* Goods purchased or paid for out of the proceeds of the Loan shall not be sold or otherwise disposed of without the prior consent of the Bank.

*Section 2.05.* Except as the Bank and TRA shall otherwise agree, TRA shall insure or cause to be insured with responsible insurers the goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to the 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 TRA to replace or repair such goods.

*Section 2.06.* TRA shall at all times manage and operate the railway facilities owned or administered by it in accordance with sound railway, business, engineering and financial practices.

*Section 2.07.* (a) The Province and TRA shall from time to time take or cause to be taken all necessary measures (including, but without limitation, adjustments of the tariff structure and/or the rates of TRA) satisfactory to the Bank, as shall be required to provide TRA with revenues sufficient to cover all operating expenses, including depreciation and to earn an adequate return on the value of the net fixed assets in use by TRA.

(b) For the purposes of this Section, the assets administered by TRA shall be deemed to be assets of TRA.

*Section 2.08.* TRA shall give priority to the carrying out of the Project and shall, if necessary to ensure the prompt completion of the Project, defer the carrying out of other works.

*Section 2.09.* The Province shall cause TRA punctually to perform all the covenants and agreements on its part to be performed as set forth in this Project Agreement, shall take or cause to be taken all action which shall be necessary to enable TRA to perform such covenants and agreements and shall not take any action that would interfere with such performance.

*Section 2.10.* The Province shall at all times provide TRA or cause TRA to be provided, promptly as needed, with all funds and other resources which shall be required for the carrying out of the Project.

*Article III*

## EFFECTIVE DATE; TERMINATION

*Section 3.01.* (a) This Project Agreement shall come into force and effect on the Effective Date.

(b) If pursuant to Section 7.03 of the Loan Agreement, the Loan Agreement shall terminate, this Project Agreement and all obligations of the parties shall also terminate and the Bank shall promptly notify the Province and TRA thereof.

*Section 3.02.* This Project Agreement shall terminate and the obligations of the parties hereunder shall cease and determine on the date when the Loan Agreement shall terminate in accordance with its terms.

*Article IV*

## MISCELLANEOUS

*Section 4.01.* Any notice or request required or permitted to be given or made under this Project Agreement and any agreement between the parties contemplated by this Project Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable or radiogram to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Bank :

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

Cable address :

Intbafrad  
Washington, D.C.

For the Province :

Governor of the Province of Taiwan  
Taiwan Provincial Government  
Nan-tou  
Taiwan, China

For TRA :

Taiwan Railway Administration  
2 Yen-Ping Road (N)  
Taipei  
Taiwan, China

Cable address :

Tairail  
Taipei

*Section 4.02.* (a) Any action required or permitted to be taken, and any document required or permitted to be executed, under this Project Agreement on behalf of the Province may be taken or executed by the Commissioner, Department of Communications of the Taiwan Provincial Government or such other person or persons as he shall designate in writing.

(b) Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Project Agreement on behalf of TRA may be taken or executed by the Managing Director of TRA or such other person or persons as TRA shall designate in writing.

*Section 4.03.* The Province and TRA shall furnish to the Bank sufficient evidence of the authority of the person or persons who will on behalf of the Province and of TRA respectively, take any action or execute any documents required or permitted to be taken or executed by the Province or TRA respectively, pursuant to any of the provisions of this Project Agreement and the authenticated specimen signature of each such person.

*Section 4.04.* This Project Agreement may be executed in several counterparts, each of which shall be an original and all collectively but one instrument.

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

International Bank for Reconstruction and Development :

By J. Burke KNAPP  
Vice President

Province of Taiwan :

By Martin WONG  
Authorized Representative

Taiwan Railway Administration :

By John C.C. YUAN  
Authorized Representative

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