

No. 9651

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INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
TRINIDAD AND TOBAGO

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

*Authentic text: English.*

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

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

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

*Texte authentique: anglais.*

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

## LOAN AGREEMENT<sup>1</sup>

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

### *Article I*

#### LOAN REGULATIONS

*Section 1.01.* The parties to this Agreement accept all the provisions of Loan Regulations No. 3 of the Bank, dated February 15, 1961 as amended February 9, 1967,<sup>2</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the following modification thereof (said Loan Regulations No. 3 as so modified, being hereinafter called the Loan Regulations):

Section 4.01 is deleted.

### *Article II*

#### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to nine million four hundred thousand dollars (\$9,400,000).

*Section 2.02.* (a) The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan.

(b) The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement and the Loan Regulations and in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

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

<sup>2</sup> See p. 348 of this volume.

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

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

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

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

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

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

*Section 2.06.* The Borrower shall pay interest at the rate of six and one-half per cent (6½ %) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

*Section 2.07.* Except as the Borrower and the Bank shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent (½ of 1%) per annum on the principal amount of any such special commitment outstanding from time to time.

*Section 2.08.* Interest and other charges shall be payable semi-annually on April 15 and October 15 in each year.

*Section 2.09.* The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 2 to this Agreement.

### *Article III*

#### USE OF PROCEEDS OF THE LOAN

*Section 3.01.* The Borrower shall apply the proceeds of the Loan in accordance with the provisions of this Agreement to expenditures on the Project, described in Schedule 3 to this Agreement.

*Section 3.02.* Except as the Bank shall otherwise agree, (i) the goods to be financed out of the proceeds of the Loan shall be procured on the basis of international competitive bidding in accordance with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in February 1968, and in accordance with such other procedures supplementary thereto as shall be agreed between the Borrower and the Bank, and (ii) contracts for the procurement of such goods shall be subject to the approval of the Bank. When evaluating bids for the supply of furniture or instructional equipment, prices of locally produced goods may be compared with prices of imported goods on the following basis: (i) the price of goods produced in the territories of the Borrower shall consist exclusively of the ex-factory price of such goods; and (ii) the price of imported goods shall consist exclusively of the c.i.f. landed cost of such imported goods, excluding customs duties or any other similar charges, plus a margin of up to 15% of such cost.

*Section 3.03.* Except as the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used exclusively in carrying out the Project.

#### *Article IV*

##### BONDS

*Section 4.01.* If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VI of the Loan Regulations.

*Section 4.02.* The Minister of the Borrower responsible for finance is designated as authorized representative of the Borrower for the purposes of Section 6.12 of the Loan Regulations. The said Minister may designate additional or other authorized representatives by appointment in writing notified to the Bank.

#### *Article V*

##### PARTICULAR COVENANTS

*Section 5.01.* (a) The Borrower shall carry out the Project with due diligence and efficiency, in conformity with sound technical and administrative standards and with due regard to economy, and shall at all times make or cause to be made available, promptly as needed, all funds and other resources required for carrying out the Project and for the effective utilization, staffing, equipping, operation and maintenance of the educational institutions included in the Project.

(b) The Borrower shall cause the educational institutions included in the Project to be so operated as to promote the educational objectives of the Borrower and to be provided with qualified teachers and administrators in adequate numbers.

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

(d) Except as the Bank shall otherwise agree, in the carrying out of the Project the Borrower shall employ or cause to be employed qualified and experienced consultants acceptable to the Borrower and the Bank, upon terms and conditions satisfactory to the Borrower and the Bank.

(e) Except as the Bank shall otherwise agree, the Borrower shall cause Part A of the Project described in Schedule 3 to be carried out by contractors acceptable to the Borrower and the Bank employed under contracts satisfactory to the Borrower and the Bank.

(f) Except as the Bank shall otherwise agree, the Borrower shall furnish or cause to be furnished to the Bank for its approval promptly upon their preparation the plans, specifications, contracts and work schedules for the construction included in the Project and the master lists of instructional equipment and furniture included therein, and any subsequent material modifications thereof, in such detail as the Bank shall reasonably request.

*Section 5.02.* (a) The Borrower shall implement its plan for the establishment of an inspectorate for secondary schools, and shall provide such inspectorate with qualified personnel in sufficient numbers to ensure that each public secondary school of the Borrower is inspected at least annually by the said personnel.

(b) The Borrower shall prepare and carry out appropriate programs, acceptable to the Bank, for the following purposes:

- (i) recruiting an adequate number of university graduates with suitable qualifications in education for the purpose of strengthening the teaching staff of the Borrower's teacher training colleges; and
- (ii) providing the necessary number of technical teachers and university graduates with suitable qualifications in science or mathematics as instructors for the Borrower's senior secondary schools.

(c) To assist the Borrower in carrying out the programs referred to in the foregoing paragraph (b) the Borrower shall employ the following specialists, acceptable to the Bank, for periods as shall be agreed between the Borrower and the Bank:

- (i) three specialists in teacher training;
- (ii) one specialist in agricultural teacher training; and
- (iii) three specialists in appropriate types of technical education.

(d) The Borrower shall take appropriate measures to ensure that an adequate number of qualified teacher trainers is at all times available to the teacher training colleges.

(e) The Borrower shall promptly take all requisite steps for the acquisition and retention by the Borrower of all such lands, interests in land and properties and all rights, powers and privileges as may be necessary or proper for the construction and operation of the educational institutions included in the Project to ensure that such lands are available immediately as needed for the purposes of said construction.

*Section 5.03.* The Borrower shall (i) cause to be maintained records 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 and financial condition, in respect of the Project, of the ministries or departments of the Borrower responsible for the construction, operation and maintenance of the Project or any part thereof; (ii) enable the Bank's representatives to inspect the Project, the operation thereof, the goods and any relevant records and documents; and (iii) 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 operation of the educational system of the Borrower, the programs for educational development in its territories and the operation and financial condition, in respect of the Project, of the ministries or departments of the Borrower responsible for the construction, operation and maintenance of the Project or any part thereof.

*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.* (a) The Borrower shall take out and maintain with responsible insurers or make other provisions satisfactory to the Bank for insurance against such risks and in such amount as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, 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.

#### *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*

##### EFFECTIVE DATE

*Section 7.01.* The following event is specified as an additional condition to the effectiveness of this Agreement within the meaning of Section 9.01(b) of the Loan Regulations, namely, the Borrower shall have appointed consultant architects responsible for the basic design and overall supervision of the Project pursuant to Section 5.01(d) of this Agreement.

*Article VIII*

## MISCELLANEOUS

*Section 8.01.* The Closing Date shall be December 31, 1973 or such other date as shall be agreed between the Borrower and the Bank.

*Section 8.02.* The date of December 15, 1968 is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

*Section 8.03.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations:

For the Borrower:

Permanent Secretary  
Ministry of Finance  
Port-of-Spain  
Trinidad

Alternative address for cables:

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:

Intbafrad  
Washington, D.C.

*Section 8.04.* 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 Sir Ellis CLARKE

Authorized Representative

International Bank for Reconstruction and Development:

By J. Burke KNAPP

Vice President

## SCHEDULE 1

### ALLOCATION OF PROCEEDS OF LOAN

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Imported furniture, instructional equipment, books and professional services for: sixteen new Junior Secondary Schools, three new Senior Comprehensive Schools, extension to three Senior Comprehensive Schools, and one new Teacher Training College . . . . .	1,900,000
II. Civil works and locally procured furniture, instructional equipment and professional services in respect of the institutions referred to in Category I above . . . . .	6,350,000
III. Unallocated . . . . .	1,150,000
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	TOTAL 9,400,000
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## REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in Category I or Category II shall decrease, the amount of the Loan then allocated to, and no longer required for, such Category I or II, as the case may be, will be reallocated by the Bank to Category III.

2. If the estimate of the cost of the items included in Category I or Category II shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan in the case of Category I, and in the case of Category II, an amount equal to 44% of such increase, will be allocated by the Bank, at the request of the Borrower, to the appropriate Category from Category III, subject, however, to the requirements for contingencies, as determined by the Bank, in respect of the cost of the items in the other Category.

## SCHEDULE 2

## 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>
October 15, 1978 . . . . .	180,000	October 15, 1986 . . . . .	300,000
April 15, 1979 . . . . .	185,000	April 15, 1987 . . . . .	310,000
October 15, 1979 . . . . .	190,000	October 15, 1987 . . . . .	320,000
April 15, 1980 . . . . .	200,000	April 15, 1988 . . . . .	330,000
October 15, 1980 . . . . .	205,000	October 15, 1988 . . . . .	340,000
April 15, 1981 . . . . .	210,000	April 15, 1989 . . . . .	355,000
October 15, 1981 . . . . .	220,000	October 15, 1989 . . . . .	365,000
April 15, 1982 . . . . .	225,000	April 15, 1990 . . . . .	375,000
October 15, 1982 . . . . .	235,000	October 15, 1990 . . . . .	390,000
April 15, 1983 . . . . .	240,000	April 15, 1991 . . . . .	400,000
October 15, 1983 . . . . .	250,000	October 15, 1991 . . . . .	415,000
April 15, 1984 . . . . .	255,000	April 15, 1992 . . . . .	425,000
October 15, 1984 . . . . .	265,000	October 15, 1992 . . . . .	440,000
April 15, 1985 . . . . .	275,000	April 15, 1993 . . . . .	455,000
October 15, 1985 . . . . .	280,000	October 15, 1993 . . . . .	475,000
April 15, 1986 . . . . .	290,000		

\* 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 . . . . .	1¼ %
More than six years but not more than eleven years before maturity . . . . .	2¼ %
More than eleven years but not more than sixteen years before maturity . . . . .	3¾ %
More than sixteen years but not more than twenty-one years before maturity . . . . .	5 %
More than twenty-one years but not more than twenty-three years before maturity . . . . .	6 %
More than twenty-three years before maturity . . . . .	6½ %

## SCHEDULE 3

## DESCRIPTION OF THE PROJECT

The Project, which aims at developing secondary schools and teacher training colleges, consists of the following parts:

## A. Construction of and equipment for the following institutions:

<i>Location of Schools or Institutions</i>	<i>Total Number of New Places</i>	<i>Approximate Total Gross Area to be Built sq. ft.</i>
(1) NEW JUNIOR SECONDARY SCHOOLS		
1. Diego Martin . . . . .	960	61,000
2. Mucurapo . . . . .	960	61,000
3. Barataria . . . . .	960	61,000
4. Curepe . . . . .	960	61,000
5. Couva . . . . .	960	61,000
6. Chaguanas . . . . .	960	61,000
7. Carapichaima . . . . .	720	51,000
8. San Fernando East . . . . .	960	61,000
9. Marabella, San Fernando . . . . .	960	61,000

<i>Location of Schools or Institutions</i>	<i>Total Number of New Places</i>	<i>Approximate Total Gross Area to be Built sq. ft.</i>
10. Penal . . . . .	960	61,000
11. Point Fortin . . . . .	960	61,000
12. Five Rivers . . . . .	960	61,000
13. Aranguez . . . . .	960	61,000
14. Mt. Hope . . . . .	960	61,000
15. Monroe Road . . . . .	960	61,000
16. Gasparillo . . . . .	960	61,000

## (2) NEW SENIOR COMPREHENSIVE SCHOOLS

17. St. Augustin . . . . .	1,400	92,000
18. Rio Claro . . . . .	760	61,000
19. Scarborough, Tobago . . . . .	960	70,000

## (3) EXTENSIONS TO SENIOR COMPREHENSIVE SCHOOLS

20. South East Port of Spain . . . . .	650	42,000
21. North Eastern . . . . .	480	59,000
22. Point Fortin . . . . .	690	58,000

## (4) NEW TEACHER TRAINING COLLEGE

23. San Fernando . . . . .	440	46,000
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B. Consulting services for the above.

The Project is scheduled to be completed by September 1972.

## 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.]