

No. 12002

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

**Loan Agreement—*Education Project* (with schedules and General Conditions Applicable to Loan and Guarantee Agreements). Signed at Washington on 25 February 1972**

*Authentic text: English.*

*Registered by the International Bank for Reconstruction and Development on 26 September 1972.*

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

**Contrat d'emprunt — *Projet relatif à l'enseignement* (avec annexes et Conditions générales applicables aux contrats d'emprunt et de garantie). Signé à Washington le 25 février 1972**

*Texte authentique : anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 26 septembre 1972.*

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

AGREEMENT, dated February 25, 1972, between REPUBLIC OF SINGAPORE (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) the Borrower has requested the Bank to assist in the financing of the Project described in Schedule 2 to this Agreement by making the Loan as hereinafter provided;

(B) The Project will be carried out by the University of Singapore with the Borrower's assistance and, as part of such assistance, the Borrower will make available to the University of Singapore the proceeds of the Loan as hereinafter provided; and

(C) The Bank is willing to make the Loan available upon the terms and conditions set forth hereinafter and in a project agreement of even date herewith<sup>2</sup> between the Bank and the University of Singapore;

NOW THEREFORE the parties hereto hereby agree as follows:

### *Article I*

#### GENERAL CONDITIONS; DEFINITIONS

*Section 1.01.* The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 31, 1969<sup>3</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the deletion of Section 5.01 thereof and to the amendment of Section 6.02 (i) thereof to read as follows: "Any event specified in paragraph (e) or (f) of Section 7.01 shall have occurred." (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank, as so modified, being hereinafter called the General Conditions).

*Section 1.02.* Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions

<sup>1</sup> Came into force on 3 May 1972, upon notification by the Bank to the Government of Singapore.

<sup>2</sup> The said Agreement entered into force on 3 May 1972. As it does not constitute an international agreement or a part of the present Agreement, it is not reproduced herein. However, it was published by the Bank as document LN 802 SI, a certified true copy of which was transmitted to the Secretariat together with the documentation submitted for registration of the present Loan Agreement.

<sup>3</sup> See p. 188 of this volume.

have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) “Project Agreement” means the agreement between the Bank and the University of Singapore of even date herewith, as the same may be amended from time to time, and such term includes all schedules to the Project Agreement;

(b) “the University of Singapore Act” means the University of Singapore Act (Chapter 181 of the 1970 Revised Edition) of the Borrower;

(c) “the University of Singapore” means the University established and operating under the University of Singapore Act as the same may be amended from time to time, and includes any successor or successors thereto;

(d) “Project Unit” means the University of Singapore Development Unit maintained as required by Section 2.02 of the Project Agreement and responsible for carrying out the Project; and

(e) “physical master plan” means the physical master plan of the University of Singapore for the Kent Ridge campus relating to the Project and existing at the date of this Agreement, as the same may be amended from time to time.

## *Article II*

### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to nine million five hundred thousand dollars (\$9,500,000).

*Section 2.02.* The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule shall be amended from time to time, for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Agreement and to be financed under the Loan Agreement; provided, however, that, except as the Bank shall otherwise agree, no withdrawal shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in, or services supplied from, such territories.

*Section 2.03.* Except as the Bank shall otherwise agree, the goods and services required for the Project and to be financed out of the proceeds of the Loan shall be procured pursuant to the provisions set forth or referred to in Section 2.05 of the Project Agreement.

*Section 2.04.* The Closing Date shall be June 30, 1977 or such other date as shall be agreed between the Borrower and the Bank.

*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 seven and one-quarter per cent ( $7\frac{1}{4}\%$ ) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

*Section 2.07.* Interest and other charges shall be payable semi-annually on May 1 and November 1 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 3 to this Agreement.

*Section 2.09.* 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 VIII of the General Conditions.

*Section 2.10.* The Minister for Finance of the Borrower and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 8.10 of the General Conditions.

*Section 2.11.* The University of Singapore is designated as representative of the Borrower for the purposes of taking any action required or permitted to be taken under the provisions of Section 2.02 of this Agreement and Article V of the General Conditions.

### *Article III*

#### EXECUTION OF THE PROJECT

*Section 3.01.* (a) The Borrower shall cause the University of Singapore to carry out the Project with due diligence and efficiency and in conformity with sound administrative, financial, educational and engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) The Borrower shall make available to the University of Singapore the proceeds of the Loan upon terms and conditions satisfactory to the Bank.

(c) The Borrower shall take and shall cause all its agencies to take all action which shall be necessary on their part to enable the University of Singapore to perform all of its obligations under the Project Agreement and shall not take or permit to be taken any action which might interfere with such performance.

#### *Article IV*

#### OTHER COVENANTS

*Section 4.01.* (a) It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan or the Bonds by way of a lien on governmental assets.

(b) To that end the Borrower (i) represents that at the date of this Agreement no lien exists on any governmental assets as security for any external debt and (ii) undertakes that if any such lien shall be created, it 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 in the creation of any such lien express provision will be made to that effect. The Borrower shall promptly inform the Bank of the creation of any such lien.

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

(d) As used in this Section, the term “governmental assets” includes assets of the Borrower or of the Board of Commissioners of Currency, Singapore, of any statutory authority established by the Borrower or any agency of the foregoing or of any central bank of the Borrower which may be established and any right, interest or share which the Borrower has or may have in the assets of the Board of Commissioners of Currency, Malaya and British Borneo.

*Section 4.02.* Without limitation or restriction upon any of its other obligations under the Loan Agreement, the Borrower shall cause the University of Singapore to perform punctually all of the obligations of the University of Singapore as set forth in the Project Agreement.

*Article V*

## CONSULTATION, INFORMATION AND INSPECTION

*Section 5.01.* The Borrower and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, the Borrower and the Bank shall from time to time, at the request of either party:

- (a) exchange views through their representatives with regard to the performance of their respective obligations under the Loan Agreement, the performance by the University of Singapore of its obligations under the Project Agreement, the administration, operations and financial condition of the University of Singapore and, in respect of the Project, of the departments or agencies of the Borrower responsible for the carrying out of the Project or any part thereof, and other matters relating to the purposes of the Loan; and
- (b) 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, including its balance of payments, and the external debt of the Borrower, of any of its political subdivisions and of any agency of the Borrower or of any such political subdivision.

*Section 5.02.* (a) The Borrower shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request concerning (i) the operations and financial condition of the University of Singapore; and (ii) in respect of the Project, the operations of the departments of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower and the Bank shall promptly inform each other of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan, the maintenance of the service thereof, the performance by either of them of its obligations under the Loan Agreement or the performance by the University of Singapore of its obligations under the Project Agreement.

*Section 5.03.* The Borrower shall afford all reasonable opportunity for accredited representatives of the Bank to inspect all plants, installations, sites, works, buildings, property and equipment of the University of Singapore and any relevant records and documents and to visit any part of the territories of the Borrower for purposes related to the Loan.

*Article VI*

## TAXES AND RESTRICTIONS

*Section 6.01.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the foregoing 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 6.02.* The Loan Agreement, any instrument made pursuant to Section 4.01 of this Agreement, the Project Agreement and the Bonds shall be free from any taxes on or in connection with the execution, issue, delivery or registration thereof imposed under the laws of the Borrower or laws in effect in its territories and the Borrower shall pay all such taxes, if any, imposed under the laws of any other country or countries.

*Section 6.03.* The payment of the principal of, and interest and other charges on, the Loan and the Bonds shall be free from all restrictions, regulations, controls and moratoria of any nature imposed under the laws of the Borrower or laws in effect in its territories.

*Article VII*

## REMEDIES OF THE BANK

*Section 7.01.* If any event specified in Section 7.01 of the General Conditions or in Section 7.03 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Bank, at its option, may by notice to the Borrower declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately together with the interest and other charges thereon and upon any such declaration such principal, interest and charges shall become due and payable immediately, anything to the contrary in the Loan Agreement or in the Bonds notwithstanding.

*Section 7.02.* For the purposes of Section 6.02 of the General Conditions, the following additional events are specified:

- (a) The University of Singapore shall have failed to perform any covenant, agreement or obligation of the University of Singapore under the Project Agreement.
- (b) An extraordinary situation shall have arisen which shall make it improbable that the University of Singapore will be able to perform its obligations under the Project Agreement.
- (c) The University of Singapore Act shall have been amended, suspended or abrogated in such a way as to materially and adversely affect the ability of the University of Singapore to carry out the covenants, agreements and obligations set forth in the Project Agreement.

*Section 7.03.* For the purposes of Section 7.01 of the General Conditions the following additional events are specified:

- (a) The events specified in Section 7.02 (a) of this Agreement shall occur and continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower.
- (b) The event specified in Section 7.02 (c) of this Agreement shall occur.

### *Article VIII*

#### EFFECTIVE DATE; TERMINATION

*Section 8.01.* The following event is specified as an additional condition to the effectiveness of the Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions, namely, that the execution and delivery of the Project Agreement on behalf of the University of Singapore have been duly authorized or ratified by all necessary corporate and governmental action.

*Section 8.02.* The following is specified as an additional matter, within the meaning of Section 11.02 (c) of the General Conditions, to be included in the opinion or opinions to be furnished to the Bank, namely, that the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the University of Singapore, and constitutes a valid and binding obligation of the University of Singapore in accordance with its terms.

*Section 8.03.* The date May 25, 1972 is hereby specified for the purposes of Section 11.04 of the General Conditions.



*Article IX*

## REPRESENTATIVE OF THE BORROWER; ADDRESSES

*Section 9.01.* The Minister for Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 10.03 of the General Conditions.

*Section 9.02.* The following addresses are specified for the purposes of Section 10.01 of the General Conditions:

For the Borrower:

The Ministry of Finance  
(Economic Development)  
Fullerton Building  
Singapore 1  
Republic of Singapore

Cable address:

Finance  
Singapore

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.

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

Republic of Singapore:

By E. S. MONTEIRO  
Authorized Representative

International Bank for Reconstruction and Development:

By J. BURKE KNAPP  
Vice President

## SCHEDULE 1

## WITHDRAWAL OF THE PROCEEDS OF THE LOAN

1. The table below sets forth the categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each category and the percentage of eligible expenditures so to be financed in each category:

<i>Category</i>	<i>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</i>	<i>% of Expenditures to be Financed</i>
I. (a) Civil works . . . . .	5,500,000	42% of total expenditures (representing the estimated foreign exchange component)
(b) Specialized engineering services in respect of Category I (a) . . . . .	100,000	
(c) Locally manufactured furniture and equipment . . . . .	200,000	
II. Imported furniture and equipment . . . . .	1,900,000	100% of foreign expenditures
III. Specialist Services . . . . .	150,000	100% of foreign expenditures
IV. Unallocated . . . . .	<u>1,650,000</u>	
TOTAL	<u>9,500,000</u>	

2. For the purposes of this Schedule:

(a) The term "foreign expenditures" means expenditures for goods produced in, or services supplied from, the territories, and in the currency, of any country other than the Borrower;

(b) The term "local expenditures" means expenditures in the currency of the Borrower, or for goods produced in, or services supplied from, the territories of the Borrower; and

(c) The term "total expenditures" means the aggregate of foreign and local expenditures.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) expenditures prior to the date of this Agreement; and

(b) payments for taxes imposed under the laws of the Borrower or laws in effect in its territories on goods or services, or on the importation, manufacture, procurement or supply thereof. To the extent that the amount represented by the percentage set forth in the third column of the table in paragraph 1 above in respect of any Category would exceed the amount payable net of all such taxes, such percentage shall be reduced to ensure that no proceeds of the Loan will be withdrawn on account of payments for such taxes.

4. Notwithstanding the allocation of an amount of the Loan set forth in the second column of the table in paragraph 1 above:

- (a) if the estimate of the expenditures under any Category shall decrease, the amount of the Loan then allocated to such Category and no longer required therefor will be reallocated by the Bank by increasing correspondingly the unallocated amount of the Loan;
- (b) if the estimate of the expenditures under any Category shall increase, the percentage set forth in the third column of the table in paragraph 1 above in respect of such expenditures shall be applied to the amount of such increase, and a corresponding amount will be allocated by the Bank, at the request of the Borrower, to such Category from the unallocated amount of the Loan, subject, however, to the requirements for contingencies, as determined by the Bank, in respect of any other expenditures; and
- (c) if the Bank shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures referred to in Section 2.03 of this Agreement, no expenditures for such item shall be financed out of the proceeds of the Loan and the Bank may, without in any way restricting or limiting any other right, power or remedy of the Bank under the Loan Agreement, by notice to the Borrower, cancel such amount of the Loan as in the Bank's reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Loan.

5. Notwithstanding the percentages set forth in the third column of the table in paragraph 1 above, if the estimate of total expenditures under Category I (a), (b) or (c) shall increase and no proceeds of the Loan are available for reallocation to such Category, the Bank may, by notice to the Borrower, adjust the percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made.

## SCHEDULE 2

### DESCRIPTION OF THE PROJECT

The Project is the first phase of the development of the University of Singapore campus at its new location at Kent Ridge and consists of:

#### *Part A.*

Construction, furnishing and equipping of:

- (i) specialized teaching and research premises for:
  - (a) the Faculty of Engineering;
  - (b) the Faculty of Architecture;

- (c) the School of Accountancy and Business Administration;
- (ii) central lecture premises;
- (iii) a Computer Center (excluding main computer);
- (iv) administrative and communal premises (administrative offices, central library, students' union, central maintenance); and
- (v) residential premises for students and housing for supervisory staff.

*Part B.*

- (i) development of teaching aids; and
- (ii) coordination of Part A of the Project with the physical master plan.

The planned capacities and the approximate areas of the physical facilities included in Part A of this Schedule are set forth in Annex A to this Schedule, subject to modification by agreement between the Borrower and the Bank. The specialist services for the purposes of Part B of this Schedule are set forth in Annex B to this Schedule, subject to modification by agreement between the Borrower and the Bank.

The Project is expected to be completed by December 31, 1976.

ANNEX A

*Physical Facilities in Part A of the Project*

	<i>Student Places</i>	<i>Boarding Places</i>	<i>Housing Units</i>	<i>Approximate Gross Area of Construction (sq. ft.)</i>
1. Faculty of Engineering	1,820	—	—	426,700
2. Faculty of Architecture	360	—	—	73,100
3. School of Accountancy and Business Adminis- tration	920	—	—	34,000
4. Central lecture premises	1,550	—	—	31,200
5. Computer center	—	—	—	26,200
6. Administrative and communal premises				
(a) Administrative of- fices, health and maintenance premi- ses	—	—	—	81,200
(b) Central Library	—	—	—	122,500

	<i>Student Places</i>	<i>Boarding Places</i>	<i>Housing Units</i>	<i>Approximate Gross Area of Construction (sq. ft.)</i>
(c) Students' Union and Canteen	—	—	—	71,600
7. Students' residential premises including boarding, communal and dining facilities	—	900	51*	288,800

\* Of which 48 are for graduate students and 3 for supervisory staff members.

## ANNEX B

### *Specialist Services for the Purposes of Part B of the Project*

#### *Specialist Services*

- |  |             |
|--|-------------|
| 1. University of Singapore (teaching aids) . . . . .   | 2 man-years |
| 2. Project Implementation Unit (Campus planning and co-ordination of physical master plan) . . . . . | 4 man-years |

## SCHEDULE 3

### 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>
May 1, 1977 . . . . .	180,000	November 1, 1984 . . . . .	310,000
November 1, 1977 . . . . .	185,000	May 1, 1985 . . . . .	320,000
May 1, 1978 . . . . .	195,000	November 1, 1985 . . . . .	330,000
November 1, 1978 . . . . .	200,000	May 1, 1986 . . . . .	340,000
May 1, 1979 . . . . .	210,000	November 1, 1986 . . . . .	355,000
November 1, 1979 . . . . .	215,000	May 1, 1987 . . . . .	365,000
May 1, 1980 . . . . .	225,000	November 1, 1987 . . . . .	380,000
November 1, 1980 . . . . .	230,000	May 1, 1988 . . . . .	395,000
May 1, 1981 . . . . .	240,000	November 1, 1988 . . . . .	410,000
November 1, 1981 . . . . .	250,000	May 1, 1989 . . . . .	425,000
May 1, 1982 . . . . .	255,000	November 1, 1989 . . . . .	440,000
November 1, 1982 . . . . .	265,000	May 1, 1990 . . . . .	455,000
May 1, 1983 . . . . .	275,000	November 1, 1990 . . . . .	470,000
November 1, 1983 . . . . .	285,000	May 1, 1991 . . . . .	490,000
May 1, 1984 . . . . .	295,000	November 1, 1991 . . . . .	510,000

\* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), 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 portion of the principal amount of the Loan pursuant to Section 3.05 (b) of the General Conditions or on the redemption of any Bond prior to its maturity pursuant to Section 8.15 of the General Conditions.

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity .....	1 $\frac{1}{4}\%$
More than three years but not more than six years before maturity .....	2%
More than six years but not more than eleven years before maturity .....	3 $\frac{1}{2}\%$
More than eleven years but not more than sixteen years before maturity ..	5 $\frac{1}{4}\%$
More than sixteen years but not more than eighteen years before maturity .	6 $\frac{1}{4}\%$
More than eighteen years before maturity .....	7 $\frac{1}{4}\%$

## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

## GENERAL CONDITIONS, DATED 31 JANUARY 1969

## GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS

[Not published herein. See United Nations, Treaty Series, vol. 691, p. 300.]