

No. 6143

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND**

**Guarantee Agreement—*Trinidad and Tobago Electricity  
Commission Project* (with exchange of letters, annexed  
Loan Regulations No. 4 and Loan Agreement between  
the Bank and the Territory of Trinidad and Tobago).  
Signed at Washington, on 16 August 1961**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on 8 May 1962.*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT  
et  
ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD**

**Contrat de garantie — *Projet relatif à la Commission de  
l'énergie électrique de la Trinité et Tobago* (avec  
échange de lettres et, en annexe, le Règlement n° 4  
sur les emprunts et le Contrat d'emprunt entre la  
Banque et le territoire de Trinité et Tobago). Signé à  
Washington, le 16 août 1961**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le  
8 mai 1962.*

No. 6143. GUARANTEE AGREEMENT<sup>1</sup> (*TRINIDAD AND TOBAGO ELECTRICITY COMMISSION PROJECT*) BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 16 AUGUST 1961

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AGREEMENT, dated August 16, 1961, between UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Territory of Trinidad and Tobago (hereinafter called the Borrower) and the Bank, which agreement (including the schedules therein referred to) is hereinafter called the Loan Agreement,<sup>2</sup> the Bank has agreed to make to the Borrower a loan in various currencies in an aggregate principal amount equivalent to twenty-three million five hundred thousand dollars (\$23,500,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee such loan as hereinafter provided ; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to guarantee such loan as hereinafter provided ;

NOW THEREFORE the parties hereto hereby agree as follows :

*Article I*

*Section 1.01.* The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961,<sup>2</sup> subject, however, to the modifications thereof set forth in Schedule 3<sup>3</sup> to the Loan Agreement (such Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

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<sup>1</sup> Came into force on 19 December 1961, upon notification by the Bank to the Government of the United Kingdom of Great Britain and Northern Ireland.

<sup>2</sup> See p. 298 of this volume.

<sup>3</sup> See p. 314 of this volume.

### Article II

*Section 2.01.* Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds, and the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, all as provided in the Loan Agreement and the Bonds.

*Section 2.02.* Whenever there is reasonable cause to believe that the Borrower will not have sufficient funds to carry out or cause to be carried out the Project in accordance with the Loan Agreement, the Guarantor will, in consultation with the Bank and the Borrower, take appropriate measures to assist the Borrower to obtain the additional funds necessary therefor.

### Article III

*Section 3.01.* It is the mutual understanding of the Guarantor and the Bank that, except as otherwise herein provided, the Guarantor will not grant in favor of any external debt any preference or priority over the Loan. To that end, the Guarantor undertakes that, except as otherwise herein provided or as shall be otherwise agreed between the Guarantor and the Bank, if any lien shall be created on any assets or revenues of the Guarantor as security for any external debt, such lien shall 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 shall be made to that effect. This Section shall not apply to the following :

- (a) the creation of any lien on any property purchased, at the time of the purchase, solely as security for the payment of the purchase price of such property ;
- (b) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods ; or
- (c) any pledge by or on behalf of the Guarantor of any of its assets in the ordinary course of banking business to secure any indebtedness maturing not more than one year after its date.

For the purpose of this Section, the expression "assets or revenues of the Guarantor" shall include assets or revenues of any territorial subdivision of the Guarantor which has power to raise revenues by taxation and to charge such revenues or any of its assets as security for external debt.

*Section 3.02.* (a) The Guarantor and the Bank shall cooperate fully towards achievement of the purposes of the Loan. 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 Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor 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 Guarantor 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) Within the limits of its constitutional powers, the Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor (including those of the Borrower) for purposes related to the Loan.

*Section 3.03.* 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 Guarantor ; 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 Guarantor.

*Section 3.04.* This Agreement, the Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Guarantor on or in connection with the execution, issue, delivery or registration thereof.

*Section 3.05.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions now or at any time hereafter imposed under the laws of the Guarantor.

#### *Article IV*

*Section 4.01.* The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Secretary of the Treasury of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

#### *Article V*

*Section 5.01.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor :

H. M. Treasury  
Treasury Chambers  
Great George Street  
London, S.W. 1, United Kingdom

Alternative address for cablegrams and radiograms :

Profilist  
London

For the Bank :

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington 25, D. C.  
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad  
Washington, D. C.

*Section 5.02.* The Ambassador of the Guarantor to the United States of America 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 Guarantee 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.

United Kingdom of Great Britain and Northern Ireland :

*By* Harold CACCIA  
Authorized Representative

International Bank for Reconstruction and Development :

*By* W. A. B. ILIFF  
Vice President

#### EXCHANGE OF LETTERS

#### I

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
WASHINGTON 25, D. C.

August 16, 1961

Economic Minister  
British Embassy  
Washington, D. C.

Dear Sir :

1. In connection with the Bank's proposed loan to the Territory of Trinidad and Tobago, consideration has been given to the form of negative pledge undertaking to be included in the loan agreement.

2. The Bank wishes to be sure that the negative pledge undertaking will cover the assets of the Territory of Trinidad and Tobago and of its agencies, including those assets which form the backing for the currency circulating in the Territory of Trinidad and Tobago and which might broadly be termed Trinidad and Tobago's currency reserves. The purpose of this memorandum is to record the Bank's understanding as regards those assets.

3. The Bank's understanding is as follows :

- (a) that the currency presently circulating in the Territory of Trinidad and Tobago is that issued by the Currency Board of the Eastern Group of British Caribbean Territories under regulations of the Secretary of State for the Colonies ; and that this currency is backed by assets which are held in the name of the Currency Board ;
- (b) that the Territory has no power of disposal in respect of such assets in the hands of the Board ;
- (c) that HMG regards the assets of the Currency Board of the Eastern Group of British Caribbean Territories ("Board") as segregated for use only for the purposes of the Board and that such assets would not be used by HMG for its own purposes or encumbered by HMG either for its own account or for the account (whether joint or several) of any of the territories which participate in the Board.

4. In sum, the Bank understands that the position regarding that part of the assets which may from time to time be deemed to be the currency reserves of the Territory of Trinidad and Tobago (as a member of the Board) is that so long as they are in the hands of the Board a "lien" (as that term is defined in the Loan Agreement) cannot be placed against them. In the event of the replacement of the Board by a currency authority established in and solely for the purposes of the Territory of Trinidad and Tobago (and not by an authority serving a number of constituent territories including Trinidad and Tobago—in which case the position would remain similar to that in 3 (c)) to the extent that any share in the Board's assets was established and assumed by such a successor authority, the assets representing this share would fall to be treated as the currency reserve solely of Trinidad and Tobago in which case they would be covered specifically by the language of the negative pledge clause.

5. Since the Bank would proceed with the loan on this basis, it would welcome confirmation that this understanding is correct and that there is no other course that might be open.

Yours sincerely,

W. A. B. ILIFF  
Vice President

## II

BRITISH EMBASSY  
WASHINGTON

August 16, 1961

Gentlemen,

Thank you for your letter of today's date regarding Trinidad and Tobago's currency reserves. I confirm that your understanding as set forth in your letter is correct, and that there are no other courses that might be open other than those set out in your letter.

Yours sincerely,

N. M. P. REILLY

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D. C.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 FEBRUARY 1961

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS OTHER THAN  
MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 400, p. 212.*]

LOAN AGREEMENT  
(*TRINIDAD AND TOBAGO ELECTRICITY COMMISSION PROJECT*)

AGREEMENT, dated August 16, 1961, between the TERRITORY OF 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. 4 of the Bank dated February 15, 1961,<sup>1</sup> subject, however, to the modifications thereof set forth in Schedule 3<sup>2</sup> to this Agreement (such Loan Regulations

<sup>1</sup> See above.

<sup>2</sup> See p. 314 of this volume.

No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

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

(1) The term "Territory of Trinidad and Tobago" or "Territory" means the Government of the Territory of Trinidad and Tobago.

(2) The term "the Commission" means the Trinidad and Tobago Electricity Commission established pursuant to the Trinidad and Tobago Electricity Commission Ordinance, as amended, and any successor agency.

(3) The term "Subsidiary Loan Agreement" means the agreement between the Borrower and the Commission referred to in Section 5.01 (a) of this 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 twenty-three million five hundred thousand dollars (\$23,500,000).

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

*Section 2.04.* The Borrower shall pay interest at the rate of five and three-fourths per cent ( $5\frac{3}{4}$  %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

*Section 2.05.* Except as the Bank and the Borrower 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<sup>1</sup> to this Agreement.

<sup>1</sup> See p. 310 of this volume.



*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<sup>1</sup> 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 Bank and the Borrower, subject to modification by further agreement between them.

*Section 3.02.* The Borrower undertakes that all goods financed out of the proceeds of the Loan shall be imported into its territories and shall there be used 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 for the time being responsible for finance and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

*Article V*

## PARTICULAR COVENANTS

*Section 5.01. (a)* The Borrower shall enter into a Subsidiary Loan Agreement with the Commission, satisfactory to the Bank, providing for the relending of the proceeds of the Loan to the Commission and containing appropriate provisions with respect to the financing and carrying out of the Project and of the other obligations of the Borrower and the Commission under the Loan Agreement. Such Subsidiary Loan Agreement shall not be amended, assigned or abrogated, nor shall any material waiver of any provision thereof be given, without the consent of the Bank.

*(b)* The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices under the supervision of competent management.

*Section 5.02. (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.

<sup>1</sup> See p. 312 of this volume.

(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 5.03.* 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 the assets of any central bank or other institution which the Borrower may at any time establish to perform the functions of a central bank or any currency authority established by the Borrower solely for the purposes of the Borrower.

*Section 5.04.* The Loan Agreement, Guarantee Agreement<sup>1</sup> 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 or cause to be paid 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 5.05.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes 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.

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<sup>1</sup> See p. 288 of this volume.

*Section 5.06.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.

*Section 5.07.* Unless otherwise agreed between the Borrower and the Bank, if the Commission shall repay, in advance of maturity, part, or all, of its indebtedness to the Borrower arising from the relending of the proceeds of the Loan, the Borrower shall promptly repay, in advance of maturity and in accordance with the Loan Regulations, an equivalent amount of the Loan.

*Section 5.08.* Whenever there is reasonable cause to believe that the funds available to the Commission will be inadequate to meet the estimated expenditures required for carrying out the Project, the Borrower shall make arrangements, satisfactory to the Bank, promptly to provide the Commission or cause the Commission to be provided with such funds as are needed to meet such expenditures.

*Section 5.09.* The Borrower shall cause the Commission so to exercise its functions as to secure that the rates it fixes are adequate to provide sufficient revenue :

- (a) to cover operating expenses, including taxes, if any, and to provide adequate maintenance and depreciation, and interest payments on borrowings ;
- (b) to meet periodic repayments on long-term indebtedness to the extent that any such repayments exceed the provisions for depreciation ;
- (c) to create reserves to finance a reasonable part of the cost of future expansion.

*Section 5.10.* Except as the Bank and the Borrower shall otherwise agree, the Borrower undertakes that advances made by it to the Commission prior to the completion of the Project shall be on terms whereby the Commission shall not be obligated to repay, and shall not repay without the consent of the Bank, the principal of such advances until the Loan shall have been fully repaid.

#### Article VI

##### REMEDIES OF THE BANK

*Section 6.01.* (i) If any event specified in paragraph (a), paragraph (b), paragraph (e), paragraph (f) or paragraph (j) 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 the Loan Agreement or in the Bonds to the contrary notwithstanding.

*Section 6.02.* For the purposes of Section 5.02 (j) of the Loan Regulations the following additional event is specified, namely, a default shall have occurred in the performance of any covenant or agreement in the Subsidiary Loan 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 (c) of the Loan Regulations :

- (a) that the Subsidiary Loan Agreement, in form and substance satisfactory to the Bank, shall have been duly executed and delivered by the parties thereto, and shall have become fully effective in accordance with its terms ;
- (b) the Commission shall have duly executed and delivered a contract for the purchase of natural gas to supply : (i) the Port-of-Spain "B" Station the first stage of which is being carried out as part of the Project ; and (ii) the existing Port-of-Spain "A" Station.

*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 Subsidiary Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and the Commission and has become effective and is a valid and binding obligation of the parties thereto in accordance with its terms ; and
- (b) that the gas supply contract, specified in Section 7.01 (b) hereof, has been duly authorized or ratified by, and executed and delivered on behalf of, the Commission and constitutes a valid and binding obligation of the parties thereto in accordance with its terms.

*Section 7.03.* A date 90 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

*Article VIII*

## MISCELLANEOUS

*Section 8.01.* The Closing Date shall be December 31, 1965, or such other date as shall be agreed upon by the Borrower and the Bank.

*Section 8.02.* 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  
West Indies

Alternative address for cablegrams and radiograms :

Minfin  
Trinidad

For the Bank :

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington 25, D. C.  
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad  
Washington, D. C.

Section 8.03. The Minister of Finance is designated for the purposes of Section 8.03 (A) 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.

Territory of Trinidad and Tobago :

By J. H. O'HALLORAN  
Authorized Representative

International Bank for Reconstruction and Development :

By W. A. B. LIFF  
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, 1966 . . . . .	\$457,000	January 15, 1974 . . . . .	\$720,000
July 15, 1966 . . . . .	471,000	July 15, 1974 . . . . .	741,000
January 15, 1967 . . . . .	484,000	January 15, 1975 . . . . .	762,000
July 15, 1967 . . . . .	498,000	July 15, 1975 . . . . .	785,000
January 15, 1968 . . . . .	512,000	January 15, 1976 . . . . .	807,000
July 15, 1968 . . . . .	527,000	July 15, 1976 . . . . .	830,000
January 15, 1969 . . . . .	542,000	January 15, 1977 . . . . .	854,000
July 15, 1969 . . . . .	558,000	July 15, 1977 . . . . .	878,000
January 15, 1970 . . . . .	570,000	January 15, 1978 . . . . .	903,000
July 15, 1970 . . . . .	590,000	July 15, 1978 . . . . .	929,000
January 15, 1971 . . . . .	607,000	January 15, 1979 . . . . .	956,000
July 15, 1971 . . . . .	625,000	July 15, 1979 . . . . .	984,000
January 15, 1972 . . . . .	643,000	January 15, 1980 . . . . .	1,012,000
July 15, 1972 . . . . .	661,000	July 15, 1980 . . . . .	1,041,000
January 15, 1973 . . . . .	680,000	January 15, 1981 . . . . .	1,071,000
July 15, 1973 . . . . .	700,000	July 15, 1981 . . . . .	1,102,000

\* 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 3 years before maturity . . . . .	½ of 1 %
More than 3 years but not more than 6 years before maturity . . . . .	1 ½ %
More than 6 years but not more than 11 years before maturity . . . . .	2 ½ %
More than 11 years but not more than 16 years before maturity . . . . .	3 ½ %
More than 16 years but not more than 18 years before maturity . . . . .	4 ¾ %
More than 18 years before maturity . . . . .	5 ¾ %

## SCHEDULE 2

## DESCRIPTION OF PROJECT

The Project consists of (i) the first stage of the Port-of-Spain "B" thermal power station, with an installed capacity of 100 MW, which will be constructed on a site adjacent to the existing Port-of-Spain "A" thermal station ; (ii) the construction of a pipe line about 41 miles in length to supply natural gas to both stations ; and (iii) the expansion of the Commission's transmission and distribution facilities.

The initial capacity of the "B" station will be 100 MW, but it will be designed for an ultimate capacity of 220 MW. Sea water will be used for cooling purposes. The generating plant will consist of two 50 MW turbo-alternator sets and two 475,000 lbs. per hour boilers. The turbines will be designed to operate with steam conditions of 900 lbs. per sq. in. and 900° F. The boilers will be of the outdoor type suitable for operation on natural gas or bunker "C" fuel oil, but natural gas will normally be used as fuel.

Gas for the Port-of-Spain stations will be delivered by a 16-inch diameter pipe line from oil fields near Penal in southern Trinidad.

The first 50 MW generating set at Port-of-Spain is scheduled for commissioning in December, 1964 and the second set in December, 1965.

The existing transmission and distribution systems of the Commission will be improved to carry increasing loads and will also be extended to supply new areas. About 62 miles of 66 KV transmission line, 73 miles of 33 KV primary distribution line and 6 miles of 33 KV underground cable will be installed. Substation capacity will be increased and a new system control center will be constructed. Additional secondary distribution lines and services will be installed and the distribution systems supplying Port-of-Spain and San Fernando will be reconstructed to operate at 6.6 KV instead of 2.3 KV.

## SCHEDULE 3

## MODIFICATIONS OF LOAN REGULATIONS No. 4

For the purposes of this Agreement the provisions of Loan Regulations No. 4 of the Bank, dated February 15, 1961, shall be deemed to be modified as follows :

(a) By the deletion of the second sentence of Section 4.01 and the substitution therefor of the following sentence : "Except as shall be otherwise agreed between the Bank and the Borrower, no withdrawals shall be made on account of expenditures prior to January 1, 1961, or 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 (including services supplied from) such territories."

(b) By the deletion of subparagraphs (b), (d), (e) and (f) of Section 5.02 and the substitution therefor of the following subparagraphs :

"(b) A default shall have occurred in the payment of principal or interest or any other payment required under any other loan agreement or under any guarantee agreement between the Borrower and the Bank or under any loan agreement or under any guarantee agreement between the Guarantor and the Bank or under any bond delivered pursuant to any such agreement."

"(d) An extraordinary situation shall have arisen which shall make it improbable that the Borrower or the Guarantor will be able to perform its obligations under the Loan Agreement or the Guarantee Agreement or the Bonds, or there shall occur any such change in the nature and constitution of the Borrower as shall make it improbable that the Borrower will be able to carry out its obligations under the Loan Agreement or the Bonds."

"(e) The Borrower shall have taken or permitted to be taken any action or proceeding whereby the undertaking of the Commission, or any substantial part of such undertaking, shall or may be assigned or in any manner transferred or delivered to any other person, or whereby any property of the Commission shall or may be distributed among the creditors of the Commission."

"(f) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of the Commission or for the suspension of its operations."

(c) By the deletion of Section 7.02 and the substitution therefor of the following new section :

"SECTION 7.02. *Obligations of the Guarantor.* The obligations of the Guarantor under the Guarantee Agreement shall not be discharged except by performance and then only to the extent of such performance. Such obligations shall not be subject to any prior notice to, demand upon or action against the Borrower or the Commission or to any prior notice to or demand upon the Guarantor with regard to any default by the Borrower or the Commission, and shall not be impaired by any of the following : any extension of time, forbearance or concession given to the Borrower or the Commission ; any assertion of, or failure to assert, or delay in asserting, any right, power or remedy against the Borrower or the Commission or in respect of any security

for the Loan ; any modification or amplification of the provisions of the Loan Agreement or the Subsidiary Loan Agreement contemplated by the terms thereof ; any failure of the Borrower or the Commission to comply with any requirement of any law, regulation or order of the Guarantor or of the Borrower or of any political subdivision or agency of the Guarantor or of the Borrower.”

- (d) By the deletion of the last sentence of Section 7.04 (k) and the substitution therefor of the following sentence :

“Notwithstanding the foregoing, this Section shall not authorize any entry of judgment or enforcement of the award against the Borrower or the Guarantor (as the case may be) except as such procedure may be available against the Borrower or the Guarantor (as the case may be) otherwise than by reason of the provisions of this Section.”

- (e) By the deletion of the first sentence of Section 7.04 (l) and the substitution therefor of the following sentence :

“(l) Service of any notice or process in connection with any proceeding under this Section or in connection with any proceeding to enforce any award rendered pursuant to this Section may be made upon the Bank and (to the extent that such proceeding is available against the Borrower or the Guarantor) upon the Borrower or the Guarantor in the manner provided in Section 8.01.”

- (f) By the insertion, after Section 8.03, of the following new Section :

“SECTION 8.03 (A). *Action on Behalf of the Borrower.* Any action required or permitted to be taken, and any documents required or permitted to be executed, under the Loan Agreement on behalf of the Borrower may be taken or executed by the representative of the Borrower designated in the Loan Agreement for the purposes of this Section or any person thereunto authorized in writing by him. Any modification or amplification of the provisions of the Loan Agreement may be agreed to on behalf of the Borrower by written instrument executed on behalf of the Borrower by the representative so designated or any person thereunto authorized in writing by him ; provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Borrower under the Loan Agreement. The Bank may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative any modification or amplification of the provisions of the Loan Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the Borrower thereunder.”

- (g) By the deletion of the second sentence in paragraph 7 of Section 10.01 and the substitution therefor of the following sentences :

“Whenever reference is made to the currency of the Guarantor, the term ‘currency’ means such coin or currency as at the time referred to is legal tender for the payment of public and private debts in the United Kingdom. Whenever reference is made



to the currency of the Borrower, the term 'currency' means coin or currency issued by the Currency Board of the Eastern Group of British Caribbean Territories, or such other coin or currency as may hereafter become legal tender for the payment of public and private debts in the territory of the Borrower."

(h) By the deletion in paragraph 12 of Section 10.01 of the word "Guarantor" and the substitution thereof of the word "Borrower".

(i) By the deletion of paragraph 13 of Section 10.01 and the substitution thereof of the following paragraph :

"13. Where used in Section 3.01 of the Guarantee Agreement, the term 'external debt' means any debt payable in any medium other than currency of the Guarantor, whether such debt is or may become payable absolutely or at the option of the creditor in such other medium ; and, where used in Section 5.03 of the Loan Agreement, the term 'external debt' means any debt payable in any medium other than in currency of the Borrower, whether such debt is or may become payable absolutely or at the option of the creditor in such other medium."

(j) By the deletion of the eighth paragraph of the Form of Bond set forth in Schedule 1 and the seventh paragraph of the Form of Bond set forth in Schedule 2 and the substitution thereof, in each such Schedule of the following paragraph :

"The principal of the Bonds, the interest accruing thereon and the premium, if any, on the redemption thereof shall be paid without deduction for and free from any taxes, imposts, levies or duties of any nature or any restrictions now or at any time hereafter imposed under the laws of (name of Guarantor), or of (name of Borrower) or laws in effect in its territories ; *provided, however, that the provisions of this paragraph shall not apply to taxation imposed* (a) *under the laws of (name of Guarantor) on or in connection with 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 (name of Guarantor) or* (b) *under the laws of (name of Borrower) or laws in effect in its territories on or in connection with 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 (name of Borrower).*"

## RELATED LETTERS

## I

THE WEST INDIES  
MINISTRY OF FINANCE  
PORT OF SPAIN, TRINIDAD

28th July, 1961

F.60/016

Sir,

I am directed to refer to priority savingram No. 253 of the 13th July, 1961 from the Governor of Trinidad and Tobago regarding a proposed loan from the International Bank for Reconstruction and Development for the expansion and unification of the electricity services in Trinidad and Tobago.

The Government of The West Indies have taken note of the proposal by the Government of Trinidad and Tobago to raise a loan from the International Bank for Reconstruction and Development in respect of the expansion and unification of the electricity services in that Territory. The Government of The West Indies state that so far as they are concerned the Government of Trinidad and Tobago will always be free to purchase the necessary dollars or such other foreign currency as may be necessary for the servicing and redemption of the loan.

I have the honour to be, Sir,

Your obedient servant,

(Signed) [illegible]  
Acting Federal Financial Secretary

The Permanent Secretary  
Ministry of Finance  
Whitehall  
Port of Spain

## II

THE WEST INDIES  
MINISTRY OF FINANCE  
PORT OF SPAIN, TRINIDAD

16th August, 1961

F.60/016

Sir,

I have the honour to refer to confidential savingram (unnumbered) from the Governor, Trinidad and Tobago to the Governor-General of The West Indies received on the 14th August on the subject of the Proposed Loan from the International Bank for Reconstruction and Development.

I am to inform you that the Government of The West Indies have taken note that the International Bank for Reconstruction and Development proposes to enter into an agreement to lend the Government of Trinidad and Tobago an amount in various currencies equivalent to US \$23,500,000 for the purpose of expanding the capacity of the Trinidad and Tobago Electricity Commission. The terms of this loan are embodied in a Loan Agreement<sup>1</sup> between the Government of Trinidad and Tobago and the Bank, a copy of which has been supplied to the Government of the West Indies.

The Constitution recently proposed for The West Indies transfers to the Exclusive List authority to legislate on subjects which may affect the carrying out of the aforesaid Loan Agreement between the Government of Trinidad and Tobago and the Bank. For example, the Government of The West Indies recognize that authority to legislate regarding central banking, currency and external loans may result in legislation which touches matters in said Loan Agreement.

The Government of The West Indies undertake that it will, at the appropriate time take such steps and measures, within the limitation of its constitutional powers, to ensure that all the terms, conditions, provisions and obligations contained in the Loan Agreement may be effectively observed and performed.

I have the honour to be, Sir,

Your obedient servant,

Robert L. BRADSHAW  
Minister of Finance

The Premier and Minister of Finance  
Office of the Premier  
Whitehall  
Port of Spain

### III

GOVERNMENT OF TERRITORY OF TRINIDAD AND TOBAGO  
PORT OF SPAIN, TRINIDAD

16 August, 1961

Re : *Loan No. 293 TR (Trinidad and Tobago Electricity Commission Project)*

#### *Letter re Advances*

Gentlemen :

I wish to refer to Section 5.10 of the Loan Agreement made between the Territory of Trinidad and Tobago and the International Bank for Reconstruction and Development which deals with advances which this Government has made and will continue to make to the Trinidad and Tobago Electricity Commission. These advances are shown in the Annex<sup>2</sup> to this letter and fall into three categories.

<sup>1</sup> See p. 298 of this volume.

<sup>2</sup> See p. 326 of this volume.

*Category 1* shows advances totalling \$10,500,000 B.W.I. which were made prior to March 31, 1956 and upon which the Commission is obliged and will continue to be obliged to pay interest at the rates set out opposite the sums advanced.

*Category 2* shows advances, totalling \$22,649,766 which were made from April 1, 1956 to December 31, 1960 and upon which the Commission has not been called upon to pay interest. These advances will bear interest at the rate of 5 per cent per annum commencing from January 1, 1961, but this interest will not be paid nor compounded but allowed to accumulate over a period of five years. At the end of this period the interest so accumulated will be added to the advances and the total thereof will then bear interest at the rate prevailing from time to time at which the Government can borrow from commercial banks, but in any event not exceeding 5 per cent per annum.

*Category 3* shows the sums which are estimated to be advanced during the years 1961 and 1962. These advances or any additional advances made prior to the completion of the Project will be treated in the same manner as the advances included in Category 2.

I am to confirm that, except as the Bank shall otherwise agree, the Commission is not obligated to repay, and shall not repay without the consent of the Bank, the principal of any advances mentioned or referred to above until the Bank Loan shall have been fully repaid, as the Government regard such advances as permanent capital of the Commission.

I shall be obliged if you will confirm your agreement to the above treatment of the advances by signing the form of confirmation on the enclosed copy of this letter and return it to us.

Yours sincerely,

Territory of Trinidad and Tobago :

By J. H. O'HALLORAN  
Authorized Representative

*Countersigned :*

Trinidad and Tobago  
Electricity Commission

By E. VERNON WHARTON  
Authorized Representative

*Confirmed :*

International Bank for  
Reconstruction and Development :

By W. A. B. LIFF

## ANNEX

ADVANCES MADE BY THE TRINIDAD AND TOBAGO GOVERNMENT  
TO THE TRINIDAD AND TOBAGO ELECTRICITY COMMISSION

	<i>Amount in BWT \$</i>	<i>Interest</i>
<i>Category 1</i>		
Prior to 1946 . . . . .	1,536,587	3 ½ %
January 1, 1946 to December 31, 1948 . . . . .	500,000	2 %
January 1, 1954 to March 31, 1956 . . . . .	8,463,413	5 %
SUBTOTAL	<u>10,500,000</u>	
<i>Category 2</i>		
April 1 to December 31, 1956 . . . . .	4,625,766	*
January 1 to December 31, 1957 . . . . .	2,675,000	*
January 1 to December 31, 1958 . . . . .	4,678,000	*
January 1 to December 31, 1959 . . . . .	5,171,000	*
January 1 to December 31, 1960 . . . . .	5,500,000	*
SUBTOTAL	<u>22,649,766</u>	
<i>Category 3</i>		
Estimated amount required to be advanced during the year 1961 . . .	3,000,000	*
Estimated amount required to be advanced during the year 1962 . . .	1,800,000	*
SUBTOTAL	<u>4,800,000</u>	

\* Interest according to agreement in text of Letter re Advances.

## IV

## GOVERNMENT OF TRINIDAD AND TOBAGO

August 16, 1961

International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington 25, D. C.

Re : *Loan No. 293 TR (Trinidad and Tobago Electricity Commission Project)*  
*Letter re Operating Ratio*

Gentlemen :

We refer to Section 5.09 of the Loan Agreement of even date between us which provides that we shall cause the Trinidad and Tobago Electricity Commission so to exercise its functions as to secure adequate rates and to the rate covenant (Article 18) in the Subsidiary Loan Agreement between the Territory and the Commission. These provisions correspond to Section 40 of the Electricity Commission Ordinance, as amended.

The statutory standard requires that revenues shall be adequate to meet operating expenses, depreciation, debt service (insofar as it exceeds depreciation) and reserves for a reasonable part of the cost of future expansion.

The purpose of this letter is to record our agreement upon a mutually accepted means of testing the adequacy of rates.

To assure adequate rates, the Commission shall maintain an operating ratio which shall not exceed 70 %, calculated on a three-year moving average, beginning January 1, 1962. This operating ratio is agreed to be the ratio of all of the Commission's operating expenses (excluding interest), including taxes, if any, and depreciation, to the Commission's total operating revenues. Depreciation shall be computed on a straight line basis at the rates currently in use by the Commission which will average not less than 4 % per annum of fixed assets in operation.

It is further understood and agreed that the Commission's resources which remain after payment of its current and capital costs, i.e., after paying all operating expenses and debt service, will be set aside as a reserve for future expansion.

On the basis of present computations, this method for testing the adequacy of rates charged by the Commission should assure that said rates satisfy the covenants and the relevant provision of the Electricity Ordinance. Reasonable projections of the Commission's operating results demonstrate that, if the Commission maintains an operating ratio of 70 % or lower, the balance remaining after the Commission has met all its operating expenses will enable it to meet its debt service obligations and to accrue reserves for a reasonable part of the cost of future expansion.

Please confirm that the Bank also agrees to this method of testing the adequacy of rates in relation to the aforesaid covenants by signing the form of confirmation below.

Very truly yours,

Territory of Trinidad and Tobago :

By J. H. O'HALLORAN

Authorized Representative

Trinidad and Tobago Electricity Commission :

By E. VERNON WHARTON

Authorized Representative

*Confirmed :*

International Bank for Reconstruction  
and Development :

By W. A. B. ILIFF

Authorized Representative