

LOAN NO. 35 /OR-BAR



**LOAN AGREEMENT
(Constitution River Flood Mitigation Project)**

BETWEEN

CARIBBEAN DEVELOPMENT BANK

AND

BARBADOS

AND

BARBADOS TOURISM INVESTMENT INC.

Dated: March 27, 2017

TABLE OF CONTENTS

NOTE: This table of contents relates only to the special provisions of the Loan Agreement. The table of contents of the General Provisions is to be found at pages i-vi of Schedule I hereto.

<u>Articles/Sections</u>	<u>Title</u>	<u>Page</u>
<u>Article I</u>	<u>General Provisions, Interpretation, Definitions</u>	1
Section 1.01	General Provisions.....	1
Section 1.02	Interpretation.....	1
Section 1.03	Definitions	1-3
<u>Article II</u>	<u>The Loan and its Purpose</u>	3
Section 2.01	Amount of Loan.....	3
Section 2.02	Purpose	3
<u>Article III</u>	<u>Repayment, Interest, and Other Charges</u>	4
Section 3.01	Repayment	4
Section 3.02	Interest	4
Section 3.03	Commission	4
Section 3.04	Commitment Charge.....	4
Section 3.05	Payments by the Executing Agency on behalf of the Borrower	4
<u>Article IV</u>	<u>Withdrawal of Loan</u>	5
Section 4.01	Withdrawal and Application of Loan	5
Section 4.02	Period of Disbursement	5
Section 4.03	Procurement.....	5-6

<u>Article V</u>	<u>Conditions Precedent to First Disbursement</u>	6
Section 5.01	Additional Conditions Precedent to First Disbursement.....	6
Section 5.02	Condition Precedent to Disbursement with respect to Infrastructure Works.....	6
<u>Article VI</u>	<u>Particular Conditions</u>	6
Section 6.01	Execution of Project.....	6-7
Section 6.02	Establishment of Project Steering Committee	7
Section 6.03	Designation of Project Coordinator	7
Section 6.04	Engagement of Engineering Consultants.....	8
Section 6.05	Engagement of Consultants	8
Section 6.06	Engagement of Contractors	8
Section 6.07	Assignment of Counterpart Staff	8
Section 6.08	Implementation of Recommendations	8
Section 6.09	Maintenance.....	8
Section 6.10	Additional Funds.....	8
Section 6.11	Borrower's and Executing Agency's Contribution to the Project	9
Section 6.12	Reports and Information	9
<u>Article VII</u>	<u>Cancellation and Suspension</u>	9
Section 7.01	Cancellation by the Bank.....	9
<u>Article VIII</u>	<u>Miscellaneous</u>	10
Section 8.01	Addresses for Service	10

SCHEDULES

Schedule 1	General Provisions Applicable to Public Sector Loan Agreements with an Executing Agency
Schedule 2	The Project
Schedule 3	Procurement Plan
Schedule 4	Duties and Responsibilities of Project Steering Committee
Schedule 5	Terms of Reference – Project Coordinator
Schedule 6	Responsibilities of the Engineering Consultant
Schedule 7	Terms of Reference – Development of Constitution River Maintenance Plan
Schedule 8	Summary of Scope of Works of the Water Resource Management and Flood Resilience Climate Change Adaptation Programme
Schedule 9	Reporting Requirements

LOAN AGREEMENT

AGREEMENT dated the 27th day of March, 2017 between the Caribbean Development Bank (the Bank) of the first part, the Government of Barbados (the Borrower) of the second part, and Barbados Tourism Investment Inc., a limited liability company incorporated under the laws of the Project Country (the Executing Agency) of the third part.

ARTICLE I

General Provisions, Interpretation, Definitions

Section 1.01 **General Provisions.** The "General Provisions Applicable to Public Sector Loan Agreements with an Executing Agency" of the Bank dated June 30, 1995, set forth in Schedule 1 (the General Provisions) shall apply to this Loan Agreement subject, however, to any modifications thereof set out herein.

Section 1.02 **Interpretation.** Unless otherwise stated, references to Sections are to Sections of this Loan Agreement, and references to Schedules are to the Schedules immediately following Section 8.01.

Section 1.03 **Definitions.** (a) Wherever used in this Loan Agreement, unless the context otherwise requires, the several terms defined in the General Provisions shall have the respective meanings set forth therein, and for the purposes of sub-paragraphs (v), (xv) and (xvi) respectively of Section 2.01 of the General Provisions, the terms:

- (i) "Due Dates" shall mean January 1, April 1, July 1 and October 1 in each year, except in the case of interest payable under Section 3.09 of the General Provisions and other charges which are payable on demand;
- (ii) "Project" shall mean a project to upgrade the Constitution River and to reduce the risks associated with storm-water induced flooding in Bridgetown in the Project Country as described in Schedule 2; and

(iii) "Project Country" shall mean Barbados.

(b) Wherever used in this Loan Agreement, unless the context otherwise requires, the following additional terms shall have the following meanings:

- (i) "BBD" or "Barbados dollars" means any currency which is, for the time being, general legal tender for the payment of public and private debts in the Project Country;
- (ii) "BTI" or "Barbados Tourism Investment Inc." means the Executing Agency;
- (iii) "CDB" means the Bank;
- (iv) "DEM" means the Department of Emergency Management of the Borrower;
- (v) "Engineering Consultants" means the consultants to be engaged by the Executing Agency in accordance with Section 6.04;
- (vi) "Financing Plan" means the Project Cost, Phasing and Financing Plan for the Project set out in Appendix 1 to Schedule 2;
- (vii) "GOBD" means the Borrower;
- (viii) "Infrastructure Works" means the installation of rock armouring and dredging of approximately 450 metres of the main draining channel of the Constitution River; upgrading of the main drains connecting to the Constitution River and construction of a maintenance access ramp; and landscape works of the perimeter area of the Constitution River;
- (ix) "MAFFW" means the Ministry of Agriculture, Food, Fisheries and Water Resource Management of the Borrower;
- (x) "MED" means the Ministry of Environment and Drainage of the Borrower;

- (xi) "MFEA" means the Ministry of Finance and Economic Affairs of the Borrower;
- (xii) "MTW" means the Ministry of Transport and Works of the Borrower;
- (xiii) "PC" or "Project Coordinator" means the project coordinator to be designated in accordance with Section 6.03;
- (xiv) "Procurement Plan" means the procurement plan set out at Schedule 3;
- (xv) "PSC" or "Project Steering Committee" means the project steering committee established in accordance with Section 6.02;
- (xvi) "TORs" or "Terms of Reference" means the terms of reference set out in Schedule 5 and Schedule 7; and
- (xvii) "USD" or "United States dollars" means dollars in the currency of the United States of America.

ARTICLE II

The Loan and its Purpose

Section 2.01 **Amount of Loan.** The Bank agrees to lend to the Borrower, on the terms and conditions set out in this Loan Agreement, an amount not exceeding the equivalent of six million eight hundred and seventy-seven thousand United States dollars (USD6,877,000) (the Loan) from the Ordinary Capital Resources of the Bank.

Section 2.02 **Purpose.** The purpose for which the Loan is being made is to assist the Borrower in financing the Project.

ARTICLE III

Repayment, Interest, and Other Charges

Section 3.01 **Repayment.** Except as provided in paragraph (b) of Section 3.02 of the General Provisions, the Borrower shall repay the amount withdrawn from the Loan Account in forty-eight (48) equal or approximately equal and consecutive quarterly instalments on each Due Date, commencing on the first Due Date after the expiry of five (5) years from the date of the Loan Agreement or on such later Due Date as the Bank may specify in writing.

Section 3.02 **Interest.** Subject to the provisions of paragraph (b) of Section 3.03 of the General Provisions, the Borrower shall pay interest at the rate of two decimal nine seven percent (2.97%) per annum on the amount of the Loan withdrawn and outstanding from time to time. Such interest shall be payable quarterly in accordance with paragraph (a) of Section 3.03 of the General Provisions.

Section 3.03 **Commission.** Section 3.04 of the General Provisions shall not apply to this Loan Agreement.

Section 3.04 **Commitment Charge.** The Borrower shall pay to the Bank a commitment charge at the rate of one percent (1%) per annum on the amount of the Loan unwithdrawn from time to time. Such charge shall accrue from the sixtieth (60th) day after the date of this Loan Agreement and shall be payable quarterly in accordance with Section 3.05 of the General Provisions.

Section 3.05 **Payments by the Executing Agency on behalf of the Borrower.** Section 3.11 of the General Provisions shall not apply to this Loan Agreement.

ARTICLE IV
Withdrawal of Loan

Section 4.01 **Withdrawal and Application of Loan.** (a) Except as the Bank may otherwise agree:

(i) the amounts withdrawn from the Loan Account shall be used to finance the components of the Project allocated for financing by the Bank as shown in the Financing Plan, up to the respective limits shown therein; and

(ii) withdrawals from the Loan Account shall not exceed in the aggregate sixty-six percent (66%) of the total cost of the Project.

(b) Withdrawals from the Loan Account shall not be used to finance directly or indirectly, any part of the cost of the Project which consists of identifiable Taxes imposed under the laws of the Project Country.

Section 4.02 **Period of Disbursement.** The date to be specified pursuant to Section 4.03 of the General Provisions is December 31, 2019 or such later date as the Bank may specify in writing.

Section 4.03 **Procurement.** (a) Procurement of goods and services to be financed from amounts withdrawn from the Loan Account shall be in accordance with the provisions of Section 4.04 of the General Provisions.

(b) The Procurement Plan approved by the Bank for the purposes of the Project is set out in Schedule 3. Any revisions to the Procurement Plan shall require the Bank's prior approval in writing.

(c) The Borrower and Executing Agency hereby acknowledge that they have been furnished with a copy of the Bank's:

(i) "Guidelines for Procurement" published in January 2006; and

(ii) "Guidelines for the Selection and Engagement of Consultants by Recipients of CDB Financing" published in October 2011,

both of which publications are in effect at the date of this Loan Agreement.

ARTICLE V

Conditions Precedent to First Disbursement

Section 5.01 **Additional Conditions Precedent to First Disbursement.** In addition to the requirements of paragraph (a) of Section 6.01 of the General Provisions, the Borrower shall, by the date referred to in paragraph (i) of Section 8.03 thereof, furnish or cause to be furnished to the Bank evidence, acceptable to the Bank, that the:

- (i) PSC has been established; and
- (ii) PC has been designated.

Section 5.02 **Conditions Precedent to Disbursement with respect to Infrastructure Works.** The Bank shall not be obliged to disburse any amount in respect of Infrastructure Works at each site until the Borrower has furnished or cause to be furnished to the Bank, evidence acceptable to the Bank, that:

- (i) the Engineering Consultants have been engaged by the Executing Agency; and
- (ii) all requisite statutory planning, building and environmental permits, licences and/or approvals in respect of the construction works from the competent authority or authorities in the Project Country controlling construction works have been obtained.

ARTICLE VI

Particular Conditions

Section 6.01 **Execution of Project.** (a) Except as the Bank may otherwise agree, the Borrower shall:

- (i) execute the Project through the Executing Agency;

- (ii) make the resources of the Loan available to the Executing Agency for the purpose of implementation of the Project; and
 - (iii) take all necessary steps to facilitate and ensure the performance by the Executing Agency of its obligations under this Loan Agreement.
- (b) The Borrower and the Executing Agency shall, for the duration of the Project:
- (i) carry out the Project at all times with due diligence and efficiency, with management personnel whose qualifications and experience are acceptable to the Bank, and in accordance with sound technical, environmental, financial and managerial standards and practices;
 - (ii) institute and maintain organisational, administrative, accounting and auditing arrangements, acceptable to the Bank, for the Project; and
 - (iii) provide such administrative and other support as may be necessary to ensure the successful completion of the Project, including the collection and storage of, and provision of access to, all existing maps, reports, drawings, studies and any other relevant documents.

Section 6.02 **Establishment of Project Steering Committee.** The Borrower shall establish and, for the duration of the Project, maintain a PSC with the composition and functions set out in Schedule 4.

Section 6.03 **Designation of Project Coordinator.** (a) The Executing Agency shall designate as PC, a person with qualifications and experience acceptable to the Bank, who shall have the day-to-day responsibility for coordinating the Project, including supervision of consultants, arranging contacts with all relevant personnel for Project related discussions, and other matters, in accordance with the responsibilities as set out at Schedule 5.

(b) The qualifications and experience of any person subsequently designated or appointed to the position of PC shall be acceptable to the Bank.

Section 6.04 **Engagement of Engineering Consultants.** (a) The Executing Agency shall select and engage consultants whose qualifications and experience are acceptable to the Bank, to undertake the engineering services required during implementation of the Project, including providing the services set out in Schedule 6.

(b) No change shall be made to the appointment of the Engineering Consultants without the prior approval in writing of the Bank.

Section 6.05 **Engagement of Consultants.** The Executing Agency shall, in accordance with the procurement procedures applicable to the Loan, select and engage competent and experienced consultants to provide the services outlined in Schedule 7.

Section 6.06 **Engagement of Contractors.** The Executing Agency shall, in accordance with the procurement procedures applicable to the Loan, select and engage competent and experienced contractors to carry out the construction works financed from the Loan.

Section 6.07 **Assignment of Counterpart Staff.** The Executing Agency shall assign additional counterpart staff, as required, during implementation for the purposes of the Project.

Section 6.08 **Implementation of Recommendations.** Except as the Bank may otherwise agree, the Borrower shall, within a time-frame acceptable to the Bank, implement such of the recommendations arising out of the consultancies set out at Schedule 7 and Schedule 8, as may be acceptable to the Bank.

Section 6.09 **Maintenance.** The Borrower shall keep the works financed from the Loan, or cause the same to be kept, in good repair and condition and shall provide the necessary resources to adequately carry out maintenance of the works.

Section 6.10 **Additional Funds.** For the purpose of Section 7.05 of the General Provisions, the estimated cost of the Project is twenty million eight hundred and seventy-one thousand dollars (BBD20,871,000).

Section 6.11 **Borrower's and Executing Agency's Contribution to the Project.** (a) Without prejudice to the provisions of Section 7.05 of the General Provisions, the Borrower and/or the Executing Agency shall contribute to the Project an amount not exceeding six million six hundred and seventeen thousand dollars (BBD6,617,000).

(b) Except as the Bank may otherwise agree, the contribution which the Borrower is required to make to the Project in accordance with paragraph (a) of this Section shall be expended by the Borrower in a timely manner on the components of the Project designated for financing by the Borrower as shown in the Financing Plan, up to the respective limits shown therein.

Section 6.12 **Reports and Information.** Without prejudice to the provisions of paragraph (c) of Section 7.01 of the General Provisions, except as the Bank may otherwise agree, the Executing Agency shall furnish or cause to be furnished to the Bank, the reports and/or other information specified in Schedule 9 in the form specified therein, or in such form or forms as the Bank may require, not later than the times specified therein.

ARTICLE VII

Cancellation and Suspension

Section 7.01 **Cancellation by the Bank.** The date referred to in sub-paragraph (iii) of Section 8.03 of the General Provisions is, May 31, 2018 or such later date as may be specified in writing by the Bank.

ARTICLE VIII

Miscellaneous

Section 8.01 Addresses for Service. The following addresses are specified for the purpose of Section 12.03 of the General Provisions:

For the Bank:

Caribbean Development Bank
Wildey
St. Michael
BARBADOS, W.I.

Telefax: (246) 426-7269

For the Borrower:

Ministry of Finance and Economic Affairs
Government Headquarters
Bay Street
St. Michael
BARBADOS, W.I.

Telefax: (246) 535-5628

For the Executing Agency:

Barbados Tourism Investment Inc.
Ground Floor Old Town Hall Building
Cheapside
St. Michael
BARBADOS, W.I.

Telefax: (246) 426-7086

SCHEDULE 1

(Section 1.01)

CARIBBEAN DEVELOPMENT BANK

GENERAL PROVISIONS APPLICABLE TO PUBLIC SECTOR
LOAN AGREEMENTS WITH AN EXECUTING AGENCY

DATED: June 30, 1995

CARIBBEAN DEVELOPMENT BANK
GENERAL PROVISIONS APPLICABLE TO PUBLIC SECTOR
LOAN AGREEMENTS WITH AN EXECUTING AGENCY

Dated: June 30, 1995

TABLE OF CONTENTS

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Article I	<u>Application of General Provisions, Inconsistency with Loan Agreement</u>	
Section 1.01	Application of General Provisions	1
Section 1.02	Inconsistency with Loan Agreement	1
Article II	<u>Definitions, References, Headings</u>	
Section 2.01	Definitions.....	1
Section 2.02	References.....	3
Section 2.03	Table of Contents and Headings	3
Article III	<u>Loan Account, Repayment, Interest, Commission, Commitment Charge, Other Charges and Payments</u>	
Section 3.01	Loan Account.....	4

TABLE OF CONTENTS

(Cont'd)

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Section 3.02	Repayment	4
Section 3.03	Interest.....	4
Section 3.04	Commission.....	5
Section 3.05	Commitment Charge	5
Section 3.06	Other Charges and Interest on Overdue Payments	5
Section 3.07	Computation of Interest, Commission and Commitment Charge	5
Section 3.08	Advance Payments	5
Section 3.09	Overdue Payments	5
Section 3.10	Place and Application of Payments.....	6
Section 3.11	Payments by the Executing Agency on behalf of the Borrower	6

TABLE OF CONTENTS
(Cont'd)

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Article IV	<u>Withdrawal of Loan</u>	
Section 4.01	Withdrawal and Application of Loan.....	7
Section 4.02	Special Commitments	7
Section 4.03	Period of Disbursement.....	7
Section 4.04	Procurement	7
Section 4.05	Goods and Services to be used exclusively in carrying out the Project	8
Section 4.06	Request for Withdrawal or Special Commitment.....	8
Section 4.07	Authorisation of Requests for Withdrawals	9
Section 4.08	Documentation of Requests for Withdrawals.....	9
Section 4.09	Application and Documents to satisfy Bank	9
Section 4.10	Payments to Executing Agency.....	9
Section 4.11	Withdrawal and Deduction of Interest, Commission, Commitment Charge and Other Charges	9

TABLE OF CONTENTS
(Cont'd)

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Article V	<u>Currency Provisions</u>	
Section 5.01	Currencies in which Withdrawals may be made	9
Section 5.02	Currency in which Principal is Repayable	10
Section 5.03	Currencies in which Commitment Charge, Interest, Commission and Other Charges are Payable	10
Section 5.04	Exchange Control Permission	10
Section 5.05	Purchase of Currencies.....	10
Section 5.06	Valuation of Currencies	11
Article VI	<u>Conditions Precedent to First Disbursement</u>	
	Section 6.01	11
Article VII	<u>Particular Covenants</u>	
Section 7.01	Records, Accounts and Information	12
Section 7.02	Cooperation between the Bank, the Borrower and the Executing Agency	13

TABLE OF CONTENTS

(Cont'd)

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Section 7.03	Taxes.....	14
Section 7.04	Priority of Loan.....	14
Section 7.05	Additional Funds.....	15
Section 7.06	Maintenance of Insurance	15
Section 7.07	Transfer or Assignment of Loan Agreement or Loan.....	16
Article VIII	<u>Cancellation and Suspension</u>	
Section 8.01	Cancellation by Borrower	16
Section 8.02	Suspension by Bank.....	16
Section 8.03	Cancellation by the Bank	18
Section 8.04	Amounts subject to Special Commitment not affected by Cancellation or Suspension by the Bank.....	19
Section 8.05	Effectiveness of Provisions after Cancellation or Suspension	20

TABLE OF CONTENTS
(Cont'd)

<u>Article Number</u>	<u>Title</u>	<u>Page</u>
Article IX	<u>Events of Default</u>	
	Section 9.01	20
Article X	<u>Termination</u>	
	Section 10.01	22
Article XI	<u>Enforceability</u>	
	Section 11.01	22
Article XII	<u>Miscellaneous</u>	
	Section 12.01	23
	Section 12.02	23
	Section 12.03	23
	Section 12.04	23
	Section 12.05	23
Article XIII	<u>Arbitration</u>	
	Section 13.01	24

CARIBBEAN DEVELOPMENT BANK

GENERAL PROVISIONS APPLICABLE TO PUBLIC SECTOR
LOAN AGREEMENTS WITH AN EXECUTING AGENCY

DATED: June 30, 1995

ARTICLE I

**Application of General Provisions,
Inconsistency with Loan Agreement**

Section 1.01 Application of General Provisions. These General Provisions set forth certain terms and conditions generally applicable to loans made by the Bank and shall apply to Loan Agreements with an Executing Agency to such extent, and subject to such modifications, as may be provided in such Loan Agreements, provided however that, where there is no Guarantor, references in these General Provisions to Guarantor and Guarantee Agreement shall be disregarded.

Section 1.02 Inconsistency with Loan Agreement. If any provision of a Loan Agreement is inconsistent with a provision of these General Provisions, the provision of the Loan Agreement shall prevail.

ARTICLE II

Definitions, References, Headings

Section 2.01 Definitions. The following expressions have the following meanings wherever used in these General Provisions unless the context otherwise requires:

- (i) "Aid Donor(s)" means such of the Donors or Lenders to the Bank which may be providing financing through the Bank for the Project;
- (ii) "Bank" means the Caribbean Development Bank;

- (iii) "Borrower" means the party to the Loan Agreement to which the Bank has agreed to make the Loan;
- (iv) "Closing Date" means the date referred to in Section 4.03;
- (v) "Due Dates" means the dates specified in the Loan Agreement for payment of instalments of the Principal and the interest (excluding interest payable pursuant to Section 3.09), commission, commitment charge and other charges in respect of the Loan;
- (vi) "Executing Agency" means the party to the Loan Agreement, other than the Borrower, to which the execution of the Project is entrusted;
- (vii) "Guarantee Agreement" means the agreement between the Guarantor and the Bank whereby the Guarantor guarantees the payment of the instalments of the Principal and the interest, commission, commitment charge and other charges in respect of the Loan, as such agreement may be amended from time to time, and includes all agreements amending such agreement or supplemental thereto and all schedules to such agreement;
- (viii) "Guarantor" means the party to the Guarantee Agreement which is the member of the Bank guaranteeing the payment of the instalments of the Principal and the interest, commission, commitment charge and other charges in respect of the Loan;
- (ix) "interest" means interest payable pursuant to Sections 3.03 and 3.09;
- (x) "Loan" means the loan provided for in the Loan Agreement and includes portions of the loan which are separately provided for in the Loan Agreement;
- (xi) "Loan Account" means the account referred to in Section 3.01;
- (xii) "Loan Agreement" means the agreement between the Bank and the Borrower providing for the Loan, to which some or all of these General Provisions shall have been made applicable, as such agreement may be amended from time to time, and includes such of these General

Provisions as thus made applicable thereto, all agreements amending such agreement or supplemental thereto and all schedules to such agreement;

- (xiii) "other charges" means expenditure incurred by the Bank for or in connection with the remittance by the Bank of amounts withdrawn from the Loan Account, the purchase by the Bank of any currency needed by the Bank for payment to itself of interest, commission, commitment charge, and/or other charges in accordance with Section 4.11 and the establishment or modification of Letters of Credit pursuant to Section 4.02, and amounts agreed to be paid by the Executing Agency to the Bank for or in connection with other special commitments entered into by the Bank in accordance with Section 4.02;
- (xiv) "Principal" means the amount withdrawn from the Loan Account and outstanding from time to time;
- (xv) "Project" means the project or programme for which the Loan is granted, as described in the Loan Agreement and as such description may be amended from time to time;
- (xvi) "Project Country" means the country specified in the Loan Agreement being the country of a member of the Bank in which the Project is located or in which the Borrower or the Executing Agency is directing the operations of, and implementing, the Project; and
- (xvii) "Taxes" includes imposts, levies, fees and duties of any nature in effect at the date of the Loan Agreement or Guarantee Agreement and thereafter.

Section 2.02 References. References in these General Provisions to Articles or Sections are to Articles or Sections of these General Provisions and reference to the singular shall include the plural and vice versa unless the context otherwise requires.

Section 2.03 Table of Contents and Headings. The Table of Contents and the headings of the Articles and Sections are inserted for convenience of reference only and are not a part of these General Provisions.

ARTICLE III

**Loan Account, Repayment, Interest, Commission,
Commitment Charge, Other Charges and Payments**

Section 3.01 Loan Account. The Bank shall open a Loan Account in its books in the name of the Borrower. The amount of the Loan shall be credited to the Loan Account and may be withdrawn therefrom as provided, and subject to the rights of cancellation and suspension set out, in the Loan Agreement and in these General Provisions.

Section 3.02 Repayment. (a) The Borrower shall repay the amount withdrawn from the Loan Account in the manner specified in the Loan Agreement. The Bank shall provide the Borrower and the Executing Agency with particulars of the repayments before the Due Date for the first repayment.

(b) Without prejudice to the provisions of Article IX, if there shall have been a cancellation, pursuant to Section 8.01 or Section 8.03, of such amount of the Loan as in the Bank's opinion is substantial and the Project has not been completed, the Borrower shall repay the Principal or, where portions of the Loan are separately provided for in the Loan Agreement, the amount of each portion of the Loan withdrawn from the Loan Account credited with such portion and outstanding, in such fewer instalments than those specified in the Loan Agreement as the Bank may specify in writing not exceeding such portion of the number of such instalments to the nearest whole number as the Principal bears to the Loan or the amount of each portion of the Loan withdrawn from the Loan Account credited with such portion and outstanding bears to such portion, as the case may be.

Section 3.03 Interest. (a) The Borrower shall pay interest on the Principal at the rate provided for in the Loan Agreement, except as otherwise provided in Section 3.09. Such interest shall accrue from the respective dates on which amounts shall be withdrawn from the Loan Account and shall be payable on the Due Dates, the first payment being due and payable on the first Due Date after the date of the first disbursement of the Loan.

(b) The Bank may from time to time increase or decrease the rate of interest for the time being payable on any amount of the Loan which is being lent from the Ordinary Capital Resources of the Bank to take effect on the day after the first Due Date after June 30 and/or December 31 in any year, or on such other date or dates as the Bank may specify in writing from time to time.

Section 3.04 Commission. The Borrower shall pay to the Bank a commission on the Principal at the rate provided for in the Loan Agreement, except as otherwise provided in Section 3.09. Such commission shall accrue from the respective dates on which amounts shall be withdrawn from the Loan Account and shall be payable on the Due Dates, the first payment being due and payable on the first Due Date after the date of the first disbursement of the Loan.

Section 3.05 Commitment Charge. The Borrower shall pay to the Bank a commitment charge on the amount unwithdrawn from the Loan Account from time to time at the rate specified in the Loan Agreement. Except as the Bank may otherwise specify in writing, such commitment charge shall accrue from the date specified in the Loan Agreement to the respective dates on which amounts shall be withdrawn from the Loan Account or shall be cancelled and shall be payable on the Due Dates, the first payment being due and payable on the first Due Date after the date on which such charge shall accrue.

Section 3.06 Other Charges and Interest on Overdue Payments. Other charges due by the Borrower to the Bank and interest payable under Section 3.09 shall be payable on demand, except as otherwise provided in Section 3.10.

Section 3.07 Computation of Interest, Commission and Commitment Charge. Interest, commission and commitment charge shall be computed daily on the basis of a 360-day year of twelve (12) 30-day months.

Section 3.08 Advance Payments. The Borrower shall have the right, upon payment of all overdue Principal and all accrued interest, commission, commitment charge and other charges and upon not less than forty-five (45) days' notice to the Bank, to repay as of a date acceptable to the Bank in advance of maturity any portion of the Principal, provided however that, unless otherwise agreed, such early repayment shall not interfere with the repayment in the regular course of the Principal, but shall have the effect only of accelerating repayment of the Principal and the particulars of the repayments to be provided pursuant to Section 3.02 shall be amended accordingly.

Section 3.09 Overdue Payments. (a) In case the Borrower fails to pay any portion of the Principal, interest (excluding interest payable under this Section), commission, commitment charge and/or other charges due and payable under the Loan Agreement, but without prejudice to the provisions of Articles VIII and IX, the Borrower shall pay to the Bank interest on such overdue Principal, interest, commission, commitment charge

and/or other charges at such rate or rates of interest per annum as shall be applicable thereto as provided in paragraph (b) of this Section, for a period from the day immediately succeeding the Due Date for such overdue payment or payments to the day of actual payment thereof (both dates inclusive) if the Borrower fails to pay any portion of such overdue payment or payments within the period of twenty-one (21) days after the Due Date for such overdue payment or payments.

(b) The rate of interest per annum payable on the amount of an overdue payment, or, if there be more than one, of the aggregate of all overdue payments outstanding from time to time shall be such rate as the Bank shall specify in writing from time to time being equivalent to one per cent (1%) above the aggregate rates of interest and commission, if any, payable on the Loan on the day immediately succeeding the Due Date or Due Dates for such overdue payment or payments and each Due Date thereafter until payment in full of such overdue payment or payments.

(c) The rate or rates of interest payable on an overdue payment of Principal under this Section shall be in lieu of the rate or rates of interest and commission, if any, payable on the Loan.

Section 3.10 Place and Application of Payments. (a) The Principal and the interest, commission, commitment charge and other charges in respect of the Loan shall be paid at such place or places as the Bank may reasonably request.

(b) All payments shall be applied firstly to any interest payable under Section 3.09, then to any commitment charge and other charges due and payable, then to any interest (excluding interest payable under Section 3.09) and commission due and payable, then to any Principal due and payable.

Section 3.11 Payments by the Executing Agency on behalf of the Borrower. (a) Without in any way derogating from the obligations of the Borrower under Sections 3.02, 3.03, 3.04, 3.05, 3.07 and 3.09, all payments of Principal, interest, commission, commitment charge and other charges required to be made to the Bank by the Borrower under the Loan Agreement shall be made to the Bank by the Executing Agency on behalf of the Borrower out of the resources of the Executing Agency.

(b) If the Executing Agency fails to make any payment of Principal, interest, commission, commitment charge or other charges required to be made by the Executing Agency by paragraph (a) of this Section or fails to make any such payment in full, the Borrower shall promptly make the required payment or provide the Executing Agency with additional funds as are needed to make such payment.

ARTICLE IV Withdrawal of Loan

Section 4.01 Withdrawal and Application of Loan. (a) Subject to the provisions of the Loan Agreement, the Executing Agency shall be entitled on behalf of the Borrower to withdraw from the Loan Account amounts required for the purpose of the Project but, except with the agreement of the Bank, no withdrawals shall be made on account of expenditures incurred before the date of the Loan Agreement.

(b) The amount withdrawn from the Loan Account shall be applied for the purpose of the Project in accordance with the provisions of the Loan Agreement and of these General Provisions.

Section 4.02 Special Commitments. At the request of the Executing Agency and upon such terms and conditions as may be agreed upon between the Bank and the Executing Agency, the Bank may enter into special commitments in writing to pay amounts to the Executing Agency or others in respect of the cost of goods and services to be financed out of the amount withdrawn from the Loan Account notwithstanding any subsequent suspension or cancellation.

Section 4.03 Period of Disbursement. The Loan may be disbursed up to the date specified in the Loan Agreement or such later date as may be specified in writing by the Bank.

Section 4.04 Procurement. (a) Any goods and services required for carrying out the Project shall, if they are to be financed out of an amount of the Loan,

- (i) be procured in accordance with the procedures outlined in the Bank's "Procedures for Selection and Engagement of Consultants by Recipients of CDB Financing" and "Guidelines for Procurement" as are in effect on the date of the Loan Agreement and as the same may be

amended from time to time by the Bank or in accordance with such other procedures as may be specified in writing by the Bank;

- (ii) except as provided in the procedures referred to in sub-paragraph (i) of this paragraph, have their source and origin in and be procured from only the member countries of the Bank, all of which are specified in the Annex to these General Provisions, and such other countries as may be specified in, or pursuant to, the Loan Agreement.

(b) The Executing Agency undertakes that, in the procurement of goods and services for the Project, all necessary measures will be taken to ensure that the construction and service contracts and all purchases of goods financed out of an amount of the Loan will be made at a reasonable cost which will generally be the lowest market price taking into account time of delivery, quality, efficiency, reliability of the goods and availability of maintenance facilities and spare parts therefor and, in the case of services, of their quality and the competence of the parties rendering them.

Section 4.05 Goods and Services to be used exclusively in carrying out the Project. Except as the Bank may otherwise agree, the Executing Agency shall cause all goods and services financed out of an amount withdrawn from the Loan Account to be used exclusively in carrying out the Project.

Section 4.06 Request for Withdrawal or Special Commitment. When the Executing Agency desires to withdraw any amount from the Loan Account, or to request the Bank to enter into a special commitment pursuant to Section 4.02, the Executing Agency shall deliver to the Bank a written application in such form and containing such statements and agreements as the Bank shall reasonably request. Applications for withdrawal with the necessary documentation as hereinafter in this Article provided shall be made promptly in relation to expenditures for the Project.

Section 4.07 Authorisation of Requests for Withdrawals. The Executing Agency shall furnish to the Bank evidence of the authority of the person or persons authorised to sign applications for withdrawal and the authenticated specimen signature of such person or persons.

Section 4.08 Documentation of Requests for Withdrawals. The Executing Agency shall furnish to the Bank such documents and other evidence in support of the application as the Bank shall reasonably request, whether before or after the Bank shall have permitted any withdrawal requested in the application.

Section 4.09 Application and Documents to satisfy Bank. Each application and the accompanying documents and other evidence must be sufficient in form and substance to satisfy the Bank that the Executing Agency is entitled on behalf of the Borrower to withdraw from the Loan Account the amount applied for and that the amount to be withdrawn from the Loan Account has been or will be used for the purposes specified in the Loan Agreement.

Section 4.10 Payments to Executing Agency. Payment by the Bank to the Executing Agency on behalf of the Borrower of amounts which the Executing Agency is entitled on behalf of the Borrower to withdraw from the Loan Account shall be made to or on the order of the Executing Agency.

Section 4.11 Withdrawal and Deduction of Interest, Commission, Commitment Charge and Other Charges. The Bank shall be entitled, but not obligated, to withdraw from the Loan Account, when allocated for financing by the Bank, without the necessity of an application for withdrawal by the Executing Agency, or deduct from any disbursement to, or on behalf of, the Executing Agency under the Loan Agreement, and pay to itself interest, commission, commitment charge and/or other charges due and payable under the Loan Agreement, and the Bank shall promptly notify the Borrower and the Executing Agency in writing of such withdrawal or deduction. Each such withdrawal from the Loan Account shall be deemed to be a disbursement of a portion of the Loan to the extent of the amount and as of the date, of such withdrawal.

ARTICLE V

Currency Provisions

Section 5.01 Currencies in which Withdrawals may be made. Except as the Bank and the Executing Agency may otherwise agree, withdrawals from the Loan Account shall be made in the respective currencies in which the expenditures to be financed out of the Loan have been paid or are payable or in such other currency or currencies available to the Bank as the Bank may reasonably determine.

Section 5.02 Currency in which Principal is Repayable. (a) Any amount withdrawn from the Loan Account which is being lent from that portion of the Special Development Fund of the Bank subject to the Rules adopted by the Board of Directors of the Bank in May, 1983, as the same may be amended from time to time by the Bank, shall be repayable in United States dollars.

(b) Except as provided in paragraph (a) of this Section or as the Bank may otherwise specify in writing, the amount withdrawn from the Loan Account shall be repayable in the several currencies withdrawn from the Loan Account and the amount repayable in each currency shall be the amount withdrawn in that currency, provided that, if a withdrawal shall have been made in any currency which the Bank shall have purchased with another currency for the purpose of such withdrawal, the amount so withdrawn shall be repayable in such other currency and the amount so repayable shall be the amount paid by the Bank on such purchase.

(c) The portion of the amount withdrawn from the Loan Account to be repaid in a particular currency shall be repayable in such instalments as the Bank shall from time to time specify provided that the amount to be repaid on each Due Date shall remain as set out in the particulars of repayments to be provided under Section 3.02.

Section 5.03 Currencies in which Commitment Charge, Interest, Commission and Other Charges are Payable. The Commitment Charge shall be payable in United States dollars, interest and commission on any portion of the amount withdrawn from the Loan Account shall be payable in the currency or currencies in which such portion of the amount withdrawn from the Loan Account is repayable, interest payable under Section 3.09 shall be payable in the currency or currencies in which the overdue payment is payable and other charges shall be payable in the currency or currencies utilised by the Bank for such other charges.

Section 5.04 Exchange Control Permission. The obligation to obtain any requisite exchange control permission shall be that of the Borrower and the Executing Agency.

Section 5.05 Purchase of Currencies. The Bank will, at the request of the Borrower or the Executing Agency and on such terms and conditions as the Bank shall determine, use its best efforts to purchase any currency needed by the Borrower or the Executing Agency for payment of Principal, interest, commission, commitment charge and other charges required under the Loan Agreement upon payment by the Borrower or the Executing Agency of sufficient funds therefor in such currency or currencies to be specified by the Bank

from time to time. In purchasing the currencies required, the Bank shall be acting as agent of the Borrower or the Executing Agency, as the case may be, and the Borrower or the Executing Agency, as the case may be, shall be deemed to have made any payment required under the Loan Agreement only when and to the extent that the Bank has received such payment in the currency or currencies required.

Section 5.06 Valuation of Currencies. Whenever it shall be necessary to determine the value of one currency in terms of another, such value shall be as reasonably determined by the Bank.

ARTICLE VI

Conditions Precedent to First Disbursement

Section 6.01 (a) The Borrower shall, by the date referred to in Section 8.03 (i), furnish or cause to be furnished to the Bank:

- (i) the Guarantee Agreement in form and substance acceptable to the Bank;
- (ii) evidence, acceptable to the Bank, that the Borrower, if it is not a member of the Bank, and the Executing Agency are legally established;
- (iii) one or more opinions, satisfactory to the Bank, of a legal practitioner, acceptable to the Bank, showing that:
 - (aa) the Borrower, if it is not a member of the Bank, and the Executing Agency are legally established and have the legal capacity to contract the obligations assumed in the Loan Agreement and to fully execute the Project;
 - (bb) the Borrower and the Executing Agency have complied with all the necessary requirements under the Constitution of the Project Country and under the Laws and Regulations in force therein in order to enter into the Loan Agreement; and

- (cc) the Loan Agreement has been duly authorised by and executed and delivered on behalf of the Borrower and the Executing Agency and constitutes a valid and legally binding obligation in accordance with all of its terms;
 - (iv) proof, satisfactory to the Bank, that the person or persons who signed the Loan Agreement on behalf of the Borrower and the Executing Agency were legally empowered to do so;
 - (v) evidence, acceptable to the Bank, that the Borrower and the Executing Agency have designated one or more representatives to represent them in all acts regarding the implementation of the Loan Agreement and the authenticated specimen signature of the said representative or representatives; and
 - (vi) evidence, acceptable to the Bank, that the Executing Agency has authorised one or more persons to sign applications for withdrawals in accordance with Section 4.07 and the authenticated specimen signature of the person or persons so authorised.
- (b) Except as the Bank may otherwise agree, the Bank shall not be obliged to make the first disbursement of the Loan until the requirements of paragraph (a) of this Section, as amplified by the Loan Agreement, have been complied with to the entire satisfaction of the Bank and the Aid Donor(s) shall have authorised withdrawals for the Project, if necessary.

ARTICLE VII

Particular Covenants

Section 7.01 Records, Accounts and Information. (a) The Executing Agency shall maintain records and accounts adequate to reflect in accordance with consistently maintained sound accounting practice the operations and financial condition of the Executing Agency and in particular, but without prejudice to the generality of the foregoing provision, adequate to identify the goods and services financed out of the amount withdrawn from the Loan Account, to disclose the use thereof in the Project, to show the expenditures of the amount withdrawn from the Loan Account and to record the progress of the Project (including the cost thereof). The Executing Agency shall maintain such accounts and records relating to the Project to the

satisfaction of the Bank and such records and accounts shall be kept separately and distinct from the records and accounts of the other operations of the Executing Agency.

(b) The Executing Agency shall:

- (i) have its accounts and financial statements (balance sheets, statements of income and expenditure and related statements) for each fiscal year audited by independent auditors acceptable to the Bank in accordance with sound auditing principles consistently applied;
- (ii) furnish to the Bank, as soon as available, but in any case not later than six (6) months after the end of each such year, certified copies of its audited financial statements for such year and an audit report by the said auditors of such scope and in such detail as the Bank may reasonably request; and
- (iii) furnish to the Bank such other information concerning its accounts and financial statements and the audit thereof as the Bank may from time to time reasonably request.

(c) The Executing Agency shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request concerning the expenditures of the amount withdrawn from the Loan Account, the Project, the benefits to be derived therefrom, the administration and operations of the Project and the financial condition of the Executing Agency.

(d) The authorised representatives of the Bank and the Aid Donor(s) shall be entitled to inspect the goods financed out of the amount withdrawn from the Loan Account, the sites, works, plant and construction included in the Project, the operation thereof and any records, documents and accounts of the Project and for that purpose to enter any lands, buildings, erections or facilities owned or occupied by the Borrower or the Executing Agency. The Borrower and the Executing Agency will provide such representatives with all reasonable opportunities and facilities for this purpose.

Section 7.02 Cooperation between the Bank, the Borrower and the Executing Agency. (a) The Bank, the Borrower and the Executing Agency shall cooperate fully to ensure that the purpose of the Loan will be accomplished. To that end, the Bank, the Borrower and the Executing Agency shall from time to time, at the

request of any such party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower and the Executing Agency of their respective obligations under the Loan Agreement and any other matters relating to the Project.

(b) The Borrower and the Executing Agency shall promptly inform the Bank of any condition which interferes, or threatens to interfere, with the accomplishment of the purpose of the Loan, the maintenance of the service thereof or the performance by the Borrower and the Executing Agency of their respective obligations under the Loan Agreement.

Section 7.03 Taxes. The Borrower shall pay, or cause to be paid, all taxes, if any, imposed under the laws in force in the Project Country in connection with the execution, issue, delivery or registration of the Loan Agreement, any instrument given as a requirement of the Loan Agreement (including securities and promissory notes), any transfer or assignment by the Bank pursuant to Section 7.07 and any agreement amending or supplemental to the Loan Agreement, any such instrument and any such transfer or assignment and all payments of Principal, interest, commission, commitment charge and other charges shall be made without deduction for, and free from, any taxes imposed under any such laws.

Section 7.04 Priority of Loan. (a) It is the mutual intention of the Borrower, if it is a member of the Bank, and the Bank that no external debt shall enjoy any priority over the Loan by way of lien on governmental assets.

(b) To that end, the Borrower, if it is a member of the Bank, undertakes that, except as the Bank may otherwise agree, if any lien shall be created by the Borrower on any governmental assets as security for any external debt, such lien will, *ipso facto*, and at no cost to the Bank, equally and ratably secure the payment of the Principal, interest, commission, commitment charge and other charges and that in the creation of any such lien express provision will be made to that effect. The Borrower, if it is a member of the Bank, shall promptly inform the Bank of the creation of any such lien.

(c) 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 (1) year after its date.
- (d) As used in this Section the term:
- (i) "external debt" means any debt payable by the Borrower in any medium other than the currency which at the time in question is legal tender in the Project Country whether such debt is payable absolutely or at the option of the creditor in such other medium; and
 - (ii) "governmental assets" means assets of the Project Country, if the Borrower is a member of the Bank, of any of its political sub-divisions, or of any agency of the Project Country, if the Borrower is a member of the Bank, or of any such political sub-division including an institution performing the functions of a central bank.
- (e) The Borrower, if it is not a member of the Bank or a political sub-division or agency of a member of the Bank or an enterprise in which equity participation by one or more members of the Bank or one or more agencies of such member or members of the Bank is a controlling one, undertakes that, except as the Bank may otherwise agree or as contemplated for the Project, no security which will rank prior to, or *pari passu* with, any security given as a requirement of the Loan Agreement shall, after the date of the Loan Agreement, be created or maintained on any of its property as security for any debts.

Section 7.05 Additional Funds. The Borrower and the Executing Agency shall provide promptly as necessary all funds in addition to the amount withdrawn from the Loan Account and all other resources required for the punctual and effective carrying out of the Project and, in particular, shall be responsible for meeting any amount by which the cost of the Project exceeds the estimated cost thereof as specified in the Loan Agreement.

Section 7.06 Maintenance of Insurance. (a) Except as otherwise specified in the Loan Agreement, the Executing Agency shall take out and maintain with responsible insurers, or make adequate arrangements acceptable to the Bank for, insurance against such risks and in such amounts as shall be consistent with sound business practice, and, without limitation upon the foregoing, such insurance shall cover marine, transit and other hazards incident to the acquisition, transportation and delivery of goods financed out of an amount

withdrawn from the Loan Account to the place of use or installation, any indemnity thereunder to be made payable in a currency freely usable by the Executing Agency to replace or repair such goods.

(b) The Executing Agency shall require any such insurers with which insurances in respect of any insurable property financed out of an amount withdrawn from the Loan Account and other insurable property are taken out and are to be maintained to give notice periodically to the Executing Agency and the Bank when such insurances are to be renewed and, in addition, advise the Bank immediately on each renewal date whether such insurances are renewed.

Section 7.07 Transfer or Assignment of Loan Agreement or Loan. The Bank shall be entitled to transfer or assign at any time to the Aid Donor(s) all or any of its right, title and interest in and under the Loan Agreement, and any instrument (including securities and promissory notes) given as a requirement of the Loan Agreement and in and to the whole or any part of all monies whatsoever due or to become due to the Bank thereunder. The Bank shall promptly inform the Borrower and the Executing Agency of any such transfer or assignment.

ARTICLE VIII

Cancellation and Suspension

Section 8.01 Cancellation by Borrower. The Borrower may by notice to the Bank cancel any amount of the Loan which the Executing Agency shall not have withdrawn prior to the giving of such notice, except that the Borrower may not so cancel any amount of the Loan in respect of which the Bank shall have entered into a special commitment pursuant to Section 4.02.

Section 8.02 Suspension by Bank. (a) If any of the following events shall have occurred and be continuing, the Bank may, by notice to the Borrower, the Guarantor and the Executing Agency, suspend in whole or in part the right of the Executing Agency to make withdrawals on behalf of the Borrower from the Loan Account:

- (i) The Borrower shall have failed to make payment (notwithstanding the fact that such payment may have been made by the Guarantor or a third party) of Principal, interest, commission, commitment charge or other charges under the Loan Agreement or any principal, interest,

- commission, commitment charge or other payment required under any other agreement between the Bank and the Borrower;
- (ii) The Guarantor shall have failed to make payment of Principal, interest, commission, commitment charge or other charges under the Guarantee Agreement or any principal, interest, commission, commitment charge or other payment required under any other agreement between the Bank and the Guarantor;
 - (iii) The Executing Agency shall have failed to make any payment of Principal, interest, commission, commitment charge or other payment under the Loan Agreement or any principal, interest, commission, commitment charge or other payment required under any other agreement between the Bank and the Executing Agency;
 - (iv) The Borrower, the Guarantor or the Executing Agency shall have failed to perform or observe any of its other obligations under the Loan Agreement or the Guarantee Agreement;
 - (v) A situation shall have arisen which shall make it improbable in the Bank's opinion that the Project can be carried out or that the Borrower, the Guarantor or the Executing Agency will be able to perform or observe any of its obligations under the Loan Agreement or the Guarantee Agreement;
 - (vi) Prior to the Closing Date, any material adverse change in the condition of the Borrower or the Executing Agency, as represented by the Borrower or the Executing Agency, shall have occurred;
 - (vii) A representation made by the Borrower, the Guarantor or the Executing Agency in or pursuant to the Loan Agreement or the Guarantee Agreement or any statement furnished in connection therewith and intended to be relied upon by the Bank in making the Loan shall have been incorrect in any material respect;
 - (viii) The Borrower, if it is a member of the Bank, or the Guarantor shall have withdrawn or been suspended from membership in, or ceased to be a member of, the Bank;

- (ix) The right of the Borrower, the Guarantor or the Executing Agency to make withdrawals under any other agreement with the Bank shall have been suspended in whole or in part by the Bank;
- (x) The right of the Bank to receive funds for the Project from the Aid Donor(s) shall have been suspended in whole or in part or shall have terminated;
- (xi) A situation shall have arisen whereby, in the Bank's opinion, any withdrawal or further withdrawal from the Loan Account will cause the Bank to exceed any of the lending limits of the Bank, established by the Board of Directors of the Bank from time to time;
- (xii) Any event specified in subparagraph (vii) of Section 8.03 and sub-paragraphs (iv), (vi), (vii), (viii), (ix), (x), (xi) and (xii) of Section 9.01 shall have occurred; or
- (xiii) Any other event specified in the Loan Agreement for the purpose of this Section shall have occurred.

(b) The right of the Executing Agency to make withdrawals on behalf of the Borrower from the Loan Account shall continue to be suspended in whole or in part, as the case may be, until the event or events which gave rise to such suspension shall have ceased to exist or until the Bank shall have notified the Borrower and the Executing Agency that the right to make withdrawals shall be restored, whichever is earlier, but, in case of any such notice of restoration, the right to make withdrawals shall be restored only to the extent and subject to the conditions specified in such notice, and no such notice shall affect or impair any right, power or remedy of the Bank in respect of any other or subsequent event described in this Section.

Section 8.03 Cancellation by the Bank. If any of the following events shall occur, then at any time thereafter the Bank may by notice to the Borrower, the Guarantor and the Executing Agency terminate the right of the Executing Agency to make withdrawals on behalf of the Borrower from the Loan Account or with respect to any amount of the Loan, as the case may be, and, upon the giving of such notice, the amount of the Loan specified therein shall be cancelled:

- (i) The Borrower shall have failed to comply with the conditions set out in Section 6.01 (a), as amplified by the Loan Agreement, by the sixtieth (60th) day after the date of the Loan Agreement, or such later date as may be specified in writing by the Bank;
- (ii) In the opinion of the Bank, it is improbable that any requirement specified in or pursuant to Section 6.01 (b) or any condition to be fulfilled in meeting any such requirement will be satisfied;
- (iii) By the date referred to in the Loan Agreement, the Bank has not received any application for withdrawal from the Loan Account or for Special Commitment in accordance with Article IV, or all applications received by that date shall not have been acceptable to the Bank;
- (iv) The right of the Executing Agency to make withdrawals from the Loan Account shall have been suspended with respect to any amount of the Loan for a continuous period of thirty (30) days;
- (v) At any time the Bank determines, after consultation with the Borrower and the Executing Agency, that an amount of the Loan will not be required to finance the Project's cost to be financed out of the Loan;
- (vi) After the Closing Date an amount of the Loan remains unwithdrawn from the Loan Account;
or
- (vii) The Bank shall have received notice from the Guarantor pursuant to Section 3.05 of the General Provisions applicable to Guarantee Agreements with respect to any amount of the Loan.

Section 8.04 Amounts subject to Special Commitment not affected by Cancellation or Suspension by the Bank. No cancellation or suspension by the Bank shall apply to amounts subject to any special commitment entered into by the Bank pursuant to Section 4.02.

Section 8.05 Effectiveness of Provisions after Cancellation or Suspension. Notwithstanding any cancellation or suspension, all the provisions of the Loan Agreement and of these General Provisions which shall have been made applicable thereto shall continue in full force and effect except as in this Article specifically provided.

ARTICLE IX
Events of Default

Section 9.01 If any of the following events shall occur and shall continue for the period specified, if any, then, at any subsequent time during the continuance thereof, the Bank, at its option, may by notice to the Borrower, the Guarantor and the Executing Agency declare the Principal due and payable immediately together with interest, commission, commitment charge and other charges under the Loan Agreement and upon such declaration the Principal together with interest, commission, commitment charge and other charges under the Loan Agreement shall become due and payable immediately:

- (i) A default shall occur in the payment of Principal, interest, commission, commitment charge or other charges under the Loan Agreement and such default shall continue for a period of thirty (30) days;
- (ii) A default shall occur in the payment of Principal, interest, commission, commitment charge or other charges under the Guarantee Agreement and such default shall continue for a period of thirty (30) days;
- (iii) A default shall occur in the payment of principal, interest, commission, commitment charge or any other payment required under any other loan or guarantee agreement between the Bank and the Borrower and such default shall continue for a period of thirty (30) days;
- (iv) A default shall occur in the payment of principal, interest, commission, commitment charge or other charges under any loan or guarantee agreement between the Guarantor and the Bank under circumstances which would make it unlikely that the Guarantor would meet its

obligations under the Loan Agreement or the Guarantee Agreement and such default shall continue for a period of thirty (30) days;

- (v) A default shall occur in the performance or observance of any other obligation on the part of the Borrower, the Guarantor or the Executing Agency under the Loan Agreement or Guarantee Agreement, and such default shall continue for a period of sixty (60) days after notice thereof shall have been given by the Bank to the Borrower, the Guarantor and the Executing Agency;
- (vi) The Borrower, if it is not a member of the Bank, or the Executing Agency, shall have become unable to pay its debts as they mature or any action or proceeding shall have been taken by the Borrower, if it is not a member of the Bank, or the Executing Agency or by others whereby any of the property of the Borrower, if it is not a member of the Bank, or the Executing Agency shall or may be distributed among its creditors;
- (vii) The Borrower, if it is not a member of the Bank, or the Executing Agency, shall have taken or suffered any action for its reorganisation, liquidation or dissolution or the suspension of its operations, or a receiver or liquidator shall have been appointed of all or any part of its property;
- (viii) Any modification shall have been made in the purpose, nature or objectives, capital or assets of the Borrower, if it is not a member of the Bank, or the Executing Agency and particularly any substantial revision of the legislation establishing the Borrower, if it is not a member of the Bank and is established by legislation, or the Executing Agency, which may have a deleterious effect on the Project or on the purpose for which the Loan Agreement was entered into;
- (ix) The Borrower, the Guarantor or the Executing Agency shall have failed to fulfil any of its other obligations to the Bank whether arising under the agreement establishing the Bank or otherwise;

- (x) There shall have been a cancellation, pursuant to Section 8.01 or Section 8.03, of such an amount of the Loan as will make it improbable in the Bank's opinion that the Project can be carried out or that the Borrower or the Executing Agency will be able to perform or observe any of its obligations under the Loan Agreement;
- (xi) The Project shall have been discontinued or suspended without the prior approval of the Bank or the Borrower or the Executing Agency shall have suspended, or ceases or threatens to cease to carry on, the business contemplated in carrying out the Project; or
- (xii) Any other event specified in the Loan Agreement for the purpose of this Section shall have occurred and shall continue for the period, if any, specified in the Loan Agreement.

ARTICLE X

Termination

Section 10.01 Upon payment in full of the Principal and all interest, commission, commitment charge and other charges under the Loan Agreement, the Loan Agreement and all obligations of the parties thereunder shall forthwith terminate.

ARTICLE XI

Enforceability

Section 11.01 (a) Except as provided in paragraph (b) of this Section, the rights and obligations of the Bank, the Borrower and the Executing Agency under the Loan Agreement shall be valid and enforceable in accordance with its terms.

(b) If the Borrower is not a member of the Bank, the rights and obligations of the Bank, the Borrower and the Executing Agency under the Loan Agreement shall be construed and determined in accordance with the laws of the Project Country at the date of the Loan Agreement.

(c) Neither the Bank, the Borrower nor the Executing Agency shall be entitled in any proceeding under or pursuant to Article XIII to assert any claim that any provision of the Loan Agreement is invalid or unenforceable because of any provision of the agreement establishing the Bank or for any other reason.

ARTICLE XII

Miscellaneous

Section 12.01 All statements, reports, certificates, evidence, opinions, notices, communications and other documents or information furnished or given under the Loan Agreement shall be supplied or submitted in the English language without cost to the Bank.

Section 12.02 No failure or delay on the part of the Bank to exercise any right, power or privilege under the Loan Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under the Loan Agreement preclude any other or further exercise thereof or the exercise of any right, power or privilege.

Section 12.03 All notices and other communications required or permitted to be given or made under the Loan Agreement and any other agreement between any of the parties contemplated by the Loan Agreement shall be in writing. Any such notice or other communication shall be deemed to have been duly given or made when delivered by hand or mail or by telefax to the party to which it is required or permitted to be given or made at such party's address specified in the Loan Agreement or at such other address as such party may have designated by notice to the party giving such notice or making such communication.

Section 12.04 Subject to Article 42 of the agreement establishing the Bank, if the Borrower, being a member of the Bank, or the Guarantor ceases to be a member of the Bank, any amount due to it for its shares repurchased by the Bank shall be withheld so long as the Borrower or the Guarantor remains liable to the Bank in respect of the Loan. Such amount may, at the option of the Bank, be applied on any such liability as it matures.

Section 12.05 Subject to Article 46 of the agreement establishing the Bank, in the event of a distribution of the assets of the Bank, the Borrower, being a member of the Bank, or the Guarantor shall not be entitled to

receive its share in such distribution until it has settled its obligations to the Bank under the Loan Agreement or the Guarantee Agreement.

ARTICLE XIII

Arbitration

Section 13.01 (a) Any controversy between the parties to the Loan Agreement and any claim by any such party against any other such party arising under the Loan Agreement which shall not be determined by agreement between the parties shall be submitted to arbitration before an Arbitration Committee as hereinafter provided.

(b) The parties to such arbitration shall be the Bank on one side and the Borrower and the Executing Agency on the other side.

(c) The Arbitration Committee shall consist of three arbitrators appointed as follows:

One arbitrator shall be appointed by the Bank, another by the Borrower and the Executing Agency or, if they shall not agree, by the Borrower and a third (hereinafter called the umpire) shall be appointed by agreement between the parties, either directly or through their respective arbitrators. If the parties fail to agree on who shall be the umpire, he shall be appointed at the request of either party by the Secretary-General of the Caribbean Community. If either side fails to appoint an arbitrator, he shall be appointed by the Secretary-General of the Caribbean Community at the request of the other party. If either of the appointed arbitrators or the umpire is unwilling or unable to act or to continue to act in such capacity, his successor shall be appointed in the same manner as for the original appointment. The successor shall perform the same functions and shall have the same powers as his predecessor.

(d) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the remedy sought and the name of the arbitrator appointed by the party instituting such proceeding. Within thirty (30) days after the giving of such notice, the other party shall notify the party instituting the proceeding of the name of the arbitrator appointed by such other party.

(e) If within sixty (60) days after giving notice instituting the arbitration proceeding the parties shall not have agreed upon an umpire, either party may request the appointment of an umpire as provided in paragraph (c) of this Section. If within forty-five (45) days after becoming entitled to do so, neither party requests the appointment of an umpire as provided in paragraph (c) of this Section, the arbitration proceeding shall be deemed to have been abandoned.

(f) The Arbitration Committee shall convene in Barbados at such time and place as shall be fixed by the umpire. Thereafter the Arbitration Committee shall meet in Barbados or in the Project Country at such time and place as the Arbitration Committee shall determine.

(g) Subject to the provisions of this Section and except as the parties shall otherwise agree, the Arbitration Committee shall decide all questions relating to its competence and shall determine its procedure. All decisions of the Arbitration Committee shall be by a majority vote.

(h) The Arbitration Committee shall afford to both sides a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitration Committee shall constitute the award of the Arbitration Committee. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to the Loan Agreement. Each party shall abide by and comply with any such award rendered by the Arbitration Committee in accordance with the provisions of this Section.

(i) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as shall be required for the conduct of the arbitration proceedings. The Bank, the Borrower and the Executing Agency shall defray its own expenses in the arbitration proceedings. The costs of the Arbitration Committee shall be divided between and borne equally by the Bank on the one side and the Borrower and the Executing Agency on the other. Any question concerning the division of the costs of the Arbitration Committee or the procedure for payment of such costs shall be determined by the Arbitration Committee.

(j) The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the determination of any controversy between the parties to the Loan Agreement or any claim by any such party against another such party arising thereunder.

(k) If within thirty (30) days after the counterparts of the award shall be delivered to the parties the award shall not be complied with, any party may enter judgement upon or institute a proceeding to enforce the award in any court of competent jurisdiction against any other party, may enforce such judgement by execution or may pursue any other appropriate remedies against such other party for the enforcement of the award and the provisions of the Loan Agreement. Notwithstanding the foregoing, this Section shall not authorise any entry of judgement or enforcement of award against any party that is a member of the Bank except as such procedure may be available otherwise than by reason of the provisions of this Section.

(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 in the manner provided in Section 12.03. The parties to the Loan Agreement waive any and all other requirements for the service of any such notice or process.

(m) Notwithstanding the provisions of paragraph (j) of this Section, if the Borrower is not a member of the Bank, nothing in this Section shall be deemed to preclude any of the parties from exercising or instituting any legal or equitable action to enforce any right or claim arising out of or pursuant to any instrument given as a requirement of the Loan Agreement with respect to the repayment of the Principal and payment of interest, commission, commitment charge and other charges and submission to arbitration under this Section shall not be deemed to be a condition precedent or in any way prejudice such exercise or other enforcement of any such right or claim.

ANNEX

[Section 4.04 (a) (ii)]

MEMBERS OF THE BANK

Regional Members

1. Anguilla
2. Antigua and Barbuda
3. Bahamas - Commonwealth of The
4. Barbados
5. Belize
6. Brazil
7. British Virgin Islands
8. Cayman Islands
9. Colombia
10. Dominica - Commonwealth of
11. Grenada
12. Guyana - Co-operative Republic of
13. Haiti - Republic of
14. Jamaica
15. Mexico
16. Montserrat
17. Saint Kitts and Nevis
18. Saint Lucia
19. Saint Vincent and the Grenadines
20. Suriname – Republic of
21. Trinidad and Tobago - Republic of
22. Turks and Caicos Islands
23. Venezuela

Non-Regional Members

1. Canada
 2. China - The People's Republic of
 3. Germany
 4. Italy
 5. United Kingdom
-

SCHEDULE 2

{Section 1.03(a)(ii)}

THE PROJECT

1. The Project is the final portion of the upgrade of the Constitution River, the primary drainage channel through Bridgetown. The improvement works proposed will reduce the incidence of flooding in Bridgetown and will enhance public health by mitigating the threat of mosquito-borne diseases. The supporting technical assistance components will improve the sustainability of the investment through the development of a Constitution River maintenance plan, and the conduct of a Climate Vulnerability Assessment (CVA) of the Constitution River drainage catchment to explore upstream options for improving the resilience of the Project area to flooding.

2. The largest (in terms of cost) component of the Project is infrastructure works to increase the hydraulic capacity to the Constitution River. This component includes the dredging of the river channel to increase its depth, and the installation of boulders to protect the river banks. There are also three TA consultancies aimed at enhancing the sustainability of the infrastructure works and the drainage sector as a whole. The Project components are summarised as follows:

- (a) Pre-investment Study.
- (b) Infrastructure Works comprising:
 - (i) installation of rock armouring and dredging of approximately 450 metres (m) of the main drainage channel of the Constitution River between the James A. Tudor Roundabout and the Constitution River Bridge;
 - (ii) upgrading of the main drains connecting to the Constitution River;
 - (iii) construction of a maintenance access ramp and a small boat dock;
 - (iv) construction of wastewater collection infrastructure to address the wastewater currently being disposed of directly into Constitution River from the adjacent residences of Ellis Village; and
 - (v) landscape works of the perimeter area and other ancillary work;
- (c) TA comprising:
 - (i) capacity building of the Drainage Division;
 - (ii) preparation of a Constitution River Maintenance Plan; and
 - (iii) conduct of a CVA on the Constitution River Catchment.
- (d) Project management.
- (e) Engineering services.

Project Management

3. Project management will be undertaken by BTI. BTI has been effective in implementing several infrastructure projects which impact on the tourism sector of Barbados. These include drainage and river training works and urban rehabilitation infrastructure. BTI effectively implemented the upgrading of the first two phases of Constitution River, and was charged by GOBD with preparing this phase of the Project. BTI will assign counterpart staff, as required, to ensure the successful completion of the Project. CDB staff is satisfied that BTI has the project management and administrative capacity to execute the Project on behalf of GOBD. The capacity building component of the Project will be implemented through an ongoing programme which is being executed by the Ministry of Environment and Drainage. This component already has a project coordinator in place whose qualifications and experience are acceptable to CDB.

Implementation Schedule

4. The Project is projected to be implemented over a period of 38 months commencing from CDB's Board approval. Implementation of main construction works is estimated to take 16 months, commencing by July 1, 2018 and completed by October 31, 2019. A one-year retention period is expected. The proposed Project Implementation Schedule is presented in Appendix 2 to this Schedule. An Implementation Support Plan is set out at Appendix 3 to this Schedule.

PROJECT COST, PHASING AND FINANCING PLAN
(S'000)

ITEM	2015				2016				2017			
	CDB-OCR	CDB-GRANT	GOB/BTI	TOTAL	CDB-OCR	CDB-GRANT	GOB/BTI	TOTAL	CDB-OCR	CDB-GRANT	GOB/BTI	TOTAL
1. Pre-Investment study	0	0	144	144	0	0	388	388	0	0	0	0
2. Infrastructure works	0	0	0	0	0	0	0	0	4,023	0	0	4,023
3. Landscaping	0	0	0	0	0	0	0	0	106	0	0	106
4. TA - Capacity Building of the Drainage Division	0	0	0	0	0	0	0	0	0	0	2,394	2,394
5. TA - Constitution River Maintenance Plan	0	0	0	0	0	0	0	0	0	0	0	0
6. TA - Climate Vulnerability Study	0	0	0	0	0	0	0	0	0	0	0	0
7. Engineering Consultancy Services	0	0	380	380	0	0	329	329	0	0	188	188
8. Project Management	0	0	0	0	0	0	0	0	0	0	121	121
Base Cost	0	0	524	524	0	0	717	717	4,130	500	2,703	7,333
9. Physical Contingencies	0	0	38	38	0	0	33	33	826	0	264	1,090
Sub-Total	0	0	562	562	0	0	750	750	4,956	500	2,967	8,423
10. Price Contingencies	0	0	0	0	0	0	0	0	99	0	59	158
11. IDC and Commitment Charge	0	0	0	0	0	0	0	0	0	0	172	172
Total Financing	0	0	562	562	0	0	750	750	5,055	500	3,198	8,753
% Financing	0	0	100	100	0	0	100	100	58	6	37	100
USD Equivalent	0	0	281	281	0	0	375	375	2,527	250	1,599	4,377

^{1/} Physical Contingency applied as follows: 0% on item 1, 20% on items 2 & 3, 10% on items 4 - 7 and 5% on item 8

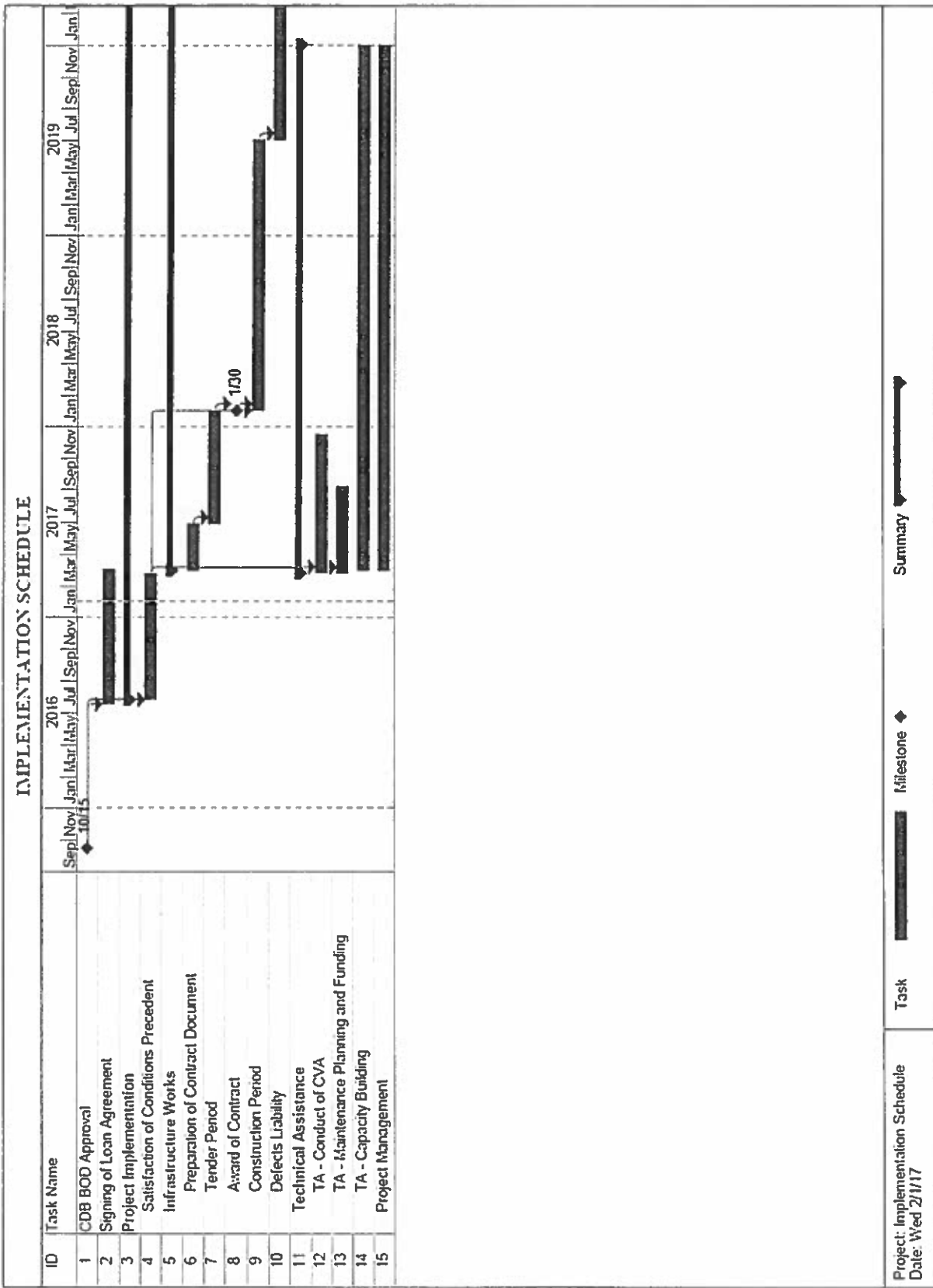
^{2/} Price Contingencies: 2% p.a. based on IMF inflation forecast for Barbados

PROJECT COST, PHASING AND FINANCING PLAN
(S'000)

ITEM	2018					2019					TOTALS				
	CDB- OCR	CDB - GRANT	GOB/ BTI	TOTAL		CDB- OCR	CDB - GRANT	GOB/ BTI	TOTAL		CDB- OCR	CDB - GRANT	GOB/ BTI	TOTAL	
1. Pre-Investment study	0	0	0	0		0	0	0	0		0	0	532	532	
2. Infrastructure works	6,018	0	0	6,018		528	0	0	528		10,569	0	0	10,569	
3. Landscaping	298	0	0	298		21	0	0	21		426	0	0	426	
4. TA - Capacity Building of the Drainage Division	0	0	0	0		0	0	0	0		0	0	2,394	2,394	
5. TA - Constitution River Maintenance Plan	100	0	0	100		0	0	0	0		100	0	0	100	
6. TA - Climate Vulnerability Study	0	0	0	0		0	0	0	0		0	500	0	500	
7. Engineering Consultancy Services	0	0	653	653		0	0	82	82		0	0	1,632	1,632	
8. Project Management	0	0	363	363		0	0	20	20		0	0	504	504	
Base Cost	6,415	0	1,016	7,431		550	0	102	652		11,095	500	5,062	16,657	
9. Physical Contingencies	1,273	0	83	1,357		110	0	9	119		2,209	0	428	2,637	
Sub-Total	7,689	0	1,099	8,788		660	0	111	771		13,304	500	5,490	19,293	
10. Price Contingencies	311	0	44	355		40	0	7	47		450	0	111	561	
11. IDC and Commitment Charge	0	0	386	386		0	0	458	458		0	0	1,016	1,016	
Total financing	7,999	0	1,530	9,529		700	0	575	1,276		13,754	500	6,617	20,871	
% Financing	84	0	16	100		55	0	45	100		66	2	32	100	
USD Equivalent	4,000	0	765	4,764		350	0	288	638		6,877	250	3,308	10,435	

¹ Physical Contingency applied as follows: 0% on item 1, 20% on items 2 & 3, 10% on items 4 - 7 and 5% on item 8

² Price Contingencies: 2% p.a. based on IMF inflation forecast for Barbados



SCHEDULE 3

[Section 4.03(b)]

PROCUREMENT PLAN

I. General

1. Project Information:

Country: Barbados
Borrower: GOBD
Project Name: Constitution River Flood Mitigation Project
Project Executing Agency: BTI

2. Bank's Approval Date of the Procurement Plan: October 15, 2015

II. Period Covered by this Procurement Plan: March 1, 2017 – May 31, 2018

III. Goods and Works and Non-Consulting Services

1. Prior Review Threshold: Procurement decision subject to prior review by the Bank as stated in Appendix 2 to the Guidelines for Procurement:

	Procurement Method	Prior Review Threshold	Comments
1.	ICB	> USD 3,000,000	Tender Documents for works will be subject to prior review.
2.	Non-Bank Funded	Not Applicable	Procurement procedures of GOBD apply.

2. Prequalification. Yes

3. Reference to (if any) Project Operational/Procurement Manual: CDB's Guidelines for Procurement (2006).

4. Any Other Special Procurement Arrangements: To comply with the requirements of the EIB-CALC Finance Agreement the following is required:

- (a) A waiver of CDB's Guidelines for Procurement in respect of procurement related to the infrastructure works under the Project, to extend eligibility to countries eligible for procurement under EIB-funded projects which are not CDB Member Countries.
- (b) Bidders for infrastructure works must submit the "Covenant of Integrity"¹ in the form attached hereto at the Annex.
- (c) Procurement notices shall be published in the Official Journal of the European Union.

¹ http://www.eib.org/attachments/thematic/procurement_en.pdf.

5. Procurement Packages with Methods and Time Schedule: -

1	2	3	4	5	6	7	8
Ref No.	Contract (Description)	Estimated Cost (USD)	Procurement Method	Prequalification (Yes/No)	Bank Review (Prior/Post)	Expected Bid-Opening Date	Comments
1.	Channel Works	4,895,000	ICB	Yes	Prior	January 2018	-
2.	Landscaping Works	213,000	NCB	No	Prior	February 2018	-

IV. Consulting Services

1. **Prior Review Threshold:** Procurement decision subject to prior review by the Bank as stated in Appendix 1 to the Guidelines for the Selection and Engagement of Consultants:

	Selection Method	Prior Review Threshold	Comments
1.	FBS	> 150,000	-
2.	SSS	All	-

2. Short list comprising entirely of national consultants: N/A
3. Reference to (if any) Project Operational/Procurement Manual: CDB Guidelines for Selection and Engagement of Consultants (2011).
4. Any Other Special Procurement Arrangements: N/A
5. Procurement Packages with Methods and Time Schedule:

1	2	3	4	5	6	7
Ref No.	Assignment (Description)	Estimated Cost (USD)	Selection Method	Review by Bank (Prior/Post)	Expected Proposal Submission Date	Comments
1.	Engineering Services	816,000	NBF	Not Applicable	Not Applicable	-
2.	Constitution River CVA	250,000	FBS	Prior	October 2017	-
3.	DD Capacity Building	1,150,000	NBF	Not Applicable	Not Applicable	-
4.	Maintenance Plan	50,000	SSS	Prior	November 2017	-
5.	Pre-investment Study	266,000	NBF	Not Applicable	Completed	-

V. Implementing Agency Capacity Building Activities with Time Schedule:

Project Launch Workshop: To be scheduled with GOBD.

VI. Summary of Proposed Procurement Arrangement

Project Component	CDB (USD'000)											NBF (USD'000)		Total Cost (USD'000)			
	Primary			Secondary			Other					Country	Institution				
	ICB	NCB	LIB	RCB	LIB	Shopping	DC	SSS	QCBS	FBS							
											213	4,894					
1. Pre-Investment Study																	266
2. Infrastructure Works																	4,895
3. Landscape Works																	213
4. TA- CVA																	250
5. TA-Maintenance Plan																	50
6. TA-Capacity Building																	1,150
7. Engineering Services																	816
8. Project Management																	252
9. Contingencies																	2,544
Project Base Costs																	10,435

- ICB – International Competitive Bidding
- NCB – National Competitive Bidding
- LIB – Limited International Bidding
- RCB – Regional Competitive Bidding
- NBF – Non-Bank Financed
- DC – Direct Contracting
- SSS – Single Source Selection
- QCBS – Quality- and Cost-Based Selection
- FBS – Fixed Budget Selection

SCHEDULE 4

[Section 6.02]

DUTIES AND RESPONSIBILITIES OF PROJECT STEERING COMMITTEE

1. OBJECTIVE

1.01 The Project Steering Committee (PSC) is to provide a mechanism for support, feedback, guidance, stakeholder participation and interagency coordination during Project implementation, and to act as a catalyst for an ongoing coordination mechanism after implementation has been completed. The Committee will be required to meet as required, but not less than quarterly.

2. SCOPE OF SERVICES

2.01 The duties of PSC shall be as follows:

- (a) familiarisation with the arrangements for project implementation, including the intended Project outcome, outputs, scope, financing arrangements, reporting requirements, implementation schedule, and other details contained in the appraisal report and financing agreements;
- (b) monitor progress in implementation of the Project towards achievement of the Project output and Project outcome;
- (c) ensure that potential threats to timely Project implementation are identified and addressed;
- (d) facilitate the taking of policy decisions by the relevant authorities to ensure timely fulfilment of loan conditions;
- (e) review work plans on a semi-annual basis and ensure that recommendations with respect to adequate budgetary allocations are made, procurement activities are executed as scheduled, and that adequate controls;
- (f) ensure that stakeholder participation is appropriate and sustained throughout implementation and that stakeholder expectations are addressed;
- (g) ensure that the Project remains aligned to the policy and strategic objectives of GOBD;
- (h) discuss the perspective of the entities from which its members are drawn on various issues, informed by the consultation of PSC members with their respective organisations;
- (i) monitor the performance of the Project Implementation Team; and
- (j) champion the Project, advocating for achievement of the Project outcomes.

3. COMPOSITION

3.01 PSC will be chaired by PS, MED, with PC serving as Secretary. In addition, PSC shall comprise the following additional members:

- (a) Chief Technical Officer, MTW or his/her nominee;

- (b) PS, MFEA, or his/her nominee;
- (c) Chief Town Planner of Town and Country Planning Department or his/her nominee;
- (d) PS, MAFFW, or his/her nominee;
- (e) Head of the Bureau of Gender Affairs, or his/her nominee;
- (f) Head of the DEM, or his/her nominee;
- (g) Representative, Barbados Chamber of Commerce;
- (h) Director of Drainage Division, or his/her nominee;
- (i) Representative, Government Press and Public Relations;
- (j) Representative, Ministry of Housing, Lands and Rural Development; and
- (k) Representative, Public Investment Unit, Economic Affairs Division, Ministry of Finance and Economic Affairs.

SCHEDULE 5

[Section 6.03]

TERMS OF REFERENCE

PROJECT COORDINATOR

The Project Coordinator (PC) will be responsible for coordinating and monitoring all aspects of the implementation of the Project. The PC's duties will include, but will not be limited to:

- (a) managing the selection and engagement of the Technical Assistance Consultant and supervising these consultancies;
- (b) evaluation of bids and recommendation of the awards for construction contracts;
- (c) overseeing the engineering consultancy and construction contracts;
- (d) cost control;
- (e) expediting of the submission to Caribbean Development Bank (CDB) of claims for disbursement/reimbursement;
- (f) liaising with CDB on all technical and administrative aspects of the Project;
- (g) updating of Procurement Plan as required;
- (h) preparing and submitting to CDB a Quarterly Report on the Investment Cost of the Project in the form specified by CDB, within two weeks after the end of each calendar quarter, commencing with the quarter following the commencement of the assignment;
- (i) keeping separate accounts for Project-related expenditures and disbursement activities;
- (j) preparing and submitting reports on Project monitoring framework indicators;
- (k) submitting to CDB, within two weeks after the end of each month, the monthly reports prepared by the engineering consultants;
- (l) submitting to CDB the Completion Report within three months after the date of issue by the engineering consultants of a certificate of practical completion of the contract; and
- (m) preparing and submitting to CDB a Project Completion Report within three months after practical completion of the works.

SCHEDULE 6

[Section 6.04]

RESPONSIBILITIES OF ENGINEERING CONSULTANT

The Engineering Consultant will undertake the following tasks:

- (a) preparation of construction drawings, and bidding documents for all infrastructure works;
- (b) assistance to BTI in the evaluation of tenders, including the preparation of tender reports;
- (c) assistance to BTI in negotiation of contracts for the construction works;
- (d) technical inspection of construction for compliance with the contract documents;
- (e) environmental monitoring and reporting during construction;
- (f) certification of work done for payment;
- (g) consultation and advice to BTI during construction;
- (h) preparation of monthly reports on the progress of the works, indicating any engineering difficulties affecting their efficient and timely execution, commencing one month after the start date as defined in the construction contract;
- (i) revision of designs to suit unforeseen conditions which may arise during construction;
- (j) issuance of certificates of completion to the contractor upon completion of the construction contract; and
- (k) preparation of a Completion Report on construction of the Project, and as-built drawings, within three months after the date of issue of a certificate of practical completion of the Project.

SCHEDULE 7

[Section 6.05]

TERMS OF REFERENCE

DEVELOPMENT OF CONSTITUTION RIVER MAINTENANCE PLAN

1. BACKGROUND

1.01 Constitution River is the main drainage channel through Bridgetown, and the households and businesses along the river banks are vulnerable to flooding. Several flooding events have been recorded over the years and have resulted in economic and social disruption, as well as damage and loss of assets. The proposed works constitute Phase III of the Government of Barbados' (GOBD) development programme for the Constitution River, with Phases I and II being completed in 2007 and 2013, respectively. Phase I comprised the upgrading of the Carenage in Bridgetown and the reconstruction of the Chamberlain Bridge, located at the mouth of Constitution River. Phase II comprised the upgrading of the river channel between the Chamberlain Bridge and Constitution Bridge.

1.02 The completed river channel will comprise of boulder bank protection.

2. OBJECTIVE

2.01 The expected outcome of the consultancy is an improved system of maintenance and practices in the Constitution River. This will be achieved through assisting the Government of Barbados in developing a practical and sustainable maintenance plan.

3. SCOPE OF SERVICES

3.01 The Consultants will engage the key government ministries, business owners and residents around the Constitution River, in the development of a flood reduction maintenance plan, which identifies the critical maintenance activities with associated costs and the roles and responsibilities of the critical stakeholders.

3.02 The scope of services to be provided by the Consultant(s) will include, but not be limited to:

- (a) Conducting an assessment of the Constitution River to identify flood maintenance requirements.
- (b) Evaluating the existing maintenance mandates in the Project catchment area of various government agencies. These agencies should include, but not be limited to, the: (i) Ministry of Environment and Drainage (MED); (ii) Ministry of Transport and Works (MTW); (iii) Town and Country Planning Department; (v) Ministry of Agriculture, Food, Fisheries and Water Resource Management; (vi) Lands and Surveys Department; (vii) Ministry of Housing, Lands and Rural Development; (viii) Department of Emergency Management; (ix) Ministry of Social Care, Constituency Empowerment and Community Development; (x) Environmental Protection Division; and (xi) National Conservation Commission (NCC).
- (c) Evaluating the maintenance planning capacity and operational procedures and budget of the responsible agencies (including MED, in particular the Drainage Division and the Coastal Zone Management Unit, MTW, and NCC). Also assess the adequacy of the existing operations *vis-à-vis* the maintenance requirements identified.

- (d) Identifying maintenance activities which could be funded and executed by the private sector, and develop at least three implementation models.
- (e) Identifying and meeting to build consensus on the private sector models developed with: (i) the key private sector companies operating in Bridgetown; and (ii) relevant government agencies.
- (f) Preparing a Maintenance Plan for the Constitution River. The Plan should make recommendations for improvement of maintenance operations of the responsible agencies, and propose mechanisms (including draft agreements between key stakeholders) for their implementation.
- (g) Organising consultations with all stakeholders (government agencies and private sector) to discuss the Draft Flood Reduction Maintenance Plan.
- (h) Finalising the Constitution River Maintenance Plan based on feedback from consultation in (e) above.

4. CONSULTANT REQUIREMENTS

4.01 The technical expertise and experience required for the consultancy should include, but not necessarily be limited to:

- (a) Civil Engineer – Bachelor’s Degree in civil engineering or related field and at least 10 years’ total experience, 5 years in public sector or municipal operations.
- (b) Institutional Specialist – Bachelor’s Degree in Management or related field. At least 10 years’ experience in conducting organisational assessments.

5. REPORTING REQUIREMENTS AND DELIVERABLES

5.01 The Consultant(s) will present six (6) copies of reports, four (4) copies to Barbados Tourism Investment Inc. and two (2) copies to the Caribbean Development Bank (CDB). Electronic submissions of all reports should also be made in “pdf” format. These reports are as follows:

- (a) **Inception Report:** The Inception Report will be presented 30 days after the signing of the contract, and it will include:
 - (i) initial findings including any comments on these Terms of Reference (TOR);
 - (ii) consultants’ detailed work schedule and methodology;
 - (iii) a programme for the use of resources including personnel, equipment, and materials; and
 - (iv) a proposed outline for the final reports.

- (b) **Draft Maintenance Plan:** The Draft Flood Reduction Maintenance Plan will be presented three months after the signing of the contract, and it will include:
- (i) an assessment of the flood reduction maintenance requirements;
 - (ii) an assessment of the operations of the key institutions;
 - (iii) recommendations for improving maintenance; and
 - (iv) recommendations for private sector involvement.
- (c) **Final Maintenance Plan:** Within 14 days following the stakeholder consultation workshop on the Draft Maintenance Plan, the Consultant(s) shall present the Final Maintenance Plan.

6. COMMENTS BY THE CONSULTANTS

6.01 The Consultant(s) is requested to make any comments on and suggestions for, improvements to these TOR. The financial implications, if any, of these recommendations should be indicated separately in the Financial Proposal.

BUDGET (USD)

Items	CDB	GOBD	Total
Consultancy Services:			
Professional Fees	38,000	-	38,000
Report Production	5,000	-	5,000
Local Transport and Communication	1,000	-	1,000
Consultation Workshops	2,000	-	2,000
Contingencies	4,000	-	4,000
Project Management:			
Administrative and Support Staff	-	5,000	5,000
Sub-Total	50,000	5,000	55,000
Contingencies	-	5,000	5,000
Total	50,000	10,000	60,000

SCHEDULE 8

[Section 6.08]

SUMMARY OF SCOPE OF WORKS OF THE WATER RESOURCE MANAGEMENT AND FLOOD RESILIENCE CLIMATE CHANGE ADAPTATION PROGRAMME

1. BACKGROUND

1.01 Barbados is listed amongst the top 15 most water scarce countries in the world. The economy of Barbados, as well as those of other SIDS, is predicted to be significantly threatened by climate change impacts over the next 70 years.

1.02 The potential impacts of climate change on Barbados, and the wider Caribbean region include:

- (a) Increases in temperatures.
- (b) Changes in climate variables such as rainfall intensity, frequency and duration resulting in increasing occurrences of drought and flooding.
- (c) Sea level rise resulting in:
 - (i) increased salinisation of coastal groundwater resources;
 - (ii) increased economic losses associated with increased flooding due to the combined effects of storm surge and storm water run-off;
 - (iii) increased coastal erosion due to storm surge and sea swells; and
 - (iv) potential loss in fisheries habitats and spawning grounds.

1.03 The proposed activities described in this document outline some of the actions GOBD will seek to implement to effectively strengthen the capacity of the technical offices within MED to design and implement measures to adequately sustain the island's ecosystems and key economic sectors in order to reduce the impacts of climate change over the short, medium and long term.

1.04 A critical element of the programme will be the development and introduction of a scientifically-based systematic approach to the management of climate related risks associated with flooding from ridge to reef along the West Coast of the island, an area of high tourism development and infrastructure vital to the growth and development of the country, along with more island-wide components.

2. OBJECTIVES

General Objective

2.01 This programme seeks to develop adaptation measures to counter the effects of climate change with a focus on water resources management and flood resilience.

Specific Objectives

2.02 The specific programme objectives will be achieved through a combination of technical and scientific based applications. These objectives include:

- (a) Developing a revised Barbados Storm Water Management Plan to improve the management of storm water flows, overland and subterranean, to reduce the incidences of flooding and other drainage challenges.
- (b) Increasing the incorporation of climate change adaptation into the national development process.
- (c) Evaluating the quality of storm water and the impacts of runoff on coastal and marine environments and make recommendations to improve storm water quality.
- (d) Upgrading and expanding the hydrometry data collection system.
- (e) Designing mechanisms to capture runoff from rainfall events to increase groundwater recharge and volumes of water available to various sectors and reduce downstream flooding in a manner that does not adversely impact on groundwater quality.
- (f) Developing and implementing educational programmes and develop and introduce educational materials at the national, community and individual stakeholder levels on climate change impacts, mitigation and adaptation.
- (g) Strengthening the capacity of the officers of DD and other key Government agencies under the programme covering all areas under the Project related to storm water management, water harvesting and recharge and storm water quality.
- (h) Recommending improvements to the existing legislative framework and institutional arrangements within which DD operates and recommend appropriate amendments and new legislation to improve the efficiency and effectiveness of the entities with regards to drainage and flood control.

3. SCOPE OF WORKS

3.01 The scope of services to be undertaken for this study is summarised below:

- (a) Reviewing the 1996 Barbados Storm Water Drainage Study, updating the content as necessary, taking into account available climate change data and changes in the built environment in the country, especially within the focus area of the Project, and the determination of reliable data streams for design of drainage structures based on 1 in 100 year storm events and prepare an updated report based on the new data and additional studies, including the following;
 - (i) Collecting and analysing data, including rainfall, run-off, flooding and land use for the period 1996-2014 utilising existing reports and other documentation and meetings and interviews with relevant Government officials and other key parties;
 - (ii) In collaboration with stakeholders, especially including civil society, carrying out detailed surveys of watersheds and tributaries and drainage works for storm water

- run-off from the ridges in the elevated areas of the country to the focus area of the Project, recommending locations, dimensions, structural details and cost for construction of proposed storm water retention structures for water harvesting purposes and for direct groundwater recharge;
- (iii) Locating and studying all flood-prone sites in the Project area and recommend practical solutions and effective flood-control measures, e.g. surface water catchment dams, pumping stations, culverts and pipelines with detailed consideration of social, environmental and economic parameters. Include a rationale for the preferred option and recommend locations, dimensions, structural details and cost for construction of proposed structures; and
 - (iv) Developing a Works Programme including the recommended designs for the infrastructure works proposed, capital costs for all proposed works, the operation and maintenance costs in current prices for the first five years after construction, a schedule of works, timeframe and resources required and identification of potential impacts and mitigation measures recommended during construction and operation.
- (b) Making recommendations for the upgrade and expansion of hydrometry data collection systems, identify locations and recommended equipment for the establishment of stations, identify major gaps and future needs and consequently design a combination of conventional and more specialised weather stations, including identifying the resources required to sustain such a monitoring programme for the first five years after installation at current prices.
- (c) Reviewing the existing legislative framework and institutional arrangements within which DD operates and recommend appropriate amendments and new legislation to improve the efficiency and effectiveness of these entities with regards to drainage and flood control.
- (d) Characterising storm water discharges into the marine environment island-wide and assess the levels of selected pesticides and pharmaceuticals in coastal groundwater, storm water, marine water, benthic organisms and sediment.
- (e) Making recommendations to:
- (i) promote strategies to reduce sediment load in storm water and to the coastal and marine environments;
 - (ii) promote best practices to reduce pesticide and pharmaceutical concentrations and nutrient loads into storm water;
 - (iii) identify the impacts of illegal dumping of waste on storm water quality; and
 - (iv) identify and provide specifications for equipment needed to maintain an island-wide storm water quality management programme.
- (f) Developing climate change education materials for use in the Programme and beyond.

- (g) Providing training to civil society organisations and non-Governmental organisations to:
 - (i) build general awareness, expand scientific knowledge and transfer skills to ensure effective partnerships in building the resilience of communities to disasters, and their adaptation to climate change;
 - (ii) provide training and education to build community resilience including attention to livelihood issues such as food security, water, sanitation, waste management, dwelling reconstruction and recovery of community infrastructure;
 - (iii) provide awareness and outreach programmes on global climate change and adaptation to the tourism, fisheries, agricultural, small business (inclusive of vendors), unions and faith-based sectors; and
 - (iv) provide education, awareness and outreach programmes, (inclusive of training of trainers programmes), on global climate change and adaptation to the youth, targeting primary, secondary and tertiary school students through a variety of innovative approaches spearheaded by Non-Governmental Organisations.
- (h) Facilitating transfer of technology and knowledge to the key Government agencies under the programme covering all areas under the Project related to storm water management, water harvesting and recharge and storm water quality, with specific reference to climate change, inclusive of the use of multi-media approaches and training workshops, and seminars.
- (i) Completing Environmental Mitigation Plans and Reports for all construction activities recommended under the Programme.
- (j) Maintaining clear records of indicators and targets, baseline, methodology and rationale.

4. DELIVERABLES AND REPORTING

- 4.01 The Consultant is expected to deliver the following to the satisfaction and agreement of the PSC:
 - (a) Updated Storm Water Management Plan, inclusive of the recommended institutional and legal framework.
 - (b) Report on Storm Water Quality in Barbados.
 - (c) Report on Education, Awareness, Outreach and Training on Adaptation Measures to Counter the Effects of Climate Change with a Focus on Water Resources Management and Flood Resilience inclusive of, Education, Awareness and Outreach Materials and Training Manuals.
 - (d) Report on Monitoring and Evaluation under the Adaptation Measures to Counter the Effects of Climate Change with a Focus on Water Resources Management and Flood Resilience Project.
 - (e) Draft a comprehensive final report on the services rendered, including results achieved, a work programme with the recommended designs for the infrastructure work and equipment, the operations and maintenance cost and conclusions.

SCHEDULE 9

[Section 6.12]

REPORTING REQUIREMENTS

Report Implementation	Frequency	Deadline for Submission	Responsibility
1. Monthly progress reports on Infrastructure Works components by the Engineering Consultants.	Monthly	Within three weeks of the end of each calendar month commencing one month after engagement.	PC
2. Monthly reports on progress of Project implementation, prepared by PC.	Monthly	Within one week of the end of each month, commencing one month after appointment of PC.	PC
3. Report on Investment Cost (Sample Guidelines in Annex 1).	Quarterly	Within six weeks of the end of each quarter commencing with the quarter following the appointment of PC, until construction is completed.	PC
4. Consultants Reports for the implementation of Maintenance Plan and CVA.	-	Within one week after the submission deadline stipulated in the respective TOR and contracts.	PC
5. Minutes of PSC meetings.	Quarterly	Within one week of PSC meetings.	PC
6. Report on Capacity Building TA to PSC.	Quarterly	Submitted with minutes of PSC.	PC
7. Completion Report for Infrastructure Works prepared by the Engineering Consultants (including as-built drawings).	-	Within three months of the date of issue of a certificate of practical completion for infrastructure contract.	PC
8. PC's Project Implementation Completion Report.	-	Within three months of practical completion.	PC
9. Report on Condition Assessment of Infrastructure Works.	Annually	Commencing six after certificate of practical completion issued.	DD

REPORT ON INVESTMENT COST OF PROJECT
(S'000)

(1) Elements of Project	(2) Expenditure for this Quarter	(3) Cumulative Expenditure to Date	Projected Expenditure for the Quarter			(5) Estimated Expenditure to Complete Project	(6) Latest Estimate of Expenditure	(7) Project Estimate as per Appraisal Report	(8) Variance Favourable/ (Adverse)	(9) Comments/Reasons for adverse Variance and Financing Proposals to Meet Cost Overrun
			Ending (4)	Ending (4)	Ending (4)					
Project Preparation							532			
Infrastructure Works							9,787			
Landscaping							426			
Capacity Building							3,300			
Climate Vulnerability Assessment							500			
Maintenance Plan							100			
Engineering Services							1,632			
Project Management & Environmental Monitoring							504			
Base Cost							16,781			
Physical Contingencies							2,571			
Price Contingencies							494			
IDC & Commitment Charge							1,051			
Total Project Costs							20,897			

GUIDELINES FOR COMPLETION OF
REPORT ON PROGRESS OF INVESTMENT COST

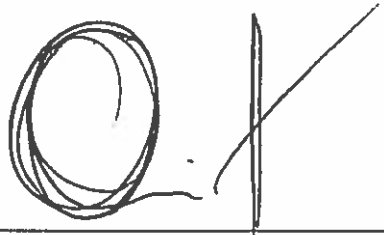
1. Elements of Programme - The elements of the Programme as outlined in the Appraisal Report must be recorded in this column. If it becomes necessary to further sub-divide the main elements of the Programme, then the sub-elements should be grouped to facilitate the determination of the expenditure related to the main elements identified in the Appraisal Report.
2. Expenditure for this Quarter - The expenditure incurred in the quarter to which the report relates in respect of each element of the Programme must be recorded in this column.
3. Cumulative Expenditure to Date - The expenditure incurred in respect of each element of the Programme from the commencement of the Programme to the end of the quarter to which the report relates must be recorded in this column.
4. Projected Expenditure for Quarter - An estimate of the expenditure to be incurred in each of the next three quarters must be recorded in the columns 4₁, 4₂, and 4₃.
5. Estimate of Expenditure to complete Programme - This column should be completed only in respect of those elements of the Programme, construction/installation of which stretches beyond three quarters from the end of the quarter to which the report relates. Where a programme extends over more than one year - four quarters - an estimate of the expenditure to be incurred in the period subsequent to the year must be recorded in this column.
6. Latest Estimate of Expenditure - The amounts to be recorded in this column should be derived by adding columns 3, 4₁₂₃, and 5. The amounts recorded in this column should be the best estimate of expenditure to be incurred in respect of each element of the Programme. These amounts may be less or greater than the appraised expenditure.
7. Programme Estimates as per Appraisal Report - The estimate of expenditure to be incurred in respect of each element of the Programme, as outlined in the Appraisal Report, must be recorded in this column.
8. Variance - The difference between columns 6 and 7 must be recorded in this column. Where the amount in column 6 is less than that in column 7, a favourable variance results. An adverse variance results where the amount in column 6 is greater than that in column 7.
9. Comments - An explanation should be given for each variance which is more than 10% of the programme estimates as per Appraisal Report.

IN WITNESS WHEREOF this Loan Agreement has been signed in three (3) equally valid copies at Wildey, St. Michael, Barbados on behalf of the Bank, Bay Street, St. Michael, Barbados on behalf of the Borrower, and Cheapside, St. Michael, Barbados on behalf of the Executing Agency by their respective duly authorised representatives and shall be deemed to be in force as of the day and year first hereinabove written.

CARIBBEAN DEVELOPMENT BANK

GOVERNMENT OF BARBADOS

Cathy Anne



Minister responsible for Finance

The Common Seal of the
BARBADOS TOURISM INVESTMENT INC.
was hereunto affixed in accordance with
the provisions of its By-laws


Director


Director/Secretary

