

Loan No. 440/SF-BA
Amendment No. 1

AMENDATORY CONTRACT

between

BARBADOS

and the

INTER-AMERICAN DEVELOPMENT BANK

May 29, 1979

AMENDATORY CONTRACT

AMENDATORY CONTRACT entered into this 29th day of May, 1979, between BARBADOS (hereinafter called the "Borrower") and the INTER-AMERICAN DEVELOPMENT BANK (hereinafter called the "Bank").

ARTICLE ONE

The parties hereto agree to amend Loan Contract 440/SF-BA entered into between the Bank and the Borrower on April 8, 1976, in the manner and to the extent set forth hereafter:

1. Section 3.09 is hereby amended to read as follows:

"Section 3.09. Final Period for Disbursements. The sums referred to in Section 1.01 may be disbursed up to December 15, 1981. Unless the parties agree in writing to extend this period, the contract shall be considered cancelled in respect to any part of such sum not disbursed within said period or any extension thereof."

2. Section 5.02(b) is hereby amended to read as follows:

"(b) In the acquisition of machinery, equipment and other materials for the Project, and in awarding contracts for construction and other works, the system of international public tender shall be utilised in each case in which the value of such acquisitions or contracts exceeds the equivalent of one hundred thousand United States dollars (US\$100,000) pursuant to the provisions of the Tender Regulations set forth in Annex D hereof, which Annex is an integral part of this Contract."

3. Section 5.06 is hereby amended to read as follows:

"Section 5.06. Cost of the Project. The Loan, together with the Loan 440-A/SF-BA, shall be used for the partial financing of the Project, the total cost of which is estimated at not less than the equivalent of nineteen

million nine hundred and sixteen thousand United States of America dollars (US\$19,916,000) and in no case shall the participation of the resources of this Loan and that of Loan 440-A/SF-BA exceed 61.6% of the total cost of the Project."

4. Section 5.07 is hereby amended to read as follows:

"Section 5.07. Additional Resources. The Borrower undertakes to contribute in a timely manner such national resources in addition to the Loan and to Loan 440-A/SF-BA as may be necessary for the complete and uninterrupted execution of the Project. The amount of these additional resources is estimated to be not less than the equivalent of seven million six hundred and fifty-six thousand United States of America dollars (US\$7,656,000). This local contribution includes the amount of three million nine hundred and twenty-two thousand United States dollars (US\$3,922,000) which the Borrower agreed to provide originally under the present Contract. This estimate, however, shall not imply any limitation or reduction of the obligation of the Borrower to supply such additional resources as may be required under this Section. Therefore, if during the disbursement of the sum set forth in Section 1.01 an increase in the estimated cost of the Project is indicated, the investment schedule referred to in Section 3.01(d) of this Contract shall, at the request of the Bank, be modified to increase the additional resources to the requisite level. The rules set forth in Section 2.06(c) shall be utilised to calculate the equivalents in United States of America dollars."

5. Section 5.08(a) and (b) is hereby amended to read as follows:

"Section 5.08. Creation and Administration of a Statutory Authority. The Borrower shall within the periods set forth below, undertake the following obligations:

(a) By October 8, 1980, present evidence to the Bank that an Authority has been legally created as an administratively and financially autonomous entity which shall have under its jurisdiction the production and distribution of potable water in Barbados, as well as the administration of the sewerage system financed under the Project upon the completion thereof, and any other sewerage system that may in the future be constructed in Barbados, in accordance with the recommendations of the consultants contracted for such purpose pursuant to the

provisions of Technical Cooperation Agreement ATN/SF-1398 of even date, or such other recommendations as may be agreed to between the Bank and the Borrower.

(b) By January 8, 1981, present evidence to the Bank that: (1) the Authority is fully operating the water system of Barbados and that such system has been transferred as a capital contribution by the Borrower to the Authority; and (2) that it has provided for the payment of the liabilities relating to the water supply system out of funds, other than those belonging to the Authority or future income of the Authority."

6. Section 5.09 is hereby amended to read as follows:

"Section 5.09. Rates for Water and Sewerage Services. The Borrower shall take the appropriate measures acceptable to the Bank to ensure that the rates charged for the supply of water, whether by the Waterworks Department or the Authority, and the rates charged by the latter, for the provision of sewerage service, shall be gradually increased in order that within three years of the completion of the Project and during the life of the Loan, such rates produce revenues at least sufficient to cover all operating expenses of the water supply and sewerage systems, including those relating to the administration, operation and maintenance and to the extent possible, depreciation, taking into consideration the recommendations resulting from the Technical Cooperation Agreement in financial and tariff matters referred to in Section 5.08(a). In view of the foregoing, such graduated rates shall be presented to the Bank by October 8, 1981."

7. Section 5.13 is hereby amended to read as follows:

"Section 5.13. Fund for Financing of In-house Installations. The Borrower shall take the necessary measures to establish, with the national resources referred to in Section 5.07, a Fund in the amount of not less than the equivalent of US\$300,000, for loans and grants to low-income families for the financing of in-house installations in the Project area, and shall present to the Bank, no later than April 8, 1980, proposed regulations for the utilisation of such Fund. These regulations shall include the obligation of the Borrower to maintain the Fund, utilising the amounts repaid from these loans, or from contributions by the Borrower, at not less than the equivalent of US\$100,000 per year for 10 years from the date of Contract 440-A/SF-BA."

8. Section 5.15 is hereby amended to read as follows:

"Section 5.15. Manuals, Regulations and Collection of Accounts. The Borrower shall present to the Bank for its approval, no later than April 8, 1980:

- (a) the manuals and procedures which the Authority proposes to utilise for the operation and maintenance of the sewerage system;
- (b) the regulations proposed to be adopted for the proper utilisation of the system, which shall include the obligation of owners of the buildings located in front of the sewer system to connect to such system and which either shall require all ships in the Bridgetown harbor to discharge liquid and solid wastes by connection to the sewerage system or which otherwise prohibits the discharge of such wastes in the territorial waters of Barbados; and
- (c) a plan for the collection of accounts relating to the supply of water which are more than 90 days past due."

9. Annex B is hereby substituted by the following:

"Annex B

DESCRIPTION OF THE PROJECT

I. DESCRIPTION OF THE PROJECT

The construction of a sewerage system for the central area of the city of Bridgetown, including the following works:

- (a) Construction of a system of sanitary sewers.
- (b) Construction of a sewage treatment plant.
- (c) Construction of an ocean outfall.
- (d) Installation of in-house connections.

II. COST AND FINANCING

- 2.01 The cost of the Project is estimated at approximately the equivalent of US\$19,916,000 as follows (US\$1,000):

<u>Categories of Investment</u>	<u>BANK</u>				<u>Total</u>
	<u>Foreign Exchange</u>	<u>Local Currency</u>	<u>Sub-total</u>	<u>Borrower</u>	
1. <u>Engineering and Administration</u>	443	-	443	818	1,261
1.1 Engineering and supervision	443	-	443	454	897
1.2 Administration	-	-	-	364	364
2. <u>Direct Cost</u>	7,260	200	7,460	4,258	11,718
2.1 In-house connections	-	-	-	300	300
2.2 Sanitary sewers	2,750	200	2,950	3,058	6,008
2.3 Sewage treatment plant	3,960	-	3,960	750	4,710
2.4 Ocean outfall	550	-	550	150	700
3. <u>Financial Charges</u>	487	-	487	147 ^{1/}	634
3.1 Interest and fees	365	-	365	147	512
3.2 Bank supervision	122	-	122	-	122
4. <u>Concurrent Costs</u>	210	-	210	810	1,020
4.1 Indemnification	-	-	-	810	810
4.2 Payment T.C. ATN/SF-1106	210	-	210	-	210
5. <u>Unallocated Funds</u>	3,660	-	3,660	1,623	5,283
5.1 Contingencies	600	-	600	873	1,473
5.2 Cost Escalation	3,060	-	3,060	750	3,810
Totals	12,060 ^{2/}	200	12,260	7,656	19,916

^{1/} Foreign currency for payment of the credit commission.

^{2/} Includes US\$3,158,000 for indirect foreign exchange costs.

2.02 The Project shall be financed as follows (US\$1,000):

	<u>Source of Funds</u>		<u>Expenditures to be Made</u>			<u>%</u>
	<u>Foreign</u>	<u>Local</u>	<u>Foreign</u>	<u>Local</u>	<u>Total</u>	
(a) Bank Loan	12,060	200	12,060 ^{1/}	200	12,260	61.6
(b) Borrower	1,829	5,827	1,829	5,827	7,656	38.4
Totals	13,889	6,027	13,889	6,027	19,916	100.0
Percentages	69.7	30.3	69.7	30.3	100.0	

^{1/} Includes the equivalent of US\$3,158,000 in indirect foreign exchange costs.

III. BIDDING

The bidding procedures and specific bidding requirements shall permit free participation of bidders from eligible countries and, consequently, such procedures and/or specific bidding requirements shall not contain any condition which may impede or restrict the participation of such bidders.

IV. SELECTION AND CONTRACTING OF CONSULTANTS OR CONSULTING FIRMS

In the selection and hiring of Consultants or Consulting Firms for the Project, the procedures prescribed in the Loan Contract and/or in the Technical Cooperation Agreement, as appropriate, shall be followed with the understanding that the Borrower shall not establish, for application either prior to or subsequent to the provision of services: (i) provisions or conditions preventing or restricting the selection and contracting of such Consultants or Consulting Firms of member countries of the Bank, or (ii) requirements or conditions based on the nationality of such Consultants or Consulting Firms of member countries of the Bank."

10. First paragraph of Annex D is hereby amended to read as follows:

"ANNEX D

TENDERS PROCEDURES

BANK RESOURCES--SANITARY SEWERAGE BRIDGETOWN PROJECT

These procedures shall be followed in awarding contracts for the construction of the works and for the procurement by the Borrower of materials for use in the Project whenever the value of such contracts or equipment acquisitions are expected to exceed the equivalent of one hundred thousand United States dollars (US\$100,000) and when any part of the resources of the Bank are to be used for such purposes."

ARTICLE TWO

The parties hereto ratify all other provisions of Loan Contract No. 440/SF-BA which Contract remains in full force and effect.

IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorised representative, have signed this Contract, in two equally valid copies on the date above written.

BARBADOS

/s/ Nigel A. Barrow

Nigel A. Barrow
Minister without Portfolio
Special Representative

INTER-AMERICAN DEVELOPMENT BANK

/s/ Antonio Ortiz Mena

Antonio Ortiz Mena
President