

A G R E E M E N T  
CONTINGENTLY REPAYABLE TECHNICAL ASSISTANCE

between

THE INTER-AMERICAN DEVELOPMENT BANK

and

BARBADOS

(Sanitary sewerage system and sanitary protection  
for Bridgetown and surrounding areas)

AGREEMENT FOR CONTINGENTLY REPAYABLE TECHNICAL ASSISTANCE

ATN/SF-1106-BA

AGREEMENT made and entered into on this 28 day of october, 1971, by and between the INTER-AMERICAN DEVELOPMENT BANK (hereinafter called the "Bank") and BARBADOS (hereinafter called the "Beneficiary") on the granting by the former of a contingently repayable credit for technical assistance purposes (hereinafter called the "Credit").

ARTICLE I

Object

Section 1.01. Purpose of the Credit. The Credit shall be used exclusively to cooperate in the financing of the studies relating to the sanitary sewerage system of Bridgetown and surrounding areas (hereinafter called the "Studies") as described in Section 1.02 of this Agreement. The resources of the Credit shall be assigned, in the manner specified in Section 3.01, to cover the expenses incurred in contracting an engineering consulting firm (hereinafter called the "Consultant"), which shall be responsible, in accordance with Section 2.01, for the carrying out of the Studies.

Section 1.02. Description of the Studies. The Studies shall comprehend the following:

- (i) A master plan for a sewerage disposal system for Bridgetown and various surrounding areas;
- (ii) The engineering designs of a sewerage system for central Bridgetown; and
- (iii) The preparation of a feasibility study for the sanitary protection of the area around the Belle well-field and pumping station, including a recommendation as to the desirability of the construction of a sewerage disposal system in that area.

## ARTICLE II

### Performance of the Studies

Section 2.01. Executing Agency. (a) The Studies shall be carried out by the Consultant referred to in Section 1.01, under the direction of the Ministry of Health and Social Welfare of Barbados (hereinafter referred to as the "Ministry") through the Sanitary Engineering Unit of the Ministry. This Unit shall be responsible for the immediate supervision and administration of the Studies. The functions of the Sanitary Engineering Unit shall include among others:

- (i) The analysis of the professional service proposals;
- (ii) The general administration of the operation; and
- (iii) The technical decisions regarding the coordination and supervision of the Consultants' work, the analysis of technical alternatives, and the review of reports.

(b) The Consultant may contract the services of individual specialists and/or consulting firms to perform specialized work such as marine studies, soil borings and topographical surveys, for the equivalent of up to eighty thousand United States dollars (US\$80,000), as specified in Section 3.01 and 3.02.

Section 2.02. Procedure for Selecting and Contracting Consultant. The Beneficiary through the Ministry shall select and contract directly the services of the Consultant referred to under Section 1.02 above, in accordance with the following procedure:

(a) The Ministry shall submit in advance for the approval of the Bank: (i) the procedure to be employed in selecting the firm; (ii) the terms of reference (specifications) describing the work to be done by the firm; and (iii) the list of firms which the Ministry intends to invite to present proposals.

(b) Once the Bank has approved the foregoing requisites, the Ministry shall request from at least three of the firms approved by the Bank unpriced proposals describing how each firm intends to carry out the work and the personnel to be assigned to its execution, including relevant details on the use of sub-contractors, if any, for the specialized work described in Section 2.01. Then it shall select from among such firms the one offering the best proposal and shall negotiate with the firm selected the contract price and the text of the corresponding proposed contract and shall submit the draft for the approval of the Bank.

(c) Notwithstanding the foregoing, the Bank, at the request of the Ministry, may cooperate in finding and selecting the Consultant and in drafting the respective contract provided, however, it shall be understood that the Bank will undertake such cooperation solely in an advisory capacity and that the final negotiations as well as the actual execution of the respective contract shall be the responsibility of the Ministry.

(d) In the contract between the Beneficiary and the Consultant it shall be stipulated that:

- (i) Should the Consultant be domiciled in Barbados, its remuneration shall be paid exclusively in Eastern Caribbean dollars with exception of the expenses incurred in foreign exchange for purchases or payment of per-diem outside of the country, which shall be reimbursed in dollars or its equivalent in other currencies, except Eastern Caribbean dollars, that are part of the Fund for Special Operations.
- (ii) Should the Consultant not be domiciled in Barbados the maximum possible percentage of the remuneration shall be paid in Eastern Caribbean dollars, and the rest in United States dollars or its equivalent in other currencies, except Eastern Caribbean dollars, that form part of the Fund for Special Operations, with the understanding that the part corresponding to per diem shall be paid in Eastern Caribbean dollars or in the currency of the country in which the respective consultant provides services. In the event that the percentage of remuneration that shall be paid in Eastern Caribbean dollars is less than 30% of the total of such remuneration, a full and complete justification of the lesser percentage will be submitted to the Bank for its prior approval together with the corresponding project contract.

(e) The Ministry shall notify the Bank of the exact date on which the Consultant commences its duties.

Section 2.03. Period for Contracting of Consultant. The Beneficiary agrees that the Ministry shall enter into the Contract with the Consultant referred to under Section 1.02 above, within 90 days from the date of this Agreement, or such other period as may be agreed upon with the Bank.

Section 2.04. Period for Execution of Studies. The overall execution of the Studies shall be carried out within a period of approximately eight months from the date of the contracting of the Consultant.

Section 2.05. Report of Consultant. The contract to be entered into with the Consultant shall contain provisions requiring it to:

(a) Present to the Ministry at least a final report regarding the execution of the Studies no later than 30 days following the completion of the Studies.

(b) Furnish simultaneously to the Bank copies of the final and other reports supplied to the Ministry.

(c) Provide the Bank with any additional information that it may reasonably request regarding the execution of the Program.

Section 2.06. Recommendations of the Consultant. It is understood that the opinions and recommendations of the Consultant shall not necessarily commit the Bank, which reserves the right to make such observations as it believes desirable with regard to such opinions and recommendations.

Section 2.07. Retention of Honoraria. The Beneficiary shall retain the final 10% of the amount due to the Consultant for professional services until the final report has been reviewed by both the Ministry and the Bank and is satisfactory to both parties.

Section 2.08. Reports by Ministry. The Beneficiary agrees that the Ministry shall submit to the Bank:

(a) A quarterly report which shall describe the progress of the Studies and the fulfillment of the terms of reference. The Bank may make observations regarding this report, which shall be taken into account by the Ministry in the conducting of the subsequent stages of the Studies.

(b) A final report which will serve as a basis for the Bank's evaluation. Such report shall be presented to the Bank upon completion of the Studies and in a period of not more than 60 days from the date of the final disbursement.

Section 2.09. Staff and Functions of the Sanitary Engineering Unit. The Beneficiary agrees that the Ministry shall furnish the Sanitary Engineering Unit with the necessary staff and functions to enable it to fulfill its commitments regarding the execution of the Studies. The Sanitary Engineering Unit shall utilize the services of at least one engineer working on the Studies on a full time basis, with the support of the necessary draftsmen and auxiliary and secretarial staff as may be required to support the activities of the Consultant in the fulfillment of its tasks.

### ARTICLE III

#### Cost and Disbursements

Section 3.01. Amount of Credit. The Credit shall not exceed the equivalent of one hundred forty nine thousand United States dollars (US\$149,000), to be charged to Technical Assistance Budget with resources of the Fund for Special Operations for 1971, in accordance with the following budget:

(Equivalents in  
thousands of US\$)

Items

(1)	Honoraria and other expenses for the Consultant, including salaries, overhead of the firm, social benefits, subsistence allowances, the Consultant's general fee and international travel expenses.	78.5
(2)	Part of honoraria and other expenses for consultants executing sub-contracts (Section 2.01 (b))	60.0
(3)	Contingencies	<u>10.5</u>
T o t a l		<u><u>149.0</u></u>

Section 3.02. Contribution by Beneficiary. The Beneficiary, through the Ministry, shall make a minimum contribution of the equivalent of seventy one thousand United States dollars (US\$71,000) in order to complete the equivalent of two hundred twenty thousand United States dollars (US\$220,000) at which the total cost of the Studies is estimated. The Beneficiary, as part of its contribution, shall furnish the Consultant with the following general services: office space, local transportation and communications, secretarial services, auxiliary staff and printing. The approximate estimated budget for the contribution of the Beneficiary is as follows:

(Equivalents in  
thousands of US\$)

Items

(1)	Part of honoraria and other expenses for consultants executing sub-contracts (Section 2.01 (b))	20.0
(2)	Honoraria and other expenses for local personnel	31.2
(3)	General services (second sentence of Section 3.02)	10.0
(4)	Contingencies	<u>9.8</u>
T o t a l		<u><u>71.0</u></u>

Section 3.03. Additional Funds. The Beneficiary agrees to provide such additional funds, in excess of the amounts specified in Sections 3.01 and 3.02 of this Agreement, as may be required for the complete execution of the operations.

Section 3.04. Form of Disbursement of Credit. Disbursement of the Credit shall conform to the following procedure:

(a) The Bank shall disburse the Credit to the Beneficiary by establishing, within a period of 45 days after the signature of the present Agreement, a revolving fund in a sum not exceeding the equivalent of US\$30,000 (thirty thousand United States dollars).

(b) Prior to the establishment of the revolving fund the Beneficiary shall have presented to the Bank: (i) an application stating the name and office of the person or persons representing the Beneficiary in all acts relating to the execution of this Agreement; and (ii) a copy of the contract which the Beneficiary shall have signed with the Consultant,

(c) The Bank may replenish the Fund, in whole or in part, but in amounts of not more than the equivalent of US\$30,000, also at the request of the Beneficiary, which, in the respective communication shall present: (1) the amount and nature of the expenses incurred to that date; (2) the amount of the further commitments, chargeable both to the Credit and to the funds supplied by the Beneficiary that justify the replenishment; and (3) a concise report on the work done to the time.

Section 3.05. Retention of Disbursement. The Bank shall retain the reimbursement of the final 10% of the amount due to the Consultant for professional services until the final report has been reviewed by both the Ministry and the Bank and is satisfactory to both parties. The contract between the Beneficiary and the Consultant shall include an identical provision to this effect.

Section 3.06. Currencies for Disbursements. The Bank shall disburse the Credit in United States dollars or in other resources of the Fund for Special Operations, in accordance with the provisions of Section 2.02 (d).

Section 3.07. Rate of Exchange. In computing the dollar equivalency of other currencies in which disbursement of the Credit may be made and in determining the amount of the contribution of the Beneficiary for the execution of the Studies, the Bank shall proceed in accordance with its policies established for loan operations with the country of the respective currency.

Section 3.08. Period of Disbursement. The entire amount of the Credit shall be disbursed in a period of fifteen (15) months from the date of this Agreement. At the end of such time, the Agreement shall be considered cancelled with respect to any portion not yet disbursed, unless the parties have expressly agreed to extend the period.

Section 3.09. Suspension of Disbursements. The Bank may at any time suspend disbursements of the Credit if any circumstance has arisen which, in its opinion, conflicts with its technical assistance policies or may render the attainment of the proposed purposes unlikely.

Section 3.10. Contingent Repayment of Credit. The Credit is granted subject to the condition that it shall be reimbursable in the event the Beneficiary should receive a loan from the Bank or from another external source of financing for the financing of any project or projects relating to the Studies. In the event of financing by the Bank the amount of the Credit shall be chargeable to the corresponding loan and the conditions established in the respective loan contract shall be applicable. Should the loan originate from some other source of financing, the Beneficiary agrees to negotiate for the purpose of establishing that the amount of the Credit be included in the respective loan and that such amount be paid to the Bank in a single quota upon receipt of the first disbursement for such loan.

Section 3.11. Denomination of Credit. (a) The Credit shall be denominated proportionately in the respective currencies disbursed.

(b) All disbursements shall be owed for their equivalent in United States dollars at the time such disbursements shall have taken place, in accordance with the procedures utilized by the Bank for its loans at the time of the respective disbursement.

Section 3.12. Receipts for Amount Disbursed. At the conclusion of the disbursements of the Credit, the Beneficiary shall sign and deliver at the request of the Bank a receipt representing the amount disbursed in the form prescribed by the Bank. Such receipt shall prescribe that the Credit shall be reimbursed in the manner set forth in Section 3.10 above.

#### ARTICLE IV

##### Other Conditions

Section 4.01. Unit Responsible on Behalf of Bank. The Loan Administration Division, Zone II, shall be responsible on behalf of the Bank for the implementation of this Agreement.

Section 4.02. Field Supervision. (a) The Bank may undertake the field supervision of the execution of the operations through the office of its representative for Barbados, without prejudice to the rights of the Beneficiary to maintain supervision on its own part.

(b) The contracts to be signed with the Consultant shall clearly specify the right mentioned in the preceding paragraph.

Section 4.03. Statement of Expenses. The Beneficiary shall present to the Bank not later than sixty (60) days from the last



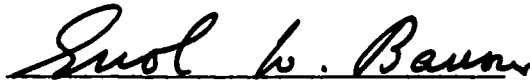
disbursement of the Credit a detailed justification of all expenses incurred chargeable to the Credit and to the contribution made from its own resources. The financial and accounting part of the justification shall be certified by auditors to the satisfaction of the Bank.

Section 4.04. Limitation of Obligations of Bank. It is understood that the execution of this Agreement by the Bank does not imply any obligation of its part to finance, either partially or totally, any project or projects that may, directly or indirectly, result from the operations or from the recommendations of the Consultant.

IN WITNESS WHEREOF, this Agreement has been signed on behalf of the Beneficiary and the Bank by their respective duly authorized representatives and delivered in Washington, District of Columbia, United States of America, as of the day and year first above written.

BARBADOS

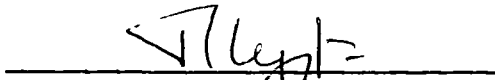
Date: 8th October, 1971.



Hon. E. W. Barrow  
Prime Minister and Minister of Finance

Date:

INTER-AMERICAN DEVELOPMENT BANK



T. G. Upton  
Executive Vice-President