

**AGREEMENT FOR THE ESTABLISHMENT OF A CONDITIONAL CREDIT LINE
FOR INVESTMENT PROJECTS (CCLIP)
TT-O0007**

between the

REPUBLIC OF TRINIDAD AND TOBAGO

and the

INTER-AMERICAN DEVELOPMENT BANK

Trinidad and Tobago National Water Sector Transformation Program

March 7, 2023



AGREEMENT FOR THE ESTABLISHMENT OF A CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP)

AGREEMENT entered into on March 7, 2023, between the REPUBLIC OF TRINIDAD AND TOBAGO (hereinafter, the "Beneficiary") and the INTER-AMERICAN DEVELOPMENT BANK (hereinafter, the "Bank" and together with the Beneficiary, the "Parties"), for the establishment of a Conditional Credit Line for Investment Projects (hereinafter, "CCLIP").

Section 1. Purpose of the Agreement. The purpose of this Agreement is to establish a CCLIP under which individual loan operations (hereinafter, the "Individual Operations") will be processed in order to cooperate with the Beneficiary in the development of investment projects or programs that are consistent with the objective of the CCLIP set forth in Section 2 of this Agreement. The CCLIP was approved by the Board of Executive Directors of the Bank through Resolution DE-146/22, on December 14, 2022.

Section 2. Objective of the CCLIP. The objective of the CCLIP is to improve the efficiency, quality, sustainability and resilience of potable water supply service and water security in Trinidad and Tobago, for which interventions will be needed through the preparation and execution of Individual Operations by the Beneficiary.

Section 3. Use of the CCLIP. (a) The CCLIP will be used to finance Individual Operations through individual loan agreements (the "Individual Contracts"), which will be executed provided that: (i) the Beneficiary has submitted to the Bank the corresponding request for financing; and (ii) the Bank's Board of Executive Directors has approved said Individual Operation.

(b) The processing of each subsequent Individual Operation shall be subject to the fulfillment, to the satisfaction of the Bank and in addition to the requirements set forth in the Bank's policies, regulations, and procedures, of the following requirements:

- (i) The objective of the CCLIP appears among the priorities defined in the respective country strategy of the IDB Group with the Republic of Trinidad and Tobago;
- (ii) The Individual Operation is contemplated in the sectors and components of the CCLIP, and its objective contributes to the achievement of the objective of the CCLIP established in Section 2 of this Agreement;
- (iii) The performance in the execution of the previous or on-going Individual Operation has been, or is, satisfactory, in accordance with the applicable mechanism of the Bank to assess the progress performance of sovereign guaranteed investment operations, and its development objectives are likely to be achieved;
- (iv) The Bank has implemented an analysis of the institutional capacity of the proposed executing agency and, as the case may be, the Beneficiary has submitted to the Bank information on the progress in implementing the

actions applied in the areas of improvement identified in the institutional capacity assessment of the previous Individual Operations; and

- (v) An evidence-based readiness assessment has been carried out to justify the development of the new Individual Operation and describes the overall implementation status of the previous Individual Operation, which includes an analysis of the Bank's environmental and social safeguards performance, if any.

Section 4. Amount of the CCLIP. The total amount of the CCLIP is three hundred and fifteen million United States of America dollars (US\$315,000,000) from the resources of the Ordinary Capital of the Bank, which will be used to finance Individual Operations under the terms provided in the Individual Contracts.

Section 5. Period for the Utilization of the CCLIP. The period for the utilization of the CCLIP is ten (10) years as of the effective date of this Agreement.

Section 6. Cancellation or Reduction of the Amount of the CCLIP. The CCLIP may be canceled, or its amount reduced at any time by written agreement between the Parties. The cancellation or reduction of the amount of the CCLIP will not entail a penalty for any of the Parties. The cancellation or reduction of the amount of the CCLIP will not affect the Individual Operations that are in execution, which will continue subject to the provisions of the corresponding Individual Contracts.

Section 7. Limitations on the Obligations of the Parties. This Agreement does not constitute an obligation for the Bank to fully or partially finance an Individual Operation, nor, in turn, an obligation for the Beneficiary to make a request for Bank resources to fully or partially finance an Individual Operation.

Section 8. Terms and Conditions Applicable to Individual Operations. (a) Individual Operations will be governed by the provisions established in each of the respective Individual Contracts, including, without limitation, the provisions relating to the procurement of goods, non-consulting services, and consulting services in accordance with the applicable policies of the Bank.

(b) Notwithstanding the provisions of paragraph (a) above, each Individual Operation will be subject to the financial terms and conditions applicable to Individual Contracts.

Section 9. Monitoring and Evaluation. During the execution of the Individual Operations, the Beneficiary and the Bank will meet at least once a year to exchange technical information of common interest. Notwithstanding what is established in the monitoring and evaluation plans of each Operation, at that meeting, the progress of operations will be discussed, including: (a) the use of the CCLIP referred to in this Agreement; (b) the exchange and dissemination of experiences of mutual interest related to the fulfillment of: (i) the goals, objectives, and results obtained due to the application of the framework of indicators agreed between the Parties; and (ii) the environmental requirements stipulated in the applicable legislation of the Republic of Trinidad and

Tobago and in the Bank's policies as applicable to the Individual Operations in execution; and (c) the convenience of introducing modifications in the Individual Operations. If, after being evaluated, the Individual Operations were not achieving the objectives set forth in Section 2, the Parties shall take the appropriate measures to correct the corresponding deficiencies.

Section 10. Entry into Effect of the Agreement. This Agreement shall enter into effect on the signature date by the Parties and, unless it has been terminated early by agreement of the Parties or in the case of cancellation of the CCLIP in the terms of Section 6, it shall remain in effect until the date on which the payment corresponding to the last Individual Contract executed under this Agreement has been fully amortized.

Section 11. Non-Waiver of Rights. Any delay or failure by the Bank to exercise its rights pursuant to this Agreement may not be construed as a waiver of such rights or as implied acceptance of events, actions, or circumstances that would have empowered it to exercise them.

Section 12. Validity. This Agreement is valid and enforceable, in accordance with the terms agreed upon herein, regardless of the laws of any given country.

Section 13. Communications. (a) Any notice, request, communication, or report from one Party to another by virtue of this Agreement related to this Agreement shall be made in writing and shall be considered to have been made when the relevant document is delivered to the addressee at the respective address given below, or by electronic means under such terms and conditions as the Bank establishes and communicates to the Borrower, unless the Parties agree otherwise.

For the Beneficiary:

Mailing address:

Ministry of Planning and Development
Level 14, Eric Williams Finance Building, Eric Williams Plaza
Independence Square
Port of Spain
Trinidad and Tobago

Facsimile: 1 (868) 623 8123

For the Bank:

Mailing address:

Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577
U.S.A.

Conditional Credit Line
TT-O0007

Section 14. Dispute Resolution. The Beneficiary and the Bank undertake to negotiate in good faith the settlement of any difference or dispute relative to the interpretation or implementation of this Agreement.

IN WITNESS WHEREOF, the Beneficiary and the Bank, each acting through its authorized representative, have signed this Agreement in two (2) equally authentic copies in Port of Spain, Trinidad and Tobago, on the date indicated above.

REPUBLIC OF TRINIDAD AND TOBAGO

INTER-AMERICAN DEVELOPMENT
BANK



The Honourable Penelope Beckles-Robinson
Minister of Planning and Development



Ilan Goldfajn
President