

LOAN AGREEMENT

BETWEEN

The Republic of Trinidad and Tobago

AND

Corporación Andina de Fomento

DOCUMENT I

Special Conditions

This document contains the Loan Agreement consisting of these Special Conditions (Document I), the General Conditions (Document II), the Technical Annex (Document III) and the Annex Forms for Debt Management Operations (Document IV) (hereinafter jointly referred to as the "*Loan Agreement*"), and is entered into on the Effective Date (as defined below) between the following parties and subject to mutually agreed terms and conditions set forth below:

- **CORPORACIÓN ANDINA DE FOMENTO ("CAF")**, a multilateral financial institution established pursuant to the Agreement Establishing CAF executed in the city of Bogota, Republic of Colombia, on February 7, 1968, with its headquarters in Caracas, Bolivarian Republic of Venezuela, and duly represented herein by its Executive President, Mr. Sergio Díaz-Granados G.; and
- The **REPUBLIC OF TRINIDAD AND TOBAGO** (the "**Borrower**"), situated at Eric Williams Finance Building, Independence Square, Port of Spain, Trinidad, Republic of Trinidad and Tobago, and duly represented herein by the Honourable Colm Imbert, Minister of Finance.

ARTICLE 1. Background

1.1. The Borrower has requested an interest-bearing loan from CAF in order to finance the "Trinidad Drainage and Flood Mitigation Programme" (hereinafter, the "**Programme**").

1.2. CAF has undertaken to make available to the Borrower and the Borrower accepts the Loan (as defined below), which will be subject to the terms and conditions set forth in this Loan Agreement.

1.3. The Parties expressly agree that as of the Effective Date, the Loan shall be subject to the terms of the Loan Agreement, which shall supersede, in their entirety, any prior verbal or written agreement between the Parties on the same subject matter.

1.4. Capitalized terms, not specifically defined in these Special Conditions or in the Annexes, shall have the meaning assigned to them in the General Conditions.

ARTICLE 2. Purpose of the Agreement

2.1. In accordance with the Articles of the Loan Agreement, and subject to the terms and conditions set forth herein, CAF grants to the Borrower and the Borrower accepts an interest-bearing loan in the amount indicated in the Article of these Special Conditions titled "*Amount of the Loan*", to finance the Programme in accordance with the provisions of this Loan Agreement.

ARTICLE 3. Amount of the Loan

3.1. The interest-bearing loan that CAF grants the Borrower shall be for an amount of up to Forty Million Dollars (USD 40.000.000,00) (hereinafter, the "Loan").

ARTICLE 4. Term of the Loan

4.1. The Loan will have a term of twelve (12) years, including a Grace Period of sixty-six (66) Months, both commencing on the Effective Date.

ARTICLE 5. Utilisation and Purpose of the Loan Proceeds

5.1. The Borrower expressly agrees that the proceeds of the Loan shall be used in strict compliance with the provisions of this Loan Agreement and exclusively for the financing of the following items:

- (i) consultancies, studies and designs;
- (ii) construction, remodelling and rehabilitation of infrastructure;
- (iii) administration and monitoring;
- (iv) technical assistance and supervision;
- (v) environmental and social management;
- (vi) external audits;
- (vii) taxes associated with investments and expenditures for the above-mentioned items; and
- (viii) CAF's Evaluation Expenses and Finance Fee.

ARTICLE 6. Executing Agency

6.1. The Parties agree that the execution of the Programme and the use of the proceeds of the Loan shall be carried out by the Borrower through the Ministry of Works and Transport (MoWT) (hereinafter, the "Executing Agency"), through the Programme Executing Unit (PEU), or the entity which substitutes it with the same attributions

6.2. The Borrower declares and guarantees that the Executing Agency is duly authorised to comply with the obligations and exercise the corresponding attributions in accordance with the provisions of the Agreement, being in any case the Borrower the sole responsible vis-a-vis CAF as per compliance with the obligations of the same and of the Executing Agency under the Agreement.

ARTICLE 7. Disbursements

7.1. The total amount for Disbursements per calendar year will be determined by CAF on the basis of the annual disbursement allocation assigned to the Country. At no time may the annual disbursement limit assigned to the Country be exceeded in accordance with the applicable CAF regulations.

ARTICLE 8. Disbursement Period

8.1. The Borrower shall have a period of up to six (6) Months to request, directly or through the Executing Agency, the first Disbursement and up to sixty (60) Months to request the last Disbursement. Both periods shall be counted from the Effective Date.

8.2. The Borrower may request an extension of the periods established in Article 8.1 above, no less than thirty (30) Days in advance of the expiry of those periods, provided that the request is submitted in writing and accompanied by a justification for the request which CAF may accept or reject at its own discretion.

8.3. In the event that CAF decides to approve the extension requested in accordance with Article 8.2 above, it will send a notification in this regard, indicating the new period approved.

ARTICLE 9. Special Conditions

9.1. The Borrower, directly or through the Executing Agency, as appropriate, must comply, to CAF's satisfaction, with the conditions precedent to the first and to all the Disbursements as established in the Article of the General Conditions titled "*Conditions Precedent to Disbursements*" and, in addition, with the following special conditions:

A. Prior to the first Disbursement

Submit to CAF:

1. A copy of a formal document establishing the Programme Executing Unit (PEU) as well as the appointment of a Manager responsible for the administration of the Programme. This document must show that the PEU has sufficient technical and professional resources for the execution of all the components of the Programme, including the necessary resources for the environmental and social management of the Programme and for the external experts and their interrelation with the other areas/units assigned to the Programme.
2. Programme Operating Manual (POM), agreed with CAF and approved by the competent authority, which will be binding.

B. Within twelve (12) months from the Effective Date of the Loan Agreement

Submit to CAF:

1. The Terms of Reference specifications and bidding schedule for hiring specialized external entities that provide the PEU with the required comprehensive technical advice and assistance for the preparation of detailed works, designs and studies for prioritized structural measures and non-structural measures included in phase 2 of the Programme and that within its scope includes at a minimum:
 - a. Establishing technical specifications of the infrastructure to be used, soil investigations, quality investigations for existing infrastructure, including

recommendations and solutions for structural reinforcement and foundations, if required.

- b. Providing specialized supervision during the design and construction stage by hiring a supervisory firm.
- c. The specialized supervision shall verify compliance with the environmental, social and safety management measures established in the Environmental Impact Assessment (EIA), the Environmental and Social Safeguards of CAF and regulations issued by the competent environmental authority (licenses, and other environmental and social permits), follow-up mechanisms for prevention, mitigation and control actions.
- d. The specialized supervision must include specialists in environmental, social and security issues among its staff and report on the findings on a biannual basis during the construction phase.
- e. Review and approval of the infrastructure maintenance plans.

C. Prior to the start of the bidding and contracting processes of the contractor(s) that will carry out the structural measures considered within Component 2 and prioritized in phases 1 and 2

Submit to CAF:

1. Certification by the PEU of the approval of the studies and detailed designs of the infrastructure (for each work or package of works to be financed by CAF).
2. Bidding documents for the works, which must include, at a minimum: (a) the construction procedure; (b) the general and particular technical specifications of the work; (c) the technical warranties for materials and equipment, if applicable or required; (d) quality control mechanisms; (e) Environmental and Social Technical Specifications (ESTS) duly adjusted to the Environmental and Social Safeguards of CAF, including the incorporation of environmental criteria and adaptation measures to extreme weather events under climate change scenarios. Additionally, these specifications must consider and regulate a period of maintenance and training and a guarantee of at least one year, after completion of the works and the preparation of an Operation and Maintenance Plan.
3. Certification by which PEU indicates that it is complying with all the requirements and permits or licenses required by national regulations for the execution of the works.
4. The Terms of Reference and/or scope of the Certificate of Environmental Clearance (CEC) and Environmental Impact Assessment (EIA) for each of the works, as applicable, which considers at a minimum the direct, indirect and cumulative impacts of the Programme on habitats and the biodiversity they support, the compliance with the requirements of the applicable local environmental legislation and, if applicable, have the appropriate approval from the competent environmental authority.

5. The Resettlement Action Plan (RAP) for the acquisitions of land for works involving processes of expropriation (land acquisitions for public purposes) and/or involuntary resettlement, in the terms required by the Programme Operations Manual (POM).

D. Prior to initiating the execution of the structural measures considered within Component 2 and prioritized in phases 1 and 2

Submit:

1. The contract signed with the company winning the tender, in which the inclusion of its environmental and social obligations can be verified, in accordance with the provisions of the tender documents.
2. Evidence of the hiring of an external supervision firm and that the firm has initiated activities, including the evaluation process of designs, plans, technical reports, schedules, materials and others, and its responsibilities detailed in the POM. The external supervision must include at least one environmental, social, health and safety specialist, responsible for supervision during the construction works phase of the Programme.
3. A copy of the Certificate of Environmental Clearance (CEC) for each of the works to be executed as well as the Environmental Impact Assessment (EIA) as applicable.
4. A copy of the other Certificates, permits and/or licenses that are required by current legislation for the start of the works, as applicable.
5. The Environmental and Social Management Plan (ESMP) approved for each work, as required by the POM.
6. Evidence of compliance with public consultation and community outreach processes, including the activation of mechanisms for dealing with complaints, claims and conflict resolution, in the framework of the Programme and for each contractor, in the terms indicated in CAF's Environmental and Social Safeguard S01.
7. Evidence of the land release for those works involved in land expropriation and/or involuntary resettlement processes.

E. During the Disbursement Period

Submit:

1. Within one hundred and twenty days (120) from the date of the first disbursement of the Loan, evidence that the process to hire a reputable independent external audit firm has started, in order to carry out annual audits, during the disbursement period, of: (i) the contracting and procurement procedures financed with resources from the CAF loan; (ii) the financial statements; (iii) compliance with the Loan Agreement; (iv) the appropriate use of the CAF loan resources, in accordance with the Loan Agreement and the applicable Law of the Country, as defined in the POM. In the event that the first disbursement is made during the last four months of the year, the Annual Report of the following year will cover the whole period elapsed since the start of the Programme.

2. A report that includes: (a) work plan and progress report; (b) technical and financial execution schedule; and (c) a copy of the contracts signed between the Executing Agency, the consultancy and/or the selected professional service in order to pay for consulting and/or hiring professional services.
3. Evidence that the Nation's Annual Budget has included the local counterpart contributions for the Programme.
4. A Report on any substantial modification to the works or supervision contracts, as well as other changes that could alter the objectives, budget and execution deadlines of the Programme, including the proposed solution convened under supervision.

F. Reports

Submit the following reports on the Programme in accordance with the POM:

1. *Initial*: Prior to the first Disbursement.
2. *Semi-annual*: within the sixty (60) days following June 30th and December 31st of each year.
3. *Annual*: External audit report of the Programme within one-hundred and eighty (180) days after the end of each calendar year, during the period of implementation of the Programme.
4. *Mid-Term*: thirty (30) months after the effective date of the Loan Agreement or after having disbursed 50% of the loan resources, whichever happens first, which will allow for the evaluation of the general progress of the Programme, in relation to the agreed physical and financial schedules and with the results indicators established in the POM, identifying any causes of delays and corrective adjustments necessary to achieve the proposed objectives within the established deadlines.
5. *Final Report*: within two-hundred and seventy (270) days after the date of the final disbursement of the CAF loan.
6. *Special Reports*: may be requested at any moment by CAF if a significant change in the characteristics of the Programme or a substantive modification of the organizational structure or management positions of the Executing Agency or PEU occur. The structure, scope and content of this report must be previously validated by CAF.
7. Other specific reports, reasonably requested by CAF during the execution of the loan and at any other time, with the scope and formats that will be established by CAF from time to time.

G. Selection process

In relation to the Selection Processes to be carried out within the framework of the Programme that will be financed with Loan resources, the Executing Agency must submit to CAF's satisfaction:

1. *Bidding Documents*. Prior to the beginning of the bidding processes, at least thirty (30) business days before publishing each call for bids, the bidding documents and the terms and conditions to be included therein (i) for the contracting of works or groups of works, including technical, general and special specifications, as well as environmental and social (when applicable); and (ii) for the contracting of other services and consultancies and the acquisition of goods.

CAF reserves the right to review the Bidding Documents with sufficient time in advance of the publication of the call for bids and, if applicable, make any observations it deems pertinent, especially as it relates to compliance with the technical, environmental and established guidelines in the Loan Agreement and associated with the Programme.

2. *Legal Report on the Selection Process*. After the award of the respective contract and before the start of activities, the legal report referred to in the General Conditions regarding International Public Bidding, Other Selection Processes and Selection Processes prior to the Effective Date, respectively.

Each Legal Report of the Selection Process presented to CAF will be reviewed for the sole purpose of verifying that its content corresponds to the requirements indicated by CAF in accordance with the provisions of the sub-articles.

3. The fact that CAF receives the documents referred to in literal 1) and 2) above, that it reviews and/or comments on them, or that it stops doing so, under no circumstances may be considered as a sign of participation, approval, no objection or authorization to the Selection Process, its result, or any aspect of form or matter concerning it, in accordance with the provisions of the General Conditions.

ARTICLE 10. Reimbursement and Recognition of Investments and Expenses

10.1. The Borrower may request from CAF, directly or by means of the Executing Agency, reimbursement, with charge to the Loan, of the investments and expenses, for up to twenty per cent (20%) of the total amount of the Loan, made in the period between December 24, 2021 and the date of fulfilment of the conditions precedent to the first Disbursement, provided that:

- a) the investments and expenses in respect of which reimbursement is intended shall be eligible in accordance with the provisions of the Article of these Special Conditions titled "*Utilisation and Purpose of the Resources of the Loan*";
- b) the hiring procedures applied to such investments and expenses are in accordance with the provisions of the General Conditions titled "*Acquisition of Goods, Hiring of Works and Selection and Hiring of Consultants*" and "*Selection Processes*".

ARTICLE 11. Loan Repayment

11.1. The repayment of the Loan shall be carried out through the payment of fourteen (14) semi-annual consecutive and, to the extent possible, equal instalments, to which will be added, the interest accrued at the maturity of each of the Interest Periods.

11.2. The first Instalment shall be paid on the Interest Payment Date sixty-six (66) Months from the Effective Date; the second Instalment, on the Interest Payment Date seventy-two

(72) Months from the Effective Date, and so on until the number of Instalments is completed, according to the term of the Loan as provided in Article 4 above.

11.3. Any delay in the timely payment of any Instalment entitles CAF to collect the corresponding default interest, in the manner established in the Article of the General Conditions titled "*Default Interest*", and/or suspend its obligations, and/or declare the Loan overdue, in accordance with the provisions of the Articles of the General Conditions titled "*Suspension of CAF's Obligations*" and "*Declaration of Expired Term of the Loan*", respectively.

ARTICLE 12. Voluntary Advance Payments

12.1. The Borrower may make voluntary advance payments to the Loan provided that it has previously satisfied the following conditions to CAF's satisfaction, namely:

- a) that the Borrower does not owe any overdue amount to CAF for capital, interest, Fees and/or other expenses and charges;
- b) that at least seventy-two (72) Months have passed since the Effective Date;
- c) that the value of the voluntary advance payment, is a full multiple of an Instalment;
- d) that the Borrower informs CAF in writing, of its intention to carry out a voluntary advance payment at least forty five (45) days in advance of the date of prepayment; and
- e) that the voluntary advance payment is carried out on an Interest Payment Date.

12.2. Unless otherwise agreed between the Parties, the voluntary advance payments shall apply to the Instalments in reverse order of proximity to their maturity.

12.3. The Borrower shall pay CAF any other expenses associated with the corresponding voluntary advance payment, including without limitation, those arising from the supervision of the transaction, the applicable operative modality, any related transaction, and/or the early termination of the Agreement, if applicable.

12.4. In case the advance payment is carried out on a date different from the Interest Payment Date (subject to CAF's prior consent), the Borrower shall pay in addition the financial expenses incurred by CAF derived from the cancelation or modification of the corresponding proceeds, any other costs associated with such advance payment, if any.

12.5. Unless otherwise agreed between the Parties, notices of advance payment shall be irrevocable.

ARTICLE 13. Interest

13.1. The Borrower undertakes to pay CAF interest on the Outstanding Loan Balance on each Interest Payment Date.

13.2. The interest referred to in sub-Article 13.1 above shall be calculated at the annual floating rate resulting from adding the Term SOFR rate applicable to the relevant Interest Period and a margin of one point ninety-five percent (1.95%) (hereinafter, the "Margin"), or the rate applicable pursuant to the following sub-Article 13.3 (hereinafter, "Interest Rate").

Likewise, the Article of the General Conditions titled "*Interests*" shall apply. Under no circumstances may the Interest Rate applicable to any Interest Period be less than zero.

13.3. The Borrower accepts and irrevocably agrees that the Margin may be modified by CAF if the Effective Date occurs after the term established in the applicable CAF policies has elapsed. In such case, the Margin shall be the one that CAF communicates in writing to the Borrower as applicable on the Effective Date by means of the procedure established for it in the Article of these Special Conditions titled "*Communications*". In the event CAF has not notified the Borrower of the modified Margin within the thirty (30) Days from the Effective Date, the Margin referred to in Article 13.2 shall apply.

13.4. The Borrower irrevocably accepts and agrees that Term SOFR will be replaced by the Alternative Reference Rate for all purposes of the Agreement, in the event that (an Alternative Reference Rate Replacement Event occur. In said circumstances, CAF shall notify the Borrower of the Alternative Reference Rate as provided in the Article of those Special Conditions titled "Communications". The aforementioned notification shall include all the necessary elements for calculation and determination of the Alternative Reference Rate, which shall substitute the Term SOFR, and will be notified by CAF to the Borrower in writing, thirty (30) Days prior to the date on which it shall become fully effective.

13.5. If any payment required to be made by the Borrower under the Loan Agreement is not made on the date on which it was actually due (either on an arranged due date or in advance of such due date, in accordance with the Loan Agreement), the respective amount shall bear default interest as established in the Article of the General Conditions titled "*Default Interest*".

ARTICLE 14. Compensatory Financing Fund

14.1. During the first eight (8) years from the Effective Date (or during the period determined in accordance with the following sub-Article), CAF shall finance a non-refundable sixty (60) Basis Points of the Interest Rate (or the amount applicable in accordance with the following sub-Article) (hereinafter, the "Compensatory Financing"). Such financing shall be provided by CAF's Compensatory Financing Fund.

14.2. The Borrower irrevocably accepts and agrees that the Compensatory Financing may be modified or terminated by CAF if the Effective Date occurs after the term established in CAF's applicable rules has expired. In such case, the Compensatory Financing shall be that which CAF communicates in writing to the Borrower as applicable on the Effective Date by means of the procedure established for such purposes in the Article of these Special Conditions titled "*Communications*". In case there is no communication from CAF in this regard within thirty (30) Days from the Effective Date, the Compensatory Financing established in the sub-Article above shall be applied.

ARTICLE 15. Commitment Fee

15.1. The Borrower shall pay CAF a Commitment Fee of zero point thirty-five percent (0.35%) per year (or the amount applicable in accordance with the following paragraph), on the undisbursed Loan balances, in the manner provided for in the Article of the General Conditions titled "*Commitment Fee*".

15.2. The Borrower irrevocably accepts and agrees that the Commitment Fee may be modified by CAF if the Effective Date occurs after the term established in CAF's applicable policy. In such case, the Commitment Fee shall be the one that CAF communicates in writing to the Borrower as applicable on the Effective Date by means of the procedure established in the Article of these Special Conditions titled "*Communications*". In case there is no communication from CAF in this regard within thirty (30) Days from the Effective Date, the Commitment Fee referred to in the above sub-Article shall apply.

ARTICLE 16. Finance Fee

16.1. The Borrower shall pay CAF a one-time lump sum Finance Fee of zero point sixty-five percent (0.65%) (or the amount applicable in accordance with the following paragraph), on the amount indicated in the Article of these Special Conditions titled "*Amount of the Loan*" as established in the Article of the General Conditions titled "*Finance Fee*".

16.2. The Borrower irrevocably accepts and agrees that the Finance Fee may be modified by CAF if the Effective Date occurs after the term established in CAF's applicable regulation. In such case, the Finance Fee shall be the one that CAF communicates in writing to the Borrower as applicable to the Effective Date by means of a procedure established in the Article of these Special Conditions titled "*Communications*". In case there is no communication from CAF in this regard within thirty (30) Days from the moment in which CAF acknowledges the occurrence of the Effective Date, the provisions established in the above paragraph shall apply.

ARTICLE 17. Evaluation Expenses

17.1. The Borrower shall pay CAF, on the Effective Date or, at the latest, at the time the first Disbursement is carried out, the amount of thirty-five thousand Dollars (USD 35,000.00) for Evaluation Expenses. The Borrower irrevocably authorises CAF to deduct this amount from the first Disbursement of the Loan.

ARTICLE 18. Debt Management Operations

18.1. The Parties may agree to carry out the Debt Management Operations, in accordance with the terms of this Article.

18.2. Debt Management Operations shall be subject to compliance, upon CAF's satisfaction, of all of the following prior conditions:

- a) discretionary approval by CAF;
- b) compliance by the Borrower of the applicable legal regulation;
- c) obtaining required governmental authorizations in order for the Borrower to carry out the Debt Management Operation requested; and
- d) that the documentation of the Debt Management Operation is satisfactory to CAF.

18.3. The process for carrying out the Debt Management Operation is the following:

- a) the Borrower shall send CAF a Request for a Debt Management Operation, along with a legal report of the Borrower establishing, with reference to the pertinent legal provisions: (i) that the obligations entered into by the Borrower in the Request for Alternative Currency Operation, are adjusted to the applicable legal rules, (ii) that the transactions that must be carried out to complete the Debt Management Operation, are legal, valid, binding and enforceable; and (iii) that once the Debt Management Operation is executed in accordance with the terms herein, it shall be deemed

modified with regard to the Agreement and that such modifications are legal, valid, binding and enforceable;

- b) both, the Request for a Debt Management Operation, and the Debt Management Operation Confirmation, shall be delivered in original documents duly signed by the corresponding Party, at the notification address that appears in the Article of these Special Conditions titled "*Communications*";
- c) if CAF, at its sole discretion, gives its approval to conduct the Debt Management Operation as requested, it shall send the Borrower a Confirmation of the Debt Management Operation within the date of expiration of the offer that appears in the corresponding Request of Debt Management Operation.

18.4. With regard to each Debt Management Operation, the Parties expressly agree that:

- a) the Debt Management Operation should be carried out over the total amount of the Outstanding Loan Balance, except in the case where the Parties have an express agreement to the contrary;
- b) from the moment a Request for a Debt Management Operation is sent, the Borrower is expressly, unconditionally and irrevocably obliged to perform the respective Debt Management Operation with CAF, in the terms of the Financial Conditions Requested;
- c) from the moment CAF sends a Debt Management Operation Confirmation, the respective Debt Management Operation shall be considered as executed and shall be deemed to have entered into full force and effect, and for all legal effect, its terms and conditions shall be mandatory to the Parties;
- d) from the Value Date, the Borrower's payment obligations with regards to the portion of the Loan subject to the respective Debt Management Operation, shall be the ones contained in the Confirmation of the corresponding Debt Management Operation;
- e) a Debt Management Operation consistent in Currency Conversion does not extinguish nor modify the obligation of the Borrower to pay, in Dollars and in the terms of the Loan Agreement: (i) the Outstanding Loan Balance which has not been subject to the Currency Conversion; and (ii) interest accrued until the Value Date;
- f) the Debt Management Operation consisting in Conversion of the Interest Rate, does not extinguish or modify the obligation of the Borrower to pay the interest accrued up to the Value Date calculated at the Interest Rate; and
- g) whatever is not expressly modified by the Debt Management Operation Confirmation, the Borrower shall continue to be obliged with the same terms and conditions established in the Loan Agreement.

18.5. With regard to any Debt Management Operation each of the Parties expresses that they:

- a) know and accept that the other Party can record, at any time, all communications between its representatives, regarding Debt Management Operations;
- b) resign to the need of notifications with respect to the faculty of the other Party to record such communications;
- c) shall inform its representatives on the possibility that their communications, regarding Debt Management Operations, may be recorded; and
- d) accept that such recordings may be used against them in any claim or trial originated due to or in the occasion of Debt Management Operations.

18.6. In the event that, in accordance with the Article of these Special Conditions titled "*Voluntary Advance Payments*", the Borrower makes a voluntary anticipated payment to a portion of the Loan that was subject to a Debt Management Operation, the Borrower shall pay CAF, in addition to the provisions of the above-mentioned Article, any other cost, penalty, or expenses associated to the anticipated termination of the Debt Management Operation, including, among others, the costs of financing breakup and of the anticipated termination of the derivatives agreements that CAF may have incurred due to, or on the occasion of, the corresponding Debt Management Operation.

18.7. The Parties may execute complementary agreements with regard to the Debt Management Operations by simply exchanging letters between the authorised representatives, as long as such complimentary agreements do not cause substantial changes to the term or purpose of the Loan and do not derive in an increase of the amount, for:

- a) establishing, determining or developing conditions, protocols or additional procedures to the ones existing in the sub-Article related to procedures of this Article; or
- b) agree on modifications to the terms of the Annex titled "*Annex Forms for Debt Management Operations*".

18.8. Complementary agreements agreed upon in accordance with the above sub-Article, shall be mandatory for each Party, shall not release in any way the Borrower of the obligations assumed by virtue of the Loan Agreement, and shall not have as purpose or as consequence the novation of the obligations assumed.

ARTICLE 19. Communications

19.1 Any notice, request or communication that the Parties and the Executing Agency, may address to each other, for any matter relating to the Loan Agreement, shall be done in writing, shall be executed by its Authorised Representatives, and shall be deemed to have been made from the time the corresponding document is received by the addressee, at the following addresses:

To CAF Attention: Address:	Corporación Andina de Fomento Gianpiero Leoncini, Representative 8 th Floor Albion Plaza Energy Centre, 22-24 Victoria Avenue, Port of Spain, Republic of Trinidad and Tobago Fax: +1 (868) 222-7372
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To the Borrower Attention: Address:	The Republic of Trinidad and Tobago Permanent Secretary Ministry of Finance Level 8 Eric Williams Finance Building Independence Square, Port of Spain, Republic of Trinidad and Tobago Fax: 1-868-627-6108
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To the Executing Ministry of Works and Transport (MoWT)
Agency
Attention: Permanent Secretary
Ministry of Works and Transport

Address: Administration Building
Level 6, 2-4 London Street
Port-of-Spain,
Republic of Trinidad and Tobago
Fax: 1-868-627-9886

19.2 Communications between the Parties may be transmitted to each other by one or more electronic transmissions and will have the same validity and binding force as the original printed document, signed, sent and received, and will be considered to have been made from the moment the corresponding document is received by the addressee as evidenced by the respective acknowledgment of receipt, at the electronic (e-mail) addresses indicated below. The validity or binding force of the aforementioned communications will not be denied for the sole reason of having been generated by one or more electronic transmissions used in their formation.

For the purposes of the application of the preceding sub-Article, the corresponding documents shall be presumed authentic by the fact that they originate from the person who signs it on behalf of the Borrower and/or the Executing Agency, or by those who appear as Authorised Representatives pursuant to the Article of the General Conditions titled "Authorised Representatives", in the terms and conditions set forth therein.

To CAF
e-mail Corporación Andina de Fomento
gleoncini@caf.com
cc: sledesma@caf.com

To the Borrower
e-mail The Republic of Trinidad and Tobago
Suzette.Leechee@gov.tt
cc: Michelle.DKissoon@gov.tt

To the Executing Agency
e-mail Ministry of Works and Transport (MoWT)
syearwood@mowt.gov.tt
cc: kbadloo@mowt.gov.tt

19.3 In any case, CAF reserves the right to notify the Borrower that all or part of the documentation to be presented or sent to CAF in accordance with the provisions of the Loan Agreement will be considered to be delivered only when received at the physical addresses indicated in sub-Article 19.1 above.

19.4 Any change or amendment regarding the addresses and/or electronic addresses indicated in this Article shall be notified to the other Party by any of the means indicated above, only being effective upon acknowledgement of receipt of such change or amendment.

ARTICLE 20. English Language

20.1. All documents to be furnished or communications to be sent or made under the Agreement or any of the other related documents shall be in English. To the extent that the original of any such document or communication is in a language other than English, it shall be accompanied by a translation into English certified by an authorized representative of the party delivering such document or communication.

ARTICLE 21. Arbitration

21.1. Any disagreement or discrepancy arising from the Loan Agreement shall be resolved according to the provisions of the Article of the General Conditions titled "*Arbitration*".

ARTICLE 22. Agreement Stipulations

22.1. The Loan Agreement is governed by the provisions of these Special Conditions, the General Conditions and the Annexes. The rights and obligations established in the Loan Agreement are valid and enforceable in accordance with its terms, without regard to the legislation of a given country. For any other issues that are not expressly provided for in the Loan Agreement, the legislation of the Country shall apply.

ARTICLE 23. Prevalence of the Loan Agreement's Provisions

23.1. In any other matter not expressly provided for in the Special Conditions or in the Annexes, the General Conditions shall apply.

23.2. In case of discrepancy between any stipulation of the Special Conditions and the General Conditions, the provisions of these Special Conditions shall prevail.

23.3. In case of discrepancy between any provisions in the Annexes and the General Conditions, the provisions of the General Conditions shall prevail.

23.4. In case of discrepancy between any stipulation of these Special Conditions and the Annexes, the provisions of the Special Conditions shall prevail. In case of discrepancy between any provisions in these Special Conditions, or between any provisions in the General Conditions, or between any provision of the same Annex, the specific provision shall prevail over the general one.

ARTICLE 24. Annexes

24.1. The following Annexes are part of the Agreement:

- a) the "Technical Annex".
- b) the "Annex Forms for Debt Management Operations".

ARTICLE 25. Effective Period

25.1. The Parties hereby agree that the Agreement shall enter into force on the date of its signature, in the understanding that the Loan Agreement will not be legally binding until it is signed by both parties (hereinafter, the "Effective Date") and shall terminate with the total payment of the Loan (capital, interest, fees and any other expenses) and the fulfilment of all of the obligations set forth in the Loan Agreement.

This Loan Agreement is signed in two (2) originals, in the city of Port of Spain, Republic of Trinidad and Tobago.

Republic of Trinidad and Tobago



Name: Colm Imbert
Position: Minister of Finance
Trinidad and Tobago
Date: 15/11/2022

Corporación Andina de Fomento



Name: Sergio Díaz-Granados G.
Position: Executive President of CAF
Date: 15/11/2022

DOCUMENT II

General Conditions

ARTICLE 1. Definitions

1.1. The following terms shall have the following meanings for the purposes of the Loan Agreement:

Alternative Currency: is the legal currency in the Country, or any other currency different from USD, a money basket or value index.

Alternative Reference Rate: is the rate determined by CAF if an Alternative Reference Rate Replacement Event occurs.

Alternative Reference Rate Replacement Event: is, alternatively, CAF's determination that: (i) a modification in market practices has occurred affecting the determination of the Term SOFR; or that (ii) it is not possible for CAF or that it is no longer commercially acceptable for CAF to continue to use the Term SOFR as a reference for their operations. CAF's right to determine the occurrence of an Alternative Reference Rate Replacement Event shall only be used to preserve the financial management between assets and liabilities and shall not commercially inure to CAF's benefit.

Annexes: are the Technical Annex and the rest of the related documents which are set forth in the Article of Special Conditions titled "*Annexes*", which are an integral part of the Loan Agreement.

Authorised Representative: shall have the meaning assigned to said term in the Article of these General Conditions titled "*Authorised Representatives*".

Basis Point: is the one-hundredth (1/100) of one percent (1%).

Borrower: shall have the meaning assigned to such term in the heading of the Special Conditions.

Business Day:

- a) exclusively to determine the date on which a Disbursement or payment of principal, interest, fees, expenses, etc., must be settled, a day on which the banks are open to the public in New York City, United States of America;
- b) exclusively for purposes of determining Term SOFR, the term "Business Day" shall have the meaning assigned in the definition of Term SOFR; and
- c) for any other purpose, is any day which is not a Saturday, Sunday, or a day considered as holiday or national non-business day in the Country.

CAF: shall have the meaning assigned to such a term in the Special Conditions.

CAF's Environmental and Social Safeguards: refers to the compilation of environmental and social principles, standards and procedures, which have the purpose to guarantee the environmental sustainability and the social responsibility of the operations financed by CAF

in the framework of the fulfilment of its institutional mission of promoting sustainable development and which are published (in Spanish) in the following site (or page): <https://www.caf.com/media/30035/salvaguuardas-ambientales-y-sociales.pdf>

Commitment Fee: is the commission that the Borrower shall pay to CAF for reserving the availability of the Loan, determined in the Article of the Special Conditions titled "*Commitment Fee*".

Confirmation of Debt Management Operations: is the document in form and content similar to the model titled "*Debt Management Operation Confirmation Form*", contained in the Annex "*Forms for Debt Management Operations*" ("a" or "b" as applicable), according to which CAF accepts to carry out the Debt Management Operations described in the corresponding Request for Debt Management Operations.

Conversion of Currency: is the exchange from Dollars to any other Alternative Currency as payment currency of the portion of the Loan over which such Debt Management Operation is about.

Conversion of Interest Rate: is the change in the Interest Rate applicable to the portion of the Loan over which a Debt Management Operation is applied.

Country: is the country of the Borrower and the Executing Agency.

Days: any reference to days, without specifying whether they are calendar days or Business Days, shall be understood as calendar days.

Debt Management Operations: means, indistinctively, a Conversion of Currency and/or Conversion of Interest Rate.

Default Interest Rate: shall have the meaning assigned to such term in the Article of these General Conditions "*Default Interest*".

Disbursement: is the act whereby CAF makes available to the Borrower a certain amount of money charged to the Loan in accordance with the modalities provided for in the Article of these General Conditions titled "*Modalities for Implementing the Loan*".

Disbursement Request: means the written communication to be presented to CAF by the Borrower, directly or through the Executing Agency, as the case may be, in the way and content to the satisfaction of CAF to request a disbursement.

Dollars or USD: is the legal currency in the United States of America.

Effective Date: shall have the meaning assigned to such term in the Article of the Special Conditions titled "*Effective Period*".

Evaluation Expenses: refers to all of the expenses incurred by CAF before the Effective Date due to the evaluation of the Loan, in order to determine the viability of their granting and those related to the execution of the Loan Agreement; the amount the Borrower must pay CAF is determined in the Article of the Special Conditions titled "*Evaluation Expenses*".

Executing Agency: shall have the meaning assigned to such term in the Article of the Special Conditions titled "*Executing Agency*".

Financial Conditions Requested: are the financial conditions proposed by the Borrower and contained in the respective Request of Debt Management Operations, under which the Borrower is obliged *vis-a-vis* CAF, and at the latter's election, to carry out the corresponding Debt Management Operation.

Finance Fee: is the commission that the Borrower must pay to CAF for granting the Loan, determined in the Article of the Special Conditions titled "*Finance Fee*".

Force Majeure or Fortuitous Event (Act of God): is the natural or deliberate cause that produces an extraordinary, unforeseeable, and irresistible event, not attributable to the Borrower or to CAF, that prevents the execution of any of the Borrower's obligations other than the payment obligations assumed hereunder, or that determines its partial, late or defective compliance, or the impossibility of compliance, for whomever is obliged to render a service.

Guarantee Agreement: if any, is the agreement between the Guarantor and CAF whereby the Guarantor becomes jointly and severally liable for all of the Borrower's monetary obligations under the Agreement.

General Conditions: are the general rules, including those related to definitions, repayment, interest, fees, inspection and surveillance, conversions, disbursements, as well as all others related to the execution of the Programme or Project herein, which are an integral part of the Loan Agreement and which, unless otherwise expressly agreed in writing in the Special Conditions, shall be binding upon CAF and the Borrower.

Grace Period: is the period between the Effective Date and the maturity date corresponding to the first Instalment of the principal, in accordance with the Article of the Special Conditions titled "*Loan Repayment*". During this period, the Borrower shall pay CAF the corresponding interest and fees.

Indebtedness: is any obligation (incurred as debtor, borrower, issuer, cosignatory or guarantor) for the payment or reimbursement of money, either present or future, real or contingent, in accordance with an agreement or instrument which involves or evidences money lent or received or that significantly produces the same economic effects.

Instalment: refers to each repayment instalment of principal that the Borrower must pay CAF on each Interest Payment Date in accordance with the Article of the Special Conditions titled "*Loan Repayment*".

Interest Determination Date: this means two (02) Business Days before the beginning of the Interest Period.

Interest Payment Date: means, after the first Disbursement, the last Business Day of each of six (6) month period, counted from the Effective Date.

Interest Period: is each six (6) month period commencing on an Interest Payment Date and ending on the next immediate Interest Payment Date, except in the case of the first period, for which the Interest Period shall be the period commencing on the day the First Disbursement occurs and ending on the next immediate Interest Payment Date.

Interest Rate: shall have the meaning assigned to such term in the Article of the Special Conditions titled "*Interest*".

International Public Bidding: means the process of public bidding, open to the participation of national and foreign entities, with no limitation with respect to the origin and nationality of the participants for the acquisition of goods, and/or for the contracting of works and/or for the contracting of consulting services.

Loan: shall have the meaning assigned to such term in the Special Conditions.

Loan Agreement or Agreement: is the Agreement executed by the Parties integrated by the Special Conditions (Document I), the General Conditions (Document II), the Technical Annex) and the Annexes, including its amendments duly executed by the Parties.

Margin: is the percentage established in the Article of the Special Conditions titled "*Interest*", to be added to the Reference Rate to determine the Interest Rate.

Month: refers to the period that elapses between a Day and the same date of the following month. The term of a Month may be therefore 28, 29, 30 or 31 Days.

Parties: means CAF as creditor and the Borrower as debtor.

Programme or Project: is referred to the programme or project to be financed with the proceeds of the Loan, defined in the Article of the Special Conditions titled "*Background*."

Prohibited Practices: means to offer, give, receive or request, directly or indirectly, anything of value that would unduly influence the actions of another party, as well as any act or omission, including misrepresentation of facts and circumstances, that knowingly or recklessly misleads or attempts to mislead any party to obtain a financial or other benefit or to avoid an obligation; damage or cause injury, or threaten to damage or cause damage, directly or indirectly, to any party or its property in order to unduly influence the actions of one party; an agreement between two or more parties made with intent to accomplish an improper including inappropriately influencing the actions of another party; destroying, falsifying, deliberately altering or concealing evidence; or any act intended to materially impede the exercise of CAF's inspection and supervision rights with the provisions of this Loan Agreement or in the applicable law in the Country.

Reference Rate: is Term SOFR, or, in the event that an Alternative Reference Rate Replacement Event occurs, the Alternative Reference Rate. All determinations of the Reference Rate shall be carried out by CAF and deemed final provided there is no manifest error.

Request of Debt Management Operations: means the document with similar form and content to the model titled "*Debt Management Operation Request Form*", which appears in

the Annex "Forms for Debt Management Operations" ("a" or "b", as applicable), by means of which the Borrower obliges irrevocably and unconditionally to execute with CAF, and upon election of the latter, the Debt Management Operations described in the Financial Conditions Requested.

Revolving Fund: shall have the meaning ascribed thereto in the Article of these General Conditions titled "Revolving Fund".

Selection Processes: means any process of acquisition of goods, and/or for the contracting of works and/or for the contracting of consulting services for the Programme or Project to be carried out due to or on the occasion of: a) the Agreement; and/or b) hiring which shall be financed with resources of the Loan, including Public International Bidding.

Special Conditions: are the provisions of special nature that are obligatory to regulate the specific relationship between CAF and the Borrower contained in the document of the same name that forms an integral part of the Loan Agreement.

Technical Annex: is the document identified as such, that is an integral part of the Loan Agreement, and which contains the detailed technical description of the Project or Programme, including its corresponding components.

Term SOFR: is, in relation to any Interest Period, the rate for a term similar to the Interest Period, published by CME Group Benchmark Administration Limited (CBA) (or their proper successor determined at the discretion of CAF) on the Interest Determination Date. Along these lines, if, at 05:00 p.m. (New York time) on an Interest Determination Date, Term SOFR for a term similar to the pertinent Interest Period has not been published by CBA (or their proper successor determined at the discretion of CAF) and no Alternative Reference Rate Replacement Event has occurred with respect to the Term SOFR, Term SOFR shall be the rate for a term similar to the Interest Period published by CBA (or their proper successor determined at the discretion of CAF) on the first (01) prior Business Day on which the rate was published by CBA within the three (03) Business days prior to the Interest Determination Date, at the most. For the sole purpose of determining the Term SOFR, "**Business Day**" is a day on which banks are open to the public in New York, New York State, United States of America. All Term SOFRs shall be made by CAF and shall be final, save for obvious errors.

Outstanding Loan Balance: means, at any time, the amount of the Borrower's outstanding Loan principal owed to CAF.

Value Date: is the date, determined as such, in the Debt Management Operation Confirmation, from which the corresponding Debt Management Operation takes effect.

1.2. In the cases where the context of these conditions allows it, the words in the singular shall include the plural and *vice versa*.

1.3. The headings of the Articles have been established to facilitate their identification only, with the headings not contradicting in any form what is established in the text of the Article itself.

1.4. All terms defined in the Loan Agreement shall have the same meaning when used

in any communication or other document drawn up, presented or delivered hereunder, unless otherwise stipulated or expressly stated therein, to have a different meaning.

ARTICLE 2. Non-Financeable Activities Under this Loan Agreement With Loan Proceeds

- 2.1. The proceeds of the Loan shall not be used to finance the following activities:
- a) speculation;
 - b) gambling and casinos;
 - c) operations related to the war industry;
 - d) political activities;
 - e) production or commercialization of polluting substances or species;
 - f) illegal activities according to the law of the Country; and/or
 - g) other activities that CAF may determine from time to time and reports in writing to the Borrower.

ARTICLE 3. Use of the Loan Proceeds

- 3.1. The Borrower is obligated to:
- a) use the proceeds of the Loan exclusively for the purposes set forth in the Loan Agreement and to carry out the activities described herein in full compliance with this Loan Agreement and with the Country's laws applicable to the Borrower and to the Executing Agency;
 - b) use the goods and/or services financed with Loan resources exclusively in the Programme or Project in question, and neither the Borrower nor the Executing Agency may give them a use other than that established in the Loan Agreement or sell, transfer or dispose them, except as otherwise agreed in writing between CAF and the Borrower and the Guarantor, if any;
 - c) not use, directly or through the Executing Agency, the proceeds of the Loan in activities related directly or indirectly, to money laundering, nor with the financing of terrorism, nor by individuals and/or legal entities related to them, nor in relation to Prohibited Practices.

3.2. CAF may request, at any time, the documents and information which it may consider necessary in order to determine whether the utilization of the proceeds of the Loan comply with the provisions of the Loan Agreement, indicating in each case the term within which the Borrower and/or Executing Agency, as appropriate, shall present the required documents and information.

3.3. In the event of non-compliance with these obligations, CAF will have the right to: (i) suspend the Disbursements and the execution of its other obligations under the Loan Agreement; and/or (ii) declare the Loan as due and payable, without the need of any judicial or extrajudicial requirement, without the Borrower being able to invoke arbitration in their favour;; and/or (iii) require the Borrower to return the proceeds in respect of which such obligations were breached, together with their corresponding interest. In this last event, the Borrower must make the relevant repayment within three (3) Days following the date of CAF's request to that effect.

ARTICLE 4. Statements of the Borrower

- 4.1. The Borrower states and guarantees to CAF that whoever (i) executes the Loan Agreement on behalf of the Borrower and (ii) executes the documents sent to CAF under

the Loan Agreement, is duly authorised to act on its behalf and representation, and that all of the requirements and formalities that are applicable to it have been fulfilled and therefore, it is authorised to execute and bind the Borrower to the terms of this Loan Agreement.

ARTICLE 5. Modalities for Implementing the Loan

5.1. The Loan shall be implemented by CAF by means of one or several of the following modalities:

a) Direct transfers

CAF may transfer funds directly, against the Loan, to the Borrower or the Executing Agency, as appropriate, to the account indicated in the respective Disbursement Request, and according to the procedures used by CAF for this type of Disbursements, provided that said transfers are for an amount greater than that indicated by CAF; and/or

b) Advance of Funds by the use of the Revolving Fund

CAF may advance funds from the Loan to the Borrower and/or the Executing Agency, as appropriate, in accordance with the provisions of the Article of these General Conditions titled "*Revolving Fund*".

c) Issuance of documentary credits

CAF may issue one or more documentary credits, on behalf and upon request of the Borrower and/or of the Executing Agency, as appropriate, provided that:

1. said documentary credit has been previously consulted and expressly authorised by CAF and that it is for an amount per beneficiary higher than that indicated by CAF;
2. b) the due date or expiration date of the respective documentary credit does not exceed the term to request the last Disbursement agreed in the Article of Special Conditions titled "*Disbursement Period*";
3. the Borrower pays the commissions and expenses established by CAF and by the correspondent Banks that may be used to such purpose; and/or

d) Other modalities

Other modalities agreed by the Parties in accordance with the provisions of the Article titled "*Modifications*" in these General Conditions.

5.2. For purposes of the provisions of sub-Article 5.1. above, the Borrower directly, or through the Executing Agency, must submit to CAF, along with the Disbursement Request, any other information and documentation required by CAF.

ARTICLE 6. Revolving Fund

6.1. Upon the request of the Borrower and/or the Executing Agency, as appropriate, CAF shall make available to the Borrower and/or the Executing Agency, as appropriate, advances of funds at the expense of the Loan, using a revolving fund of up to twenty percent (20%) of the amount of the Loan to finance payments as provided in this Article.

6.2. The proceeds of the Revolving Fund shall:

- a) be used exclusively to finance eligible items in accordance with the Article of the Special Conditions titled "*Utilisation and Purpose of the Loan Proceeds*" and with the provisions of the Technical Annex; and
- b) be used and justified within the term set forth in the Article of these General Conditions titled "*Utilisation and Justification of the Loan Proceeds*".

- 6.3. Once the use of proceeds has been justified in accordance with paragraph 6.2 above, CAF, at its sole discretion, may renew all or part of the Revolving Fund provided that:
- a) the Borrower and/or the Executing Agency, as appropriate, have requested said renewal;
 - b) the provisions of the Article of these General Conditions entitled "*Conditions Precedent to Disbursements*" are complied with; and
 - c) The provisions of sub-article 7.2 of these General Conditions are complied with.

6.4 Unless otherwise expressly provided in the Special Conditions, the amount corresponding to the last Disbursement to be carried out under the use of the Revolving Fund, may not exceed five percent (5%) of the total amount of the Loan

ARTICLE 7. Utilisation and Justification of the Loan Proceeds

7.1. In the event that there is no express provision to the contrary in the Special Conditions regarding the terms for the utilisation and justification of the Loan proceeds of one or several Disbursements, the provisions of the following sub-articles shall apply.

7.2. The Borrower and/or the Executing Agency, as appropriate, undertake to use and justify at least eighty percent (80%) of the resources corresponding to a Disbursement, within one hundred and eighty (180) Days following the date of the corresponding disbursement. The remaining percentage of the resources corresponding to said Disbursement not used and justified within the previous term must be used for the purposes set forth in the Loan Agreement and duly justified no later than the term of use and justification corresponding to the Disbursement immediately following, or two hundred and seventy (270) Days from the date of the corresponding Disbursement, in the case of the last Disbursement by Revolving Fund.

7.3. In the event of non-compliance with these obligations, CAF will have the right to (i) suspend the Disbursements and the execution of its other obligations under the Loan Agreement; and/or (ii) declare the Loan overdue, without the need for any judicial or extrajudicial requirement, and the Borrower, or the Guarantor, if any, may not invoke arbitration in its favour; and/or (iii) require the Borrower to return the resources with respect to which such obligations were breached, together with the corresponding interest. In the latter event, the Borrower will be obliged to repay the proceeds from the date of CAF's request in that regard.

ARTICLE 8. Term to Request and Disburse the Loan

8.1 The Borrower, directly or through the Executing Agency, shall make the request for Disbursement to CAF (i) within the terms established in the Article of the Special Conditions titled "Disbursement Period"; (ii) by presenting a Disbursement Request, duly completed and signed by an Authorised Representative of the Borrower and/or of the Executing Agency, as applicable, and (iii) by complying with the conditions provided for in the Article of these General Conditions titled "Conditions Prior to Disbursements", and the Article of the Special Conditions titled "Special Conditions".

8.2 Each Disbursement Request will be irrevocable as per the Borrower. Upon sending the

Disbursement Request to CAF, the Borrower and the Executing Agency, in the name and on behalf of the Borrower, clearly, expressly, unconditionally and irrevocably undertake to:

- a) receive from CAF, as a loan, the amount of the Disbursement requested on the terms agreed by CAF;
- b) pay to CAF the principal and interest of the Disbursement under the terms provided in this Loan Agreement; and
- c) make any other mandatory payments and assume the costs that may arise in the terms of the Loan Agreement.

8.3 At the expiration of the deadline for requesting the first and the last Disbursements, as the case may be, the Borrower may not request any other Disbursement, nor complete the pending documentation at that date regarding any Disbursement Request previously presented. Should the Borrower make such a request or complete pending documentation after the time for doing so, CAF shall be expressly entitled not to disburse any amount and shall send the Borrower a written notice to that effect.

ARTICLE 9. Conditions Prior to Disbursements

9.1 Loan Disbursements will be subject to compliance with the following prior conditions, upon CAF's satisfaction:

- a) For the first Disbursement:
 1. that CAF has received a legal opinion stating with reference to the relevant constitutional, legal and statutory provisions, establishing that the obligations assumed by the Borrower under this Loan Agreement are legal, valid, binding and enforceable. Such opinion shall also cover any matter that CAF may deem relevant;
 2. that CAF has received a document with the Authorised Signatures, in which the Borrower, and/or the Executing Agency, designate one or more officials to represent them in all acts related to the execution of the Loan Agreement;
 3. that CAF has received the payment of the Evaluation Expenses and of the Finance Fee, or if applicable, that the Borrower and/or the Executing Agency, as applicable, has authorised CAF in writing to deduct such amounts from the first Disbursement;
 4. any other conditions as established in the Special Conditions.
- b) For all Disbursements, including the first one:
 1. that the Borrower and/or the Executing Agency, as applicable, have submitted a Disbursement Request to CAF, along with the supporting documents and all other background information required by CAF for such purposes;
 2. that none of the circumstances described in the Articles of these General Conditions titled "*Suspension of CAF's Obligations*", "*Suspension of Obligations for Causes Not Attributable to the Parties*" or "*Declaration of Expired Term of the Loan*" have occurred;
 3. that the modality of implementation of the Disbursement does not contravene or may be related to any activity that contravenes:
 - a) any local rule of any country, or any regional, supranational, community rule, including but not limited to the rules of CAF Shareholder Countries, of the members of the European Union, the United States of America, etc.

- related to the fight against money laundering and the prevention of terrorist financing and/or the requirements and procedures of the policies and principles implemented by CAF, for the prevention and detection of money laundering and prevention of terrorist financing; and/or
- b) any principle, recommendation or provision issued by the United Nations and/or any other entity dedicated to fight against money laundering and the prevention of terrorist financing, such as, but not limited to, the Financial Action Task Force (FATF/ *Grupo de Acción Financiera Internacional* - GAFI), the Financial Action Task Force of Latin America (GAFILAT, formerly GAFISUD) and each one of its other regional groups;
4. the rest that may be established as such in the Special Conditions.

ARTICLE 10. Ranking

- 10.1 The Borrower undertakes to maintain the payment obligations assumed under the Loan Agreement, with the same ranking and preference in priority of payment, and in all other respects with all of its other existing or future non-subordinated Indebtedness, without prejudice of the priorities and privileges provided in the applicable law of the Borrower.

ARTICLE 11. Interest

- 11.1 From the date of the first Disbursement, the Outstanding Loan Balance shall accrue interest at the annual rate resulting from the application of the Article of Special Conditions titled "*Interest*" during both the Grace Period as well as the repayment of the Loan.

- 11.2 Interest shall be payable until such time as full repayment of the Loan occurs. Interest shall be calculated on the basis of one year equal to three hundred and sixty (360) Days in relation to the number of calendar days actually elapsed. For the purposes of calculating interest, the first Day of each Interest Period shall be included, but not the last Day. All of the determinations regarding the applicable Interest Rate for each Interest Period shall be made by CAF and shall be conclusive in the absence of a manifest error.

ARTICLE 12. Default Interest

- 12.1 Any delay in the payment of any amount owed to CAF under the Loan Agreement shall constitute an automatic default for the Borrower without the need of any judicial or extrajudicial requirement. The Borrower may not invoke arbitration in its favour.

- 12.2 In the event of default, the Borrower shall pay CAF default interest on the portion of the matured principal at the variable annual rate resulting from adding to the highest Reference Rate in effect during the period between the date on which the payment was due (either for maturity specifically set forth in the Agreement or otherwise set forth in the Agreement) and the effective date of payment, the Margin plus two percent (2%) (hereinafter, the "Default Interest Rate"). The "*Default Interest Rate*" calculated in accordance with the provisions herein shall be applicable until such time as the total payment of the amount owed occurs.

- 12.3 Without prejudice to the charge of a Default Interest Rate, in the event of default by the Borrower, CAF may suspend Disbursements and the compliance of its obligations

under the Loan Agreement and/or declare the expiration of the term of the Loan in accordance with the Articles of these General Conditions titled "*Suspension of CAF's Obligations*" and "*Declaration of Expired Term of the Loan*".

12.4 Default Interest Rate shall be calculated on the basis of one year equal to three hundred and sixty (360) days in relation to the number of calendar days actually elapsed. All determinations of a Default Interest Rate shall be made by CAF and shall be conclusive in the absence of manifest error.

ARTICLE 13. Non-Business Day Maturities

13.1. Any instalment falling due on a non-Business Day shall be extended to the immediately following Business Day. The above shall not apply when the immediate following Business Day corresponds to another calendar year, in which case, the expiration date shall be the last Business Day of the calendar year in which the original period matures.

13.2. All reference to semester or semi-annual period shall be referred to an uninterrupted period of six (6) calendar Months. If the semi-annual period matures on a non-Business Day, it shall be deemed to be extended to the first Business Day of the following Month.

ARTICLE 14. Expenses

14.1. All of the expenses incurred by CAF after the Effective Date, such as trips, specialized consultancies, attorneys' fees, expert opinions, appraisals, notarial procedures, registrations and others, shall be the Borrower's exclusive responsibility and for the Borrower's account, which shall make the applicable voluntary advance payment or reimbursement within thirty (30) days following the request. In all circumstances, these expenses must be duly justified by CAF.

ARTICLE 15. Currency Used for the Loan Disbursement

15.1. The Loan shall be disbursed in Dollars.

ARTICLE 16. Article 14. Currency Used for Loan Payment

16.1. The Borrower expressly undertakes to pay exclusively in Dollars any sum outstanding for principal, interest, fees, expenses and any other charge due to, or in connection with, the Loan Agreement.

ARTICLE 17. Place of Payments

17.1. Any payment to be made by the Borrower to CAF because of, or in connection with, the Loan Agreement, shall be made in the location and bank accounts that CAF communicates in writing to the Borrower.

17.2. The Borrower's payment obligations derived from this Agreement will only be considered fulfilled or satisfied on the date that CAF effectively receives said payments, in immediately available funds in the account indicated by CAF.

ARTICLE 18. Application of the Payments

18.1. Any payment made by the Borrower to CAF because of, or in connection with, the Loan Agreement, shall be charged in accordance with the order of precedence set forth below:

- a) expenses and charges;

- b) fees;
- c) default interest, if applicable;
- d) interest due;
- e) repayment of past-due Instalments.

18.2. CAF reserves the right to modify the order of priority provided in this Article, if considered appropriate. In such case, CAF will notify the Borrower in writing in accordance with the provisions of the Article of Special Conditions titled "*Communications*".

ARTICLE 19. Commitment Fee

19.1. The Commitment Fee shall be due and payable upon sixty (60) Days following the Effective Date and shall be calculated when applicable on the undisbursed balance of the Loan.

19.2. Payment of the Commitment Fee will be made at the expiration of each six (6) Month period counted from the Effective Date, on each Interest Payment Date.

19.3. The Commitment Fee shall be calculated on a one-year basis, equal to three hundred and sixty (360) Days, in relation to the number of calendar days effectively elapsed.

19.4. The Commitment Fee will cease, in whole or in part, to the extent that:

- a) all or part of the Loan has been disbursed; or
- b) the obligation to disburse the Loan has become totally or partially null and void, in accordance with the Articles of these General Conditions titled "*Term to Request and Disburse the Loan*", "*Suspension of CAF's Obligations*" and "*Declaration of Expired Term of the Loan*", or
- c) Disbursements have been suspended for reasons not attributable to the Parties, in accordance with these General Conditions titled "*Suspension of Obligations for Causes not Attributable to the Parties*".

ARTICLE 20. Finance Fee

20.1. The Finance Fee shall be incurred on the Effective Date. The Borrower shall pay CAF the Finance Fee on the Effective Date, or at the latest when the first Disbursement is made.

ARTICLE 21. CAF's Environmental and Social Safeguards

21.1. The Borrower and/or the Executing Agency, as applicable, shall comply throughout the term of the Loan Agreement (i) with CAF's Environmental and Social Safeguards, in force as of the Effective Date; (ii) with the provisions of the environmental and social legislation in force in the Country and applicable to the Programme/Project and/or to the Loan; and (iii) with the specific provisions of the Special Conditions of the Loan Agreement.

21.2. The Borrower and/or the Executing Agency, as applicable, undertake to immediately inform CAF of the occurrence of any breach of the obligations provided for in sub-Article 21.1 above.

21.3. The Borrower and/or the Executing Agency, as applicable, undertake to implement a corrective action plan, agreed with CAF, in order to mitigate, correct and compensate for the adverse environmental and social consequences that may arise due to or on the account

of the Programme or Project.

21.4. In the event that CAF's Environmental and Social Safeguards are modified and/or are updated after the Effective Date, CAF will notify said modification and/or update to the Borrower and/or the Executing Agency, as applicable, as soon as possible, by sending a communication in accordance with the provisions of the Special Conditions titled "*Communications*". Such modification and/or update will not have retroactive effects, however, the Parties will agree on an action plan to adjust the Programme/Project to the corresponding modification and/or update.

ARTICLE 22. Payment of Taxes and other Surcharges

22.1. Payment of each Instalment, interest, fees, expenses and other charges, shall be made by the Borrower without any deduction for levies, taxes, costs, liens, rates, duties, tariffs, tax stamps, or other surcharges in force on the Effective Date, or that are established after this date. However, in the event that any payment is due for the aforementioned items, the Borrower shall pay CAF such sums so that the resulting net amount, after paying, withholding or otherwise deducting all levies, taxes, costs, liens, fees, duties, tariffs, tax stamps, or other surcharges in force at the time, is equal to all the provisions stipulated in the Loan Agreement.

22.2. Likewise, any tax burden imposed on the Loan Agreement, the receipts, promissory notes or other documents derived therefrom shall be for the account of and exclusively charged to the Borrower.

ARTICLE 23. Cancellation of Part or the Total Amount of the Loan

23.1. The Borrower may refuse to receive any part or the total amount of the Loan by sending a written communication, the contents of which must be to CAF's satisfaction, at least fifteen (15) Days prior to the effective date of the cancellation.

23.2. The non-acceptance or renunciation of all or part of the Loan in accordance with the provisions of sub-Article 21.1. above shall be effective once CAF communicates its acceptance to the Borrower in writing; and the Borrower assumes all the financial costs that such non-acceptance or renunciation may produce to CAF, if any.

23.3. The non-acceptance or renunciation of all or part of the Loan, as well as the termination of the Loan Agreement, shall not give rise to the reimbursement of the corresponding portion of the Finance Fee or of the Evaluation Expenses.

ARTICLE 24. Adjustment of Outstanding Instalments

24.1. CAF shall adjust the outstanding Instalments proportionally, if by virtue of the provisions of the Article of Special Conditions titled: "*Disbursement Period*", and in the Articles of these General Conditions titled: "*Term to Request and Disburse the Loan*", "*Cancellation of Part or of the Total Amount of the Loan*", "*Suspension of CAF's Obligations*", "*Suspension of Obligations for Causes Not Attributable to the Parties*" and/or "*Declaration of Expired Term of the Loan*", the Borrower's right to receive any part of the Loan is suspended or becomes null and void.

ARTICLE 25. Suspension of CAF's Obligations

25.1. CAF, by written notice to the Borrower, may suspend Disbursements and the

performance of its other obligations under the Loan Agreement, whenever, and for as long as any of the following circumstances arise:

- a) any delay in the payment of any sum owed by the Borrower to CAF for principal, interest, fees, expenses, charges or otherwise under the Agreement or any other agreement entered into with CAF; or
- b) non-compliance of the Borrower and/or the Executing Agency of any other obligation set forth in the Loan Agreement, other than the payment of sums of money to CAF on a specific date; or
- c) non-compliance of the Borrower and/or the Executing Agency, of any obligation set forth in any other agreement with CAF; or
- d) verification of inaccurate information or lack of information, provided or to be provided by the Borrower and/or the Executing Agency, prior to the execution of the Loan Agreement or during its execution, that has affected granting of the Loan; or
- e) that in CAF's reasonable judgment a Prohibited Practice or an activity which is established as money laundering or terrorism financing, has been performed, by an employee, agent or representative of the Borrower and/or of the Executing Agency, in the use of the proceeds of the Loan; or
- f) that there is sufficient evidence of a third party, who has received or may receive proceeds of the Loan, incurred or involved in a Prohibited Practice, or in an activity which is established as money laundering and/or terrorism financing and twenty (20) Business Days have passed since the Borrower and/or the Executing Agency had knowledge, or were notified by CAF of the occurrence of a Prohibited Practice or of an activity which is established as money laundering and/or terrorism financing, without the Borrower and/or the Executing Agency having taken the corrective measures that were necessary, acceptable to CAF, and in compliance with the due process set forth in the Country's law (including the due notice to CAF); or
- g) that in CAF's reasonable judgment, the purpose of the Programme or Project, or the Loan, may be adversely affected, or the execution of the Programme or Project may become improbable as a consequence of: (i) any restriction, modification or adjustment of the legal capacities, attributions or equity of the Borrower and/or of the Executing Agency; or (ii) any modification or amendment of any condition fulfilled before CAF's approval of the Loan, that may have been carried out without CAF's written authorisation; or
- h) any extraordinary circumstance that, in CAF's reasonable judgment: (i) makes it improbable that the Borrower and/or the Executing Agency comply with the obligations established in the Loan Agreement; or (ii) impede the fulfilment of the Programme's or Project's development purpose; or
- i) any other circumstance established in the Loan Agreement.

25.2. Notwithstanding sub-Article 25.1 (f) above, CAF reserves the right to suspend at any time the Disbursements intended to finance direct or indirect payments in favour of third parties that in CAF's reasonable criteria are involved in a Prohibited Practice, or in an activity which is established as money laundering and/or terrorism financing. In the event of such circumstance, CAF may immediately suspend the Disbursements intended to finance direct or indirect payments in favour of such third party in execution of its other obligations in respect of the corresponding third party and shall have the right to demand from the Borrower the return of the portion of the Loan that could have been used to carry out direct

or indirect payments to such third party, along with its corresponding interest. In this last case, the Borrower shall be obligated to return the funds on the date indicated for such purposes in CAF's written communication.

ARTICLE 26. Suspension of Obligations for Causes Not Attributable to the Parties

26.1. CAF may suspend the execution of its obligations under the Loan Agreement, whenever any of the following circumstances occur:

- a) the withdrawal of the Borrower as a shareholder of CAF; or
- b) any other event of Force Majeure or Fortuitous Event (Acts of God) that prevents the Parties from complying with the obligations undertaken.

ARTICLE 27. Declaration of Expired Term of the Loan

27.1. CAF shall be entitled to declare the Loan balance immediately due and payable, in the following cases:

- a) when any of the circumstances described in the Article of these General Conditions titled "*Suspension of CAF's Obligations*", except for the one provided in letter f) occurs;
- b) when the situation described in letter a) of the Article of these General Conditions titled "*Suspension of Obligations for Causes Not Attributable to the Parties*" occurs; or
- c) whenever the events of *Force Majeure* or Fortuitous Event (*Acts of God*) referred to in letter b) of the Article of these General Conditions titled "*Suspension of Obligations for Causes Not Attributable to the Parties*" are prolonged for more than thirty (30) Business Days; or the consequences arising therefrom are not or cannot be remedied within such period.

27.2. The sole verification of the occurrence of one of these cases will allow CAF to declare the Loan balance due and payable without the need of any judicial injunction or extrajudicial action, without the Borrower being able to invoke arbitration in his favour. For such purposes, CAF shall inform the Borrower and the Executing Agency in writing of such decision. In such cases, CAF shall be expressly authorised to request the Borrower to immediately repay all sums due, including interest, fees, expenses and charges, accruing up to the date on which the payment is made.

27.3. The Borrower expressly and irrevocably authorises CAF to apply the balances in favour of the Borrower that may exist in CAF's possession for any reason to the payment of any of the amounts owed by the Borrower under this Loan Agreement. The foregoing shall proceed automatically, and CAF may exercise the powers conferred to it in this Loan Agreement, with no other requirement than the expiration of the amounts due by the Borrower, the expiration declaration by CAF or the non-compliance of any payment, without the need of authorization or ratification from the Borrower or any judicial decision.

ARTICLE 28. Disbursements Not Affected by the Suspension or Acceleration

28.1. The measures provided for in the Articles of these General Conditions titled "Suspension of CAF's Obligations": "Suspension of Obligations for Reasons Beyond the Control of the Parties" and "Declaration of Expired Term of the Loan" shall not affect CAF's obligations toward the beneficiaries of documentary credits already issued by CAF for the

account and at the request of the Borrower pursuant to subparagraph c) of the Article of these General Conditions titled "Disbursement Modalities" which are in effect on the date of the occurrence of any of the circumstances referred to in said Articles. In these cases, the Borrower expressly and unconditionally undertakes to deliver to CAF, upon written request to that effect, for each documentary credit in force, a sum of money equivalent to the amount of the corresponding documentary credit. This amount will remain as a guarantee deposit until the moment in which CAF's obligations under the respective documentary credit cease, after which it shall be returned to the Borrower in accordance with the terms of the respective deposit.

ARTICLE 29. Obligations of the Executing Agency

29.1. The Borrower authorises and empowers the Executing Agency to assume and carry out the procedures that are expressly assigned to said entity in the Loan Agreement.

29.2. Notwithstanding the provisions of sub-Article 26.1 above, the Borrower shall be the sole party responsible for compliance with the provisions of the Loan Agreement.

ARTICLE 30. Increase in the Cost of the Programme or Project, Additional Funding

30.1. If during the execution of the Programme or Project, as the case may be, a modification of its total cost occurs, either due to an increase in its costs or due to modifications in its original scope, the Borrower undertakes to provide such additional proceeds that may be necessary to ensure the correct and timely execution of the Programme or Project. If this situation occurs, the Borrower and/or the Executing Agency, as applicable, agrees to inform and provide CAF with the relevant documentation in a timely manner.

ARTICLE 31. Selection of Alternative Financing Sources

31.1. CAF may propose the Project or Programme be financed, from other sources of financing to which CAF might have access to during the term of the Loan Agreement, provided that (i) the Programme or Project qualifies as an eligible operation, at CAF's discretion and with respect to the relevant source of financing; and (ii) the Borrower undertakes to comply with the terms and conditions that are required by CAF for this purpose.

31.2. The Borrower and/or the Executing Agency give CAF their consent to share information about the Borrower, the Executing Agency, the Loan and/or the Loan Agreement and/or the Programme or Project with the relevant entities, in order to assess the viability for applying to the relevant entities and to comply with the conditions required by said entity.

31.3. CAF will not incur any liability *vis-a-vis* the Borrower and/or the Executing Agency, regarding the approval or refusal of the request, granting, use, cancellation, termination or suspension of any benefit that could be generated from the alternative sources of financing referred to herein.

ARTICLE 32. Special Conditions Arising from Specific Sources of Funds

32.1. CAF will transmit to the Borrower the pertinent requirements and conditions that have been established by the sources of proceeds that are used in the financing of the

Loan.

ARTICLE 33. Prohibited Practices

33.1. The Borrower and the Executing Agency must take the necessary measures to prevent the occurrence of Prohibited Practices, due to or on account of the Loan Agreement; and/or the Programme or Project to be financed with the proceeds of the Loan.

33.2. The Borrower and/or the Executing Agency, as applicable, shall inform CAF of any fact that may be within its knowledge, regarding any allegations of the occurrence of any Prohibited Practice in the use of funds granted under the Loan Agreement and cooperate with CAF in any investigation carried out as a result of such allegations, obliging itself to provide information and documentation required for such purposes.

33.3. The Borrower and the Executing Agency shall take the necessary corrective measures so that the occurrence of a Prohibited Practice does not affect the development of the Programme or Project and/or the obligations under the Loan Agreement.

ARTICLE 34. Acquisition of Goods, Contracting of Works and Selection and Contracting of Consultants

34.1. General Principles

All Selection Processes must comply with the law of the Country applicable to the Borrower and the Executing Agency and with the provisions of this Loan Agreement, including the following general principles:

- a) *Wide broadcasting*: Selection Processes shall be communicated through printed or digital media that favour the participation of the largest possible number of bidders.
- b) *Equality*: Selection Processes shall not include restrictions related to the origin of the goods or others that prevent or hinder the Selection Process. The proposed conditions must be the same for all bidders, avoiding restrictions and/or discrimination regarding the participation of any of them.
- c) *Transparency*: announcements and documents of the Selection Processes shall be unique and shall contain in a clear and explicit way the features, phases, terms, applicable rules, evaluation criteria and selection, and general and special conditions, among other elements.
- d) *Free Competition*: all Selection Processes shall aim to obtain the best conditions that the market may offer and must therefore encourage the participation of all potential bidders, without imposing any restrictions, except those of a legal or regulatory nature that prevent potential candidates from participating. The division of processes or the division of contracts should not be promoted.

34.2. International Public Bidding

A. The Borrower and/or the Executing Agency, as appropriate, shall call in an International Public Bidding, for the acquisition of goods, contracting of works and selection and contracting of consultants within the framework of the Program and/or Project, for:

- 1) the acquisition of goods for amounts greater than one million five hundred thousand Dollars (USD 1,500,000.00);
- 2) the contracting of works for amounts greater than six million Dollars (USD

- 6,000,000.00); and
- 3) the contracting of consultants for amounts greater than seven hundred and fifty thousand Dollars (USD 750,000.00).

If the law of the Country applicable to the Borrower establishes amounts lower than those provided for in numerals 1), 2) and 3) above to carry out International Public Bidding procedures, the amounts provided for in the law of the Country shall be applied to comply with the above obligation.

The aforementioned bidding processes will be convened and executed in compliance with the provisions of the law of the Country applicable to the Borrower and in accordance with the general principles set forth in sub-article 34.1 above.

The amounts referred to in numerals 1), 2) and 3) to carry out International Public Bidding procedures may be modified by CAF from time to time, being sufficient to do so by sending a communication to the Borrower in such regard.

B. The Borrower and/or the Executing Agency, as appropriate, shall submit to CAF after the award of the respective contract and before the commencement of activities under it, a legal declaration or certificate from the competent government body of the Borrower or the Executing Agency, as appropriate, to verify the legality and eligibility of the process, in which it expressly declares and guarantees that the aforementioned process concurrently complies with the following:

- 1) it is deemed as an International Public Bidding, since it is a public bidding process open to the participation of national and foreign entities which did not foresee limitations with respect to the origin or nationality of the bidders;
- 2) has been made in compliance with the provisions of the law of the Country applicable to the Borrower;
- 3) complied with the provisions of the Loan Agreement.

The International Public Bidding may be dispensed only in special cases, permitted by the law of the Country applicable to the Borrower, which for technical reasons, are supported and duly justified by the Borrower and previously expressly authorized by CAF.

34.3. *Other Selection Processes*

In the case of Selection Processes for amounts less than those provided for in literal A, numerals 1), 2) and 3) of sub-article 34.2 above, the Borrower must comply with the provisions of the law of the Country applicable to the Borrower and the general principles set forth in sub-article 34.1 that are applicable to the type of contract in question.

The Borrower and/or the Executing Agency, as appropriate, shall submit to CAF after the award of the respective contract and before starting the activities under it, a legal report or certificate from the competent government body of the Borrower and/or the Executing Agency, as appropriate, to verify the legality and eligibility of the Selection Process, in which it expressly declares and guarantees that said process concurrently complies with the following:

- a) it was carried out in compliance with the law of the Country applicable to the Borrower;
- b) has complied with the provisions of the Loan Agreement.

34.4. *Selection Processes prior to the Effective Date*

In the event that the Special Conditions establish the possibility of managing the reimbursement of investments or expenses and/or the recognition of investments or expenses as a local counterpart, the Selection Process for the acquisition of goods, contracting of works and consulting services carried out before the signing the Loan Agreement, it must comply, in addition to what is established in the Special Conditions, with the provisions of this Article.

34.5. *Responsibility of the Borrower for the Selection Process*

The Borrower directly or through the Executing Agency is solely responsible for the Selection Processes, including the preparation of the bidding documents, for making the calls for bids, answering questions and queries by making amendments and clarifying circulars to the bidding documents, evaluating bidders, adjudicate, carry out contracting and acquisitions, as well as to sign, manage, supervise and manage the contracts signed with its contractors and suppliers, in compliance with the provisions of the Loan Agreement and the law of the Country applicable to the Borrower and to the Executing Agency.

CAF will not be responsible for, nor will it participate in, nor will it grant its approval or non-objection to the Selection Processes, nor will it issue an opinion on them or their results. In this sense, CAF will not have any responsibility with respect to the result of the Selection Processes, nor with respect to any substantive aspect or form concerning them.

CAF may request the bidding documents and its terms and conditions as disposed in the Special Conditions and make comments on them for the sole purpose of verifying compliance with the technical conditions, environmental and social aspects provided for in the Loan Agreement and associated with the Program or Project, consistent with the best practices for financing projects and/or programs in CAF Shareholder Countries.

The request for bidding documents, terms and conditions that are agreed in the Special Conditions, under no circumstances may be considered as a sign of approval, no objection or authorization to the Selection Process.

ARTICLE 35. Books and Registries

35.1. The Borrower, directly or through the Executing Agency, shall keep books and records regarding the use of the Loan, in accordance with sound accounting principles and practices. Such books and records shall demonstrate the payments made with proceeds of the Loan and the normal operation of the Programme as applicable.

35.2. The books and records corresponding to the Programme or Project, as applicable, may be reviewed in accordance with the Article of these General Conditions titled "Supervision", until all sums owed to CAF by reason of or in connection with the Loan Agreement have been paid.

ARTICLE 36. Supervision

36.1. CAF shall establish such monitoring procedures as it deems necessary to ensure the normal execution of the Programme or Project, as appropriate.

36.2. The Borrower directly, or through the Executing Agency, shall allow representatives

and other experts designated by CAF to inspect the progress of the Programme or Project, as appropriate, at any time and to review any related books, records and other documents. Prior or concurrent written notice by CAF to the Borrower and/or the Executing Agency shall be sufficient in order to carry out visits and inspections.

ARTICLE 37. Reports

37.1. In the event that there is no express provision in the Special Conditions regarding the deadline for submission of the initial report, the provisions of the following paragraph shall apply.

37.2. The Borrower undertakes to submit to CAF, directly or through the Executing Agency, an Initial Report regarding the Programme or Project within ninety (90) days counted from the Effective Date, or, at the latest, at the moment provided for such purpose in the Special Conditions of the Agreement.

37.3. During the term of the Loan, and in accordance with the terms indicated in each case, the Borrower shall submit, directly or through the Executing Agency, such reports as CAF deems appropriate regarding the use of the sums lent and the goods and services purchased with such sums, as well as the execution of the Programme or Project, as appropriate.

37.4. In the event that there is no express provision in this agreement regarding the submission of a Final Report of the Project or Programme, such report shall be submitted within two hundred and seventy (270) days after the final Disbursement.

ARTICLE 38. Notice of Adverse Circumstances

38.1. The Borrower shall inform CAF, directly or through the Executing Agency, as soon as it has knowledge of:

- a) any circumstance that hinders or could hinder the achievement of the objectives of the Programme or Project, or the execution of the Loan Agreement; and
- b) any amendment to the applicable laws and regulations of the Country which may affect the Borrower and/or the Executing Agency, with regard to the execution of the Programme or Project, as applicable, or the compliance with the Loan Agreement.

38.2. Under such circumstances, CAF may take any action it deems appropriate in accordance with the provisions of the Loan Agreement.

ARTICLE 39. Disclosure

39.1. The Borrower undertakes to CAF the obligation to disclose that the Programme or Project, as applicable, is executed with CAF's financing, and to this end, shall previously coordinate with CAF the form and means of such disclosures.

ARTICLE 40. No Waiver

40.1. CAF's delay in exercising any of its rights under the Loan Agreement, or any omission in their exercise, shall not be interpreted as a waiver of such rights, nor as an acceptance of any circumstance whereby they could not be exercised.

40.2. Any waiver or modification of CAF's rights under this Loan Agreement must be made

set forth in writing, and such waiver or modification shall be valid only for the specific circumstance and purpose for which it was granted.

ARTICLE 41. Assignment, Transfer and Disposition of the Loan Agreement

41.1. CAF, maintaining its contractual position, may, in whole or in part, without any limitation, participate in, transfer or otherwise dispose of the rights over the Loan or over the cash flow derived from its rights over the Loan without prior notice or consent from the Borrower. For this purpose, CAF is authorized to share the required information with the relevant entities.

41.2. In the event that CAF assigns its contractual position, the assignee shall assume CAF's contractual position in the Loan Agreement with respect to the Borrower and shall be bound by the same conditions as agreed between CAF and the Borrower, which is expressly and irrevocably authorised by the Borrower by subscribing to this Agreement. The assignment of CAF's contractual position must comply with the requirements of the legislation of the Country.

41.3. The Borrower may not assign, transfer or otherwise dispose of the rights and obligations under the Agreement, except with the express prior written permission from CAF.

ARTICLE 42. Arbitration

42.1. Any controversy or discrepancy that has a direct or indirect relationship with the Loan Agreement, except for those relating to the execution of past due payment obligations by the Borrower, as well as those referred to CAF's exemptions, immunities and privileges, shall be submitted for consideration of the Parties, who by mutual agreement shall make their best efforts to reach a solution thereto within a period of ninety (90) days from the date on which one Party notifies the other Party in writing of the aforementioned controversy or discrepancy.

42.2. If no resolution of the controversy or discrepancy is obtained, in accordance with the preceding sub-Article 42.2, the Parties shall submit the controversy or discrepancy to an independent Arbitral Tribunal for decision.

42.3. The arbitration shall be definitively resolved and settled in accordance with Section 27 of the Arbitration Rules of UNCITRAL (United Nations Commission on International Trade Law).

42.4. Language of Arbitration, Composition and Designation of the Members of the Arbitral Tribunal:

- a) the language of the arbitration shall be English;
- b) the Arbitral Tribunal shall be composed of three members: CAF and the Borrower shall each designate one member and the third (hereinafter the "*Chairman*") shall be designated by direct agreement between the Parties or through their respective arbitrators.

42.5. Initiation of the Procedure:

- a) in order to submit a controversy to the arbitration procedure, the claimant Party shall address a written communication to the other Party stating the nature of the claim,

the satisfaction or compensation that it seeks, and the name of the arbitrator it appoints;

- b) the Party receiving such communication shall, within forty-five (45) days after receiving such communication, state its position regarding the claim and communicate to the other Party the name of the person it appoints as arbitrator.

42.6. Convening of the Arbitral Tribunal:

The Arbitral Tribunal shall be convened in the city designated by the Arbitral Tribunal for such purpose, and, once convened, shall meet on the dates also established by the Arbitral Tribunal.

42.7. Rules to be followed by the Arbitral Tribunal:

The Arbitral Tribunal shall be subject to the following rules:

- a) the Arbitral Tribunal shall be competent to hear only the controversy brought before it by the Parties, shall adopt its own procedure and may, of its own initiative, designate whatever experts it considers necessary. In any event, it shall give the Parties the opportunity to make presentations.
- b) the Arbitral Tribunal shall rule in law on the basis of the terms of the Loan Agreement and shall issue an award even if either Party fails to appear or present its case.
- c) with respect to the arbitral award:
 - 1. it shall be evidenced in writing and adopted by the concurring vote of at least two (2) of the arbitrators;
 - 2. it shall be rendered within sixty (60) Business Days following the date on which the Chairman is appointed, unless the Arbitral Tribunal determines that due to special and unforeseen circumstances such period should be extended;
 - 3. it shall be notified to the Parties in writing by communication signed by at least two (2) members of the Arbitral Tribunal;
 - 4. it must be complied within thirty (30) Days following the date of notification; and
 - 5. it shall be final, binding upon the Parties and will not be subject to any appeal.

42.8. Fees and Expenses:

- a) The fees of each arbitrator shall be paid by the Party that appointed it and the fees of the Chairman shall be paid by both Parties in equal proportion;
- b) Prior to convening the Arbitral Tribunal, the Parties shall agree on the remuneration of the other persons who, by mutual agreement, they deem should take part in the arbitration proceedings. If such agreement is not reached in a timely manner, the Arbitral Tribunal itself shall determine the compensation that may be reasonable for such persons under the circumstances; and
- c) Each party shall defray its own expenses in the arbitration proceedings, but the expenses of the Arbitral Tribunal shall be borne equally by the Parties. Any doubt regarding the division of costs or the manner in which they are to be paid shall be determined, without appeal, by the Arbitral Tribunal.

42.9. Notifications:

Any communication relating to the arbitration or the arbitral award shall be made in the manner provided for in the Agreement. The Parties waive any other form of notification.

42.10. Waiver:

The Borrower and the Executing Agency irrevocably waive, to the fullest extent permitted

by the laws of the Country, any immunity or privilege enjoyed by them.

ARTICLE 43. Authorised Representatives

43.1. The Borrower and the Executing Agency shall submit to CAF, in a timely manner, the list of authorised signatories who will represent them in the various activities related to the Loan Agreement. Said list shall be certified by the duly authorised person and communicated in accordance with the procedure established in the Article of the Special Conditions titled "*Communications*".

43.2. The Borrower and the Executing Agency shall notify CAF of any change in the names and/or designation of the authorised representatives. As long as CAF does not receive such list of signatories, it shall be understood that only the person or persons signing the Loan Agreement on behalf of the Borrower shall represent the Borrower and the Executing Agency before CAF.

ARTICLE 44. Indemnity

The Borrower undertakes to indemnify and compensate for any damage or injury caused to CAF or to any of its officers, employees, shareholders, agents, advisors or representatives, derived from any type of claims, collections, litigations, losses, damages, costs, penalties or expenses (including legal expenses) that arise due to or on the occasion of the Loan Agreement and/or the execution of the Programme or Project, as applicable, excluding the damages or harm exclusively arising from the fault or wilful misconduct of CAF or of the indemnified corresponding party.

ARTICLE 45. Partial Nullity

In the event that any provision of this Agreement is considered prohibited, void, voidable, ineffective or unenforceable, in any jurisdiction, said provision will be considered ineffective, without affecting or invalidating the rest of the provisions, nor the validity or enforceability of said provision in any other jurisdiction.

ARTICLE 46. Modifications

46.1 Any modification to the Agreement must be approved in writing, duly executed by the Parties and in full compliance with the requirements set forth in the applicable law.

46.2 The Parties, by an exchange of letters between their Authorised Representatives, may:

- a) establish, determine or develop additional conditions, protocols or procedures to those existing in the Technical Annex;
- b) agree to modifications of the terms considered in the Technical Annex that specifically include the possibility to be modified by these means;
- c) agree on other disbursement modalities as indicated by CAF in accordance with the terms of the Article in these General Conditions titled "*Modalities for Implementing the Loan*"; and
- d) upon the request of the Borrower and as provided in the law of the Country, change the entity designated as Executing Agency, as provided for in the Article of the Special Conditions titled "*Executing Agency*".

46.3 Complementary agreements reached in accordance with sub-Article 46.2 above:

- a) shall not constitute or contain changes to the purpose, term or to the destination of

- the proceeds of the Loan and shall not result in an increase of its amount;
- b) shall be mandatory for both Parties and shall not exempt the Borrower in any way from the obligations assumed under the Loan Agreement and will not have as their end or effect the novation of the obligations assumed by any Party.

ARTICLE 47. CAF's Immunities, Exemptions and Privileges

47.1. None of the provisions set forth in the Agreement can or shall be interpreted as a waiver to the privileges, exemptions and immunities granted to CAF by its Incorporation Agreement (*Convenio Constitutivo*), by the agreements executed with the Country, and/or by the agreements signed with its other Shareholder Countries nor by their respective legislations.

ARTICLE 48. Effective Date

48.1. The Effective Date of the Agreement shall be that established as such in the Article of the Special Conditions titled "*Effective Period*".

Technical Annex

I. Trinidad Drainage and Flood Mitigation Programme

I.1. Objectives

1.01 The objective of the Programme is to contribute to the mitigation of floods, the proper management of watersheds, moderating the effect of floods by implementing prioritized structural and non-structural measures, and applying early warning systems and sustainable urban drainage management models.

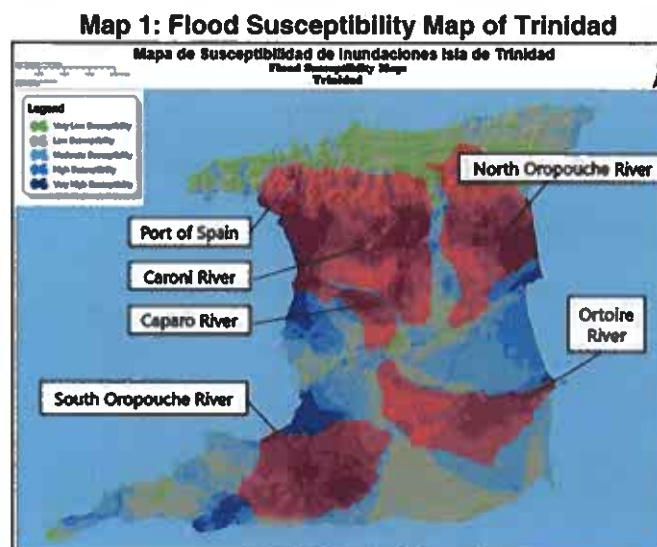
1.02 The Programme will seek to initiate the:

- i. establishment of a management framework for Trinidad to identify adaptation measures that mitigate the risks related to the effects of climate change (floods);
- ii. design of both the civil engineering studies for the execution of structural works and the environmental and social studies for their implementation;
- iii. implementation of immediate priority structural measures in the basins with the highest risk of flooding identified in the Strategic Drainage Plan; and
- iv. implementation of non-structural measures for institutional support and to guarantee the financial sustainability of the Programme.

I.2. Description and components

1.03 Trinidad is vulnerable to climate change impacts, which are exacerbated due to high population density and economic pressure on coastal areas. Flooding in urban and rural areas is frequent and causes substantial losses in properties, agriculture production, and human health causing a decrease to the quality of life of its citizens.

1.04 The Programme allows the implementation of the first stage of the Strategic Drainage Plan (SDP). This Plan recognizes a series of structural and non-structural measures for the short, medium, and long term in the following watersheds: (1) Caparo, (2) Caroni, (3) Ortoire, (4) North Oropouche (5) South Oropouche and (6) Port-of-Spain.



1.05 The SDP is considered a conceptual and contextual document, that comprehensively addresses rainwater drainage problems, land use and management, and flood control in Trinidad. It allows the Government of Trinidad and Tobago and CAF to develop a structured investment programme for the development of the proposed control measures.

1.06 The Plan identified 81 structural measures of which CAF will finance through the Programme, approximately 22 measures included as Phase 1 distributed in the watershed of Caparo, Caroni, North Oropouche, South Oropouche and other measures in Port of Spain. Phase 2 includes the preparation of detailed designs and studies for approximately 34 prioritized structural measures. This includes measures located in the North-western and South-western areas of Trinidad (Diego Martin, Maraval, and San Fernando).

1.07 This Programme focuses on prioritized structural measures for the short term and includes the development of non-structural measures for institutional strengthening and development as well financial sustainability. The measures identified and prioritized are based on a technical concept that considers the comprehensive management of hydrological systems and promotes greater resilience in Trinidad through adaptation measures to avoid or reduce vulnerability to climate change. The Programme consists of the following components:

1.08 **Component 1. Institutional strengthening.** The Executing Agency will establish a Programme Executing Unit (PEU), which includes (not limited to): technical-professional staff or an external consultancy to support the MOWT, the Drainage Division (DD) and/or any other firm/organisation that the Ministry may deem appropriate. The PEU will provide support to the development of the bidding processes and terms of references, overview of the implementation and contracting processes of the works, as well as the required supervision and monitoring services.

1.09 The component also includes resources for developing the non-structural measures focused on institutional strengthening and development of technical capacities in the DD of the MOWT and/or any other Agency that the Ministry may deem appropriate, as well as other services and actions related to flood management. Additionally, it includes administrative costs of the PEU, preparation of detailed works designs. Furthermore, it comprises environmental and social impact studies required for the prioritized non-structural and structural measures for phase 2 included in Component 2 and the implementation of non-structural measures.

1.10 **Component 2. Investment Projects.** Some of the structural measures identified by the SDP will be implemented in two (2) phases, which include (not limited to): sediment traps, embankment improvements, rehabilitation of pumping stations, canal desalination, local drainage improvements, sand removal maintenance programme, drainage rehabilitation, design and expansion of canal(s) and embankment(s), verification and inspection of drainage systems and other related measures.

1.11 **Phase 1:** Includes Structural Measures prioritized and considered for fast execution. This package also includes implementing a hydrological monitoring plan to improve flood response systems. The estimated budget for developing these measures is USD 17 million, and a counterpart contribution from the Government of Trinidad and Tobago is USD 7 million for land acquisition and other activities under the Programme.

1.12 **Phase 2:** Includes the structural measures prioritized by the SDP that do not have detailed works designs and studies which will be carried out in this phase before the bidding process. Additionally, it includes the measures identified for the areas of San Fernando, Diego Martin and Maraval, prioritized by the Government, whose final designs will be addressed in this phase with the resources of component 1.

1.13 The estimated cost for the priority measures included in the second phase is USD 12.37 million. Specifically, those measures that were considered immediate, but could not be developed in the first phase, can be proposed.

1.14 **Component 3. Management and follow-up:** Comprises the costs of external supervision and audit, Evaluation Expenses and the Programme Finance Fee.

II. Cost and financing

II.1. Table of use and source of funds

2.01 The total cost of the Programme is estimated at USD 47 MM, of which CAF finances USD 40 MM. Table No. 1 summarizes the estimated budget of the Programme.

Table No. 1. Estimated budget of the Programme (USD dollars)

Components	CAF	Local Contribution	Total	%
1. Institutional Strengthening	9,00	-	9,00	22,5%
1.1 Project Execution Unit	3,00	-	3,00	7,5%
1.2 Design of works and final investment studies (Phase 2)*.	3,00	-	3,00	7,5%
1.3 Non-structural measures (Phase 2)	3,00	-	3,00	7,5%
2. Investment Projects	29,37	7,00	36,37	73,4%
2.1 Immediate structural measures (Phase 1)	17,00	-	17,00	42,5%
2.2 Prioritize structural measures (Phase 2)	12,37	-	12,37	30,9%
2.3 Land Acquisition (Phase 1)		7,00		0,0%
3. Management and follow-up	1,63	-	1,63	4,1%
3.1 External audit	0,25	-	0,25	0,6%
3.2 External supervision	1,00	-		2,5%
3.4 Evaluation expenses	0,035	-	0,035	0,1%
3.4 Finance fee (0.85%)	0,34	-	0,34	0,9%
TOTAL	40,00	7,00	47,00	100,0%
Distribution	85%	15%		

*Includes environmental and social studies

2.02 **Tax financing.** The loan resources can be used to pay local taxes associated with investments and expenditures related to works, consultancies, goods and services.

II.2. Disbursement schedule

2.03 A five-year time frame is estimated for the implementation of the Programme. Table No. 2 summarizes the tentative disbursements schedule.

Table No. 2. Tentative Disbursements Schedule (USD MM)

Year	1	2	3	4	5	Total
CAF Loan	1.0	5.0	14.0	14.0	6.0	40.0

III. Expected results

3.01 In order to monitor and follow up programme activities, it is necessary to coordinate and control a broad set of measures proposed in the Strategic Drainage Plan, which in turn will facilitate financial control of the projects, presentation of semi-annual progress reports and follow-up missions.

3.02 CAF and DD agreed to monitor outcome indicators which will manage the main milestones of the programme. This will facilitate the systematic monitoring of the activities. The outcome indicators are summarized in Table 3. The baseline and its annual values will be defined with a first approximation in the Project Operation Manual. The monitoring of the two matrices will be carried out through semi-annual reports and follow-up missions. The operation contributes to developing the sustainability environmental sub-area and promotes CAF's strategic objective on integral environmental management.

Table No. 3. Preliminary Matrix of indicators and goals

Indicator	Calculation method	Value of indicator		
		Base Line	Disbursement period Year 1- 5	Goal
Outcome indicators				
Definitive projects or turnkey projects	Number of projects for bidding and/or signed contracts.	6	--	
Persons benefitting from rehabilitated water bodies control infrastructure (#) (No. 34)	Number of persons who benefit by drainage infrastructure works and reduction of sediment load.	--	--	
Beneficiaries of better environmental management and use (#) (No. 55)	Number of persons who benefit from environmental management projects.	--	--	
Persons benefitting from adaptation to climate change (#) (No. 53)	Number of persons who benefit from interventions financed by CAF with a focus on adaptation to climate change.	--	--	
Component 1				
New policies on water resources and floods (#)	Institutional evaluation of the current flood control policy and monitoring progress for its application.	--	Document progress status	
Hydrologic studies and new Master Plans for flood control (#)	Progress in developing Flood Control Master Plan.	--	Draft Master Plans feasibility studies	
Drainage regulations (%) (#)	Progress in preparation of drainage regulations.	--	Draft Master Plans	
Maintenance plans at MoWT and regional level (#)	Preparation of maintenance plans with budget and capacity.	--	Draft Maintenance Plans	
Component 2				
Water bodies control infrastructures rehabilitated (#) (No. 30)	Kilometres of embankments constructed.	4.5	--	
	Number of pumping stations improved or installed.	1	--	
	Number of sediment traps executed.	2	--	
	Kilometres of dredging and desalination	8		

IV. Execution schedule

IV.1. Borrower

4.01 The Borrower is the Republic of Trinidad and Tobago, through the Permanent Secretary, Ministry of Finance (MOF).

IV.2. Executing Agency

4.02 The Executing Agency is the MOWT with the technical support of DD, the latter is organized as follows:



4.03 CAF and MOWT have agreed to establish a PEU to implement the Programme. This PEU shall be financed with resources from component 1. The PEU will have at a minimum the following functions

- Provision of information for the procurement process on detailed works designs and studies for the Programme.
- Develop Terms of Reference (TORs) for hiring of Consultants for various designs and studies.
- Recommendation of Approval of the studies and detailed designs of the infrastructure (for each work or package of works to be financed by CAF). Approval shall be granted by the Director of Drainage or appointed authority.
- Execution of Phase I and Phase II projects.
- Ensure the application of environmental and social regulations in the execution of works through the relevant unit(s).
- Keep an account of the resources disbursed.
- Compile and submit the information that evidences the sectoral indicators identified and the progress made in implementing the components.
- Lead the inter-institutional coordination required for the development of the programme.
- The PEU will be made up of technicians specialized in environmental and social issues, land acquisition, legal and engineering works with knowledge of the key stakeholders involved and the regulations (local and international) to ensure the development of the programme. CAF will support the constitution of the PEU through the development of TORs for contracting personnel.
- All those functions established Special Conditions of the Loan Agreement and the Project Operations Manual.

During the administration and supervision of the loan, the flow of information and communication will be through the Ministry of Finance, which is the entity responsible for submitting disbursement requests to CAF with the technical collaboration of the MOWT.

V. Sustainability of investments

5.01 The hiring of a Supervisory consulting firm to provide technical assistance and monitor the development of the Programme's components will strengthen the capacity of the DD and MOWT to coordinate administrative, contractual, and financial management based on a planning process. In this way, adequate execution is expected to avoid delays with respect to project execution.

5.02 An infrastructure maintenance schedule is necessary, which should be prepared by the Executing Agency. Its execution may be carried out directly and/or by any other firm/organisation that the Ministry may deem appropriate through a service provision contract. CAF also recommends including in the contractor's specifications a maintenance and warranty period of at least one (1) after completion of the works, with the allocation of a budget item for that purpose, in accordance with Article 9 of the Special Conditions of this Loan Agreement.

5.03 It should be noted that the implementation of immediate non-structural measures are understood as basic elements for the institutional support and financial sustainability of the Programme. Therefore, these non-structural measures provide sustainability to the investments, which are summarized below:

- Improved coordination between authorities and organizations involved in water and drainage management.
- Development of management and maintenance plans for parts of the river system, allowing the identification of the responsibilities of all authorities and agencies, including coordination responsibilities.
- Incorporation of drainage and water management regulations in urban and rural development plans.
- Additional hydrological studies to improve designs for the drainage system to ensure that drainage plans are part of an integrated approach. (e.g., combination with water resource management).
- Monitoring actions to obtain a greater amount of data and increase understanding of the drainage system. This can be combined with implementing an early warning system for the vulnerable areas.
- Actions to increase public awareness of water management, drainage, and water pollution.

VI. Modifications

The content of the foregoing provisions may be reviewed by CAF and modified by the Parties, through correspondence between their Authorized Representatives, provided that the proposed modifications do not change the purpose, term or destination of the Loan resources, nor do they lead to an increase of its amount, all in accordance with the provisions of the Article of the General Conditions entitled "Modifications".

"Annex Forms for Debt Management Operations"

FORMS

DEBT MANAGEMENT OPERATION REQUEST FORM

(a) CURRENCY CONVERSION

DEAR SIR/MADAM,
CORPORACIÓN ANDINA DE FOMENTO

REF: Loan Agreement # [●] for USD [●], executed between the Corporación Andina de Fomento and [Name of the Country] on [Month] [Day], [Year] (hereinafter, the "Loan Agreement").

Subject: Debt Management Operation Request # [●] – Currency Conversion

[Name of the Country], [●] (hereinafter, the "Borrower"), represented in this act by [●], of nationality [●] and identified with [document] in his capacity as [●]; duly empowered to do so by [document identifying subscriber's empowering] dated [Month] [Day], [Year], hereby, in compliance with the provisions of the Article of the Special Conditions entitled "Debt Management Operations", makes an irrevocable offer to CAF by entering into a Debt Management Operation under the following Requested Financial Conditions (the capitalized terms will have the meaning assigned to them in the Loan Agreement):

REQUESTED FINANCIAL CONDITIONS


<u>DOLLAR CONVERSION TO [name of local currency]</u>	
• AMOUNT IN DOLLARS	[●] ¹
• OFFER VALIDITY	UNTIL [Month] [Day], [Year]
• EXCHANGE RATE	UP TO [●]
• INTEREST RATE IN [name of local currency]	UP TO [●] ² /UP TO [●] ³ + [●] ⁴
• REPAYMENT CURRENCY	[name of local currency]
THE CAPITAL AND INTEREST PAYMENT DATES WILL BE THE SAME SET IN THE LOAN AGREEMENT	

¹ It must be a part equivalent to, at least, one amortization instalment or whole multiples or the entire Unpaid Balance of the Loan.

² Fixed rate

³ In case of Variable Rate, please include the corresponding indexation factor in this field.

⁴ Please include the mark-up on the indexation factor.



The Borrower clearly, expressly and unconditionally agrees with CAF, and at the latter's choice, to enter into the Debt Management Operation according to the Requested Financial Conditions and shall be bound by the terms of the Debt Management Operation Confirmation that, CAF sends to the Borrower, if the former, in its sole discretion, decides to accept this request.

As to the sending to the Borrower, by CAF, of the Debt Management Operation Confirmation, the Currency Conversion requested therein will be understood to have been established and perfected and the terms and conditions of the Debt Management Operation Confirmation will be binding to the Parties for all legal purposes

DEBT MANAGEMENT OPERATION REQUEST FORM

(b) INTEREST RATE CONVERSION

DEAR SIR/MADAM,
CORPORACIÓN ANDINA DE FOMENTO

REF: Loan Agreement # [●] for USD [●], executed between the Corporación Andina de Fomento and [Name of the Country] on [Month] [Day], [Year] (hereinafter, the "Loan Agreement").

Subject: Debt Management Operation Request # [●] – Interest Rate Conversion

[Name of the Country], [●] (hereinafter, the "Borrower"), represented in this act by [●], of nationality [●] and identified with [document] in his capacity as [●]; duly empowered to do so by [document identifying subscriber's empowering] dated [Month] [Day], [Year], hereby, in compliance with the provisions of the Article of the Special Conditions entitled "Debt Management Operations", makes an irrevocable offer to CAF by entering into a Debt Management Operation under the following Requested Financial Conditions (the capitalized terms will have the meaning assigned to them in the Agreement):

REQUESTED FINANCIAL CONDITIONS

INTEREST RATE CONVERSION [Variable to Fixed]/[Fixed to Variable]	
• AMOUNT IN DOLLARS	[●] ⁵
• OFFER VALIDITY	UNTIL [Month] [Day], [Year]
• INTEREST RATE	UP TO [●] ⁶ /UP TO SOFR AT [●M] ⁷ + [●] ⁸
THE CURRENCY AND THE CAPITAL AND INTEREST PAYMENT DATES WILL BE THE SAME SET IN THE LOAN AGREEMENT	

The Borrower clearly, expressly and unconditionally agrees with CAF, and at the latter's choice, to enter into the Debt Management Operation according to the Requested Financial Conditions and shall be bound by the terms of the Debt Management Operation Confirmation that CAF sends to the Borrower, if the former, at its sole discretion, decides to accept the request.

⁵ It must be a part equivalent to, at least, one amortization instalment or whole multiples or the entire Unpaid Balance of the Loan.

⁶ Fixed Rate.

⁷ Define the number of months applicable to the Term SOFR.

⁸ Variable Rate.

With the Debt Management Operation Confirmation sent by CAF to the Borrower, the Interest Rate Conversion requested therein will be understood to have been established and perfected, and the terms and conditions of the Debt Management Operation Confirmation will be binding on the Parties for all legal purposes.

DEBT MANAGEMENT OPERATION CONFIRMATION FORM

(a) CURRENCY CONVERSION

DEAR. SIR/MADAM
 [Name of the Country]

REF: Debt Management Operation Request # [] – Currency Conversion

Subject: Debt Management Operation Confirmation # [] – Currency Conversion

In response to your Debt Management Operation Request, CAF hereby accepts the above-mentioned request and confirms, based on the Requested Financial Conditions presented by the Borrower, the following terms and conditions:

CONFIRMED FINANCIAL CONDITIONS

DOLLAR CONVERSION TO [name of local currency]	
• AMOUNT IN DOLLARS	[] ⁹
• VALUE DATE	[Month] [Day], [Year] ¹⁰
• EXCHANGE RATE	[] ¹¹
• INTEREST RATE IN [name of local currency] ¹²	[] ¹³ / [] ¹⁴ + [] ¹⁵
THE CAPITAL AND INTEREST PAYMENT DATES WILL BE THE SAME SET IN THE LOAN AGREEMENT	

- AMORTIZATION AMOUNT IN [name of local currency]

⁹ It must correspond with the amount established by the Borrower in the respective Debt Management Operation Request.

¹⁰ It must be before the Expiration Date of the Offer of the respective Debt Management Operation Request.

¹¹ It must be within the limit set in the respective Debt Management Operation Request.

¹² It must be equivalent to or fewer than requested by the Borrower in the respective Debt Management Operation Request.

¹³ Fixed Rate.

¹⁴ In case of Variable Rate, please include the corresponding indexation factor in this field.

¹⁵ Please include the mark-up on the indexation factor.

CAPITAL PAYMENT DATE ¹⁶	IMPORTANCE	INTEREST PAYMENT DATE ¹⁷	IMPORTANCE /RATE

By means of this Debt Management Operation Confirmation, it is understood that the Currency Conversion has been established and perfected and that the application of the Terms and Conditions of these Operations shall be legally binding to both Parties.

¹⁶ It must be the same Capital Payment Date that appears in the Loan Agreement.

¹⁷ It must be the same Interest Payment Date that appears in the Loan Agreement.

DEBT MANAGEMENT OPERATION CONFIRMATION FORM

(b) INTEREST RATE CONVERSION

DEAR. SIR/MADAM
[Name of the Country]

REF: Debt Management Operation Request #[] – Interest Rate Conversion

Subject: Debt Management Operation Confirmation #[] – Interest Rate Conversion

In response to your Debt Management Operation Request, CAF hereby accepts the above-mentioned offer and confirms, based on the Requested Financial Conditions presented by the Borrower, the following terms and conditions:

CONFIRMED FINANCIAL CONDITIONS

INTEREST RATE CONVERSION [(Variable to Fixed) / (Fixed to Variable)]	
• AMOUNT IN DOLLARS	[] ¹⁸
• VALUE DATE	[Month] [Day], [Year] ¹⁹
• INTEREST RATE ²⁰	[] ²¹ /SOFR [•M] ²² + [] ²³
THE CURRENCY AND THE CAPITAL AND INTEREST PAYMENT DATES WILL BE THE SAME SET IN THE LOAN AGREEMENT	

By means of this Debt Management Operation Confirmation, it is understood that the Interest Rate Conversion has been established and perfected and that the application of the Terms and Conditions of these Operations shall be legally binding to both Parties.

¹⁸ It must correspond to the amount established by the Borrower in the respective Debt Management Operation Request.

¹⁹ It must be before the Expiration Date of the Offer of the respective Debt Management Operation Request.

²⁰ It must be equivalent to or fewer than that requested by the Borrower in the respective Debt Management Operation Request.

²¹ Fixed Rate.

²² Define the number of months applicable to the Term SOFR.

²³ Variable Rate.

