

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) and the Technical Annex (Document III), hereinafter jointly referred to as the "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 Representative in the Republic of Trinidad and Tobago, Mr. Gianpiero Leoncini León Velarde; 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 to finance the "*Sector Wide Approach Programme (SWAP) for the Development of Air and Sea Transport and Tourism Infrastructure in Trinidad and Tobago*" (hereinafter referred to as the "Programme").

1.2. The major aspects of the Programme are described in detail in the Technical Annex.

1.3. 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 Agreement.

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

1.5. Terms starting in capital letters, not specifically defined in these Special Conditions or in the Technical Annex, shall have the meaning assigned to them in the General Conditions.

ARTICLE 2. Purpose of the Agreement

2.1. In accordance with the clauses of the Agreement, and subject to the terms and conditions set forth herein, CAF grants to the Borrower and the Borrower accepts for itself, an interest-bearing loan in the amount indicated in the Article of these Special Conditions entitled "*Amount of the Loan*" to be used solely to finance the Programme.

ARTICLE 3. Amount of the Loan

3.1. The interest-bearing loan that CAF grants to the Borrower shall be for up to an amount of two hundred million Dollars (USD 200,000,000.00) (hereinafter referred to as the "Loan").

ARTICLE 4. Term of the Loan

4.1. The Loan will have a term of twenty (20) years, including a Grace Period of sixty (60) months, both commencing on the Effective Date during which no repayment of the principal of the Loan is due, both commencing on the Effective Date.

ARTICLE 5. Utilization of the Loan Proceeds

5.1. The Borrower explicitly agrees that the Loan proceeds shall be used exclusively for the financing of the following:

- a) to support public management, planning and investment for the development of the air, maritime and tourism infrastructure sectors in Trinidad and Tobago; and
- b) to pay the Finance Fee and Evaluation Costs of the Loan.

5.2. The Finance Fee and the Evaluation Expenses may be deducted from the total amount of the first Disbursement at the request of the Borrower.

ARTICLE 6. Executing Agency

6.1. The Parties agree that the use of the proceeds of the Loan shall be carried out by the Borrower as a direct loan to the Republic of Trinidad and Tobago, through the Ministry of Finance (hereinafter referred to as the "Executing Agency"). The Borrower undertakes to guarantee that the Executing Agency shall carry out all responsibilities under the Loan in accordance with the provisions set forth in this Agreement.

ARTICLE 7. Disbursement Period

7.1. The Borrower shall have a period of six (6) months to request, directly or through the Executing Agency, the first Disbursement, and up to thirty-six (36) months to request the final Disbursement. Both periods shall be counted from the Effective Date. The maximum disbursement amount for each calendar year may not exceed fifty percent (50%) of the total amount of the Loan, unless, upon the Borrower's request, CAF, at its sole discretion, establishes another maximum amount depending on the particular needs of the Programme.

ARTICLE 8. Special Conditions

8.1. The Borrower and/or the Executing Agency, as applicable, must comply, to CAF's satisfaction, with the conditions precedent to the first Disbursement, as well as all Disbursements set forth in the Article of the General Conditions, entitled "*Conditions Precedent to the Disbursements.*" and, in addition, with the following special conditions:

a) Prior to the first disbursement:

Submit:

- i. Summary report on the strategic framework for the Development of an Inbound and Outbound Port and Logistics Hub in Trinidad and Tobago.
- ii. Assessment of the readiness for the development and implementation of a Port Community System (PCS) solution in Trinidad and Tobago.
- iii. Cruise Ship Complex Status Report on the activities developed for facilitating the smooth and efficient operation of cruise ship arrivals.
- iv. Updated Strategic Plan for the Airports Authority of Trinidad and Tobago.
- v. Coastal Protection Programme Implementation Report.
- vi. Terms of Reference for the National Tourism Policy.
- vii. Latest indicators for:
 - Traffic summary report prepared by the Airports Authority for all airports in Trinidad and Tobago.
 - Cruise Ship Passenger Arrivals.
 - Inter-island ferries utilization.
 - Statistics on the Operational Performance of Port of Spain's port.
 - Port utilization (vessels, passengers, cargo)
 - Total cargo volume in ports and airports.
 - Number of user accounts and transactional e-services in the Single Electronic Window for trade and business facilitation (2017-2018).
- viii. Updated expenditure chart presenting the yearly summary of the budgeted allocation and expenditure for the air, maritime and tourism infrastructure sectors (under the responsibility of the Ministry of Works and Transport -MOWT) during the fiscal years 2017/18 and 2018/19.

b) Prior to the second disbursement:

Submit:

- i. Draft National Tourism Policy.

- ii. Status report on the review of the Shipping Act.
- iii. Inter-Island Transportation maintenance system implemented (monitoring through Marsoft system) and enhancement of operations.
- iv. Terms of Reference for consulting services to develop a National Maritime Policy and Strategy.
- v. Latest annual indicators for:
 - Traffic summary report prepared by the Airports Authority for all airports in Trinidad and Tobago.
 - Cruise Ship Passenger Arrivals
 - Inter-Island ferries utilization.
 - Statistics on the Operational Performance of Port of Spain's port.
 - Port utilization (vessels, passengers, cargo).
 - Total cargo volume in ports and airports.
 - Number of user accounts and transactional e-services in the Single Electronic Window for trade and business facilitation (2019).
- vi. Updated expenditure chart presenting the yearly summary of the budgeted allocation and expenditure for the sea and air transport and tourism infrastructure sectors (under the responsibility of the Ministry of Works and Transport -MOWT) during the fiscal years 2019/20.

c) Reporting covenants during the term of the Loan:

To submit any specific reports that CAF may reasonably request during the execution of the Loan.

ARTICLE 9. Loan Repayment

9.1. The repayment of the Loan shall be carried out by means of the payment of semi-annual, consecutive and, to the extent possible, equal instalments (hereinafter each one, referred to as an "Instalment") to which the interest accrued at the maturity of each of the Interest Periods will be added. The first of the Instalments shall be paid on the Interest Payment Date sixty (60) months from the Effective Date, the second Instalment on the Interest Payment Date sixty-six (66) months from the Effective Date, and so on until the number of Instalments corresponding to the term is completed.

9.2. Any delay in the timely payment of any of the Instalments shall entitle CAF to collect the corresponding default interest in the manner set forth in the Article of the General Conditions entitled "*Default Interest*", without prejudice to the option of CAF suspending its obligations and/or declaring the expiration of the term of the Loan, pursuant to the Articles of the General Conditions entitled "*Suspension of CAF's Obligations*" and "*Declaration of Expired Term of the Loan*".

ARTICLE 10. Voluntary Prepayments

10.1. The Borrower may make voluntary prepayments to the Loan, subject to CAF's satisfaction of all of the following conditions:

- a) that the Borrower does not owe any overdue amount to CAF for principal, interest, commissions and/or other expenses and charges;

- b) that at least eight (8) years have elapsed since the Effective Date;
- c) that the amount of the voluntary prepayment is a whole multiple of an Instalment;
- d) that the Borrower informs CAF in writing of its intention to make a voluntary prepayment at least forty-five (45) Days in advance; and
- e) that the voluntary prepayment is made on an Interest Payment Date.

10.2 Unless otherwise agreed between the Parties, voluntary prepayment shall apply to the Instalments due in reverse order of proximity to their maturity. CAF shall make the corresponding calculations and inform the Borrower of the amount of the voluntary prepayment fee at least fifteen (15) Days prior to the date of the voluntary prepayment.

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

10.4 Unless otherwise agreed between the Parties, notifications of voluntary prepayments are irrevocable.

ARTICLE 11. Interest

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

11.2. The interest referred to in subparagraph 11.1 above shall be calculated at the annual floating rate resulting from adding the 6-month LIBOR rate applicable to the respective Interest Period and a margin of one hundred eighty (180) Basis Points (1.80%) (the "Margin"), or the rate applicable pursuant to the following subparagraph (hereinafter the "Interest Rate"). Likewise, the Article of the General Conditions entitled "*Interest*" shall apply.

11.3. The Borrower irrevocably accepts and agrees that if the Effective Date occurs after September 3, 2020, the Margin will be that which CAF notifies to the Borrower in writing as applicable on the Effective Date.

11.4. The Borrower irrevocably accepts that if CAF verifies the occurrence of a modification in the market practice that affects the determination of LIBOR, LIBOR will be replaced by the Alternative Base Rate, and the Margin may be adjusted in accordance with the applicability of the Alternative Base Rate to the payments to be carried out by the Borrower under the Agreement, in order for such payments to remain consistent with CAF's capital-raising capacity. Under such event, CAF shall notify the Borrower of the Alternative Base Rate, and the Margin, if its adjustment is required, which shall be applicable and effective from the date on which the Borrower receives the referred communication in accordance with Article 21 of these Special Conditions entitled "*Communications*".

11.5. If any payment required to be made by the Borrower under the 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 this Agreement), the respective amount shall bear default interest as provided in the Article of the General Conditions entitled "*Default Interest*".

ARTICLE 12. Compensatory Financing

12.1. During the first eight (8) years from the Effective Date, CAF will finance a non-refundable seventy (70) Basis Points of the Interest Rate (or the amount applicable in accordance with the following paragraph). Such financing shall be provided by CAF's Compensatory Financing Fund (hereinafter referred to as the "Compensatory Financing").

12.2. The Borrower irrevocably accepts and agrees that if the Effective Date occurs after September 3, 2020, the Compensatory Financing will be that which CAF notifies to the Borrower in writing as applicable on the Effective Date.

ARTICLE 13. Commitment Fee

13.1. 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 in the Article of the General Conditions entitled "*Commitment Fee*".

13.2. The Borrower irrevocably accepts and agrees that if the Effective Date occurs after September 3, 2020, the Commitment Fee will be that which CAF notifies to the Borrower in writing as applicable on the Effective Date.

ARTICLE 14. Finance Fee

14.1. In accordance with sub-paragraph 5.1, the Borrower shall pay CAF, upon the moment of the first Disbursement at the latest, a one-time *lump sum* Finance Fee of zero point eighty-five percent (0.85%) (or the amount applicable in accordance with the following paragraph), on the amount indicated in the Article of the Special Conditions entitled "*Loan Amount*" in the manner provided in the Article of the General Conditions entitled "*Finance Fee*".

14.2. The Borrower irrevocably accepts and agrees that if the Effective Date occurs after September 3, 2020, the Finance Fee will be that which CAF notifies to the Borrower in writing as applicable on the Effective Date.

ARTICLE 15. Evaluation Expenses

15.1. In accordance with sub-paragraph 5.1, the Borrower shall pay to CAF, upon the moment of the first Disbursement at the latest, the amount of thirty-five thousand Dollars (USD 35,000.00) for Evaluation Expenses.

ARTICLE 16. Communications

16.1. Any notice, request or communication to be addressed by the Parties, or the Executing Agency, to each other for any matter relating to the Agreement shall be made in writing by means of a document signed by its Authorized Representatives and shall be deemed to have been made from the time the corresponding document is received by the addressee to the following addresses:

To CAF	Corporación Andina de Fomento
Mailing Address:	Avenida Luis Roche, Torre CAF, Urb. Altamira - 1060
	Caracas, Bolivarian Republic of Venezuela

E-Mail: trinidadandtobago@caf.com
FAX: +58 (212) 209-2483

With a copy to:
To CAF

Corporación Andina de Fomento

To the attention of:
Address:

Representative
8th Floor Albion Plaza Energy Centre,
22-24 Victoria Avenue,
Port of Spain,
Republic of Trinidad and Tobago.

E-Mail: gleoncini@caf.com
Fax: +1 (868) 222-7332

To the Borrower
To the attention of:

The Republic of Trinidad and Tobago
Permanent Secretary
Ministry of Finance
Level 8

Address:

Eric Williams Finance Building
Independence Square,
Port of Spain,
Republic of Trinidad and Tobago

Email: Suzette.Leechee@gov.tt and vishnu.dhanpaul@gov.tt
Fax: 1-868-627-6108

16.2. Communications between the Parties may be transmitted to each other by means of one or more electronic transmissions, and will have the same validity and binding force as the original printed, signed, sent and received, and will be considered to have been made from the moment the document corresponding is received by the recipient as evidenced by the respective acknowledgment of receipt, at the e-mail addresses indicated below. The validity or binding force of the aforementioned communications will not be denied for the sole reason that one or more electronic transmissions have been used in their formation. Notwithstanding the foregoing, in the case of Loan Disbursement requests, they must also be remitted and delivered to CAF in original, duly signed, within thirty (30) Business Days following the date of receipt as provided in this paragraph.

16.3. For the purposes of the application of the preceding paragraph, 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 Authorized Representatives pursuant to the Article of the General Conditions titled "Authorized Representatives", in the terms and conditions mentioned in that document.

To CAF
e-mail:

Corporación Andina de Fomento
trinidadandtobago@caf.com and gleoncini@caf.com

To the Borrower
e-mail:

The Republic of Trinidad and Tobago
Suzette.Leechee@gov.tt and vishnu.dhanpaul@gov.tt

To the Executing Agency
e-mail:

Ministry of Finance
Suzette.Leechee@gov.tt and vishnu.dhanpaul@gov.tt

16.4. In any case, CAF reserves the right to require to the Borrower that all or part of the documentation to be presented or sent to CAF in accordance with the provisions of the Agreement is considered to be delivered only when received at the physical addresses indicated in sub-article 16.1.

ARTICLE 17. English Language

17.1. All documents to be furnished or communications to be sent or made under this 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 18. Arbitration

18.1. Any disagreement or discrepancy arising from the Agreement shall be resolved in accordance with the stipulations of Article 38 of the General Conditions entitled "*Arbitration*".

ARTICLE 19. Contractual Stipulations and Competent Jurisdiction

19.1. The Agreement is governed by the provisions of these Special Conditions, the General Conditions and the Technical Annex. The rights and obligations established in the 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 regulated in the Agreement, the legislation of the Country will be of supplementary application.

19.2. The Parties submit to the jurisdiction of the Country and to any other competent jurisdiction at the option of CAF, whose judges and courts may hear any other matter that is not of the exclusive competence of the Arbitral Court, in accordance with the Provisions of the General Conditions.

ARTICLE 20. Annex

20.1. The Technical Annex describing the components of the Programme is an integral part of the Loan.

ARTICLE 21. Prevalence between Contract Provisions

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

21.2. In the case of a discrepancy between any stipulation of the Special Conditions and the General Conditions, the provisions of these Special Conditions will prevail.

21.3. In the case of a discrepancy between any provision of the Technical Annex and the General Conditions, the provisions of the Technical Annex shall prevail.

21.4. In the case of a discrepancy between any stipulation of these Special Conditions and the Technical Annex, the provisions of the Special Conditions shall prevail.

21.5. In the case of a discrepancy between any provision and another of these Special Conditions, or between any provision and another of the General Conditions, or between any provision and another of the same Annex, the specific provision shall prevail over the general one.

21.6. The Parties agree to waive Article 30 of the General Conditions entitled "*Procurement of Goods and Consulting Services*" and sub-clauses 33.1, 33.2 and 33.4 of the General Conditions entitled "*Reports*" for this Loan.

ARTICLE 22. Effective Period

22.1. The Parties hereby agree that the Agreement shall enter into force on the date of its signature (hereinafter referred to as the "Effective Date") and shall conclude with the total payment of the Loan (capital, interest, commissions and any other expenses) and the fulfilment of all of the obligations set forth in the Agreement.

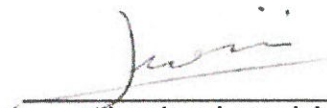
This Agreement is executed in two (2) counterparts, in the city of Port of Spain, Republic of Trinidad and Tobago, on May 5, 2020.

Republic of Trinidad and Tobago

Corporación Andina de Fomento



Colm Imbert
Minister of Finance



Gianpiero Leoncini León Velarde
Representative in the Republic of Trinidad
and Tobago

LOAN AGREEMENT
BETWEEN
THE REPUBLIC OF TRINIDAD AND TOBAGO
AND
CORPORACIÓN ANDINA DE FOMENTO
DOCUMENT II
GENERAL CONDITIONS

Article 1. Definitions

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

Alternative Base Rate: is the base rate determined by CAF and notified to the Borrower in writing in accordance with the Article of the Special Conditions entitled "*Communications*" so that the payments to be carried out by the Borrower remain consistent with CAF's capital-raising capacity, in the event that CAF verifies the occurrence of a modification in the market practice that affects the determination of LIBOR.

Annexes: are the Technical Annex and other related documents in the Article of the Special Conditions entitled "*Annexes*", which form an essential part of the Agreement.

Base Rate: is LIBOR, or the Alternative Base Rate according to the Article of the Special Condition entitled "*Interest*".

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

Borrower: shall have the meaning ascribed to that term in the Special Conditions.

Business Day:

- a) exclusively to determine the date on which a Disbursement or payment for principal, interest, commissions, expenses, etc. must be settled; a day on which banks are open to the public in New York City, United States of America;
- b) exclusively for purposes of determining LIBOR, the term "*Business Day*" shall have the meaning ascribed to it in the definition of LIBOR; and
- c) for any other purpose, is any day that is not a Saturday, Sunday, holiday or is not considered a working day in Caracas, Bolivarian Republic of Venezuela and in Port of Spain, Republic of Trinidad and Tobago.

CAF: shall have the meaning ascribed to that term in the Special Conditions.

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

Country: is the Borrower's and Executing Agency's country.

Days: any reference to days without specifying whether they are calendar days or business days shall be understood to mean calendar days.

Debt: is any obligation (incurred as debtor, borrower, issuer, guarantor, or surety) for the payment or repayment of money, whether current or future, direct or contingent, of any person pursuant to an agreement or instrument that involves or evidences money lent or received or that substantially produces the same economic effects.

Default Interest Rate: shall have the meaning ascribed to that term in the Article of these General Conditions entitled "*Default Interest*".

Disbursement: is the act whereby CAF makes available to the Borrower a specific amount of money charged to the Loan by:

- a) the disbursement to the Borrower directly, or through the Executing Agency, of a specified amount of money by means of the direct transfers referred to in subparagraph a) of the Article of these General Conditions entitled "*Disbursement Modalities*";
- b) the payment of any sum by CAF by reason of, or in connection with, a documentary credit issued by CAF, on behalf of, and at the request of, the Borrower, pursuant to subparagraph b) of the Article of these General Conditions entitled "*Disbursement Modalities*";
- c) transfers to third parties as set forth in subparagraph c) of the Article of these General Conditions entitled "*Disbursement Modalities*"; and/or
- d) any other modality to which the Parties agree pursuant to subparagraph d) of the Article of these General Conditions entitled "*Disbursement Modalities*".

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

Evaluation Expenses: is the amount that the Borrower must pay to CAF for the evaluation of the Loan, as set forth in the Article of the Special Conditions entitled "*Evaluation Expenses*".

Executing Agency: shall have the meaning ascribed to that term in the Special Conditions.

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 (Acts of God): is the natural or deliberate cause that produces an extraordinary, unforeseeable and irresistible event, not attributable to the Borrower or CAF, that prevents the execution of any obligation other than the payment obligations assumed hereunder or that determines its partial, late or defective compliance, or the impossibility of compliance, for whomever is obligated to provide a service.

General Conditions: are the general rules contained herein which form an essential part of the Agreement and which, unless otherwise expressly agreed in writing in the Special Conditions, shall be binding upon CAF and the Borrower.

Guarantor: if any, is the party that guarantees the compliance of the Borrower's obligations hereunder by virtue of the Guarantee Agreement and/or the laws of the Country.

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.

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

Interest Payment Date: is the last Business Day of each 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 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 ascribed to that term in the Article of the Special Conditions entitled "*Interest*".

LIBOR: For any Interest Period, the London interbank offered interest rate (expressed as an annual percentage) for loans with a maturity of six (6) months, denominated in Dollars, calculated by the ICE Benchmark Administration ("*IBA*") (or by any other person which takes over administration of such rates) as set forth on the relevant pages of Reuters Service (or appropriate successor) currently display page LIBOR01, Bloomberg Financial Market Service (or appropriate successor) currently display page BBAM, or on any other similar information system of international repute which publishes the corresponding rates (each a "*Screen Rate*") at 11:00 a.m. (London time) two (2) Business Days prior to the commencement of such Interest Period. For the sole purpose of determining LIBOR in accordance with this definition, "*Business Day*" means a day on which commercial banks are generally open to settle payments in New York City, United States of America, and on which banks are open for foreign exchange transactions in the interbank market in London, United Kingdom. If for any reason whatsoever, a Screen Rate for LIBOR is not available on the interest rate determination date, (whether permanently or temporarily), CAF shall notify the Borrower and, and in lieu thereof, shall determine LIBOR for said date by calculating the arithmetic mean of the offered rates which it has received on or about 11:00 am (New York time) two (2) Business Days prior to the commencement of such Interest Period, for loans in Dollars by one or more New York prime banks selected by CAF at its discretion. For the sole purpose of determining LIBOR in accordance with this definition in the exclusive event that quotes are obtained on or about 11:00 am (New York time), "*Business Day*"

means a day on which commercial banks are generally open to settle payments in New York City, United States of America. In all events in which a Screen Rate is not available on an Interest Rate Determination Date, CAF's arithmetic calculations shall be rounded upwards, if necessary, to the nearest four (4) decimal places. All LIBOR determinations shall be made by CAF, and shall be conclusive absent manifest error.

Loan: shall have the meaning ascribed to that term in the Special Conditions.

Margin: is the amount equal to the Basis Points established in the Article of the Special Conditions entitled "*Interest*" to be added to the Alternative Base Rate to determine the Interest Rate.

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

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

Prohibited Practices: means to offer, give, receive or solicit, 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 purpose, 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 in accordance with the provisions of this Agreement.

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

Special Conditions: are the provisions of a particular 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 essential part of the Agreement.

Technical Annex: is the document of the same name that forms an essential part of the Agreement that contains the detailed technical description of the Project or Programme, as the case may be, with its respective components.

1.2. In the cases where the context of these conditions allow it, words in the singular 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 what is established in the text of the Article itself.

1.4. All terms defined in the 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. Utilization of Loan Proceeds

2.1. The Borrower undertakes to use the proceeds of the Loan exclusively for the purposes set forth in the Agreement and to justify the use made of said proceeds within the periods set forth in the Article of these General Conditions entitled "*Evidence of the Use of the Proceeds*" to CAF's satisfaction. In the event of non-compliance with these obligations, CAF may declare the expiration of the term of the Loan, without the need for any judicial or extrajudicial injunction, and neither the Borrower nor the Guarantor, if any, may invoke arbitration in its favour. If CAF chooses not to declare the expiration of the term of the Loan, CAF may require the Borrower to repay the amounts in respect of which its obligations were not met together with any corresponding interest. In this event, the Borrower must make the relevant repayment within three (3) Days following the date of CAF's request to that effect.

2.2. CAF may, at any time, request the documents and information it may consider necessary in order to determine whether the utilization of the proceeds complies with the provisions of the Agreement.

Article 3. Disbursement Modalities

3.1. The Loan may be disbursed by any one or more of the modalities indicated below:

- a) *direct transfers* of the funds of the Loan to the Borrower, or to the Borrower by a transfer to the Executing Agency, to the account duly established by the Borrower, in accordance with the procedures used by CAF for this type of Disbursement, provided that such transfers are made for an amount, of at least five hundred thousand Dollars (USD 500,000.00). This amount may be modified by CAF from time to time, requiring only a notice remitted to the Borrower to that effect;
- b) issuance of a *documentary credit* on behalf of, and at the request of, the Borrower, or of the Borrower through the Executing Agency, provided that:
 1. said documentary credit has been previously revised and authorized by CAF and is for an amount in excess of one hundred thousand Dollars (USD 100,000.00) per beneficiary, an amount that may be modified by CAF from time to time by sending a notice in writing to the Borrower to that effect;
 2. the due date or expiration date of the respective documentary credit does not exceed the term to request the last Disbursement set forth in the Article of the Special Conditions entitled "*Disbursement Period*";
 3. the Borrower pays the commissions and expenses established by CAF and by the correspondent banks used for this purpose.
- c) *transfers of proceeds to third parties* charged to the Loan for the account of the Borrower and at the Borrower's request, or from the Borrower through the Executing Agency, provided that each transfer to third parties has been previously authorized by CAF and is for an individual amount greater than five hundred thousand Dollars (USD 500,000.00). This amount may be modified by CAF from time to time by sending a notice in writing to the Borrower to that effect; and/or
- d) other modalities as agreed between the Parties.

3.2. For purposes of the provisions of the preceding paragraph, the Borrower, directly or through the Executing Agency, must submit to CAF a written request with a form and content that is satisfactory to CAF.

3.3. In any event and circumstance, CAF may refrain from carrying out any of the modalities referred to in paragraph 3.1 above when, at the sole discretion of CAF, such transfer, documentary credit, third party or modality in question:

- a) is linked to any activity in violation of:
 1. any local regulation of any country, or any regional, supranational, community regulation, including but not limited to the regulations of CAF shareholder countries, members of the European Union, the United States of America, etc. related to countering money laundering and the prevention of terrorist financing; and/or
 2. any principles, recommendations or provisions issued by the United Nations and/or any other body engaged in countering money laundering and the prevention of terrorist financing, such as, but not limited to, the Financial Action Task Force ("FATF"), the Financial Action Task Force of South America ("GAFISUD") and each of its other regional groups; and/or
- b) is included in any of the lists generated for reasons or in connection with any of the regulations, principles and/or recommendations referred to in subparagraph a) above;
- c) is linked to a Prohibited Practice; and/or
- d) does not comply with the requirements of policies and procedures for the prevention and detection of money laundering and the prevention of terrorist financing implemented by CAF.

Article 4. Revolving Fund

4.1. At the request of the Borrower, or of the Borrower through the Executing Agency, CAF may make a revolving fund of up to twenty percent (20%) of the amount of the Loan available to the Executing Agency to finance payments as provided in this Article (hereinafter the "Revolving Fund").

4.2. The proceeds of the Revolving Fund shall:

- a) be used exclusively to finance eligible items in accordance with the Article of the Special Conditions entitled "*Utilization of the Loan Proceeds*" and the provisions of the Technical Annex; and
- b) be used, in whole or in part, within one hundred twenty (120) days following Disbursement.

4.3. The Borrower and/or Executing Agency must justify, to CAF's satisfaction, the use of the resources of the Revolving Fund within one hundred eighty (180) days following the date of Disbursement. CAF may require the Borrower to return any proceeds that were not justified within said period, together with the corresponding interest. In this case, the Borrower shall make the relevant repayment within three (3) Days following the date of CAF's request to that effect.

4.4. Once the use of proceeds has been justified in accordance with paragraph 4.3 above, CAF at its sole discretion may renew all or part of the Revolving Fund provided that:

- a) the Borrower has requested said renewal directly or through the Executing Agency; and
- b) the provisions of the Article of these General Conditions entitled "*Conditions*

Precedent to Disbursements" are complied with.

Article 5. Period for Requesting Disbursements and Disbursing the Loan

5.1. The Borrower, directly or through the Executing Agency, shall request Disbursements from CAF and CAF shall make these Disbursements effective within the terms established in the Article of the Special Conditions entitled "*Disbursement Period*".

5.2. At the expiration of the deadline for requesting the first and last Disbursements, as the case may be, the Borrower may not request any further Disbursements nor complete any outstanding documentation on such date. If such a situation arises, CAF shall be expressly entitled not to disburse any sum, sending the Borrower a written notice to that effect.

5.3. No less than thirty (30) days prior to the expiration date of the terms established in the Article of the Special Conditions entitled "*Disbursement Period*", the Borrower, with the consent of the Guarantor, if any, may request in writing an extension which request shall be duly justified. CAF may accept or reject said request at its sole discretion.

Article 6. Evidence of the Use of the Proceeds

6.1. In the event that there is no express provision in the Special Conditions regarding the deadlines for the use and justification of the proceeds of one or more Disbursements, the provisions of the following paragraph shall apply.

6.2. The Borrower and/or the Executing Agency, as applicable, undertake to use the disbursed proceeds within one hundred twenty (120) days following the date of the corresponding Disbursement. Likewise, the Borrower and/or the Executing Agency shall provide evidence, to CAF's satisfaction, of the use of the proceeds of each Disbursement within one hundred eighty (180) days of the date of the corresponding Disbursement.

6.3. The deadlines for the use and justification of the resources of the Revolving Fund shall be governed by the Article of these General Conditions entitled "*Revolving Fund*".

Article 7. Conditions Precedent to the Disbursements

7.1. Loan Disbursements will be subject to compliance with the following conditions precedent to CAF's satisfaction:

a) Conditions precedent for the first Disbursement:

1. CAF shall have received a legal opinion stating, with reference to the relevant constitutional, legal and statutory provisions, that the obligations assumed by the Borrower and the Executing Agency in this Agreement and those of the Guarantor in the Guarantee Agreement, if any, are legal, valid, binding and enforceable. Such opinion shall also cover any matter that CAF considers relevant;
2. CAF shall have received payment of the Evaluation Expenses and the Finance Fee, or, if applicable, that the Borrower has authorized CAF, in writing, to deduct those amounts from the first Disbursement in accordance with this Agreement;
3. if a Guarantee Contract is required in the Special Conditions, it has entered into force and the obligations assumed by the Guarantor by virtue thereof are legal, valid, binding and enforceable; and

4. any other conditions established as such in the Special Conditions.
- b) Conditions precedent for all Disbursements:
1. the Borrower directly or through the Executing Agency, shall have submitted a written Disbursement request to CAF, in accordance with the Disbursement modality selected together with the supporting documents and other background information that CAF has requested for the purpose;
 2. that none of the circumstances described in the Articles of these General Conditions entitled "*Suspension of CAF's Obligations*", "*Suspension of Obligations for Reasons Beyond the Control of the Parties*" or "*Declaration of Expired Term of the Loan*" shall have occurred;
 3. that the Borrower and/or the Executing Agency, as applicable, have complied with the provisions of the Article of these General Conditions entitled "*Evidence of the Use of Proceeds*" to CAF's satisfaction.
 4. that the Guarantor, if any, is not in default of payment of any sum owed to CAF for principal, interest, commissions, expenses, charges or any other concept pursuant to the Guarantee Agreement or any other contract entered into with CAF; and
 5. any other established as such in the Special Conditions.

Article 8. *Pari Passu* Ranking

8.1. The Borrower undertakes to maintain the payment obligations it assumes under the Agreement with the same ranking and preference in priority of payment and in all other respects with all its other existing or future non-subordinated indebtedness, without prejudice of the priorities and privileges as provided by applicable law.

Article 9. Interest

9.1. 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 the Special Conditions entitled "*Interest*" both during the Grace Period as well as during the repayment of the Loan.

9.2. 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 sixty (360) days in relation to the number of calendar days actually elapsed. For the purpose of calculating interest, the first day of each Interest Period shall be included but not the last day. All determinations regarding the applicable Interest Rate for each Interest Period shall be made by CAF and shall be conclusive in the absence of manifest error.

Article 10. Default Interest

10.1. Any delay in the payment of any amount due to CAF under the Agreement shall constitute an automatic default for the Borrower without the need for any judicial or extrajudicial requirement. Neither the Borrower nor the Guarantor, if any, may invoke arbitration in its favour.

10.2. In the event of a 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 Base Rate in effect during the period between the date the payment was due (either for a maturity specifically set forth in the Agreement or otherwise set forth in the Agreement) and the

effective date of payment, the Margin plus two hundred (200) Basis Points (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.

10.3. Without prejudice to the charge of a Default Interest Rate, in the event of default by the Borrower, CAF may suspend its compliance with its obligations and/or declare the expiration of the term of the Loan in accordance with the Articles of these General Conditions entitled "*Suspension of CAF's Obligations*" and/or "*Declaration of Expired Term of the Loan*".

10.4. Default Interest Rate shall be calculated on the basis of one year equal to three hundred 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 11. Non-Business Day Maturities

11.1. 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 next following Business Day corresponds to another calendar year, in which case the due date shall be the last Business Day of the calendar year in which the original period matures.

11.2. Any reference to semester or semi-annual period shall refer 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 12. Expenses

12.1. All expenses incurred by CAF as a result of the negotiation, signing, recognition and execution of the Agreement, such as trips not included within the Evaluation Expenses, specialized consultancies, attorneys' fees, expert opinions, appraisals, notarial procedures, duties, fiscal stamps, fees, registrations and other, shall be the Borrower's exclusive responsibility and for the Borrower's account, which shall make the applicable advance payment or reimbursement within thirty (30) days following request. In all circumstances these expenses must be duly justified by CAF.

Article 13. Currency Used for Loan Disbursement

13.1. The Loan shall be disbursed in Dollars.

Article 14. Currency Used for Loan Payment

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

Article 15. Place of Payments

15.1. Any payment to be made by the Borrower to CAF because of, or in connection with, the Agreement shall be made at CAF Headquarters or in the accounts and/or the locations established by CAF from time to time.

Article 16. Application of Payments

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

- a) expenses and charges;
- b) commissions;
- c) interest due;
- d) repayment of past-due instalments.

Article 17. Commitment Fee

17.1. The Commitment Fee shall begin to accrue upon the Effective Date and shall be due and payable upon a sixty (60) day period from the Effective Date and shall be terminated, 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 without effect, in accordance with the Articles of these General Conditions entitled "*Disbursement Period*", "*Suspension of CAF's Obligations*" and "*Declaration of the Expired Term of the Loan*"; or
- c) Disbursements have been suspended for reasons not attributable to the Parties, in accordance with the Article of these General Conditions entitled "*Suspension of Obligations for Causes Unrelated to the Parties*".

17.2. The payment of the Commitment Fee shall be made on the last Business Day of each of the six (6) month periods counted from the Effective Date until the time such obligation ceases, as provided in the preceding paragraph of this Article. In the event that the Effective Date occurs after one (1) year from the date the Agreement is signed, the first payment of the Commitment Fee shall be made within five (5) Business Days after the Effective Date.

17.3. The Commitment Fee 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.

17.4. For the purposes of the calculation of the Commitment Fee, Disbursements shall not include the issuance of documentary credits by CAF pursuant to subparagraph (b) of the Article of these General Conditions entitled "*Disbursement Modalities*".

Article 18. Finance Fee

18.1. The Finance Fee shall be incurred upon the sole occurrence of the Effective Date. The Borrower shall pay the Finance Fee to CAF within three (3) Business Days following CAF's request or, in the absence of such request, no later than the date of the first Loan Disbursement.

Article 19. Payment of Taxes and Other Surcharges

19.1. The payment of each Instalment, interests, commissions, expenses and other charges shall be made by the Borrower without any deduction for levies, taxes, costs, liens, rates, duties 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, rates, duties or other

surcharges in force at the time is equal to all the provisions stipulated in the Agreement.

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

Article 20. Cancellation of Part or the Total Amount of the Loan

20.1. The Borrower may choose not to accept any part or the total amount of the Loan, provided:

- a) it has express authorization from CAF and the Guarantor, if any;
- b) it sends a written request in this sense to CAF at least fifteen (15) days prior to the effective date of the cancellation;
- c) a documentary credit has not been issued pursuant to subparagraph (b) of the Article of these General Conditions entitled "*Disbursement Modalities*" with a charge to the portion of the Loan that is the subject of the cancellation request.

20.2. The Borrower shall be responsible for all financial costs that CAF may incur as a result of such cancellation.

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

Article 21. Adjustment of Outstanding Instalments

21.1. CAF will adjust the outstanding Instalments proportionally if by virtue of the provisions of the Article of the Special Conditions entitled "*Disbursement Period*" and in the Articles of these General Conditions entitled "*Period for Requesting Disbursements and Disbursing the Loan*", "*Cancelation of Part or the Total Amount of the Loan*", "*Suspension of CAF's Obligations*", "*Suspension of Obligations for Reasons Beyond the Control of the Parties*" and/or "*Declaration of Acceleration*", the Borrower's right to receive any part of the Loan is suspended or becomes null and void.

Article 22. Suspension of CAF's Obligations

22.1. CAF, by written notice to the Borrower and to the Guarantor, if any, may suspend Disbursements and the performance of its other obligations under the 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 contract with CAF; or
- b) the breach by the Guarantor, if any, of any obligation set forth in the Guarantee Contract or in any other contract with CAF; or
- c) the failure of the Borrower or the Executing Agency to comply with any obligation set forth in the Agreement other than to pay sums of money to CAF on a specified date; or
- d) breach by the Borrower or the Executing Agency of any obligation stipulated in another loan agreement with CAF; or
- e) when, in the Agreement, a schedule of local counterparty resource contributions has been included, the Borrower and/or the Executing Agency, as applicable, fail to

- comply with such schedule; or
- f) the verification of inaccurate information or lack of information provided or to be provided by the Borrower or the Executing Agency prior to the execution of the Agreement or during its execution that may have an impact on the granting of the Loan; or
 - g) that the use of the products, materials and capital goods, as well as the activities conducted by the Borrower and/or the Executing Agency, as the case may be, are not in harmony with the environment or contravene the ecological and environmental protection standards in force in the Country as well as those that may have been established in the Special Conditions; and/ or
 - h) that in CAF's reasonable judgment a Prohibited Practice has occurred by an employee, agent or representative of the Borrower or of the Executing Agency, or of a third party who has received proceeds from the Loan at their request during the execution of the Project or Programme or in the use of the proceeds of the Loan.

Article 23. Suspension of Obligations for Reasons Beyond the Control of the Parties

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

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

Article 24. Declaration of Expired Term of the Loan

24.1. 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 entitled "*Suspension of CAF's Obligations*" occurs, or when the situation described in subparagraph a) of the Article of these General Conditions entitled "*Suspension of Obligations for Reasons Beyond the Control of the Parties*" occurs; or
- b) whenever the events of *Force Majeure* or Fortuitous Events (*Acts of God*) referred to in subparagraph b) of the Article of these General Conditions entitled "*Suspension of Obligations for Reasons Beyond the Control of the Parties*" are prolonged for more than thirty (30) days or the consequences arising therefrom are not or cannot be remedied within such period.

24.2. The sole verification of the occurrence of one of these cases will allow CAF to declare the Loan balance immediately due and payable without the need for any judicial injunction or extrajudicial action. Neither the Borrower nor the Guarantor, if any, may invoke arbitration in its favour. To this effect, CAF shall inform the Borrower and the Guarantor, if any, in writing of such decision. In such cases, CAF shall be expressly authorized to request the Borrower to immediately repay all sums due, including interest, fees, expenses and charges, accruing up to the date on which payment is made and to execute its rights under the Guarantee Contract, if any.

Article 25. Disbursements Not Affected by Suspension or Acceleration

25.1. The measures provided for in the Articles of these General Conditions entitled "*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 b) of the Article of these General Conditions entitled *" 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 26. Obligations of the Executing Agency

26.1. The Borrower shall be liable to CAF for the compliance of the Executing Agency's obligations under the Agreement.

26.2. The Executing Agency shall use the proceeds of the Loan with due diligence in accordance with efficient administrative and financial procedures.

Article 27. Use of Proceeds and Property

27.1. The Loan proceeds shall be used exclusively for the purposes set forth in the Special Conditions and the Technical Annex, unless the Borrower directly, or through the Executing Agency, has previously requested the use of such proceeds for a different purpose in writing to CAF, and CAF has authorized such use in writing.

27.2. Notwithstanding the foregoing paragraph, the Borrower may not use the Loan proceeds directly or through the Executing Agency for:

- a) speculative activities;
- b) games of chance;
- c) operations related to the war industry;
- d) political activities;
- e) production or commercialization of substances or contaminant species;
- f) illicit activities according to the law of the Country; and/or
- g) other items or activities that CAF determines from time to time and notifies in writing to the Borrower and/or Guarantor, if any.

27.3. The goods or services financed with the Loan shall be used exclusively for the Programme or Project as appropriate, and neither the Borrower nor the Executing Agency may give them a use other than that established, nor sell, transfer them or encumber them, unless otherwise agreed to in writing by CAF and the Borrower and Guarantor, if any.

Article 28. Increase in Programme or Project Cost, Additional Funding

28.1. If during the execution of the Programme or Project, as the case may be, there is a modification of the total cost thereof, either due to increased costs or to modifications in its original scope, the Borrower undertakes to provide such additional resources as may be necessary to ensure the proper and timely execution of the Programme or Project. Should this situation occur, the Borrower undertakes to inform and provide CAF with the pertinent documentation upon request.

Article 29. Special Conditions Arising from Specific Sources of Funds

29.1. Whenever the Parties agree, with the consent of the Guarantor, if any, that Disbursements shall be made wholly or partially with proceeds from sources or lines specifically arranged by CAF with third parties and/or that financial benefits of any kind derived from sources or lines specifically arranged by CAF with third parties are applied to the Loan, the Borrower shall undertake to comply with:

- a) the financial terms and conditions applicable to such proceeds; and
- b) the requirements and instructions which may arise due to contracts entered into by CAF with any entity providing such resources.

29.2. CAF shall notify the Borrower in writing of the corresponding financial conditions, requirements and instructions prior to the Disbursement in question.

Article 30. Procurement of Goods and Consulting Services

30.1. The Borrower and/or the Executing Agency, as applicable, shall carry out an international public tender, for the acquisition of goods, contracting works and selection and hiring consultants in the framework of the Programme and/or Project, for:

- a) the acquisition of goods for amounts superior to one million five hundred thousand Dollars (USD 1,500,000.00);
- b) the hiring of works for amounts higher than six million Dollars (USD 6,000,000.00); and
- c) the hiring of consultants for amounts above seven hundred and fifty thousand Dollars (USD 750,000.00).

30.2. The call to an international public tender should be carried out with widespread publicity of the tender notices, avoiding restrictions, particularly regarding the origin of the goods or others that prevent or hinder a transparent and competitive tendering process.

30.3. International public bidding may be waived only in special cases that, for technical reasons, are validated and duly justified by the Borrower and previously authorized by CAF.

30.4. The Borrower must apply procedures previously authorized by CAF for:

- a) the acquisition of goods for amounts of up to one million five hundred thousand Dollars (USD 1,500,000.00);
- b) the hiring of works for amounts of up to six million Dollars (USD 6,000,000.00); and
- c) the hiring of consultants for amounts of up to seven hundred and fifty thousand Dollars (USD 750,000.00).

Article 31. Books and Records

31.1. 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.

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

have been paid.

Article 32. Supervision

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

32.2. 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 33. Reports

33.1. 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.

33.2. 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 of the Effective Date.

33.3. 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.

33.4. 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 one hundred and twenty (120) days after the final Disbursement.

Article 34. Notice of Adverse Circumstances

34.1. The Borrower shall inform CAF, directly or through the Executing Agency, as soon as it becomes aware of:

- a) any circumstance that hinders or could hinder the achievement of the objectives of the Programme or Project or the execution of the provisions set forth in this Loan; and
- b) any amendment to the applicable laws and regulations affecting the Borrower and/or the Executing Agency with respect to the execution of the Programme or Project, as applicable, or compliance with the Agreement.

34.2. CAF may take any actions it deems appropriate in accordance with the provisions of the Agreement if, in its opinion such circumstances or modifications to the applicable laws and regulations could materially and adversely affect the Borrower, the Executing Agency, the Programme or Project, as applicable, or all of them.

Article 35. Disclosure

35.1. The Borrower undertakes to CAF the obligation to disclose that the Programme or

Project, as the case may be, is executed with CAF financing and, to this end, shall previously coordinate with CAF the form and means of such disclosures.

Article 36. No Waiver

36.1. CAF's delay in exercising any of its rights under the 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.

36.2. Any waiver or modification of CAF's rights under this Agreement must be 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 37. Assignment, Transfer and Disposition of the Loan Agreement

37.1. CAF, maintaining its contractual position, may, in whole or in part, 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 of the Borrower and/or the Guarantor, if any.

37.2. In the event that CAF assigns its contractual position, the assignee shall assume CAF's contractual position in the Agreement with respect to the Borrower, and shall be bound by the same conditions as agreed by CAF with the Borrower. The assignment of CAF's contractual position must comply with the requirements of the legislation of the Country and have the consent of the Guarantor, if any.

37.3. 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 38. Arbitration

38.1. The Parties agree to exclude from the matters subject to arbitration, those relating to the execution of payment obligations past due by both the Borrower and the Guarantor, if any, and other obligations in respect of which the Agreement does not allow the Borrower or the Guarantor, if any, to invoke arbitration. CAF may proceed in accordance with the provisions of the Article of the Special Conditions entitled "*Contractual Stipulations and Competent Jurisdiction*", without the need for any judicial, extrajudicial or arbitral requirement.

38.2. Any controversy or discrepancy that has a direct or indirect relationship with the Agreement, except for those referred to in the preceding paragraph 38.1, shall be submitted to the 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.

38.3. If no resolution of the controversy or discrepancy is obtained in accordance with the preceding paragraph 38.2, the Parties shall submit the controversy or discrepancy to an independent Arbitral Tribunal for decision.

38.4. The arbitration shall be definitively resolved and settled in accordance with Section

27 and the Arbitration Rules of UNCITRAL (United Nations Commission on International Trade Law).

38.5. 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.

38.6. 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 receipt of such communication, state its position regarding the claim and communicate to the adverse Party the name of the person it appoints as arbitrator.

38.7. Convening of the Arbitral Tribunal:

The Arbitral Tribunal shall be convened in the city of Lima, Republic of Peru, and, once convened, shall meet on the dates established by the Arbitral Tribunal.

38.8. 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 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.

38.9. 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.

38.10. 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.

Article 39. Competent Jurisdiction

39.1. The Parties establish in the Article of the Special Conditions entitled "*Contractual Stipulations and Competent Jurisdiction*", the jurisdiction to which they shall submit, in the event of any discrepancy or controversy that cannot be submitted to arbitration in accordance with the provisions of the Agreement. Likewise, 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 40. Authorized Representatives

40.1. The Borrower and the Executing Agency shall submit the list of authorised signatories who will represent them in the various activities related to the Agreement to CAF in a timely manner. 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 entitled "*Communications*".

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

Article 41. Modifications

41.1. Any modification to the Agreement must be approved in writing duly executed by the Parties, with full compliance with the requirements of applicable law and with the consent of the Guarantor, if any.

41.2. The Parties may enter into supplementary agreements by a simple exchange of letters between their authorised representatives and with the agreement of the Guarantor, if any, for the purpose of:

- a) establishing, determining or developing additional conditions, protocols or procedures to those existing in the Technical Annex; or
- b) agreeing to modifications of the terms in the Technical Annex that specifically contemplate the possibility of being modified by these means;

41.3. Complementary agreements reached in accordance with the preceding paragraph:

- a) may not constitute or contain substantial changes to the object, term or use of the Loan and may not result in an increase in its amount;
- b) shall be binding upon each Party, shall not in any way release the Borrower from its obligations under the Agreement, nor the Guarantor from its obligations under the Guarantee Agreement, if any, and shall not have as their object or effect the novation of the obligations assumed by any of them.

Article 42. CAF's Immunities, Exemptions and Privileges

42.1. Nothing in the Agreement can or shall be interpreted as a waiver of the privileges, exemptions and immunities granted by the Agreement Establishing CAF (*el Convenio Constitutivo*), by the agreements signed with the Country, and/ or by the agreements signed with its other shareholder countries nor by their respective legislations.

Article 43. Effective Date

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

TECHNICAL ANNEX

Document III

Sector Wide Approach Programme for the Development of Air and Sea Transport and Tourism Infrastructure in Trinidad and Tobago – Programme Description

Trinidad and Tobago is a twin-island nation located in the southeast Caribbean Sea with 1.4 million inhabitants. Economic activity is concentrated mainly in the energy sector (gas and petrochemicals), representing around 35% of Gross Domestic Product (GDP) and 70% of exports. Other sectors with potential competitive advantage such as tourism, approximates 8% of GDP, considering direct and indirect activities. As an island destination, Trinidad and Tobago depends on air and sea connectivity not only for accessibility but for the development of almost all economic activities. However, when comparing Trinidad and Tobago's performance in key indicators related to the quality of infrastructure and transportation and tourism services, there are improvement opportunities and growth potential.

As stated in the National Development Strategy of Trinidad and Tobago 2016-2020 – Vision 2030, *Theme III: Improving Productivity through Quality Infrastructure and Transportation*, a key feature of a developed country is quality infrastructure and transportation services. High quality infrastructure unlocks economic potential, ensures an equitable distribution of growth and opportunities throughout the country and creates networks that bind the population together. It also boosts productivity and competitiveness, allowing businesses to grow and prosper, create employment and attract investment, including sectors such as tourism, as a means for the diversification of the economy. Short-term goals of this strategy include: (i) a safe and operationally efficient transport system (land, air and sea); (ii) better managed public utility systems with improved access by all; (iii) an inter-connected, well-maintained transport infrastructure; and, (iv) a modern and well-maintained Information and Communication Technology (ICT) system.

In this context, the Ministry of Works and Transport (MOWT) has defined as part of its work plan, several activities and investment strategies for the air, maritime and tourism infrastructure sectors to address the main concerns, challenges and problems related to their performance and competitiveness.

A. Objective

The general objective of the Programme is to support the Government of Trinidad and Tobago's public investment, management and planning for the development of the air, maritime and tourism infrastructure sectors, with the recognition of actions and reimbursement of resources for the fiscal years 2017/2018, 2018/2019 and 2019/2020, considering the revision of the regulatory framework, the development of sector and strategic plans and the execution of various initiatives for the modernization of systems and processes.

B. Description and Components

Based on the context and the goals established in Vision 2030, oriented towards promoting productivity and economic diversification by improving infrastructure and providing quality transport services, the Programme will support the sector through the following components:

(i) Institutional strengthening

This component considers several activities being developed to improve the institutional and planning framework. Among these, and with the objective of diversifying the economy, ensuring the strategic growth and sustainable development of the Tourism Sector and the updating of the *National Tourism Policy* which is in progress and which will be followed by the development of a Tourism Master Plan. The revised policy would provide clarity of vision and enable more effective management of the tourism industry through efficient management structures and improved capacity. Plans are also being formulated for the development of a regulatory system for licensing operators in the tourism sector. The Tourism Master Plan will provide the road map for the growth and sustainable development of the tourism sector until 2030. Also, the *Airports Authority of Trinidad and Tobago* is revising its *Strategic Plan*, including developing a business-oriented mission and vision, in line with the changing external context and best practices, in search of resource generation and productivity.

A *National Maritime Policy and Strategy* is being developed as well, including an implementation plan and monitoring and evaluation framework, expected to guide policy development in areas such as governance, facilitate implementation of international maritime conventions, identify new economic opportunities, maritime/national transport, port operations, marine resource management, trade logistics and supply chain, investment and tourism. The *revision of the Shipping Act* is also in process to cater for legal provisions for the transformation of the Maritime Services Division to a Maritime Authority in line with best industry practice.

In this context, an *assessment of the readiness for the development and implementation of a Port Community System (PCS) solution* in Trinidad and Tobago, will provide a logistics single window for electronic bills of lading, port services, transport services, etc. The strengthening of the electronic single window (TTBizLink, in service since 2009) is also part of this Programme. Furthermore, consulting services to develop an inbound and outbound Port and logistics hub in Trinidad and Tobago are now under analysis by the authorities, based on a feasibility assessment of potential scenarios for capturing increased transshipment traffic, improve Port performance, improve land utilization and increase competitiveness. The Cruise Ship Complex facility in Port of Spain, managed by the Cruise Shipping Department, has been working as well to facilitate the smooth and efficient operation of the cruise ship arrivals, which include pre-planning, timely dispatch of ground tours, communication and coordination with stakeholders. However, there is a critical need for the upgrade of cruise ship infrastructure in Trinidad and Tobago. The Ministry is contemplating a feasibility study to determine the viability of the project. It will take into account site location, port specific development, land acquisition, site development, design, funding partners and any other relevant areas and associated costs. The final site will be determined based on the results of the feasibility study.

Finally, having identified the risk to which the coastline is subject to, a *Comprehensive National Coastal Monitoring Programme* has been developed, to implement new policies for

managing the coastal zone in order to promote the adoption of environmentally and economically sustainable solutions to preserve and protect the coast, equip coastal managers with relevant information to assess overall risk, inform sustainable shoreline management decision and policy making and ultimately mitigate the risks of coastal erosion. The aforementioned programme will also be supported by the Draft Integrated Coastal Zone Management Policy Framework which seeks to facilitate an integrated approach to coastal zone management. This policy will be beneficial in supporting sustainable resource use of coastal resource assets such as beaches, wetlands and coral reefs while enabling sustainable, economic development through rational, inclusive decision-making to enable infrastructure development and planning for coastal communities involved in the tourism sector.

(ii) Infrastructure improvement

In line with the government’s economic diversification strategy and improvement of productivity, this component will reimburse expenses of several activities being developed such as feasibility studies for new projects and investments in equipment and works. According to specific plans developed by the MOWT, in line with the goals defined in Vision 2030, several initiatives have been prioritized, each one on a different level of execution. This is the case of projects such as studies for the development of a new Port in Toco, improvement and upgrade to Maracas Beach touristic infrastructure, as well as other upgrade and refurbishing of other popular beaches and sites in Trinidad and Tobago and services for travelers at Piarco Airport, the implementation of the ANR Robinson Airport Master Plan, access to Moruga, acquisition of new ferries to improve connectivity between islands and the development of management and maintenance systems for more efficient operations, acquisition of new security and scanning equipment in Port of Spain’s Port, etc.

C. Cost and financing

The interest-bearing loan that CAF grants to the Borrower shall be for up to an amount of two hundred million Dollars (USD 200,000,000.00) to finance the activities described above.

The tentative disbursement schedule is as follows (in USD million):

2020	2021	TOTAL
100	100	200
50%	50%	100%

