



Government of the Republic of Trinidad and Tobago

MINISTRY OF FINANCE
Communications Unit

Media Release

December 14, 2011

Gov't signs IDB US\$130 million loan

The Government of the Republic of Trinidad and Tobago (Acting Minister of Finance, The Honourable Vasant Bharath) and the Inter-American Development Bank (departing IDB Representative Mr. Iwan Sewberath Misser) yesterday signed two Loan agreements for a total of US\$130 million. These comprise US\$80 million in support of climate change policy, legislative and institutional reform and similarly US\$50 million to ensure strengthening of the financial sector. The Ministry of Finance will be the agency responsible for the execution of both projects. The loans are for a 20-year term, with a four-year grace period respectively, at a variable interest rate based on LIBOR.

Climate Change

Specifically, this loan will facilitate the incorporation of the impact of climate change considerations into national policies and institutions and promote carbon markets and policies to reduce greenhouse gas emissions. The strengthening and modernization of the regulatory, institutional and policy framework would encourage the development and promotion of instruments to assess and reduce vulnerability and risks associated with climate change. These reforms are also critically important because mitigation and adaptation measures are central for small island states like Trinidad and Tobago that are highly vulnerable to the impact of global climate change.



In Photo: Ag. Finance Minister Vasant Bharath and IDB Country Representative Iwan Sewberath Misser

Financial Sector

This loan will strengthen the supervisory and regulatory framework in the financial sector. This is not only critical for Trinidad and Tobago but highly relevant at the regional level given the importance of and the linkages with as a regional financial centre to the English-speaking Caribbean. The programme focuses on reinforcing macroeconomic stability to minimise the probability of exposure to any future vulnerability or systemic crisis.

The End