



Government of the Republic of Trinidad and Tobago

MINISTRY OF FINANCE

CORPORATE COMMUNICATIONS UNIT

April 24th, 2018

For Immediate release

MEDIA RELEASE

Minister of Finance signs Policy-Based Loan Agreement to Support Medium-Term Fiscal Consolidation

The Honourable Colm Imbert, Minister of Finance on Monday, April 23rd 2018 signed the first tranche of a Policy-Based Loan Agreement in the sum of US\$180 million with the Corporación Andina De Fomento (CAF) Development Bank. The total loan of US\$300 million will be used for the implementation of the Programme to support Government's "**Medium-term Fiscal Consolidation Strategy – Phase II**", to boost potential growth and reduce the economy's vulnerability to external fluctuations and volatility of external terms of trade.

This programme aims to increase fiscal revenues; improve public expenditure efficiency and accountability; strengthen public debt management and promote fiscal policy sustainability. Policy actions which will be supported under the loan agreement include:

- Tax policy reform for the energy sector
- Corporation tax reform
- Implementation of an environmental tax
- Improve public procurement mechanisms
- Strengthening of the Central Audit Committee of the Ministry of Finance
- Review of the Public Debt Legislation
- Improvement of the Bond Market
- Establishment and operationalization of the National Investment Fund
- Monitoring fiscal consolidation progress

The loan is being pursued under the International Financial Organizations (Corporación Andina De Fomento) Act No. 5 of 2017.

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'CAF is a development bank created in 1970, owned by 19 countries – 17 of which are Latin American and Caribbean countries, Spain and Portugal- in addition to 13 private banks in the region.

CAF promotes a sustainable development model through credit operations, non-reimbursable resources, and support in the technical and financial structuring of projects in the public and private sectors of Latin America'.

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The Hon. Colm Imbert, Minister of Finance (Right) and Mr. Joel Branski, Director, Country Office, CAF signing the Loan Agreement.