Honourable Winston Dookeran
Minister of Finance
Eric Williams Finance Building
Independence Square
Port of Spain
Trinidad and Tobago

Re: Republic of Trinidad and Tobago: Extractive Industries Transparency Initiative Project
EITI Grant No. TF011634

Dear Minister:

In response to the request for financial assistance made on behalf of the Republic of Trinidad and Tobago ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by Australia, Belgium, Canada, Denmark, the European Union represented by the European Commission, Finland, France, Germany, Japan, the Netherlands, Norway, Spain, Switzerland, the United Kingdom, and the United States (the "Donors"), under the Multi-Donor Trust Fund for Extractive Industries Transparency Initiative (EITI) Implementation Support Facility, proposes to extend to the Recipient a grant in an amount not to exceed three hundred twenty five thousand United States Dollars (US$325,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds. Accordingly, in the event that any Donor cancels or fails to pay any contributions under the trust fund to the World Bank for any reason, or that as a result of currency exchange variations the amount of funds available in the trust fund is insufficient for the purposes of the Grant, the Recipient shall bear the risk of such funding shortfall and the World Bank shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred by the Recipient or any third parties in connection with this Agreement which exceed the amount of funds made available to the World Bank by the Donors for the purposes of the Grant.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]

Francis Clottes
Director
Caribbean Country Management Unit
Latin America and the Caribbean Region

AGREED:

REPUBLIC OF TRINIDAD AND TOBAGO

By: [Signature] (Authorized Representative)

Name: Winston Dookeran
Title: [MINISTER OF FINANCE]
Date: 5/6/2012

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
EITI Grant No. TF011634
ANNEX

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 31, 2010 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the following additional terms have the following meanings:

(a) "EITI" means Extractive Industries Transparency Initiative.

(b) "EITI Implementation Work Plan" means the work plan referred to in Section 2.03 (c) of this Annex.

(c) "EITI Secretariat" means the EITI Secretarial office to be established by the Recipient, and referred to in paragraph 2.03 (a) (i) of this Annex.

(d) "EITI Steering Committee" means the Recipient’s EITI National Steering Committee established through Cabinet Decision dated September 9, 2010, and referred to in paragraph 2.03 (b)(i) of the Annex to this Agreement.

(e) "MEEA" means the Recipient’s Ministry of Energy and Energy Affairs or any successor or successors thereto.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to support the Recipient in the implementation of the EITI which aims at: (a) increasing the transparency of extractive industries revenues and payments; and (b) opening the extractive sectors and their processes to greater public scrutiny and accountability through enhanced transparency and civil society participation. The Project consists of the following parts:

**Part I: Secretariat Office**

Establishment and operationalization of the EITI Secretariat including: (a) hiring and training key personnel; and (b) carrying out refurbishment of the EITI Secretariat, all through the provision of technical advisory services, training, works and the acquisition of goods.

**Part II: Capacity Building**

Building the capacity of: (a) the Recipient’s officers and agencies responsible for extractive industries revenue transparency, oversight and management; (b) extractive industries companies staff and agencies responsible for revenue transparency, oversight and management; and (c) the civil society in the monitoring of extractive industries revenues and payments and understanding of published data, all through the provision of technical advisory services and training.
Part III: Communications Strategy

(a) Development and implementation of the Recipient’s EITI communications strategy.

(b) Publication and dissemination of the Recipient’s EITI information material and reports through communication channels, including, *inter alia*, print media, television/radio, local associations and community events.

(c) Carrying out of workshops to facilitate stakeholders’ engagement (including the civil society, the extractive industry companies and the Recipient Parliament) in the implementation of the EITI communications strategy.

(d) Facilitation and carrying out of, *inter alia*, EITI information dissemination and coordination activities including the creation of public information centers, participation in, and presentations at, national and international events.

Part IV: Support Data Collection/Reconciliation and Audit of Revenues and Payments

Support for activities needed to facilitate the data collection/reconciliation and audit process including carrying out of a review of the Recipient’s legal frameworks to identify potential obstacles to EITI implementation.

Part V: Operational Support

Provision of operational support for the Recipient’s EITI Secretariat.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the MEEA in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Institutional and Other Arrangements.

(a) (i) To facilitate the carrying out of the Project the Recipient shall, at all times during implementation of the Project, maintain the EITI Secretariat, with a mandate, structure, functions, staffing, terms of reference and responsibilities satisfactory to the World Bank.

(ii) The EITI Secretariat shall be responsible for the day-to-day implementation of the Project.

(b) (i) The Recipient shall, at all times during implementation of the Project, maintain the EITI Steering Committee with a mandate, functions, terms of reference and resources satisfactory to the World Bank.

(ii) The EITI Steering Committee shall be responsible for: (A) overseeing Project implementation; and (B) conducting overall Project coordination and evaluation.
(c) The Recipient shall carry out the activities of the Project in accordance with the EITI Implementation Work Plan, containing all eligible Project activities, and expenditures planned for the following year, including a specification of the source or sources of financing for all eligible expenditures.

(d) The Recipient shall not use the proceeds of the Grant for the purpose of any payment to persons or entities, or for the import of goods, if such payment or import, to the Recipient's knowledge or belief, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, including under United Nations Security Council Resolution 1373 and related resolutions.

2.04. Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.

2.05. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.06. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than thirty days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
2.07. **Procurement**

(a) **General.** All goods, works, non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods, works and non-consulting services;

   (ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

   (iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods, Works and Non-consulting Services**

   (i) Except as otherwise provided in sub-paragraph (ii) below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

   (ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding; (B) Direct Contracting; and (C) Shopping.

(d) **Particular Methods of Procurement of Consultants’ Services**

   (i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

   (ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection based on Consultants’ Qualifications; (C) Single-source Selection of consulting firms; and (D) Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.
Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, Works, Training, Consultants’ services including audit and Operating Costs</td>
<td>325,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>325,000</td>
<td></td>
</tr>
</tbody>
</table>

For purposes of this paragraph, the term:

(a) “Training” means the reasonable cost of: (i) training materials and rental of training facilities and equipment; (ii) tuition fees, travel accommodation and per diem of trainers and trainees; and (iii) any other expenses related to training (including workshops) to be carried out under the Project; and

(b) “Operating Costs” means the incremental expenses incurred under the Project on account of Project implementation, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel and per diem, excluding the salaries of the Recipient’s civil service.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient, except that withdrawals up to an aggregate amount not to exceed $65,000 equivalent may be made for payments made prior to this date but on or after February 1, 2012, for Eligible Expenditures.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is October 22, 2012.

Article IV
Recipient’s Representative; Addresses

4.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.
4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Facsimile:  
868-627-5882

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

<table>
<thead>
<tr>
<th>Cable</th>
<th>Telex:</th>
<th>Facsimile:</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTBAFRAD</td>
<td>248423 (MCI) or</td>
<td>1-202-477-6391</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>64145 (MCI)</td>
<td></td>
</tr>
</tbody>
</table>