
LOAN NUMBER 9469-BB

Loan Agreement

(Green and Resilient Recovery Development Policy Loan)

between

BARBADOS

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between BARBADOS (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, *inter alia*, of: (i) the actions which the Borrower has already taken under the Program and which are described in Section I of Schedule 1 to this Agreement; and (ii) the Borrower’s maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of one hundred million Dollars, (\$100,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”).
- 2.02. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.03. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.04. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.05. The Payment Dates are February 15 and August 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with Schedule 2 to this Agreement.
- 2.07. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

ARTICLE III — PROGRAM

- 3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and
 - (c) without limitation upon paragraph (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Prime Minister and Minister of Finance, Economic Affairs and Investment.
- 6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

Ministry of Finance, Economic Affairs and Investment
Government Headquarters
Bay Street
St. Michael, Barbados; and

(b) the Borrower's Electronic Address is:

E-mail:
Barbadosloans@barbados.gov.bb

- 6.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

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

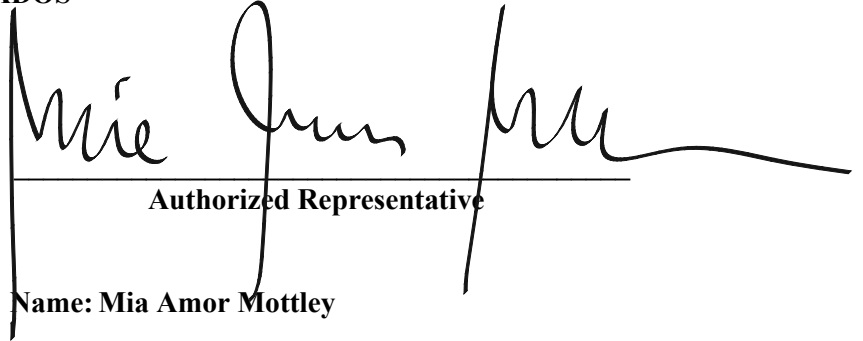
(b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED as of the Signature Date.

BARBADOS

By



Authorized Representative
Name: Mia Amor Mottley

Title: Prime Minister of Barbados

Date: 8th February, 2023

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

By



Authorized Representative

Name: Lilia Burunciuc

Title: Country Director

Date: 06-Feb-2023

SCHEDULE 1

Program Actions; Availability of Loan Proceeds

Section I. Actions taken under the Program

A. Green and blue resilient recovery

1. To reduce the Borrower's water stress levels, the Borrower has submitted for parliamentary approval a law on water reuse, which incorporates key aspects of the National Water Reuse Policy, such as promotion of safe use of reclaimed, storm and non-potable water in urban, agriculture and industrial sectors (as evidenced by: (a) Bill for the Water Reuse Act, 2022, dated February 7, 2022; and (b) Order Paper of the Honorable the House of Assembly, First Session of 2022-2027, October 28, 2022).
2. To adapt to climate change's impact on water stress, the Borrower, through the Cabinet, has approved the amendment of the Groundwater and Land Use Zoning Policy 2020 and the Water Protection Bill, Water Order 2022 to enable the creation of a new Desalination Water Protection Zone (as evidenced by an extract from minutes of a meeting of the Cabinet held on November 3, 2022, issued by the Cabinet Secretary, dated November 11, 2022).
3. To further scale-up financing options for improved environmental management and climate action, the Borrower, has established the Barbados Environmental Sustainability Fund (as evidenced by: (a) an extract from the minutes of a meeting of the Cabinet held on June 3, 2021, issued by the Cabinet Secretary, dated June 10, 2021; (b) By-law of the Barbados Environmental Sustainability Fund, enacted on July 28, 2022; and (c) Articles of Incorporation (Form 2) duly completed and with a seal from the Corporate Affairs and Intellectual Property Office confirming registration, dated May 6, 2022).
4. To increase climate resilience while tackling marine pollution from land sources, the Borrower, through the Cabinet, has approved a Marine Pollution Control (Discharge) Regulation (as evidenced by: (a) Bill for the Marine Pollution Control (Discharge) Regulations, 2022, dated September 29, 2022; and (b) an extract from minutes of a meeting of the Cabinet held on September 29, 2022, issued by the Cabinet Secretary, dated October 7, 2022).
5. To increase climate resilience of the agriculture sector by operationalizing the agriculture information management system, the Borrower, through the Cabinet, has approved a Climate Change and Agriculture Policy, (as

evidenced by: (a) Agriculture and Climate Change Policy, issued by the Ministry of Agriculture, Food and Nutritional Security; and (b) an extract from minutes of a meeting of the Cabinet held on September 29, 2022, issued by the Cabinet Secretary, dated October 7, 2022).

B. Low carbon and resilient infrastructure

1. To strengthen the Borrower's resilience and business continuity after climate change-induced natural disasters, the Borrower, through the Cabinet, has approved a National Comprehensive Disaster Management Policy (as evidenced by: (a) the Comprehensive Disaster Management Policy for Barbados; and (b) an extract from minutes of a meeting of the Cabinet held on September 29, 2022, issued by the Cabinet Secretary, dated October 7, 2022).
2. To scale-up private sector-financed renewable energy, the Borrower, through the Cabinet, has approved an Electricity Supply Bill, which aims to: (a) enhance competition in the electricity market; and (b) enable local companies' participation in renewable energy investment (as evidenced by: (i) Draft Bill of the Electricity Supply Act, 2022; and (ii) an extract from minutes of a meeting of the Cabinet held on November 10, 2022, issued by the Cabinet Secretary, dated November 18, 2022).
3. To identify and manage expenditures and activities to improve socio-economic and infrastructure resilience to climate change, the Borrower, through the Ministry of Finance, Economic Affairs and Investment, has issued a budget circular instructing its ministries, departments and agencies to develop and adopt a robust climate and disaster budget tagging methodology (as evidenced by Circular No. 3/2022, M.P. 5001 Vol. 81, issued by the Ministry of Finance, Economic Affairs and Investment, dated October 25, 2022).

Section II. Availability of Loan Proceeds

A. General.

The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.

B. Allocation of Loan Amounts.

The Loan is allocated in: (1) a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds; and (2) the amounts requested by the

Borrower to pay the Front-end Fee. The allocation of the amounts of the Loan to this end is set out in the table below:

Allocations	Amount of the Loan Allocated (expressed in USD)
(1) Single Withdrawal Tranche	99,750,000
(2) Front-end Fee	250,000
TOTAL AMOUNT	100,000,000

C. Withdrawal Tranche Release Conditions.

No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied: (1) with the Program being carried out by the Borrower; and (2) with the adequacy of the Borrower's macroeconomic policy framework.

D. Deposit of Loan Amounts.

The Borrower, within thirty (30) days after the withdrawal of the Loan from the Loan Account, shall report to the Bank: (1) the exact sum received into the account referred to in Section 2.03(a) of the General Conditions; (2) the details of the account to which the Barbados Dollars equivalent of the Loan proceeds will be credited; (3) the record that an equivalent amount has been accounted for in the Borrower's budget management systems; and (4) the statement of receipts and disbursement of the account referred to in Section 2.03(a) of the General Conditions.

E. Closing Date. The Closing Date is March 30, 2024.

SCHEDULE 2

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each February 15 and August 15 Beginning February 15, 2028 through February 15, 2041	3.57%
On August 15, 2041	3.61%

APPENDIX

Section I. Definitions

1. “Barbados Dollars” means the Borrower’s lawful currency.
2. “Cabinet” means the Borrower’s Cabinet.
3. “Corporate Affairs and Intellectual Property Office” means the Borrower’s Corporate Affairs and Intellectual Property Office.
4. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Development Policy Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).
5. “House of Assembly” means the Borrower’s House of Assembly, one of the Borrower’s legislature chambers.
6. “Ministry of Agriculture, Food and Nutritional Security” means the Borrower’s Ministry of Agriculture, Food and Nutritional Security.
7. “Ministry of Finance, Economic Affairs and Investment” means the Borrower’s Ministry of Finance, Economic Affairs and Investment.
8. “Program” means: the program of objectives, policies, and actions set forth or referred to in the letter dated December 6, 2022 from the Borrower to the Bank declaring the Borrower’s commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program’s objectives.
9. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
10. “Single Withdrawal Tranche” means the amount of the Loan allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.