

CARIBBEAN DEVELOPMENT BANK

**EUROPEAN INVESTMENT BANK –
LOAN TO CARIBBEAN DEVELOPMENT BANK:
SECOND CLIMATE ACTION LINE OF CREDIT**

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Considered at the Two Hundred and Seventy-Sixth Meeting of
the Board of Directors on May 22, 2017

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MAY 2017

CARIBBEAN DEVELOPMENT BANK

**TWO HUNDRED AND SEVENTY-SIXTH MEETING OF THE BOARD OF DIRECTORS
TO BE HELD IN THE TURKS AND CAICOS ISLANDS**

MAY 22, 2017

PAPER BD 65/17

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1. INTRODUCTION

1.01 At its Two Hundred and Forty-Ninth meeting held on December 8, 2011, the Board of Directors (BOD) of the Caribbean Development Bank (CDB) considered Paper BD124/11 entitled “European Investment Bank – Loan to Caribbean Development Bank: Climate Action Line of Credit” and subsequently approved a Climate Action Line of Credit (CALC) for the United States dollar equivalent of 50 million (mn) Euros from the European Investment Bank (EIB) to support CDB’s efforts in increasing the resilience of its borrowing member countries (BMCs) to the impacts of climate change. BOD was notified of the final terms of the financing at its Two Hundred and Fiftieth Meeting on March 7, 2012, in Paper BD 124/11 Add. 1 which advised that the final amount of this borrowing was United States dollars (USD) 65.32 mn. This financing has been fully committed. There is continued demand for financing, particularly on concessionary terms, to address the challenges with which CDB's BMCs are faced as a result of the effects of climate change. CDB has therefore applied to EIB for a second Climate Action Line of Credit (CALC II).

1.02 The proposed new facility will be provided in USD, and will be for a sum which is not more than the USD equivalent of EUR100 million. It will be included in CDB's Ordinary Capital Resources and will be used to finance public or private sector climate action projects in CDB's BMCs. It will be the fifth loan which CDB has received from EIB for the purpose of lending to the public and private sectors.

1.03 The funds for the proposed loan are provided under the Cotonou Agreement of 2000 (the Agreement), as amended between the African, Caribbean and Pacific Group of States, the European Union (EU) and the EU Member States, and the Council of the EU Decision of November 2001 (the Decision) on the association of the Overseas Countries and Territories with the EU. The Agreement and Decision permit EIB to offer a subsidy of 50% on the interest rate applicable to the loan, up to a maximum of 3.0%.

2. THE PROPOSAL

2.01 Projects eligible for financing under CALC II include those which seek to improve energy efficiency and the use of renewable energy, transport, solid waste and urban development projects that contribute to the reduction in emissions of greenhouse gases and other pollutants, promote the sustainable

development and use of forestry and land resources, and which encourage research, development and use of low-carbon technologies in the pursuit of the goal of climate adaptation.

3. **FEATURES OF THE LOAN**

3.01 The term of the loan may extend up to fifteen (15) years with a 3 year grace period on principal repayments (applicable to each tranche, beginning at the time it is drawn). Drawdown of the funds may be made within a 48 month period which starts with the signing of the Finance Contract for the facility. The loan may be drawn in a maximum of 10 tranches, with a minimum size of USD10 mn per tranche.

3.02 **Fees:**

The following fees are applicable:

- (a) A non-refundable appraisal fee of EUR50,000;
- (b) A due diligence fee of 0.25% of the nominal loan principal (payable on signing of the Finance Contract for the facility), against which the appraisal fee may be offset;
- (c) A commitment fee of 0.25% (per annum) of the undisbursed balance of the facility payable in arrears on the loan payment dates for the facility, calculated from 18 months after the date of the signing of the Finance Contract.

3.03 **Interest Rate:** CDB will pay interest at a fixed rate which will be determined by EIB at the date of disbursement of each tranche and which includes a margin of 2 basis points.

3.04 **Subsidy:** CDB will receive a subsidy equal to the higher of (a) the fixed interest rate less 3%, and (b) 50% of the fixed interest rate; the benefit of which will be passed on in full to the final beneficiaries of the loan, so that the rate payable by them will be the normal Ordinary Capital Resources (OCR) rate minus the relevant interest rate subsidy.

3.05 **Foreign Exchange Risk:** As a result of the loan being denominated in USD, CDB will bear no foreign exchange risk as a result of the borrowing.

3.06 **Security:** CDB's callable capital and standard negative pledge clause provide adequate security to EIB. Further, if there is for CDB any change in rating to the equivalent of AA- or below by Standard and Poor's or Aa3 or below by Moody's, EIB may request that CDB consult with it with regard to the implications of the Loss-of-Rating (LOR) event on CDB's obligations and on the possible provision of security in support thereof. EIB may request CDB provide security for the loan that is acceptable to EIB. If the security has not been executed in manner, form and substance satisfactory to EIB, EIB may by notice to CDB, demand prepayment of the loan.

3.07 **Change of Ownership:** Any change in the ownership structure of the Bank entitles EIB, if it considers it appropriate, to demand prepayment of the loan. That is if:

- (a) any of CDB's shareholders holding in excess of 5% (five percent) of CDB's issued capital ceases to hold this capacity; or

- (b) any country included on the lists of prohibited uncooperative jurisdictions maintained by the FATF or by the Organisation for Economic Co-operation and Development becomes a shareholder of CDB; or
- (c) any country which is not an existing shareholder at the date hereof becomes a shareholder of CDB and owns in excess of 5% (five per cent) of the Borrower's issued capital.

3.08 Ratio of Total EIB Exposure to Total External Financing: Voluntary prepayment by CDB (and for this purpose prepayment includes repurchase and cancellation) of non-EIB financing which results in the ratio of Total EIB Exposure to Total External Financing being greater than 25%, gives EIB a right to cancel the undisbursed portion of the loan and demand prepayment equal to an amount sufficient to ensure that following such prepayment, the ratio of Total EIB Exposure to Total External Financing is not more than 25%.

3.09 Procurement: Where EIB's resources are being used together with CDB's OCR) and Special Funds Resources, CDB would be required to seek a waiver of its guidelines for procurement from the Board of Directors for each project financed in this manner to enable country eligibility to be extended to countries eligible for procurement under EIB-funded projects, which are not CDB member countries. It is proposed in this Paper, as set out in para 4.01(c) below, to seek BOD's agreement to these waivers upfront so as to obviate the necessity to seek waivers on a case by case basis. This will facilitate greater efficiencies. Management would continue to indicate in the appraisal reports for the projects, the value of the waiver in each case. As set out in the Side Letter, procurement undertaken by the eligible borrowers will be in accordance with CDB's Guidelines for Procurement (January 2006) and Guidelines for the Selection and Engagement of Consultants by Recipients of CDB Financing (October 2011) with eligibility extended to countries eligible for procurement under EIB-funded projects, which are not CDB member countries.

3.10 General: The resources will generally be used in support of CDB's climate action projects. It should be noted that the proposed loan will be drawn in tranches as required by CDB, resulting in lower financial charges than for a market borrowing which would be drawn at the outset. This will facilitate the better management of CDB's assets and liabilities with relatively minimal impact on CDB's profitability. The projected rates offered are considered to be competitive.

3.11 Reporting Requirements: The required reports are those which CDB would normally prepare for internal management review or to submit to its Board and to other lenders and will therefore not entail any special or additional administrative or other procedures or costs.

3.12 A summary of the main terms and conditions of the Finance Contract and the Side Letter is set out in Appendix 1 hereto and the draft Finance Contract and the draft Side Letter are attached as Appendices 2 and 3, respectively.

4. RECOMMENDATION

4.01 It is recommended that BOD approve:

- (a) CDB borrowing the equivalent in USD of EUR100 million, for inclusion in CDB's OCR to finance public and private sector climate action projects in CDB's BMCs;
- (b) CDB entering into the Finance Contract and the Side Letter with EIB for the second Climate Action Line of Credit substantially on the terms and conditions set out in the draft Finance Contract at Appendix 2 and the draft Side Letter at Appendix 3 hereto, with such

modifications as management may consider necessary, to give effect to the arrangements contemplated herein; and

- (c) where EIB's resources are being used together with CDB's OCR or SFR for projects financed by CALC II, a waiver of CDB's Guidelines for Procurement and Guidelines for the Selection and Engagement of Consultants by Recipients of CDB Financing, to extend country eligibility with respect to procurement of goods, works and services, to countries eligible for procurement under EIB-funded projects, which are not CDB member countries.

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<i>Manager, Treasury Unit</i>	<i>Mr. Stephen Nicholls</i>

EIB CLIMATE ACTION LINE OF CREDIT II – SUMMARY OF TERMS AND CONDITIONS

	ITEM	FEATURES
1.	Amount	The USD equivalent of EUR100 mn.
2.	CDB Fund	Included in CDB's OCR.
3.	Availability Period	Within forty-eight months of the date of signature of the contract.
4.	Drawdown arrangement	CALC II shall be drawn in a maximum of 10 tranches of not less than USD 10mn each.
5.	Grace period	Three years from date of disbursement of each respective tranche.
6.	Amortisation	With respect to each tranche, a maximum of 15 years including any grace period.
7.	Latest date for submission of disbursement request	15 days prior to the Final Availability Date.
8.	Rate of interest	Applicable fixed rate at time of disbursement of respective tranche. Fixed rate was 3.40% on February 16, 2017. After application of the subsidy, this would have equated to 1.70%.
9.	Interest subsidy	The higher of (a) the fixed interest rate less 3% and (b) 50% of fixed interest rate, at time of disbursement.
10.	Currency of obligation/disbursement	USD
11.	Method of amortisation of each tranche	Quarterly, semi-annual or annual instalments to be selected at time of disbursement of each tranche.
12.	Fees	(a) Appraisal fee: EUR500,000 (non-refundable). (b) Due diligence fee: 0.25% of the nominal loan principal (payable on signing of the Finance Contract for the facility), against which the appraisal fee may be offset. (c) Commitment fee: 0.25% p.a. of the undisbursed balance of the facility to be paid in arrears, calculated from the date falling 18 (eighteen) months after the date of the Finance Contract.
13.	Inspection/Supervision fees	Nil

	ITEM	FEATURES
14.	Voluntary prepayment	Prepayment possible with one month's notice; but subject to prepayment indemnity.
15.	Procurement	In accordance with CDB's guidelines with eligibility extended to countries eligible for procurement under EIB-funded projects, which are not CDB's member countries.
16.	Co-financing	No restrictions.
17.	Security	CDB's callable capital and standard negative pledge clause.
18.	Eligible borrowers	The public or private sector in CDB's BMCs.
19.	Use of resources	Sub-loans for public and private sector projects which fall within the following categories (subject to acceptance by EIB) - energy efficiency projects, renewable energy projects, transport, solid waste and urban development projects that contribute to reducing greenhouse gas emissions, forestry and land use, low-carbon technologies' research, development and innovation, and adaptation projects.
20.	Percentage of project cost to be financed from CALC II.	Shall not exceed 50% of the aggregate cost of all eligible projects.

This document is a draft and may be subject to revision and changes, without any commitment from the European Investment Bank.

FI N° 87.613

Serapis N° 2016 - 0150

CDB Climate Action FL II

Finance Contract

between the

European Investment Bank

and

Caribbean Development Bank

[Location and Date]

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THIS CONTRACT IS MADE BETWEEN:

The European Investment Bank having its seat at 100 blvd Konrad Adenauer, Luxembourg, L-2950 Luxembourg, represented by ●

(the “**Bank**” or “**EIB**”)

of the first part, and

The Caribbean Development Bank, an international organisation established by an agreement dated 18th October 1969 having its headquarters situated at Wildey, St Michael, Barbados, represented by [],

(the “**Borrower**” or “**CDB**”)

of the second part.

WHEREAS:

- (1) The Borrower has requested from the Bank a subsidised credit in an amount equivalent to EUR 100 000 000 (one hundred million euros) to be used by the Borrower for financing its climate mitigation, adaptation and climate-resilience lending programme that supports (a) the regional efforts to reduce vulnerability to climate change in the Caribbean developing countries, and (b) such countries' low-carbon pathways, as more particularly described in the technical description (the "**Technical Description**") set out in Schedule A (the "**Project**").
- (2) In view of the matters set out in these Recitals and on the terms and conditions set out in this finance contract (the "**Contract**"), the Bank agrees to provide to the Borrower a credit in an amount up to the equivalent of EUR 100 000 000 (one hundred million euros) (the "**Credit**") from the Investment Facility under the Partnership Agreement entered into between the members of the African, Caribbean and Pacific Group of States (the "**ACP States**") on the one hand, and the European Union and its member states (the "**EU Member States**"), on the other hand, signed in Cotonou, Benin on 23rd June 2000, as amended (the "**Cotonou Agreement**") and the decision of the Council of the European Union of 27th November 2001 (the "**Decision**") on the association of the Overseas Countries and Territories ("**OCT**") with the European Union.
- (3) The Borrower shall onlend the Credit to final beneficiaries carrying out climate action investments that comply with the Eligibility Criteria (as defined in the Definitions section, below) (each, a "**Sub-Project**"). The Borrower shall finance each Sub-Project by means of one or more loans (each, a "**Sub-loan**") provided to creditworthy public and private sector entities established in the Borrowing Member Countries (as defined in the Definitions section, below) that are eligible for financing under the Cotonou Agreement (each, a "**Final Beneficiary**"), pursuant to loan agreement(s) entered into between the Borrower and the relevant Final Beneficiary/ies (each, a "**Sub-loan Agreement**"). In accordance with Article 15(b) of the agreement establishing the Borrower (the "**Charter**"), the Borrower shall not finance any undertaking in the territory of a Borrowing Member Country if that Borrowing Member Country objects to such financing.
- (4) The Loan (as defined in the Definitions section, below) made available by the Bank to the Borrower shall not, at any time, exceed 50% (fifty per cent) of the aggregate cost of all Sub-Projects comprised in the Project, with the balance of any required financing to be sourced from the Final Beneficiary/ies, the Borrower or other external financiers.
- (5) By a letter dated [], the Regional Authorisation Officer consented to the Bank's granting of the Credit for the purposes of the Cotonou Agreement. Pursuant to Article 6 of Annex II to the Cotonou Agreement, the ACP States agreed to:
 - (a) grant exemption from all national or local duties, fiscal charges on interest, commission and amortisation of loans due in accordance with the law or laws of the ACP State or States concerned;
 - (b) place at the disposal of the beneficiaries the currency necessary for the payment of interest, commission and the amortisation of loans due in terms of financing contracts granted for the implementation of projects and programmes on their territories; and
 - (c) make available to the Bank the foreign currency necessary for the transfer of all sums received by it in national currency at the exchange rate applicable between the euro or other currencies of transfer and the national currency at the date of transfer.
- (6) The Bank may provide an interest rate subsidy, in accordance with Articles 2.7 (b) of Annex II of the Cotonou Agreement and the relevant terms of the Contract, to Sub-Projects with substantial and clearly demonstrable environmental benefits (the "**Interest Rate Subsidy**").
- (7) Pursuant to Annex II B, Article 3 to the Decision, the OCTs agreed:
 - (a) to grant exemption from all national or local duties, fiscal charges on interest, commission and amortisation of loans due in accordance with the laws or laws of the OCT concerned;

- (b) to place at the disposal of the beneficiaries the currency necessary for the payment of interest, commission and the amortisation of loans due based financing contracts granted for the implementation of projects and programmes in their territories; and
 - (c) to make available to the Bank the foreign currency necessary for the transfer of all sums received by them in national currency at the exchange rate applicable between the euro or other currencies of transfer and the national currency at the date of the transfer.
- (8) The Statute of the Bank provides that the Bank shall ensure that its funds are used as rationally as possible in the interests of the European Union; and, accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant policies of the European Union.
- (9) The Board of Directors of the Borrower has authorised the borrowing of the sum of up to EUR 100 000 000 (one hundred million euros) represented by this Credit on the terms and conditions set out in this Contract and has authorised [] to sign the Contract on behalf of the Borrower.
- (10) In accordance with the Recommendations of the Financial Action Task Force ("**FATF**"), as established within the Organisation for Economic Co-operation and Development, the Bank has adopted a policy to pay special attention to its transactions and its business relations in those cases where it provides finance for a project located in a country that does not sufficiently apply those recommendations or to a borrower or beneficiary resident in such country.
- (11) The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances and has therefore established its Transparency policy, the purpose of which is to enhance the accountability of the EIB Group towards its stakeholders and the citizens of the European Union, in general.
- (12) The processing of personal data shall be carried out by the Bank in accordance with applicable European Union legislation on the protection of individuals with regard to the processing of personal data by the European Union institutions and bodies and on the free movement of such data.

NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

(a) Interpretation

In this Contract:

- (i) References to Articles, Recitals, Schedules and Annexes are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules and annexes to this Contract.
- (ii) References to a provision of law are references to that provision as amended or re-enacted.
- (iii) References to any other agreement or instrument are references to that other agreement or instrument as amended, novated, supplemented, extended or restated.

(b) Definitions

In this Contract:

"Acceptance Deadline" for a notice means:

- (a) 16h00 Luxembourg time on the day of delivery, if the notice is delivered by 14h00 Luxembourg time on a Business Day; or
- (b) 11h00 Luxembourg time on the next following day which is a Business Day, if the notice is delivered after 14h00 Luxembourg time on any such day or is delivered on a day which is not a Business Day.

"ACP Member States" has the meaning given to it in Recital (2).

"Allocation" has the meaning given to it in Article 1.01B.

"Allocation Letter" has the meaning given to it in Article 1.01B.

"Allocation Period" means the period between the date of this Contract and the date falling 46 (forty six) months from the signature of the Contract.

"Allocation Request" has the meaning given to it in Article 1.01A.

"Authorisation" means an authorisation, permit, consent, approval, resolution, licence, exemption, filing, notarisaton or registration.

"Borrowing Member Countries" means Anguilla, Antigua and Barbuda, The Bahamas, Barbados, Belize, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago and Turks and Caicos Islands and any other country that becomes a shareholder of the Borrower during the Allocation period, provided such country is either an ACP State or is an OCT.

"Business Day" means a day (other than a Saturday or Sunday) on which the Bank and commercial banks are open for general business in Luxembourg.

"Change-of-Ownership Event" takes place when:

- (a) any of the Borrower's shareholders holding in excess of 5% (five percent) of the Borrower's issued capital ceases to hold this capacity; or
- (b) any country included on the lists of prohibited jurisdictions maintained by the FATF or by the Organisation for Economic Co-operation and Development becomes a shareholder of the Borrower; or
- (c) any country which is not an existing shareholder at the date hereof becomes a shareholder of the Borrower and owns in excess of 5% (five per cent) of the Borrower's issued capital.

“Change-of-Law Event” means the enactment, promulgation, execution or ratification of or the abrogation or any change in or amendment to any law, rule or regulation (or in the application or official interpretation of any law, rule or regulation) applicable to the Borrower that occurs after the date of this Contract and which, in the opinion of the Bank, would materially impair the Borrower's ability to perform its obligations under this Contract.

“Change-of-Statutes Event” means the proposal or enactment of any change in or amendment to the Borrower's Charter (including any other constitutional documents) that occurs after the date of this Contract.

“Contract” has the meaning given to it in Recital (2).

“Cotonou Agreement” means has the meaning given in Recital (2).

“Credit” has the meaning given to it in Recital (2).

“Credit Rating” means any of the following ratings as assigned by a Rating Agency in respect of the Borrower:

(a) the rating assigned to the Borrower's most recent unsecured and unsubordinated medium or long term debt;

(b) the Long Term Issuer Credit Rating (or equivalent) defined as such by Standard and Poor's Rating Group or its successor;

(c) the Long Term Issuer Rating (or equivalent) defined as such by Moody's Investors Services, Inc. or its successor; or

(d) the Long Term Foreign Currency Deposit Rating (or equivalent) defined as such by Moody's Investors Services, Inc. or its successor;

(e) the Long Term Issuer Rating (or equivalent) defined as such by Fitch Ratings Limited or its successor,

in each of the cases (a) to (e) above, the terms defined shall be deemed to refer to any equivalent term irrespective of the definition given to it, and excludes any rating qualified by the terms “National Scale”, “NSR”, “Local”, “Local Currency”, “Domestic” or “Domestic Currency”.

“Decision” has the meaning given to it in Recital (2).

“Deferment Indemnity” means an indemnity calculated on the amount of disbursement deferred or suspended at the percentage rate (if higher than zero) by which:

- the Fixed Rate, net of the Margin, that would have been applicable to such amount had it been disbursed to the Borrower on the Scheduled Disbursement Date

exceeds

- LIBOR (one month rate) less 0.125% (12.5 basis points), unless this value is less than zero, in which case it will be set at zero.

Such indemnity shall accrue from the Scheduled Disbursement Date to the Disbursement Date or, as the case may be, until the date of cancellation of the Notified Tranche in accordance with this Contract.

“Disbursement Date” means the date on which actual disbursement of a Tranche is made by the Bank.

“Disbursement Notice” means a notice from the Bank to the Borrower pursuant to and in accordance with Article 1.02C.

“Disbursement Request” means a notice substantially in the form set out in Schedule C.1.

“Disruption Event” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with this Contract; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of either the Bank or the Borrower, preventing that party:
 - (i) from performing its payment obligations under this Contract; or
 - (ii) from communicating with other parties,

and which disruption (in either such case as per (a) or (b) above) is not caused by, and is beyond the control of, the party whose operations are disrupted.

“EIB Statement of Environmental and Social Principles and Standards” means the statement published on EIB’s website¹ that outlines the standards that the Bank requires of the projects that it finances and the responsibilities of the various parties.

“EIA” has the meaning given to it in Article 1.01B(d).

“Eligibility Criteria” has the meaning given to it in Article 1.01B(b).

“Environment” means the following, in so far as they affect human health and social well-being:

- (a) fauna and flora;
- (b) soil, water, air, climate and the landscape;
- (c) cultural heritage; and
- (d) the built environment.

“Environmental and Social Standards” means:

- (a) Environmental Laws and Social Laws applicable to the relevant Sub-Project or the Final Beneficiary; and
- (b) the EIB Statement of Environmental and Social Principles and Standards.

“Environmental or Social Approval” means any permit, licence, authorisation, consent or other approval required by an Environmental Law or a Social Law in connection with the Project.

“Environmental or Social Claim” means any claim, proceeding, formal notice or investigation by any person in respect of the Environment or Social Matters affecting the Project including any breach or alleged breach of any Environmental and Social Standard.

“Environmental Law” means:

- (a) the laws and regulations of the Borrowing Member Country/ies where the relevant Sub-Project or the relevant Final Beneficiary is located; and
- (b) international treaties and conventions signed and ratified by or otherwise applicable and binding on, such Borrowing Member Country/ies (i.e., where the relevant Sub-Project or the relevant Final Beneficiary is located),

of which a principal objective is the preservation, protection or improvement of the Environment.

“EU” means the European Union.

“EU Member States” has the meaning given to it in Recital (2).

“EUR” or **“euro”** means the lawful currency of the EU Member States that adopt or have adopted it as their currency in accordance with the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union or their succeeding treaties.

¹ http://www.eib.org/attachments/strategies/eib_statement_esps_en.pdf

“Event of Default” means any of the circumstances, events or occurrences specified in Article 10.01.

“FATF” has the meaning given to it in Recital (10).

“Final Availability Date” means the date falling 48 (forty eight) months after the signature date of this Contract.

“Final Beneficiary” has the meanings given to them in Recital (3).

“Financing of Terrorism” means the provision or collection of funds, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out any of the offences within the meaning of Articles 1 to 4 of the EU Council Framework Decision 2002/475/JHA of 13 June 2002 on combating terrorism.

“Fixed Rate” means an annual interest rate determined by the Bank in accordance with the applicable principles from time to time laid down by the governing bodies of the Bank for loans made at a fixed rate of interest, denominated in the currency of the Tranche and bearing equivalent terms for the repayment of capital and the payment of interest. Fixed Rate shall include the Margin.

“GAAP” means generally accepted accounting principles in Barbados, including IFRS.

“Guide to Procurement” means the Guide to Procurement published on EIB’s website² that informs the promoters of projects financed in whole or in part by the EIB of the arrangements to be made for procuring works, goods and services required for the Project.

“IFRS” means international accounting standards within the meaning of IAS Regulation (*Regulation on the application of International Financial Reporting Standards*) 1606/2002 to the extent applicable to the relevant financial statements.

“ILO” means the International Labour Organisation.

“ILO Standards” means any treaty, convention or covenant of the ILO signed and ratified by or otherwise applicable and binding on the relevant Borrowing Member Country, and the Core Labour Standards (as defined in the ILO Declaration on Fundamental Principles and Rights at Work).

“Indemnifiable Prepayment Event” means a prepayment event under Article 4.03A other than paragraph 4.03A(2) or 4.03A(6).

“Interest Rate Subsidy” has the meaning given to it in Recital (6).

“LIBOR” has the meaning given to it in Schedule B.

“Loan” means the aggregate amount of Tranches disbursed from time to time by the Bank under this Contract.

“Loss-of-Rating Event” means:

(a) any case where any Credit Rating:

- (i) as assigned by Standard and Poor’s Ratings Group or its successor is AA- or below; or
- (ii) as assigned by Moody’s Investors Service, Inc. or its successor is Aa3 or below;

(b) both of the Credit Ratings of the Rating Agencies assigned under paragraph (a) above cease to be published.

“Margin” means the component of the rate of interest quantified in Article 3.01.

“Market Disruption Event” means any of the following circumstances:

- (a) there are, in the reasonable opinion of the Bank, events or circumstances adversely affecting the Bank’s access to its sources of funding;

² <http://www.eib.org/projects/publications/guide-to-procurement.htm>. Please note that it is the version of the Guide to Procurement in force at the time of the Sub-Project procurement that is applicable.

- (b) in the opinion of the Bank, funds are not available from its ordinary sources of funding in order to adequately fund a Tranche in the relevant currency and/or for the relevant maturity and/or in relation to the reimbursement profile of such Tranche.

"Material Adverse Change" means, any event or change of condition, which, in the reasonable opinion of the Bank has a material adverse effect on:

- (a) the ability of the Borrower to perform its obligations under this Contract;
- (b) the business, operations, property, condition (financial or otherwise) or prospects of the Borrower; or
- (c) the validity or enforceability of, or the effectiveness or ranking of, or the value of any security granted to the Bank, or the rights or remedies of the Bank under this Contract.

"Maturity Date" means the last repayment date of a Tranche specified pursuant to Article 4.01A(b)(iii).

"Money Laundering" means:

- (a) the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his action;
- (b) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from criminal activity or from an act of participation in such activity;
- (c) the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such activity; or
- (d) participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing points.

"Notified Tranche" means a Tranche in respect of which the Bank has issued a Disbursement Notice.

"OCT" has the meaning given to it in Recital (2).

"Payment Date" means: 15 May and 15 November of each year until and including the Maturity Date, save that, in case any such date is not a Relevant Business Day, it means the following Relevant Business Day, without adjustment to the interest due under Article 3.01.

"Prepayment Amount" means the amount of a Tranche to be prepaid by the Borrower in accordance with Article 4.02A.

"Prepayment Date" means the date, which shall be a Payment Date, on which the Borrower proposes to effect prepayment of a Prepayment Amount.

"Prepayment Event" means any of the events described in Article 4.03A.

"Prepayment Indemnity" means in respect of any principal amount to be prepaid or cancelled, the amount communicated by the Bank to the Borrower as the present value (as of the Prepayment Date) of the excess, if any, of:

- (a) the Fixed Rate, net of the Margin, that would accrue thereafter on the Prepayment Amount over the period from the Prepayment Date to the Maturity Date, if it were not prepaid; over
- (b) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.15% (fifteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate, applied as of each relevant Payment Date.

"Prepayment Notice" means a written notice from the Bank to the Borrower in accordance with Article 4.02C.

“Prepayment Request” means a written request from the Borrower to the Bank to prepay all or part of the Loan, in accordance with Article 4.02A.

“Prohibited Conduct” means any Financing of Terrorism, Money Laundering or Prohibited Practice.

“Prohibited Practice” means any:

- (a) Coercive Practice, meaning the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party;
- (b) Collusive Practice, meaning an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
- (c) Corrupt Practice, meaning the offering, giving, receiving or soliciting, directly or indirectly, of anything of value by a party to influence improperly the actions of another party;
- (d) Fraudulent Practice, meaning any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation; or
- (e) Obstructive Practice, meaning in relation to an investigation into a Coercive, Collusive, Corrupt or Fraudulent Practice in connection with this Loan or the Project, (a) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (b) acts intending to materially impede the exercise of the contractual rights of audit or access to information.

“Project” has the meaning given to it in Recital (1).

“Rating Agency” means any of Standard and Poor's Financial Services LLC, Moody's Investors Services, Inc., Fitch Ratings Limited or their respective successors.

“Redeployment Rate” means the Fixed Rate, excluding the Margin, in effect on the day of the indemnity calculation for fixed-rate loans denominated in the same currency and which shall have the same terms for the payment of interest and the same repayment profile to the Maturity Date as the Tranche in respect of which a prepayment is proposed or requested to be made. For those cases where the period is shorter than 48 (forty-eight) months the most closely corresponding money market rate equivalent will be used, that is LIBOR minus 0.125% (12.5 basis points) for periods of up to 12 (twelve) months. For periods falling between 12 (twelve) and 48 (forty eight) months as the case may be, the bid point on the swap rates as published by Reuters for the related currency and observed by the Bank at the time of calculation will apply.

“Relevant Business Day” means a day on which banks are open for general business in New York.

“Sanctioned Persons” means any individual or entity listed in one or more Sanction Lists.

“Sanction Lists” means:

- (a) any economic, financial and trade restrictive measures and arms embargoes issued by the European Union pursuant to Chapter 2 of Title V of the Treaty on European Union as well as Article 215 of the Treaty on the Functioning of the European Union, as available in the official EU website http://eeas.europa.eu/cfsp/sanctions/consol-list_en.htm, as amended and supplemented from time to time or on any successor page; or,
- (b) any economic, financial and trade restrictive measures and arms embargoes issued by the United Nations Security Council pursuant to Article 41 of the UN Charter as available in the official UN website <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>, as amended and supplemented from time to time or on any successor page.

“Scheduled Disbursement Date” means the date on which a Tranche is scheduled to be disbursed in accordance with Article 1.02C.

“Security” means any mortgage, pledge, lien, charge, assignment, hypothecation, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Social Law” means each of:

- (a) any law, rule or regulation applicable in the relevant Borrowing Member Country relating to Social Matters;
- (b) any ILO Standards;
- (c) any United Nations treaty, convention or covenant on human rights signed and ratified by or otherwise applicable and binding on the relevant Borrowing Member Country.

“Social Matters” means all, or any of, the following: (i) labour and employment conditions, (ii) occupational health and safety, (iii) protection and empowerment of rights and interests of indigenous peoples, ethnic minorities and vulnerable groups, (iv) cultural heritage (tangible and intangible), (v) public health, safety and security, (vi) involuntary physical resettlement and/or economic displacement and loss of livelihood of persons, and (vii) public participation and stakeholder engagement.

“Sub-loan” has the meaning given to it in Recital (3).

“Sub-loan Agreement” has the meaning given to it in Recital (3).

“Sub-Project” has the meaning given to it in Recital (3).

“Subsidised Interest Rate” has the meaning given to it in Article 3.01A.

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“Technical Description” has the meaning given to it in Recital (1).

“Tranche” means each disbursement made or to be made under this Contract.

“Transparency Policy” means the Bank’s transparency policy as amended from time to time and available in English, at the date of this Contract, on its Website at the following link: http://www.eib.org/attachments/strategies/transparency_policy_en.pdf.

“USD” means the lawful currency of the United States of America.

ARTICLE 1
Credit and Disbursements

1.01 Amount of Credit and Allocations

1.01A Amount of Credit

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, the Credit in an amount equivalent up to EUR 100 000 000 (one hundred million euros) to be disbursed as USD ● (● million United States dollars) for the financing of the Project.

1.01B Submission of Allocation Requests

During the Allocation Period the Borrower may submit to the Bank requests for allocation of the Credit to one or several Sub-Projects to be financed pursuant to this Contract (each, an “**Allocation Request**”). Each Allocation Request shall:

- (a) be in the form set out in Schedule A.1.6 and Schedule A.1.7. and signed by duly authorised officer(s) of the Borrower;
- (b) include only Sub-Projects of which each fully satisfies the eligibility criteria set out in Schedule A.1.5 (the “**Eligibility Criteria**”) and the other relevant conditions specified in this Article 1.01B;
- (c) be accompanied by copies of the Borrower’s due diligence documents relating to each Sub-Project included on such Allocation Request; and
- (d) for Sub-Projects requiring an Environmental Impact Assessment (“**EIA**”), the Non-Technical Summary of the EIA or a link to a public version of the Non-Technical Summary of the EIA.

1.01C Allocation decision

Following the Bank’s examination of the Allocation Request in accordance with the Bank’s procedure applicable to the Sub-Project(s) included in such Allocation Request (including approval of the Sub-Project(s) by the relevant managing bodies of the Bank), as well as the Bank’s examination of any further information in respect of the relevant Sub-Project(s) or Final Beneficiary/ies which it deems necessary, the Bank may issue its approval or refusal for the Allocation Request and in case, of its approval, the Bank may specify (at its sole discretion) any conditions in relation to the relevant Sub-Project(s). In the event the Bank partially approves an Allocation Request, the Bank shall inform the Borrower thereof.

In case of approval of the Allocation Request, the Bank shall issue a letter (an “**Allocation Letter**”) specifying in USD the portion of the Credit allocated to each Sub-Project (each such amount, an “**Allocation**”) included in the Allocation Request, which Allocation shall cover a maximum of 50% (fifty per cent) of the total cost of Sub-Project(s) included in the related Allocation Request.

Each Allocation Request that will serve as the basis of a Disbursement Request should have been approved by the Bank prior to the Borrower submitting a Disbursement Request, and the Borrower should have received an Allocation Letter to confirm such approval. The aggregate amount of Allocations made hereunder may not exceed the amount of the Credit.

In addition, for Allocation Requests related to Sub-Projects located in OCTs, the Bank will only issue an Allocation Letter if it determines that sufficient funds are available in the relevant envelope of the European Development Fund.

1.01D Reallocation

1.01D(1) RE-ALLOCATION REQUESTED BY THE BORROWER

The Borrower may propose to reallocate any part of the Credit that has been allocated by the Bank to a Sub-Project pursuant to an Allocation Letter. Such re-allocation shall be requested by the Borrower to the Bank in writing during the Allocation Period.

The Borrower shall specify in writing which of the Allocation(s) need to be cancelled and/or reduced. The request for re-allocation of Credit to any new Sub-Project(s) shall contain information specified in Article 1.01B for the purposes of Allocation Requests. The Bank shall review such request for re-allocation in accordance with Article 1.01C.

1.01D(2) RE-ALLOCATION REQUESTED BY THE BANK

Upon the Bank's request, the Borrower shall promptly re-allocate any part of the Credit or Loan, as appropriate, that has been allocated to any Sub-Project(s), which, in the opinion of the Bank, are or become ineligible for financing by the Credit.

1.02 Disbursement procedure

1.02A Tranches

The Bank shall disburse the Credit in up to 10 (ten) Tranches. The amount of each Tranche, if not being the undrawn balance of the Credit, shall be in a minimum amount of EUR [], equivalent to USD 10 000 000 (ten million United States dollars), unless otherwise requested by the Borrower and agreed by the Bank.

1.02B Disbursement Request

- (a) The Borrower may present to the Bank a Disbursement Request for the disbursement of a Tranche, for the financing of Sub-Project(s). Such Disbursement Request must be received by the Bank at the latest 15 (fifteen) days before the Final Availability Date. The Disbursement Request shall be in the form set out in Schedule C.1 and shall specify:
 - (i) the amount of the Tranche in USD;
 - (ii) the preferred disbursement date for the Tranche; such preferred disbursement date must be a Relevant Business Day falling at least 15 (fifteen) days after the date of the Disbursement Request and, in any event, on or before the Final Availability Date, it being understood that, notwithstanding the Final Availability Date, the Bank may disburse the Tranche up to 4 (four) calendar months from the date of the Disbursement Request;
 - (iii) the preferred first and last dates for repayment of principal for the Tranche; and
 - (iv) the IBAN code (or appropriate format in line with local banking practice) and SWIFT BIC of the bank account to which disbursement of the Tranche should be made in accordance with Article 1.02D.
- (b) Each Disbursement Request shall be accompanied by evidence of the authority of the person or persons authorised to sign it and the specimen signature of such person or persons or a declaration by the Borrower that no change has occurred in relation to the authority of the person or persons authorised to sign Disbursement Requests under this Contract.
- (c) Subject to Article 1.02C(b), each Disbursement Request is irrevocable.

1.02C Disbursement Notice

- (a) Not less than 10 (ten) days before the proposed Scheduled Disbursement Date of a Tranche the Bank shall, if the Disbursement Request conforms to this Article 1.02, deliver to the Borrower a Disbursement Notice which shall specify:
 - (i) the amount to be disbursed in USD;
 - (ii) the Scheduled Disbursement Date;

- (iii) the first interest Payment Date for the Tranche;
 - (iv) the terms for repayment of principal for the Tranche;
 - (v) the first and last dates for repayment of principal for the Tranche;
 - (vi) the applicable Payment Dates for the Tranche; and
 - (vii) the Fixed Rate applicable to the Tranche until the Maturity Date;
 - (viii) the Subsidised Interest Rate.
- (b) If one or more of the elements specified in the Disbursement Notice does not reflect the corresponding element, if any, in the Disbursement Request, the Borrower may following receipt of the Disbursement Notice revoke the Disbursement Request by written notice to the Bank to be received no later than 12h00 Luxembourg time on the next Business Day and thereupon the Disbursement Request and the Disbursement Notice shall be of no effect. If the Borrower has not revoked in writing the Disbursement Request within such period, the Borrower will be deemed to have accepted all elements specified in the Disbursement Notice.

1.02D Disbursement Account

Disbursement shall be made to the account of the Borrower, as the Borrower shall notify in writing to the Bank not later than 15 (fifteen) days before the Scheduled Disbursement Date (with IBAN code or with the appropriate format in line with local banking practice).

Only one account may be specified for each Tranche.

1.03 Currency of disbursement

The Bank shall disburse each Tranche in USD.

1.04 Conditions of disbursement

1.04A First Tranche

The disbursement of the first Tranche under Article 1.02 is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 10 (ten) Business Days before the Scheduled Disbursement Date, of the following documents or evidence:

- (a) evidence that the execution of this Contract by the Borrower has been duly authorised and that the person or persons signing this Contract on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (b) evidence that the Borrower has obtained all necessary Authorisations (if any), required in connection with this Contract and the Project;
- (c) a legal opinion from the Borrower's General Counsel, on the due execution of this Contract by the Borrower, and a legal opinion from a legal counsel acceptable to the Bank, on the enforceability of this Contract in the jurisdiction where the Borrower is located, as well as on the relevant documentation provided by the Borrower to the Bank prior to and for the purposes of the signature of this Contract;
- (d) evidence of appointment of the Borrower's agent of service;
- (e) a template Sub-Loan Agreement has been submitted to, and found satisfactory by the Bank;
- (f) evidence that any action necessary to obtain exemption from taxation for all payments of principal, interest and other sums due hereunder and to permit the payment of all such sums gross without deduction of tax at source shall have been taken;

- (g) evidence that all exchange control consents specified by the Bank or indicated in the legal opinion given under paragraph (c), above, as being necessary have been obtained to permit the Borrower to receive disbursements as provided in this Contract, to repay the Loan and to pay interest and all other amounts due hereunder;
- (h) evidence of the authority of the person or persons authorised to sign Disbursement Requests on behalf of the Borrower and the specimen signature of such person or persons;
- (i) evidence of payment of the due diligence fee in full pursuant to Article 1.08;
- (j) evidence of appointment of a Project Coordinator, responsible for providing to the Bank on behalf of the Borrower Allocation Requests and progress reports required pursuant to the terms of the Contract.

1.04B All Tranches (other the first Tranche)

The disbursement of each Tranche under Article 1.02, other than the first Tranche shall be subject to the Borrower providing evidence satisfactory to the Bank, on or before the date falling 10 (ten) Business Days before the Scheduled Disbursement Date, demonstrating that at least:

- (a) 80% (eighty per cent) of the immediately preceding disbursement has been allocated by the Borrower to Sub-Projects included in an Allocation Letter; and
- (b) 50% (fifty per cent) of such amount has been disbursed to relevant Final Beneficiaries for Sub-loans that have been the object of an Allocation by the Bank.

1.04C All Tranches (including the first Tranche)

The disbursement of each Tranche under Article 1.02, including the first Tranche, is subject to the following conditions:

- (a) that the Bank has received, in form and substance satisfactory to it, on or before the date falling 10 (ten) Business Days before the Scheduled Disbursement Date for the proposed Tranche, of the following documents or evidence:
 - (i) a certificate from the Borrower in the form of Schedule C.2, signed by an authorised representative of the Borrower and dated no earlier than the date falling 15 (fifteen) days before the Scheduled Disbursement Date;
 - (ii) that the Bank has issued Allocation Letter(s) for an aggregate amount at least equal to the amount of the Tranche requested for disbursement; and
 - (iii) a copy of any other authorisation or other document, opinion or assurance which the Bank has notified the Borrower is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, this Contract or its validity and enforceability.
- (b) that on the Scheduled Disbursement Date for the proposed Tranche:
 - (i) the representations and warranties which are repeated pursuant to Article 6.10 are correct in all respects;
 - (ii) no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute:
 - (aa) an Event of Default, or
 - (bb) a Prepayment Event, or
 - (cc) a Loss-of-Rating Event,has occurred and is continuing unremedied or unwaived or would result from the proposed Tranche.

1.05 Deferment of disbursement

1.05A Grounds for deferment

Upon the written request of the Borrower, the Bank shall defer the disbursement of any Notified Tranche in whole or in part to a date specified by the Borrower being a date falling not later than 6 (six) months from its Scheduled Disbursement Date and not later than 60 days prior to the first repayment date of the Tranche indicated in the Disbursement Notice. In such case, the Borrower shall pay the Deferment Indemnity calculated on the amount of disbursement deferred.

Any request for deferment shall have effect in respect of a Tranche only if it is made at least 7 (seven) Business Days before its Scheduled Disbursement Date.

If for a Notified Tranche any of the conditions referred to in Article 1.04 is not fulfilled as at the specified date and at the Scheduled Disbursement Date (or the date expected for disbursement in case of a previous deferment), disbursement will be deferred to a date agreed between the Bank and the Borrower falling not earlier than 7 (seven) Business Days following the fulfilment of all conditions of disbursement (without prejudice to the right of the Bank to suspend and/or cancel the undisbursed portion of the Credit in whole or in part pursuant to Article 1.06B). In such case, the Borrower shall pay the Deferment Indemnity calculated on the amount of disbursement deferred.

1.05B Cancellation of a disbursement deferred by 6 (six) months

The Bank may, by notice in writing to the Borrower, cancel a disbursement which has been deferred under Article 1.05A by more than 6 (six) months in total. The cancelled amount shall remain available for disbursement under Article 1.02.

1.06 Cancellation and suspension

1.06A Borrower's right to cancel

The Borrower may at any time by notice in writing to the Bank cancel, in whole or in part and with immediate effect, the undisbursed portion of the Credit. However, the notice shall have no effect in respect of (i) a Notified Tranche which has a Scheduled Disbursement Date falling within 5 (five) Business Days of the date of the notice or (ii) a Tranche in respect of which a Disbursement Request has been submitted but no Disbursement Notice has been issued.

1.06B Bank's right to suspend and cancel

(a) The Bank may, by notice in writing to the Borrower, suspend and/or cancel the undisbursed portion of the Credit in whole or in part at any time and with immediate effect:

- (i) upon the occurrence of a Prepayment Event or an Event of Default or an event or circumstance which would with the passage of time or giving of notice under this Contract constitute a Prepayment Event or an Event of Default; or
- (ii) if any of the Borrowing Member Countries is no longer an eligible country for operations under the Cotonou Agreement.

(b) The Bank may also suspend the portion of the Credit in respect of which it has not issued a Disbursement Notice with immediate effect in the case that a Market Disruption Event occurs.

(c) Any suspension shall continue until the Bank ends the suspension or cancels the suspended amount.

1.06C Indemnity for suspension and cancellation of a Tranche

1.06C(1) SUSPENSION

If the Bank suspends a Notified Tranche, whether upon an Indemnifiable Prepayment Event or an Event of Default, the Borrower shall pay to the Bank the Deferment Indemnity calculated on the amount of disbursement suspended.

1.06C(2) CANCELLATION

If pursuant to Article 1.06A, the Borrower cancels a Notified Tranche, it shall indemnify the Bank under Article 4.02B.

If the Bank cancels:

- (a) a Notified Tranche upon an Indemnifiable Prepayment Event or pursuant to Article 1.05B or Article 1.06B(a)(ii), the Borrower shall pay to the Bank the Prepayment Indemnity; or
- (b) a Notified Tranche upon an Event of Default, the Borrower shall indemnify the Bank under Article 10.03.

Save in these cases, no indemnity is payable upon cancellation of a Tranche by the Bank.

The indemnity shall be calculated as if the cancelled amount had been disbursed and repaid on the Scheduled Disbursement Date or, to the extent that the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice.

1.07 Cancellation after expiry of the Credit

On the day following the Final Availability Date, and unless otherwise specifically agreed to in writing by the Bank, the part of the Credit in respect of which no Disbursement Request has been made in accordance with Article 1.02B shall be automatically cancelled, without any notice being served by the Bank to the Borrower and without liability arising on the part of either party.

1.08 Due diligence fee

The Borrower shall pay to the Bank prior to disbursement of the first Tranche under this Contract an up-front fee in an amount equivalent to 0.25% (twenty five basis points) of the Credit on the date of this Contract, minus EUR 50 000 (fifty thousand euros), which is the amount of appraisal fee paid by the Borrower to the Bank prior to the date of this Contract.

1.09 Non-utilisation fee

The Borrower shall pay to the Bank a non-utilisation fee calculated on the daily undrawn uncanceled balance of the Credit from the date falling 18 (eighteen) months after the date of this Contract at a rate of 0.25% (twenty five basis points) per annum, the accrued non-utilisation fee being payable:

- (a) on [dd/mm, dd/mm, dd/mm, dd/mm]³; and
- (b) on the Final Availability Date; or, if the Credit is cancelled in full under Article 1.06 prior to the Final Availability Date, on the date of cancellation.

If the date on which the non-utilisation_fee is due to be paid is not a Relevant Business Day, payment shall be made on the next day, if any, of that calendar month that is a Relevant Business Day or, failing that, the nearest preceding day that is a Relevant Business Day, in all cases with a corresponding adjustment to the amount of non-utilisation fee due.

1.10 Sums due under Article 1

Sums due under Articles 1.05 and 1.06 shall be payable in USD. They shall be payable within 15 (fifteen) days of the Borrower's receipt of the Bank's demand or within any longer period specified in the Bank's demand.

³ To be agreed with the Borrower. Please avoid 15 March, 15 June, 15 September or 15 December or the last day of every month (except January, April, July and October), but do include quarterly dates.

ARTICLE 2
The Loan

2.01 Amount of Loan

The Loan shall comprise the aggregate amount of Tranches disbursed by the Bank under the Credit, as confirmed by the Bank pursuant to Article 2.03.

2.02 Currency of repayment, interest and other charges

Interest, repayments and other charges payable in respect of each Tranche shall be made by the Borrower in the currency in which the Tranche is disbursed.

Any other payment shall be made in the currency specified by the Bank having regard to the currency of the expenditure to be reimbursed by means of that payment.

2.03 Confirmation by the Bank

Within 10 (ten) days after disbursement of each Tranche, the Bank shall deliver to the Borrower the amortisation table referred to in Article 4.01, showing the Disbursement Date, currency, the amount disbursed, the repayment terms and the interest rate of and for that Tranche.

ARTICLE 3
Interest

3.01 Rate of interest

For the purposes of this Contract "**Margin**" means 0.02% (two basis points).

3.01A Subject to Article 3.01B, interest shall be calculated on the basis of Article 5.01 at an annual rate (hereafter the "**Subsidised Interest Rate**") that is the Fixed Rate minus the Interest Rate Subsidy. The Interest Rate Subsidy shall be calculated by the Bank so that the Subsidised Interest Rate shall, in any case, be equal to the higher of:

- (a) the Fixed Rate less 3 % (three per cent); and
- (b) 50% (fifty per cent) of the Fixed Rate.

The Borrower shall pay interest on the outstanding balance of each Tranche at the Subsidised Interest Rate semi-annually in arrears on the relevant Payment Dates as specified in the Disbursement Notice, commencing on the first such Payment Date following the date on which the disbursement of the Tranche was made. If the period from the date on which disbursement was made to the first Payment Date is 30 (thirty) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

3.01B Upon the occurrence of an Event of Default or, if as a result of the Borrower's conduct, any fraud or corruption is found to have occurred in the Borrower's use of the Loan or its implementation of the Project, the Bank may:

- (a) at any time suspend or cancel the application of the Interest Rate Subsidy, in which case interest shall accrue and be payable at the Fixed Rate, and/or
- (b) demand that the Borrower repays an amount equivalent to the Interest Rate Subsidy benefit that the Borrower has received.

3.02 Interest on overdue sums

Without prejudice to Article 10 and by way of exception to Article 3.01, if the Borrower fails to pay any amount payable by it under the Contract on its due date, interest shall accrue on any overdue amount payable under the terms of this Contract from the due date to the date of actual payment at an annual rate equal to:

- (i) for overdue sums related to Tranches, the higher of (a) the applicable Fixed Rate plus 2% (200 basis points) or (b) the LIBOR plus 2% (200 basis points);
- (ii) for overdue sums other than under (i) above, the LIBOR plus 2% (200 basis points)

and shall be payable in accordance with the demand of the Bank. For the purpose of determining the LIBOR in relation to this Article 3.02, the relevant periods within the meaning of Schedule B shall be successive periods of 1 (one) month commencing on the due date.

If the overdue sum is in a currency other than the currency of the Loan, the following rate per annum shall apply, namely the relevant interbank rate that is generally retained by the Bank for transactions in that currency plus 2% (200 basis points), calculated in accordance with the market practice for such rate.

3.03 Market Disruption Event

If at any time (i) from the issuance by the Bank of the Disbursement Notice in respect of a Tranche, and (ii) until the date falling 30 (thirty) calendar days prior to the Scheduled Disbursement Date, a Market Disruption Event occurs, the Bank may notify the Borrower that this clause has come into effect and that the Fixed Rate and the Interest Rate Subsidy previously notified by the Bank in the Disbursement Notice shall no longer be applicable. In such case, the rate of interest applicable to such Notified Tranche until the Maturity Date shall be the percentage rate per annum which is equal to:

- the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank, plus
- the Margin, minus
- the new Interest Rate Subsidy calculated in accordance with Article 3.01.

The Borrower shall have the right to refuse in writing such disbursement within the deadline specified in the notification and shall bear charges incurred as a result, if any, in which case the Bank shall not effectuate the disbursement and the corresponding Credit shall remain available for disbursement under Article 1.02B. If the Borrower does not refuse the disbursement in time, the parties agree that the disbursement and the conditions thereof shall be fully binding for both parties.

ARTICLE 4
Repayment

4.01 Normal repayment

4.01A Repayment by instalments

- (a) The Borrower shall repay each Tranche by instalments on the Payment Dates specified in the relevant Disbursement Notice in accordance with the terms of the amortisation table delivered pursuant to Article 2.03.

- (b) Each amortisation table shall be drawn up on the basis that:
 - (i) repayment shall be made semi-annually by equal instalments of principal or constant instalments of principal and interest;
 - (ii) the first repayment date of each Tranche shall be a Payment Date falling not earlier than 60 (sixty) days from the Scheduled Disbursement Date and not later than the first Payment Date immediately following the 3rd (third) anniversary of the Scheduled Disbursement Date of the Tranche; and
 - (iii) the last repayment date of each Tranche shall be a Payment Date falling not earlier than 4 (four) years and not later than 15 (fifteen) years from the Scheduled Disbursement Date.

4.02 Voluntary prepayment

4.02A Prepayment option

Subject to Articles 4.02B, 4.02C and 4.04, the Borrower may prepay all or part of any Tranche, together with accrued interest and indemnities if any, upon giving a Prepayment Request with at least 1 (one) month's prior notice specifying:

- (i) the Prepayment Amount,
- (ii) the Prepayment Date,
- (iii) if applicable, the choice of application method of the Prepayment Amount in line with Article 5.05(c)(i), and
- (iv) the contract number ("FI Nr.") mentioned on the cover page of this Contract.

Subject to Article 4.02C the Prepayment Request shall be binding and irrevocable.

4.02B Prepayment indemnity

If the Borrower prepays a Tranche, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Tranche which is being prepaid.

4.02C Prepayment

4.02C(1) Prepayment mechanics

Upon presentation by the Borrower to the Bank of a Prepayment Request, the Bank shall issue a Prepayment Notice to the Borrower, not later than 15 (fifteen) days prior to the Prepayment Date. The Prepayment Notice shall specify the Prepayment Amount, the accrued interest due thereon, the Prepayment Indemnity payable under Article 4.02B or, as the case may be, that no indemnity is due, the method of application of the Prepayment Amount and the Acceptance Deadline.

If the Borrower accepts the Prepayment Notice no later than by the Acceptance Deadline, it shall effect the prepayment. In any other case, the Borrower may not effectuate the prepayment.

The Borrower shall accompany the prepayment by the payment of accrued interest and indemnity, if any, due on the Prepayment Amount, as specified in the Prepayment Notice.

4.03 Compulsory prepayment

4.03A Prepayment Events

4.03A(1) SUB-PROJECT COST REDUCTION

At any time after the end of the Allocation Period, should the aggregate cost of all of Sub-Projects approved by way of an Allocation Letter be at a level at which the Loan exceeds 50% (fifty per cent) of such cost, the Bank may, in proportion to the reduction forthwith, demand prepayment of the relevant part of the Loan by notice to the Borrower. The Borrower shall effectuate payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

4.03A(2) RATIO OF TOTAL EIB EXPOSURE TO TOTAL EXTERNAL FINANCING

If at any time the Borrower voluntarily prepays (for the avoidance of doubt, prepayment shall include repurchase or cancellation where applicable) any Non-EIB Financing and, following such voluntary prepayment, the ratio (expressed as a percentage) of Total EIB Exposure to Total External Financing is greater than 25% (twenty five per cent), the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan. The proportion of the Loan that the Bank may require to be prepaid shall be equal to an amount sufficient to ensure that, following such prepayment to the Bank, the ratio (expressed as a percentage) of Total EIB Exposure to Total External Financing is not more than 25% (twenty five per cent).

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article:

“Non-EIB Financing” includes any loan (save for the Loan and any other direct loans from the Bank), credit bond or other form of financial indebtedness or any obligation for the payment or repayment of money granted to the Borrower.

“Total EIB Exposure” means the aggregate of all outstanding amounts disbursed by the Bank to the Borrower pursuant to this Contract and any other finance contract entered into between the Bank and the Borrower.

“Total External Financing” means the aggregate of:

- (a) the Total EIB Exposure; and
- (b) all amounts outstanding under the Non-EIB Financing.

4.03A(3) CHANGE OF OWNERSHIP

The Borrower shall promptly inform the Bank if a Change-of-Ownership Event has occurred or is likely to occur in respect of itself. At any time after the occurrence of a Change-of-Ownership Event, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

In addition, if the Borrower has informed the Bank that a Change-of- Ownership Event is about to occur, or if the Bank has reasonable cause to believe that a Change-of- Ownership Event is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank’s request. After the earlier of (a) the lapse of 30 (thirty) days from the date of such request for consultation, or (b) at any time thereafter, upon the occurrence of the anticipated Change-of-Ownership Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

4.03A(4) CHANGE OF LAW

The Borrower shall promptly inform the Bank if a Change-of-Law Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that a Change-of-Law Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. If, after the lapse of 30 (thirty) days from the date of such request for consultation the Bank is of the reasonable opinion that the negative effects (if any) of the Change-of-Law Event cannot be mitigated to its satisfaction, the Bank may by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

4.03A(5) CHANGE OF STATUTES

The Borrower shall promptly inform the Bank if a Change-of-Statutes Event has occurred or is likely to occur in respect of the Borrower. In such case, or if the Bank has reasonable cause to believe that a Change-of-Statutes Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request.

After the earlier of (a) the lapse of 30 (thirty) days from the date of such request for consultation or (b) the occurrence of the anticipated Change-of-Statutes Event, if the Bank is of the reasonable opinion that the relevant Change-of-Statutes Event would materially impair the Borrower's ability to perform its obligations under this Contract, the Bank may, by notice to the Borrower, cancel the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract. The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

4.03A(6) ILLEGALITY

If:

- (a) it becomes unlawful in any applicable jurisdiction for the Bank to perform any of its obligations as contemplated in this Contract or to fund or maintain the Loan; or
- (b) the Cotonou Agreement or the Decision is:
 - (i) no longer valid or in full force and effect;
 - (ii) not binding on or repudiated by any of the Borrowing Member Countries where either"
 - (A) the Borrower, or
 - (B) the relevant Final Beneficiary,
 - (C) the relevant Sub-Project,

is/are located,

the Bank shall promptly notify the Borrower and the Bank may immediately (i) suspend or cancel the undisbursed portion of the Credit and/or (ii) demand prepayment of the Loan on the date indicated by the Bank in its notice to the Borrower.

4.03A(7) LOSS-OF-RATING EVENT

If a Loss-of-Rating Event occurs, the Bank may request that the Borrower consult with it with regard to the implications of the Loss-of-Rating Event on the Borrower's obligations and on the possible provision of security in support thereof.

Such consultation shall take place within 15 (fifteen) days from the date of the Bank's request. After the elapse of 15 (fifteen) days from the date of such request for consultation the Bank may, by notice to the Borrower, request the Borrower to provide security for the Loan in the form of a guarantee in terms and from a bank acceptable to the Bank, cash collateral or other security acceptable to the Bank.

If within a further period of 15 (fifteen) days the security has not been executed in manner, form and substance satisfactory to the Bank, the Bank may by notice to the Borrower, forthwith cancel the undisbursed portion of the Credit and demand immediate prepayment of the Loan together with accrued interest and all other amounts accrued or outstanding under this Contract.

4.03A(8) ELIGIBILITY, BREACH OF SUB-LOAN AGREEMENT AND FAILURE TO RE-ALLOCATE

If:

- (a) the Bank is of the view that any Sub-Project financed by the Loan does not or no longer satisfies the Eligibility Criteria; or
- (b) the Bank becomes aware that a Final Beneficiary has failed to comply with any applicable obligation set out in Article 6.02B; or
- (c) the Borrower fails to sign Sub-loan Agreements with relevant Final Beneficiaries in accordance with Article 6.02 or fails to make funds disbursed by the Bank hereunder available to the Final Beneficiaries for Sub-Projects subject to any Allocation, within 6 (six) months from the disbursement by the Bank; or
- (d) the Borrower fails to re-allocate any part of the Loan as agreed or requested by the Bank in accordance with Article 1.01D (including within the period and manner agreed with the Bank or specified by the Bank in its request, as applicable),

the Bank may, by written notice to the Borrower demand prepayment of the relevant part of the Loan. The Borrower shall, within 30 (thirty) days, prepay such relevant portion of the Loan together with accrued interest and all other amounts accrued or outstanding under this Contract.

4.03B Prepayment mechanics

Any sum demanded by the Bank pursuant to Article 4.03A, together with any interest or other amounts accrued or outstanding under this Contract including, without limitation, any indemnity due under Article 4.03C and Article 4.04, shall be paid on the date indicated by the Bank in its notice of demand.

4.03C Prepayment indemnity

In the case of an Indemnifiable Prepayment Event, the indemnity, if any, shall be determined in accordance with Article 4.02B.

4.04 General

A repaid or prepaid amount may not be re-borrowed. This Article 4 shall not prejudice Article 10.

ARTICLE 5
Payments

5.01 Day count convention

Any amount due by way of interest, indemnity or fee from the Borrower under this Contract, and calculated in respect of a fraction of a year, shall be determined on the following respective conventions:

- (a) in respect of interest and indemnities due under a Tranche, a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days;
- (b) in respect of fees, a year of 360 (three hundred and sixty) days and the number of days elapsed.

5.02 Time and place of payment

Unless otherwise specified in this Contract or in the Bank's demand, all sums other than sums of interest, indemnity and principal are payable within 30 (thirty) days of the Borrower's receipt of the Bank's demand.

Each sum payable by the Borrower under this Contract shall be paid to the relevant account notified by the Bank to the Borrower. The Bank shall notify the account not less than 15 (fifteen) days before the due date for the first payment by the Borrower and shall notify any change of account not less than 15 (fifteen) days before the date of the first payment to which the change applies. This period of notice does not apply in the case of payment under Article 10.

The Borrower shall indicate in each payment made hereunder the contract number ("FI Nr.") found on the cover page of this Contract.

A sum due from the Borrower shall be deemed paid when the Bank receives it.

Any disbursements by and payments to the Bank under this Contract shall be made using account(s) acceptable to the Bank. For the avoidance of doubt, any account in the name of the Borrower held with a duly authorized financial institution in the jurisdiction where the Borrower has its headquarters [or where the Project is undertaken is deemed acceptable to the Bank]⁴.

5.03 No set-off by the Borrower

All payments to be made by the Borrower under this Contract shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

5.04 Disruption to Payment Systems

If either the Bank determines (in its discretion) that a Disruption Event has occurred or the Bank is notified by the Borrower that a Disruption Event has occurred:

- (a) the Bank may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Contract as the Bank may deem necessary in the circumstances;
- (b) the Bank shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes; and

⁴ The deletion or modification of this part is yet to be confirmed by the compliance team of EIB.

- (c) the Bank shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this Article 5.04.

5.05 Application of sums received

- (a) General Sums received from the Borrower shall only discharge its payment obligations if received in accordance with the terms of this Contract.

- (b) Partial payments

If the Bank receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Contract, the Bank shall apply that payment:

- (i) first, in or towards payment pro rata of any unpaid fees, costs, indemnities and expenses due under this Contract;
- (ii) secondly, in or towards payment of any accrued interest due but unpaid under this Contract;
- (iii) thirdly, in or towards payment of any principal due but unpaid under this Contract; and
- (iv) fourthly, in or towards payment of any other sum due but unpaid under this Contract.

- (c) Allocation of sums related to Tranches

- (i) In case of:

- a partial voluntary prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied pro rata to each outstanding instalment, or, at the request of the Borrower, in inverse order of maturity,
- a partial compulsory prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied in reduction of the outstanding instalments in inverse order of maturity.

- (ii) Sums received by the Bank following a demand under Article 10.01 and applied to a Tranche, shall reduce the outstanding instalments in inverse order of maturity. The Bank may apply sums received between Tranches at its discretion.

- (c) In case of receipt of sums which cannot be identified as applicable to a specific Tranche, and on which there is no agreement between the Bank and the Borrower on their application, the Bank may apply these between Tranches at its discretion.

ARTICLE 6

Borrower undertakings and representations

The undertakings in this Article 6 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

6.01 Use of Loan and availability of other funds

The Borrower undertakes:

- (a) to use the proceeds of the Loan exclusively for financing the Project, by on-lending the Loan to Final Beneficiaries only for the financing of Sub-Projects that are each subject to an Allocation in accordance with the relevant Allocation Letter;
- (b) to ensure that the Final Beneficiaries have available to them the balance of funds required for financing the relevant Sub-Projects (i.e., in addition to the Loan);
- (c) to pass on the Interest Rate Subsidy to relevant Final Beneficiary/ies.

The Borrower shall not onlend any part of the Credit to any Final Beneficiary or any other party that is or could be reasonably considered as connected/related party to CDB's:

- (a) Board of Directors or any other decision-making body of CDB, or
- (b) staff member involved in CDB's credit decisions.

6.02 Provisions concerning Sub-loans

6.02A The Borrower shall:

- (a) make sums advanced by the Bank hereunder available to Final Beneficiaries upon disbursement by the Bank, having regard to any disbursement schedule approved in relation to the relevant Allocation;
- (b) ensure that the Sub-Projects shall conform at all times with the Eligibility Criteria;
- (c) ensure that the grace period applicable to any Sub-loan shall be determined on the basis of the relevant Sub-Project's liquidity requirements;
- (d) ensure that the tenor of each Sub-loan shall be based on the requirements of the relevant Sub-Project, but, in any case, shall not be of less than 4 (four) years;
- (e) ensure that the interest rate payable by the Final Beneficiaries under each Tranche of the relevant Sub-loan Agreements shall consist of the interest rate usually charged by the Borrower for loans denominated in the same currency and bearing equivalent terms for the repayment of capital, including the administrative margin and the risk margin charged by the Borrower, as appropriate, minus the relevant Interest Rate Subsidy; and
- (f) ensure that each Sub-Project financed by the Credit does not benefit from any other funds made available by the EIB;

6.02B The Borrower undertakes not to modify any material condition of a Sub-loan Agreement without the prior written consent of the Bank. The Borrower shall include in each Sub-loan Agreement provisions in order that, in respect of each Sub-Project, the Final Beneficiary shall:

- (a) **Sub-Project Completion:** complete the relevant Sub-Project as envisaged in the Sub-loan Agreement;
- (b) **Procurement:** ensure that all equipment, services and works pertaining to the Sub-Project, are procured in order to seek the most economically advantageous option in the light of the circumstances and taking into account quality and efficiency and in line with the Guide to Procurement;
- (c) **Purpose:** use the funds received exclusively for the purpose of carrying out the Sub-Project;
- (d) **Maintenance and insurance:** maintain, repair, overhaul and renew all property forming part of the Sub-Project as required to keep it in good working order and duly insure all property and assets forming part of the Sub-Project;
- (e) **Rights and Permits:** maintain in force all rights of way or use and all Authorisations necessary for the execution and operation of the Sub-Project and comply with all laws to which it or the Sub-Project are subject to;

- (f) **Environment and Social aspects:**
- (i) implement and operate the Sub-Project in compliance with Environmental and Social Standards;
 - (ii) obtain and maintain all requisite Environmental or Social Approvals for the Sub-Project and comply at all times with the same;
 - (iii) as the case may be, in conformity with Environmental Laws and upon the Borrower's request, provide to the Borrower evidence to verify its fulfilment of that obligation. (The Borrower undertakes to exercise such rights in respect of any Final Beneficiary at the specific request of the Bank and to transmit to the Bank forthwith any material information received in relation to such request); and
 - (iv) cooperate on any matter necessary to resolve any complaint in connection with implementation of the Sub-Project (including any complaint relating to breach of the Environmental and Social Standards applicable to the Sub-Project).
- (g) **Representation:** represent and declare to the Borrower that any information or document given to the Borrower in connection with the relevant Sub-Project is true and correct;
- (h) **Integrity/Money Laundering:**
- (i) undertake not to engage in (and not to authorise or permit any person acting on its behalf to engage in), any Prohibited Conduct in connection with the Sub-Project, any tendering procedure, or any transaction contemplated by the Sub-loan Agreement;
 - (ii) undertake to take such action as the Borrower shall reasonably request to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct;
 - (iii) undertake to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the relevant Sub-Project;
 - (iv) undertake to promptly inform the Borrower of a genuine allegation, complaint or information with regard to a Prohibited Conduct related to a Sub-Project;
 - (v) take, within a reasonable timeframe, appropriate measures in respect of (as applicable) such Final Beneficiary and/or any member of its management bodies and/or any person acting on its behalf, who has been convicted by a final and irrevocable court ruling of a Prohibited Conduct perpetrated in the course of the exercise of his/her professional duties or becomes a Sanctioned Person, in order to ensure that as applicable such Final Beneficiary and/or any member of its management bodies and/or person acting on its behalf is excluded from any activity in relation to any funds made available by the Borrower under the relevant Sub-loan Agreement or in relation to the relevant Sub-Project;
 - (vi) undertake not to enter into a business relationship with any Sanctioned Person or make any funds available to or for the benefit of, directly or indirectly, any Sanctioned Person;
 - (vii) promptly inform the Borrower of any measure taken by such Final Beneficiary pursuant to this Article 6.02B(h), and
 - (viii) represent to the Borrower that to the best of its knowledge, no funds invested in the Sub-Project by such Final Beneficiary are of illicit origin, including products of Money Laundering or linked to the Financing of Terrorism, as well as promptly inform the Borrower if at any time it becomes aware of the illicit origin of any such funds;

- (i) **Bank Account:** request any disbursements from, and make any payments to, the Borrower under a Sub-loan Agreement to or from, as the case may be, a bank account in the name of such Final Beneficiary held with a duly authorised financial institution in the jurisdiction where such Final Beneficiary is incorporated or has its place of residence or where the Sub-Project is undertaken by such Final Beneficiary;
- (j) **Records:** keep books and records of all financial transactions and expenditures in connection with the Sub-Project;
- (k) **Visits:** allow persons designated by the Bank, as well as persons designated by other institutions or bodies of the European Union when so required by the relevant mandatory provisions of European Union law:
 - (i) to visit the sites, installations and works comprising the Sub-Project and to conduct such checks as they may wish for purposes connected with this Contract and the financing of the Sub-Project;
 - (ii) to interview representatives of the Final Beneficiary and not obstruct contacts with any other person involved in or affected by the Sub-Project;
 - (iii) to review the Final Beneficiary's books and records in relation to the execution of the Sub-Project and to be able to take copies of related documents to the extent permitted by the law;
 - (iv) to facilitate investigations by the Bank and by the other competent European Union institutions or bodies in connection with any alleged or suspected occurrence of a Prohibited Conduct and shall provide the Bank, or ensure that the Bank is provided, with all necessary assistance for the purposes described in this Article;
- (l) **Information:** acknowledge that the Bank may be obliged to communicate information relating to the Final Beneficiary, any Sub-loan and/or any Sub-Project to any competent institution or body of the European Union in accordance with the relevant mandatory provisions of European Union law; and
- (m) **Auditors:** in the case of non-sovereign Final Beneficiaries, appoint and maintain auditors acceptable to the Bank.

6.03 Disposal of assets

The Borrower shall not, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose of any part of its assets.

For the purposes of this Article, “**dispose**” and “**disposal**” includes any act effecting sale, transfer, lease or other disposal.

6.04 Borrower's Special Warranties and Undertakings

The Borrower warrants and undertakes to:

- (a) institute, maintain and comply with internal procedures and controls in compliance with the FATF recommendations and standards, as amended and supplemented from time to time;
- (b) without prejudice to paragraph (a) above, duly finalise the implementation of policy and procedures relating to combatting Money Laundering and Financing of Terrorism (which policy and procedures, at the date of this Contract, are in the process of being implemented);
- (c) promptly inform the Bank, should the Borrower at any time acquire information of an illicit origin of any funds invested in the Project or any Sub-Project; and
- (d) cooperate with the Bank on:

- (i) any matter necessary to deal with and resolve any complaint in connection with implementation of any Sub-Project or the Project as a whole (including any complaint relating to breach of the Environmental and Social Standards applicable to the Sub-Project); and
- (ii) undertaking joint actions in relation to such complaint, including compliance reviews or mediation processes and determinations regarding the appropriate complaints mechanism to apply to each such complaint.

The Borrower notes the policy of the Bank to pass information on its clients' transactions to the competent authorities in circumstances where European Union law requires the Bank do so.

6.05 Compliance with laws

The Borrower shall comply in all respects with all laws and regulations to which it and/or the Projects are subject.

The Borrower undertakes to comply with the prudential and supervisory guidelines applicable to it until the final repayment of the Loan.

6.06 Accounts and auditors

The Borrower undertakes that all financial information supplied to the Bank hereunder shall be prepared in accordance with GAAP.

The Borrower undertakes to retain as its auditors an independent firm of accountants of international repute acceptable to the Bank.

6.07 Change in business

The Borrower shall procure that no substantial change is made to the core business of the Borrower from that carried on at the date of this Contract.

The Borrower shall not enter into any amalgamation, demerger, merger or corporate reconstruction unless with the prior written consent of the Bank.

6.08 Books and records

The Borrower shall:

- (a) ensure that it has kept and will continue to keep proper books and records of account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower, including expenditures in connection with the Contract, in accordance with GAAP as in effect from time to time; and
- (b) keep records of contracts financed with the proceeds of the Loan including a copy of the contract itself and material documents relating to the procurement for at least 6 (six) years from the substantial performance of the contract.

6.09 Integrity

(a) **Prohibited Conduct:**

- (i) The Borrower shall not engage in (and shall not authorise or permit any affiliate or any other person acting on its behalf to engage in) any Prohibited Conduct in connection with the Contract, any tendering procedure, or any transaction contemplated by the Contract;

- (ii) The Borrower undertakes to take such action as the Bank shall reasonably request to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct;
 - (iii) The Borrower undertakes to ensure that contracts financed by this Loan include the necessary provisions to enable the Borrower to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the Project;
- (b) **Sanctions:** The Borrower shall not (i) enter into a business relationship with any Sanctioned Person, or (ii) make any funds available to or for the benefit of, directly or indirectly, any Sanctioned Person;
- (c) **Borrower's Management:** The Borrower undertakes to take within a reasonable timeframe appropriate measures in respect of any member of its management bodies who:
 - (i) becomes a Sanctioned Person; or
 - (ii) is under investigation, or subject to a final and irrevocable court ruling, in connection with a Prohibited Conduct perpetrated in the course of the exercise of their professional duties,in order to ensure that such member is suspended, dismissed or in any case excluded from any Borrower's activity in relation to the Loan and to the Project.

6.10 General representations and warranties

The Borrower represents and warrants to the Bank that:

- (a) it is duly established and validly existing as an international organisation with headquarters in Barbados and with the power to carry on its business as it is now being conducted and to own its property and other assets;
- (b) it has the power to execute, deliver and perform its obligations under this Contract and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same by the Borrower;
- (c) this Contract constitutes its legally valid, binding and enforceable obligations;
- (d) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Contract do not and will not:
 - (i) contravene or conflict with any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;
 - (ii) contravene or conflict with any agreement or other instrument binding upon it which might reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Contract; or
 - (iii) contravene or conflict with any provision of its Charter and By-Laws;
- (e) the latest available consolidated audited accounts of the Borrower have been prepared on a basis consistent with previous years and have been approved by its auditors as representing a true and fair view of the results of its operations for that year and accurately disclose or reserve against all the liabilities (actual or contingent) of the Borrower;
- (f) there has been no Material Adverse Change since 22nd February 2017;
- (g) no event or circumstance which constitutes a Prepayment Event or an Event of Default has occurred and is continuing unremedied or unwaived;

- (h) no litigation, arbitration, administrative proceedings or investigation is current or to its knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against it or any of its subsidiaries any unsatisfied judgement or award;
- (i) it has obtained all necessary Authorisations in connection with this Contract and in order to lawfully comply with its obligations hereunder, and the Project and all such Authorisations are in full force and effect and admissible in evidence;
- (j) its payment obligations under this Contract rank not less than pari passu in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law;
- (k) no Environmental or Social Claim has been commenced or is threatened against it or the Project, which the Borrower has not previously disclosed to the Bank;
- (l) it is in compliance with all undertakings under this Article 6;
- (m) no loss-of-rating clause or financial covenants have been concluded with any other creditor of the Borrower;
- (n) to the best of its knowledge and after making due enquiry/ies, no funds invested (i) in the Project by the Borrower, and (ii) in any Sub-Projects by the Final Beneficiaries, are of illicit origin, including products of Money Laundering or linked to the Financing of Terrorism;
- (o) neither the Borrower, its Board of Directors, other corporate bodies, managers nor any other person acting on its or their behalf or under its or their control has committed nor will commit (i) any Prohibited Conduct in connection with the Project, any Sub-Project or any other transaction contemplated by this Contract; or (ii) any illegal activity related to the Financing of Terrorism or Money Laundering;
- (p) neither the Borrower, its Board of Directors, other corporate bodies, managers nor any other person acting on its or their behalf or under its or their control is a Sanctioned Person;
- (q) none of the Sub-Projects (including without limitation, the negotiation, award and performance of contracts financed or to be financed by the Loan or by the Sub-loans) have involved or given rise to, any Prohibited Conduct.

The representations and warranties set out above shall survive the execution of this Contract and are, with the exception of the representation set out in Article 6.10(f), above, deemed repeated on the date of each Disbursement Request, Disbursement Date and on each Payment Date.

ARTICLE 7 **Security**

The undertakings in this Article 7 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

7.01 Negative pledge

So long as any part of the Loan remains outstanding, the Borrower shall not, without the prior written consent of the Bank, which shall not be unreasonably withheld, create or permit to subsist any Security on, or with respect to, any of its present or future business, undertaking, assets or revenues (including any capital not paid-in).

For the purpose of this Article 7.01, the term Security shall not be deemed to include any preference or priority accorded, or any charge created or arising (i) in respect of the Borrower's obligations to any national or international clearing organization; (ii) solely by operation of law; (iii) in respect of covered bonds, asset backed securities, mortgage backed bonds or securitizations, securities lending transactions; and (iv) in respect of securing the purchase price of land, having a term of not more than 12 (twelve) months, obtained to finance it.

[The Borrower represents that at the date of this Contract no Security exists over its assets.]⁵

7.02 Pari Passu ranking

The Borrower shall ensure that its payment obligations under this Contract rank, and will rank, not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its Debt Instruments.

In particular, if the Bank makes a demand under Article 10.01 or if an event or potential event of default under any unsecured and unsubordinated Debt Instrument of the Borrower or of any of its agencies or instrumentalities has occurred and is continuing, the Borrower shall not make (or authorize) any payment in respect of any other such Debt Instrument (whether regularly scheduled or otherwise) without simultaneously paying, or setting aside in a designated account for payment on the next Payment Date a sum equal to, the same proportion of the debt outstanding under this Contract as the proportion that the payment under such Debt Instrument bears to the total debt outstanding under that Debt Instrument. For this purpose, any payment of an Debt Instrument that is made out of the proceeds of the issue of another instrument, to which substantially the same persons as hold claims under the Debt Instrument have subscribed, shall be disregarded.

In this Contract, "**Debt Instrument**" means (a) an instrument, including any receipt or statement of account, evidencing or constituting an obligation to repay a loan, deposit, advance or similar extension of credit (including without limitation any extension of credit under a refinancing or rescheduling agreement), (b) an obligation evidenced by a bond, debenture or similar written evidence of indebtedness or (c) a guarantee granted by the Borrower for an obligation of a third party.

7.03 Additional security

Should the Borrower grant to a third party any security for the performance of any Debt Instrument or any preference or priority in respect thereof, the Borrower shall, if so required by the Bank, provide to the Bank equivalent security for the performance of its obligations under this Contract or grant to the Bank equivalent preference or priority.

7.04 Clauses by inclusion

If the Borrower concludes with any other financial creditor a financing agreement (other than any derivatives trading agreement) that includes a loss-of-rating clause or a covenant or other provision regarding its financial ratios, if applicable, that is not provided for in this Contract or is more favourable to the relevant financial creditor than any equivalent provision of this Contract is to the Bank, the Borrower shall promptly inform the Bank and shall provide a copy of the more favourable provision to the Bank. The Bank may request that the Borrower promptly executes an agreement to amend this Contract so as to provide for an equivalent provision in favour of the Bank.

⁵ To be confirmed by the Borrower.

ARTICLE 8
Information and Visits

8.01 Information concerning Sub-loans, Sub-Projects and Final Beneficiaries

8.01A The Borrower shall:

- (a) deliver to the Bank:
 - (i) the information in content and in form, and at the times, specified in Schedule A.2 or otherwise as agreed from time to time by the parties to this Contract; and
 - (ii) no later than 6 (six) months after Final Availability Date, evidence that the aggregate of the Loan has been disbursed by the Borrower to the relevant Final Beneficiaries for Sub-Projects that are each subject to an Allocation,
 - (ii) all documents and information that may be requested by the Bank concerning the Sub-loans and Sub-loan Agreements, implementation and operation of each Sub-Project and the activities and financial condition of each Final Beneficiary,

provided always that if such information or document is not delivered to the Bank on time, and the Borrower does not rectify the omission within a reasonable time set by the Bank in writing, the Bank may remedy the deficiency, to the extent feasible, by employing its own staff or a consultant or any other third party, at the Borrower's expense and the Borrower shall provide such persons with all assistance necessary for the purpose;
- (b) inform the Bank as soon as it becomes aware thereof of any of the following events taking place in relation to any Sub-loan Agreement or Sub-Project:
 - (i) any default which entitles the Borrower to demand prepayment from the Final Beneficiary and any breach by a Final Beneficiary of a Sub-loan Agreement;
 - (ii) any notice of intention to prepay given by any Final Beneficiary;
 - (iii) any prepayment by a Final Beneficiary,
 - (iv) any action or protest initiated or any objection raised by any third party or any genuine complaint or Environmental or Social Claim received by the Borrower or the Final Beneficiary or any material litigation that is commenced, pending or threatened against it or any Final Beneficiary with regard to environmental or other matters affecting the Sub-Project;
 - (v) any non-compliance by it or any Final Beneficiary with any Environmental and Social Standards;
 - (vi) any suspension, revocation or modification of any Environmental or Social Approval applicable to it or any Final Beneficiary;
 - (vii) should the implementation of any Sub-Project financed by the Credit be suspended, modified or cancelled;
 - (viii) any genuine allegation, complaint or information with regard to a Prohibited Conduct related to a Sub-Project or should it become aware of any fact or information confirming or reasonably suggesting that any Prohibited Conduct has occurred in connection with any Sub-Project, or any of the funds invested in its share capital or in connection with any Sub-Project was derived from an illicit origin including products of Money-Laundering or linked to the Financing of Terrorism and set out the action(s) taken by the relevant Final Beneficiary/ies with respect to such matters;
- (c) deliver to the Bank, upon its request, a certified copy of any Sub-loan Agreement and of any addendum or amendment thereto;

- (d) generally inform the Bank of all facts and events known to it which (i) might substantially prejudice the completion or operation of any Sub-Project or the financial condition of any Final Beneficiary or (ii) entitles or which would, with the lapse of time, entitle the Borrower to demand prepayment by a Final Beneficiary under any Sub-loan Agreement; and
- (e) if so requested, provide to or procure for the Bank promptly all documents and information necessary to enable the Bank to verify the Borrower's or any Final Beneficiary's compliance with Article 6.

8.01B The Borrower shall annually furnish to the Bank a statement showing:

- (a) all amounts prepaid by Final Beneficiaries to the Borrower whether voluntarily or consequent upon a demand for prepayment under the terms of any Sub-loan Agreement;
- (b) all amounts repaid by Final Beneficiaries to the Borrower upon the final maturity of the relevant Sub-loans; and
- (c) all amounts re-allocated pursuant to Article 1.01D.

8.02 Information concerning the Borrower

The Borrower shall:

- (a) deliver to the Bank:
 - (i) as soon as they become available but in any event within 180 (one hundred and eighty) days after the end of each of the Borrower's financial year its consolidated and unconsolidated annual report, balance sheet, profit and loss account and auditors report for that financial year; and
 - (ii) from time to time, such further information on its general financial situation as the Bank may reasonably require or such certificates of compliance with the undertakings of Article 6 as the Bank may deem necessary;
- (b) ensure that its accounting records fully reflect the operations relating to the financing, execution and operation of the Projects;
- (c) inform the Bank immediately of:
 - (i) any material alteration to its memorandum and articles of association, shareholding structure, and any change of ownership and at top management level (board members and chief officers) after the date of this Contract;
 - (ii) any fact which obliges it to prepay any financial indebtedness or any European Union funding;
 - (iii) any event or decision that constitutes or may result in a Prepayment Event;
 - (iv) any intention on its part to grant any Security over any of its assets in favour of a third party;
 - (v) any to cease all or any material part of its business;
 - (vi) any supervisory measure taken against it (including but not limited to any investigation commenced against it) by the Government of Barbados or any other competent authority in Barbados;
 - (vii) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract;
 - (viii) any event listed in Article 10.01 having occurred or being threatened or anticipated;
or

- (ix) to the extent permitted by law, any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which, to the best of its knowledge and belief, is current, imminent or pending against the Borrower or its controlling entities or members of the Borrower's management bodies in connection with Prohibited Conduct related to the Loan or the Project;
- (x) any measure taken by the Borrower pursuant to Article 6.09 of this Contract and any material developments in relation to any investigation involving any member of its management bodies in connection with a Prohibited Conduct; or,
- (xi) any investigations concerning the integrity of the members of the Borrower's Board of Directors or managers;
- (xii) any litigation, arbitration or administrative proceedings or investigation which is current, threatened or pending which might if adversely determined result in a Material Adverse Change; or
- (xiii) any fact or event which results in (x) any member of its management bodies or (y) any of its controlling entities being a Sanctioned Person.

If the Borrower does not provide the information referred to above in accordance with this Article, without prejudice to the Bank's other rights in respect of such breach, the Bank shall make such determination on the basis of such information in respect of the relevant matter as may be available to it.

8.03 Visits, Rights of Access and Investigations

- (a) The Borrower shall (and shall ensure that the Final Beneficiaries shall) allow persons designated by the Bank, as well as persons designated by the competent EU institutions including the Court of Auditors of the European Communities, the European Commission and the European Anti-Fraud Office to:
 - (i) visit the sites, installations and works comprising the Projects and to conduct such checks as they may wish for purposes connected with this Contract and the financing of the Projects,
 - (ii) interview representatives of the Borrower and/or Final Beneficiaries, and not obstruct contacts with any other person involved in or affected by the Loan and/or the Projects;
 - (iii) review the Borrower's and/or Final Beneficiaries' books and records in relation to the Loan and/or the Projects and to be able to take copies of related documents to the extent permitted by the law; and
 - (iv) generally, conduct such checks as they may wish, and shall provide them, or ensure that they are provided, with all necessary assistance for such purposes.
- (b) The Borrower acknowledges that the Bank may be obliged to communicate information relating to the Borrower and the Projects to any competent institution or body of the European Union including the Court of Auditors of the European Communities, the European Commission and the European Anti-Fraud Office as are necessary for the performance of their task in accordance with the laws of the European Communities in accordance with the relevant mandatory provisions of European Union law.

The Borrower shall (and shall ensure that the Final Beneficiaries shall) facilitate investigations by the Bank and by other competent European Union institutions or bodies in connection with any alleged or suspected occurrence of a Prohibited Conduct and shall provide the Bank, or ensure that the Bank is provided, with all necessary assistance for the purposes described in this Article 8.03.

The Borrower undertakes to promptly inform the Bank of the measures taken to seek damages from the persons responsible for any loss resulting from any Prohibited Conduct.

ARTICLE 9
Charges and expenses

9.01 Taxes, duties and fees

The Borrower shall pay all Taxes, duties, fees and other impositions of whatsoever nature, including stamp duty and registration fees, arising out of the execution or implementation of this Contract or any related document and in the creation, perfection, registration or enforcement of any security for the Loan to the extent applicable.

The Borrower shall pay all principal, interest, indemnities and other amounts due under this Contract gross without deduction of any national or local impositions whatsoever; provided that, if the Borrower is obliged to make any such deduction, it will gross up the payment to the Bank so that after deduction, the net amount received by the Bank is equivalent to the sum due.

9.02 Other charges

The Borrower shall bear all charges and expenses, including professional, banking, transfer or exchange charges incurred in connection with the preparation, execution, implementation, enforcement and termination of this Contract (or any related document), any amendment, supplement or waiver in respect of this Contract (or any related document), and in the amendment, creation, management, enforcement and realisation of any Security for the Loan.

9.03 Increased costs, indemnity and set-off

- (a) The Borrower shall pay to the Bank any sums or expenses incurred or suffered by the Bank as a consequence of the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or compliance with any law or regulation made after the date of signature this Contract, in accordance with which:
 - (i) the Bank is obliged to incur additional costs in order to fund or perform its obligations under this Contract; or
 - (ii) any amount owed to the Bank under this Contract or the financial income resulting from the granting of the Credit or the Loan by the Bank to the Borrower is reduced or eliminated.
- (b) Without prejudice to any other rights of the Bank under this Contract or under any applicable law, the Borrower shall indemnify and hold the Bank harmless from and against any loss incurred as a result of any payment or partial discharge that takes place in a manner other than as expressly set out in this Contract.
- (c) The Bank may set off any matured obligation due from the Borrower under this Contract (to the extent beneficially owned by the Bank) against any obligation (whether or not matured) owed by the Bank to the Borrower regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Bank may set off in an amount estimated by it in good faith to be the amount of that obligation.

ARTICLE 10
Events of Default

10.01 Right to demand repayment

The Borrower shall repay all or part of the Loan (as requested by the Bank) forthwith, together with accrued interest and all other accrued or outstanding amounts under this Contract, upon written demand being made by the Bank in accordance with the following provisions.

10.01A Immediate demand

The Bank may make such demand immediately:

- (a) if the Borrower does not pay on the due date any amount payable pursuant to this Contract at the place and in the currency in which it is expressed to be payable, unless (i) its failure to pay is caused by an administrative or technical error or a Disruption Event and (ii) payment is made within 3 (three) Business Days of its due date;
- (b) if any information or document given to the Bank by or on behalf of the Borrower or any representation, warranty or statement made or deemed to be made by the Borrower in or pursuant to this Contract or in connection with the negotiation or performance of this Contract is or proves to have been incorrect, incomplete or misleading in any material respect;
- (c) if, following any default of the Borrower in relation to any loan, or any obligation arising out of any financial transaction, other than the Loan,
 - (i) the Borrower is required or is capable of being required or will, following expiry of any applicable contractual grace period, be required or be capable of being required to prepay, discharge, close out or terminate ahead of maturity such other loan or obligation or
 - (ii) any financial commitment for such other loan or obligation is cancelled or suspended;
- (d) if the Borrower is unable to pay its debts as they fall due, or suspends its debts, or makes or seeks to make a composition with its creditors;
- (e) if any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or an order is made or an effective resolution is passed for the winding up of the Borrower, or if the Borrower takes steps towards a substantial reduction in its capital, is declared insolvent or ceases or resolves to cease to carry on the whole or any substantial part of its business or activities;
- (f) if an encumbrancer takes possession of, or a receiver, liquidator, administrator, administrative receiver or similar officer is appointed, whether by a court of competent jurisdiction or by any competent administrative authority or by any person, of or over, any part of the business or assets of the Borrower;
- (g) if the Borrower defaults in the performance of any obligation in respect of any other loan granted by the Bank or financial instrument entered into with the Bank;
- (h) if the Borrower defaults in the performance of any obligation in respect of any other loan made to it from the resources of the Bank or the European Union;
- (i) if any distress, execution, sequestration or other process is levied or enforced upon the property of the Borrower or any property forming part of the Project and is not discharged or stayed within 14 (fourteen) days;
- (j) if a Material Adverse Change occurs, as compared with the Borrower's condition at the date of this Contract; or

- (k) if it is or becomes unlawful for the Borrower to perform any of its obligations under this Contract, or another transactional document, or this Contract, or another transactional document is not effective in accordance with its terms or is alleged by the Borrower to be ineffective in accordance with its terms.

10.01B Demand after notice to remedy

The Bank may also make such demand:

- (a) if the Borrower fails to comply with any obligation under this Contract not being an obligation mentioned in Article 10.01A; or
- (b) if any fact related to the Borrower or the Project stated in the Recitals materially alters and is not materially restored and if the alteration either prejudices the interests of the Bank as lender to the Borrower or adversely affects the implementation or operation of the Project,

unless the non-compliance or circumstance giving rise to the non-compliance is capable of remedy and is remedied within a reasonable period of time specified in a notice served by the Bank on the Borrower.

10.02 Other rights at law

Article 10.01 shall not restrict any other right of the Bank at law to require prepayment of the Loan.

10.03 Indemnity

In case of demand under Article 10.01 in respect of any Tranche, the Borrower shall pay to the Bank the amount demanded together with the Prepayment Indemnity on any amount of principal due to be prepaid. Such Prepayment Indemnity shall accrue from the due date for payment specified in the Bank's notice of demand and be calculated on the basis that prepayment is effected on the date so specified.

Amounts due by the Borrower pursuant to this Article 10.03 shall be payable on the date of prepayment specified in the Bank's demand.

10.04 Non-Waiver

No failure or delay or single or partial exercise by the Bank in exercising any of its rights or remedies under this Contract shall be construed as a waiver of such right or remedy. The rights and remedies provided in this Contract are cumulative and not exclusive of any rights or remedies provided by law.

ARTICLE 11
Law and jurisdiction

11.01 Governing Law

This Contract and any non-contractual obligations arising out of or in connection with it shall be governed by laws of England and Wales.

11.02 Jurisdiction

- (a) The courts of England and Wales have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with this Contract (including a dispute regarding the existence, validity or termination of this Contract or the consequences of its nullity) or any non-contractual obligation arising out of or in connection with this Contract.
- (b) The parties to this Contract hereby waive any immunity from or right to object to the jurisdiction of these courts. A decision of the courts given pursuant to this Article shall be conclusive and binding on each party without restriction or reservation.

11.03 Agent of Service

Without prejudice to any other mode of service allowed under any relevant law, the Borrower hereby irrevocably appoints [] as its agent of service for the purposes of accepting service on its behalf of any writ, notice, order, judgement or other legal process. The Borrower agrees that failure by a process agent to notify it of the process will not invalidate the proceedings concerned.

11.04 Place of performance

Unless otherwise specifically agreed by the Bank in writing, the place of performance under this Contract shall be the seat of the Bank.

ARTICLE 12
Final clauses

12.01 Notices

Notices and other communications given under this Contract addressed to either party to this Contract shall be made to the address or facsimile number as set out below, or to such other address or facsimile number as a party previously notifies to the other in writing:

For the Bank	Attention: Global Partners - Latin America and Caribbean - Public Sector 100 boulevard Konrad Adenauer L-2950 Luxembourg Facsimile no: + 352 437966 599
For the Borrower	Attention: Director, Finance and Corporate Planning Caribbean development Bank Willey St. Michael, BB11000 Barbados Facsimile no.: +246 431 1716

Unless the Borrower shall otherwise specify in writing to the Bank, the head of the Borrower's office of integrity, compliance and accountability and the head of the Borrower's internal audit function shall be responsible for contacts with the Bank for the purposes of Articles 6.09 and 8.03, respectively.

12.02 Form of notice

Any notice or other communication given under this Contract must be in writing.

Notices and other communications, for which fixed periods are laid down in this Contract or which themselves fix periods binding on the addressee, may be made by hand delivery, registered letter or facsimile. Such notices and communications shall be deemed to have been received by the other party on the date of delivery in relation to a hand-delivered or registered letter or on receipt of transmission in relation to a facsimile.

Other notices and communications may be made by hand delivery, registered letter or facsimile or, to the extent agreed by the parties by written agreement, by email or other electronic communication.

Without affecting the validity of any notice delivered by facsimile according to the paragraphs above, a copy of each notice delivered by facsimile shall also be sent by letter to the relevant party on the next following Business Day at the latest.

Notices issued by the Borrower pursuant to any provision of this Contract shall, where required by the Bank, be delivered to the Bank together with satisfactory evidence of the authority of the person or persons authorised to sign such notice on behalf of the Borrower and the authenticated specimen signature of such person or persons.

12.03 Evidence of sums due

In any legal action arising out of this Contract the certificate of the Bank as to any amount or rate due to the Bank under this Contract shall, in the absence of manifest error, be prima facie evidence of such amount or rate.

12.04 Third party rights

A person who is not a party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Contract.

12.05 Entire Agreement

This Contract constitutes the entire agreement between the Bank and the Borrower in relation to the provision of the Credit hereunder, and supersedes any previous agreement, whether express or implied, on the same matter.

12.06 Invalidity

If at any time any term of this Contract is or becomes illegal, invalid or unenforceable in any respect, or this Contract is or becomes ineffective in any respect, under the laws of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Contract or the effectiveness in any other respect of this Contract in that jurisdiction; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Contract or the effectiveness of this Contract under the laws of such other jurisdictions.

12.07 Amendments

Any amendment to this Contract shall be made in writing and shall be signed by the parties hereto.

12.08 Counterparts

This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

12.09 Recitals, Schedules and Annex

The Recitals and following Schedules form part of this Contract:

Schedule A	Technical Description/Eligibility Criteria / Allocation Proposal Form / Portfolio Status
Schedule B	Definition of LIBOR
Schedule C	Forms for the Borrower

The following Annex is attached hereto:

Annex	Resolution of Board of Directors of Borrower and authorisation of signatory
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IN WITNESS WHEREOF the parties hereto have caused this Contract to be executed in 3 (three) originals in the English language and have respectively caused ● and ● to initial each page of this Contract on their behalf.

In ●, this ● 2017

In ●, this ● 2017

Signed for and on behalf of
EUROPEAN INVESTMENT BANK

Signed for and on behalf of
CARIBBEAN DEVELOPMENT BANK

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A.1. TECHNICAL DESCRIPTION

A.1.1 Purpose, Location

The project will be a multi-sector framework loan intermediated through the Caribbean Development Bank (CDB) supporting schemes under its Climate Action policy. The underlying schemes will be implemented in CDB's Borrowing Member Countries⁸ (BMC), located in the Caribbean area. The final beneficiaries will be public administrations and state-owned companies, as well as private companies investing in Climate Action, Mitigation and Adaptation across various sectors.

This is the second operation with CDB focusing on Climate Action. During the first one, CDB has developed its capacity in this area thanks to a dedicated Technical Assistance (TA)⁹ programme. Also the preparation and implementation of the specific schemes were supported by the TA.

A.1.2 Description

Eligible schemes shall comprise Climate Action Mitigation or Adaptation projects or Climate change resilience projects which include Adaptation components or elements. All schemes shall be subject to and appropriately scoped and sized climate risk and vulnerability assessments (CRVA) for the project and/or where appropriate the system within which the project operates. Eligible schemes may comprise:

Climate Action Mitigation projects

- Energy efficiency projects, including street lighting as long as they are in line with the EIB's economic criteria and meeting the detailed criteria in section "Eligibility Criteria Energy".
- Renewable energy projects: these projects must be competitive; hence the cost of the MW/h cannot be higher than the country's average cost of energy production plus the cost of CO₂ emissions and meeting the detailed criteria in section "Eligibility Criteria Energy".
- Lower carbon transport projects: in all cases these projects will contribute to reducing road and air traffic emissions and meeting the detailed criteria in section "Eligibility Criteria Transport"., to be considered on a case-by-case basis and subject to mutual agreement on their eligibility.
- Forestry and land use: afforestation, reforestation, forest protection, fast-growing plantations and improved water and soil management and biomass - meeting the detailed criteria in section "Eligibility Criteria Forestry and land-use".

- And/or...

Climate change resilience projects which include Adaptation components or elements of the following sectors:

- Transport
- Public buildings
- Urban and rural development
- Risk prevention projects in general
- Other projects that could have an adaptation to climate change component

The climate change resilience projects will be identified through climate risk and vulnerability assessments (CRVA), National Adaptation Programmes of Action (NAPAs) or National Adaptation Plans (NAPs) or other national, regional local or sectoral climate resilience assessments, which include Adaptation components or elements (i.e. specific investments and measures to introduce resilience to climate change impacts into a Final Beneficiary's organisation, systems and/or assets). Eligibility under Adaptation for specific investments will be subject to:

⁸ The BMC consists of 19 countries with a total population of more than 17 million inhabitants.

⁹ The TA, financed by the Cotonou Subsidy Envelope, included support to CDB and to promoters in the different BMCs for incorporating climate action measures in the design of their projects.

- Setting out a context of climate vulnerability (climate data, exposure and sensitivity), considering both the impacts from climate change as well as climate variability-related risks.
- Inclusion of a statement of purpose or intent to address or improve climate change resilience to differentiate between adaptation to current and future climate change and normal good practice; and,
- Being linked to the context of climate change vulnerability (e.g. socio-economic conditions and location) and contribute directly to climate change resilience.

These three steps being described in more detail in the 2015 Joint Report on MDBs' Climate Finance see link

http://www.eib.org/attachments/documents/joint_mdb_report_on_climate_finance_2015.pdf

Specific Climate Mitigation or Adaptation investments should amount to a minimum of 40% of the aggregate cost of all Eligible Schemes to be taken over the portfolio of Final Beneficiaries projects, as per EIB Climate Action guidelines in force at the date of signature of this contract. The Eligibility Criteria may be revised during the life of the loan by mutual agreement between the Borrower and the Bank. The Bank will verify the schemes' eligibility at the allocation stage.

A.1.3 Calendar

Schemes works are expected to be completed by the end of 2023.

A.1.4 General Provisions

- The Bank will generally allocate its loan only to eligible schemes which are economically, technically and financially justified and environmentally sound.
- The financed EIB part shall not exceed 100% of the eligible investment costs.
- The project investment cost includes (non-exhaustive list) land, studies and engineering, civil works, equipment and installation, non-recoverable VAT, technical and price contingencies.
- The following costs are not eligible for the Bank: VAT, other taxes and duties, land acquisition, purchase of buildings, maintenance, repairs and other operating costs, acquisition of second-hand assets, interest during construction, purchase of licences for the use of non-generated public resources (e.g. telecom licences), patents, brands and trademarks. Purely financial transactions are also not eligible.
- The eligibility for EIB loan will be checked by the Bank at the allocation stage against the list above and the Bank's standard eligibility criteria.
- The Bank reserves the right to review allocations procedures in view of the development of the project.

Excluded Sectors

- Manufacture and distribution of weapons and ammunition, arms and military equipment;
- Manufacture and distribution of tobacco or alcohol products;
- Gambling and betting activities;
- Detention facilities e.g. prisons, police stations, schools with custodial functions;
- Sectors and activities with a strong ethical dimension considered to carry significant reputational risk.

Territorial planning

All schemes located in a specific area will have to abide to the integrated planning logic (municipal, regional), have reasonable costs and be self-contained (not just a component of a major one), but complementary to the global territorial action.

A.1.5 Allocation Procedures

The Credit will be allocated in line with the procedures modulated according to the scheme size and in line with EIB's applicable framework loan procedures:

- a) Eligible schemes with an investment cost below EUR 25m are selected by CDB. The choices are subject to ex-ante confirmation of eligibility by the Bank's services and review of the climate change adaptation aspects. CDB is to submit an allocation request in a form required by the Bank (as defined in A.1.6).
- b) Eligible schemes with a cost between EUR 25m and EUR 50m are submitted ex-ante to the Bank for approval, including review of the climate change adaptation aspects, before funding, using a template as defined in A.1.7 or a feasibility study. The Bank keeps the right to ask for additional information; partial or in-depth appraisal of the scheme will be undertaken, if judged necessary.
- c) Eligible schemes with a cost above EUR 50m are to be appraised separately by the Bank's services. Schemes will be subject to approval including review of the climate change adaptation aspects, before disbursement of the Bank's funds to the final beneficiaries. The Bank will request documentation, at its discretion, as individually indicated by the Bank to the Borrower.

The allocation of projects could be subject to additional conditions to be agreed with the Borrower when are separately appraised.

- d) Compliance with EIA Directive 2011/92/EU and EIA Directive 2014/52/EU or equivalent:
 - o For requiring an EIA (Annex II screened in or Annex I of EIA Directive): The Borrower shall provide a copy of the Environmental Decision(s) and Environmental Impact Assessment (EIA) with a summary description of the environmental measures adopted (mitigating, compensation, etc.). In addition, please provide a copy of the corresponding Non-Technical Summary (NTS) or a link to a public version of it on a relevant public entity's official website.
 - o For schemes which fall under Annex II of the EIA Directive and not requiring an EIA: The Borrower shall ensure that a screening procedure, taking into account the criteria listed in Annex III of EU EIA Directive, was carried out by the environmental competent authority. The screening decision can be common for several schemes. A copy of this decision might be requested by the EIB.
- e) Compliance with the EU Habitats and Birds Directives or equivalent:
 - o For schemes with potential or likely significant effects on protected areas and subject to a screening under the EU Habitats and Birds Directives or equivalent: the Borrower shall provide the Form A or its equivalent signed by the competent authority responsible for the monitoring of Natura 2000. This declaration should confirm that the required assessments under the EU Habitats and Birds Directives have been carried out (if necessary), that the scheme will have no significant impact on any protected site and that the appropriate mitigation measures have been identified.
 - o For schemes with a significant impact, potential or likely, on a protected area, requiring an assessment under Article 6(4) of the Habitats Directive: the Borrower shall provide the Form B or its equivalent - signed by the competent authority responsible for monitoring Protected Sites, together with the justification of overriding public interest.

- f) The Borrower shall store and keep the relevant documents updated (including environmental studies related to the EIA, and Nature/Biodiversity Assessments and the screening decision) to be provided to the Bank upon request. In case the EIB requires such documentation, the Borrower shall provide all documents requested promptly, as of receipt of the request from the Bank.
- g) Appropriate tables for allocation request and specific sector tables will be attached to the financial contract or agreed between the Bank and the Borrower prior to the first allocation request.

All information shall be provided in English to the Bank in an electronic form, tables in spreadsheets.

ELIGIBILITY CRITERIA ENERGY

An eligible investment should meet minimum thresholds for economic performance and financial profitability, the level and nature of which will vary from sector to sector and between technologies in different stages of development. The following table lists technical and economic criteria to be applied to energy schemes. As there are various other factors which may determine the quality of an investment, these criteria should be taken as a necessary but not a sufficient condition.

The Economic Criteria, including the threshold levels for the Levelized Cost of Electricity (LCOE)⁶, are based on EIB's project appraisal criteria for direct lending operations.

1. ENERGY INFRASTRUCTURE-GENERAL

ENERGY INFRASTRUCTURE-GENERAL	
Distribution grids (electricity, gas heat) for Framework Loans/Intermediary Banks	<ul style="list-style-type: none">- Projects must be operated by Distribution System Operators (DSOs) within a well-established regulatory environment. Project scope can include expansion and/or rehabilitation of existing distribution systems.- If an EIA is required for a project, such EIA needs to be forwarded to the Bank and the Bank's approval of the project is necessary ex-ante also for projects smaller than 25M€ or equivalent in \$.- To limit the risk of economically stranded assets the Borrower must assess the benefits of a project economically as well as financially.

⁶ All values for LCOE are in 2013 money.

2. RENEWABLE ENERGY

RENEWABLE ENERGY		
All renewable energy investments should be based on resource modelling (e.g. wind, solar radiation, geothermal etc.), implementation and operation conducted by qualified specialists with proven experience. Where relevant, adequate electricity transmission capacity shall be demonstrated.		
SUB-SECTOR	CRITERIA APPLIED (*)	ECONOMIC CRITERIA⁷
Solar Energy (PV and thermal)	For PV schemes > 0.5 MWp: a site specific solar irradiation yield assessment. Proven solutions. For solar water heaters, certified technology/suppliers in line with acceptable standards	The Levelised Cost of Heat of solar-generated heat \leq <i>[Insert project specific LCOH value for heat generation.]</i> EUR/GJ considering: 10% real discount rate and 20 years economic lifespan ⁸ . Opex is estimated to be around 2% of CAPEX/yr. No cost targets for new and innovative technologies, e.g. solar electricity / photovoltaics.
Hydro-power	Refurbishment/retrofitting of existing hydropower plants and irrigation dams. Small and mini- run-of-river hydropower. Large dams are considered for allocation on a case-by-case basis. Large dams (as defined by the International Commission on Large Dams, having a height of 15 metres or more from the foundation or, if the height is between 5 and 15 metres, having a reservoir capacity of more than 3 million cubic metres) require an independent safety review.	Electricity generation shall be competitive with fossil fuel generation capacity, including externalities such as GHG emissions, based on 5% real discount rate and 20 years economic lifespan. The LCOE of hydropower-generated electricity \leq Composite energy value//MWh

⁷ Off-grid generation (isolated systems) may justify higher economic costs.

⁸ Threshold LCOH [€/MWh] \geq $[\text{NPV}(\text{CAPEX}+\text{OPEX})-\text{NPV}(\text{Q})\cdot\text{Q_Value}]/\text{NPV}(\text{MWh})$

RENEWABLE ENERGY		
Biomass	<p><u>Eligible biomass types:</u> Non-contaminated solid biomass sourced from inside the EU. Any other biomass type needs to be explicitly accepted by Bank services. Additionally, any scheme greater than 1 MWth installed fuel input capacity complies with the following conditions:</p> <ul style="list-style-type: none"> • Biomass sourcing is subject to a transparent and credible chain of custody. • Provision of expert studies that proof sustainability and availability of the required biomass. • Compliance with sustainability criteria to be verified by case by case; <p><u>Eligible conversion technologies:</u></p> <ul style="list-style-type: none"> • Combustion of solid biomass. Any other conversion technology (including biomass co-firing with coal) needs to be accepted by Bank services on a case-by-case basis. • Biomass cogeneration plants and heat-only plants (biomass power plants with no or insignificant export of useful heat are not eligible). • Biomass schemes above 50 MWth thermal input capacity shall comply with the Best-Available Technique standards for large combustion plants (LCBREF) as referred to in the Industrial Emissions Directive 2010/75/EU, even if located outside the EU. • <i>For Biogas plants, see below under “Biogas”</i> 	<p><u>Electricity generation (CHP)</u> shall be competitive with fossil fuel generation capacity, including externalities such as GHG emissions, based on 5% real discount rate and 15 years economic lifespan.</p> <p>The LCOE of biomass-generated electricity \leq Composite energy value//MWh</p> <p><i>An Excel sheet containing a model for this calculation is available from Bank services.</i></p> <p>No economic justification calculation is necessary for <u>heat-only</u> applications.</p>

<p>Biogas</p>	<p><u>Eligible:</u></p> <p>a. Biogas plants processing based primarily⁹ on: - agricultural by-products¹⁰ - mixed waste in Bio-Mechanical Treatment plants, or - sludge generated from waste water treatment facilities.</p> <p>b. Other biogas plants, compliant with the sustainability criteria as laid out in the section “Specific conditions and undertakings for investment related to biomass” in Annex biomass (<i>Below.</i>)</p> <p><u>Resource efficiency focus:</u></p> <p>Priority should be given to biogas plants where the produced energy is applied to:</p> <ul style="list-style-type: none"> • Direct methane injection, from upgraded biogas into the grid or as compressed natural gas (CNG) in containers for the use by households, industrial users or transport. End products should comply with the sustainability criteria established in EU policies; or • Combined heat and power production (CHP). Electricity only projects can only be considered in the absence of sufficient local heat demand. <p><u>Supply of raw materials:</u></p> <p>Biogas installations with a total project cost of less than EUR 5m should have a minimum of 25% of the raw material supplied by one or more shareholders of the project.</p> <p>For other biogas installations acceptable, legally binding long term (more than 5 years) supply contracts are required.</p> <p><u>Eligible conversion technologies:</u></p> <ul style="list-style-type: none"> • Methane leakage shall be minimised in-line with industry practice. • Where applicable, Best-Available Technique standards as referred to in the Industrial Emissions Directive 2010/75/EU shall be complied with, even if located outside the EU. 	<p><u>Group a:</u></p> <p>No need for economic justification</p> <p><u>Group b:</u></p> <p>b.1) Electricity production: Based on 5% real discount rate and 15 years economic lifespan: Cost of Electricity Generation \leq Composite energy value//MWh</p> <p>b.2) Biogas upgrading and injection into the natural gas grid: Based on 5% real discount rate and 15 years economic lifespan: Cost of biogas production \leq [Insert applicable economic cost for gas supply] EUR/m³</p> <p><i>An Excel sheet containing a model for these calculations is available from Bank services.</i></p>
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⁹ The minimum fraction of this kind of by-products depends on the energy content of the materials used and the technology.

¹⁰ This includes manure, specific waste streams like food waste, slaughterhouse by-products, cooking oils and fats.

<p align="center">Geothermal</p>	<p>Geothermal resource to be proven. No exploration/ resource risk can be taken.</p> <p>Electricity generation: Emissions of GHG to the atmosphere below the EPS. Alternative use of released CO₂ considered if not a means to postpone the release of the gas in the atmosphere.</p>	<p>Electricity generation shall be competitive with fossil fuel generation capacity, including externalities such as GHG emissions, based on 5% real discount rate and 20 years economic lifespan.</p> <p>The LCOE of geothermal-generated electricity <= Composite energy cost/MWh.</p> <p>Opex is estimated to be around 3% of CAPEX/yr.</p> <p>Heat: demonstrate economic competitiveness against fossil fuel alternative.</p>
<p align="center">Onshore Wind</p>	<p>Only IEC-Type certified onshore wind turbines.</p> <p>The wind measurement campaign must meet the following minimum requirements:</p> <ul style="list-style-type: none"> - Measured data covering at least one full year from at least a one meteorological mast at the wind farm site. - Met masts shall be located no further than 3km from the furthest turbines. - An anemometer installed higher than 2/3 of the expected hub height of the proposed turbine. Other on-site complementary measurement methods can be considered, subject to further analysis. - The design and implementation of the meteorological mast(s) and mounting of the measuring equipment must follow standards (i.e. IEC, IEA or Measnet). - Long term data must be available for at least a ten-year-period, with acceptable correlation. 	<p>Electricity generation shall be competitive with fossil fuel generation capacity, including externalities such as GHG emissions, based on 5% real discount rate and 15 years economic lifespan.</p> <p>The LCOE of on shore wind-generated electricity <= <i>Value as below</i>] EUR/MWh. Opex is estimated to be around 4% of CAPEX/yr. Expected production should be associated to a P75 exceedance probability scenario.</p>

ANNEX Biomass (biomass sustainability criteria, can be adjusted to each operation).

Specific conditions and undertakings for investment related to biomass:

1. The project shall be based on biomass from forests that are certified by internationally accredited forest certification systems, such as FSC and PEFC. The sourcing areas that are not yet certified, must comply with the same standards so as to be certifiable.
2. The project shall exclude sourcing of biomass from areas with conversion or logging of natural forest
3. The project shall exclude sourcing of biomass from primary moist and tropical forests.
4. Sourcing of biomass shall comply with the EU Forest Law Enforcement Governance and Trade (FLEGT) Regulation.

5. Any biomass used must not compete with the food or animal feed market. Combustion of protein-based co-products from agricultural processing shall only be allowed in exceptional situations of local market oversupply, characterized by low prices.
6. Oil palm derived products must only come from plantations which already existed in the year 1994 or before.
7. Any biomass project must demonstrate a life-cycle contribution to CO₂ savings.

3. ENERGY EFFICIENCY

EE eligibility criteria: application and monitoring requirements

Operational version of EE eligibility criteria

Version: 12/06/2015

ENERGY EFFICIENCY	
<p>Eligibility: Projects where the investment is motivated by energy efficiency. This motivation can be demonstrated in different ways depending on the type of projects, and among other the following: (i) consistency with a pre-defined list of measures, typically in the context of a national/regional energy efficiency support scheme; (ii) consistency with the recommendation of an energy audit, and/or (iii) consistency with relevant legal and regulatory requirements and in particular the Energy Efficiency Directive 2012/27/EU (EED) and the Energy Performance of Buildings Directive 2010/31/EU (EPBD) or equivalent in countries outside the EU.</p> <p>Economic justification: Eligible energy efficiency projects should be justified on the basis of an economic cost-benefit analysis (CBA), for which in general the net present value of the energy saved including externalities is greater than the net present cost of the project over its life considering 10% real discount rate in EU. In cases where it is difficult to separate out the investments directly related to energy efficiency, the energy savings should cover at least 50% of the investment cost. The benefits of energy savings include inter alia the value of avoided CO₂ and air pollution emissions (to be provided by the EIB).</p> <p>For the specific energy efficiency sub-sectors, these eligibility and economic justifications translate into the criteria detailed below. Additional criteria may be added for some individual projects if justified by the risks identified during the appraisal of the project. These criteria are subject to regular reviews based on the experience gained in different sub-sectors and regulatory developments.</p>	
SUB-SECTOR	CRITERIA APPLIED
Energy Savings / Energy Efficiency in Buildings	<p style="text-align: center;">Buildings inside EU</p> <ol style="list-style-type: none"> 1. <u>Building renovations</u> are eligible and considered economically justified if each of two following conditions is fulfilled: <ol style="list-style-type: none"> a. Renovation measures are compliant with national energy performance standards and in line with the list of eligible measures (see Annex 2), or are indicated by an energy audit (in line with the European Standard for Energy Audit EN 16247 Energy), or by a building energy performance certificate (according to the EPBD). b. National energy performance standards for buildings comply with the EPBD, e.g. are in line with the cost optimum level. <p><u>> Reporting and monitoring:</u> Building energy performance certificate (in line with the EPBD) must be issued after works for each investment project. Or alternatively an energy audit before refurbishment, target fix, investment requirements and audit after renovation to be included in this project</p>

	<p>2. <u>New Buildings</u></p> <p>a. New buildings are only eligible if classified as nearly-zero energy buildings (NZEB) by the Member States as required by Article 9(1) of the EPBD.</p> <p>b. Support to new buildings is limited:</p> <p>i. For public buildings until the end of 2018.</p> <p>ii. For private buildings until the end of 2020.</p> <p>iii. To a maximum of 50% of a maximum threshold of total construction cost per sqm as defined by the EIB on a case by case basis.</p> <p><u>> Reporting and monitoring:</u> Building energy performance certificate confirming that the building is in line with Member State's specific definition of NZEB.</p>
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Eligibility criteria for irrigation

Criteria for lending to the irrigation sector listed below are based on the principles of sustainability, that underlay the EU acquis on Water and Irrigation especially the WFD and the criteria set out in the EAFRD regulation. In order to be eligible for EIB financing a public irrigation investment scheme should fulfil a series of minimum requirements:

- (i) The project needs to benefit from an approved Integrated River Basin Management Plan (RBMP) for the whole hydrographic system from which the project derives its water resources. The project of concern needs to be clearly stated in the supply and demand analysis underlying such a plan.
- (ii) Within this RBMP the source of the water (eg. Rivers or groundwater) has been classified in good ecological condition in terms of quantity and quality up and downstream of the project abstraction point(s).
- (iii) Owing to the sustainability problems commonly associated with this type of projects in terms of resources and from a financial/economic perspective the EIB is very restrictive in its financing of irrigation projects which make use of underground waters. Projects can only be supported if water abstractions are sustainable and the annual recharge of the aquifers can be demonstrated beyond any doubt. Furthermore pumping needs heights should not be more than xx m
- (iv) Financing is preferably directed to modernization of existing irrigation projects that reduce the need for pumping and maximize the efficiency in the use of the water by minimizing losses during the transport and distribution as well as on the farmer plots by using modern and efficient water conveyance and irrigation technologies. Irrigation projects should demonstrate water savings potential of at least 5% in comparison with the without project scenario. Saved water resources can be partially or fully reused for the irrigation of additional agricultural land in observance of the eligibility criteria around sustainability and economic/financial justification (see below). If the irrigation water is abstracted from water courses or underground irrigation water that has been classified as in less than good status in the corresponding RBMP or IWMP at least half of the water savings in the project need to be returned/not abstracted to the water courses in order to contribute to the restitution of their environmental status.
- (v) Only in exceptional and well justified cases foreseen in the EAFRD regulation new greenfield projects would be justified within the EU and only if all other conditions are fulfilled.
- (vi) The project must be economically and financially justified and viable. This will be assessed through:
 - Positive ERR considering that the agricultural added value in terms of incremental profitability of the crops in regard to the without project scenario and considering all the investment and operational expenses without factoring in any subsidies. In other words, although the administration may cover, in the public interest, part of the investment expenses by the means of a subsidy or carry the investment costs, the financial model should not take this subsidy into account and should include the total cost. This must be recovered from the additional cash flow generated by the project thanks to its greater added value generated by the project in the agricultural production and taking into consideration some limited economic externalities such as employment generation, and environmental protection (if any).

- The project should be in an area where there are established sufficient economic factors to make the projects viable (for example: product demand by a suitable network of storage, processing and distribution).
 - The timeframe for the ERR calculations will depend on the economic useful life of the financed assets. Under no circumstances should it be more than 20-25 years but it can also be lower if the technical assessment would recommend so.
- (vii) In order to further the efficient and sustainable use of the water resources that maximize its value as an economic factor by the use given to it by the end beneficiaries the project set up and later operation will target to assign an appropriate monetary value to the water through a mix of fix and variable tariffs or other cost recovery mechanisms as a minimum the O&M management scheme will foresee a
- a. Full recovery of the O&M costs from the end users of the water
 - b. Partial recovery of the construction cost of the infrastructure.

In the best case scenario cost recovery targets on the infrastructure will be established after determination of that fraction of public vs. private interest in the overall infrastructure following internationally accepted procedures. In democratic regimes and for bigger infrastructure investments this is normally endorsed by the regional or national parliaments and tariffing systems established by law. In the absence of such a political framework normal cost recovery on the overall infrastructure, including the on farm investments in the irrigation systems shall range between 20 to 40% of the total CAPEX which corresponds to the average cost recovery in irrigation systems in countries that apply such regimes.

Eligibility criteria for transport projects (low carbon/mitigation)

Activities eligible under this heading:

Urban transport modal change

- Urban mass transit -
- Non-motorized transport (bicycles and pedestrian mobility)

Transport oriented urban development

- Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars.

- Transport demand management measures dedicated to reduce GHG emissions (e.g. speed limits, high-occupancy vehicle lanes, congestion charging/road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones). NB General traffic management is not included. This category is for demand management to reduce GHG emissions, assessed on a case-by-case basis

Eligibility for forestry projects

Goals for the forestry projects

- Support the implementation of strategic action plans and national programmes of afforestation, forest rehabilitation, erosion control, forest fire mitigation and adaptation to climate change, including the implementation of Rural Development Programmes (RDP) e.g. co-financing EAFRD's forestry measures;
- Support forest and other land rehabilitation and restoration after major natural hazards i.e. earthquakes, flooding, forest-fires, wind-throws
- Support EIB's Climate Action, both (i) mitigation (through carbon storage in trees and soil) and (ii) adaptation (reducing risks of soil erosion, flooding, landslides)

Eligibility of forestry projects

- The projects are screened individually against EIB eligibility and sustainability criteria
- Compliance with international forest certification standards (e.g. FSC/PEFC)

- EIB eligible investments typically include:
 - Nurseries (seedling production and maintenance)
 - Afforestation and reforestation (including the purchase of seedlings/saplings and maintenance of the project sites shortly after planting so as to reach high survival rates),
 - Improved sustainable forest management of publicly/privately owned forests
 - Silvicultural measures for forest fire prevention and mitigation (e.g. weeding, pruning and pre-commercial thinnings);
 - Erosion control activities, rehabilitation of degraded forest and abandoned agricultural lands, rangeland rehabilitation,
 - Protection measures against pests, diseases and fungi
 - Forest infrastructure and equipment
 - Digital mapping systems (GIS/LiDAR) for forest inventory and monitoring
 - Forest road construction and maintenance (building new roads and upgrading existing forest roads)
 - Construction and purchase of equipment for forest fire-fighting activities
 - Maintenance of forest fire-fighting infrastructure e.g. firebreaks
 - Vocational training and capacity building.

A.1.7. Project Fiche

PROJECT FICHE
(for schemes with total costs between EUR 25m-50m)

CDB CLIMATE ACTION FL II

This fiche could be replaced by any internal document (e.g. application submitted by the beneficiary) providing the same information.

<p><u>Scheme Name</u></p> <p><u>Scheme reference number:</u></p> <p><u>Implementing Body:</u></p> <p><u>Location:</u></p> <p><u>Overseas Region:</u></p> <p><u>Eligibility:</u></p> <p><u>Type:</u> new project/ extension/ rehabilitation</p>	<p><u>Contact Person:</u></p> <p><u>Contact (e-mail, telephone)</u></p> <p><u>Date:</u></p> <p><u>Signature:</u></p>
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1. Scheme

1.1 Background

1.2 Reasons for undertaking the Project and key objectives

(Please refer to the strategic plans to which project is integrated and the CVA)

1.3 Technical description of the project including relevant key dimensions and capacities

1.4 Entity(ies) responsible for project design, construction and supervision

1.5 Investment cost (total)	in EUR/\$
Engineering and supervision	-
Land	-
Civil works (Building work)	-
Equipment	-
Miscellaneous	-
Technical contingencies	-
Price contingencies (...% escalation p.a.), if applicable	-
Interest during construction	-
Total	-

1.5.1 Financial plan and requested allocation

Sources of financing	in EUR/\$
EU funds	
National budget	
Other-loan	
Total	
CDB loan	
of which requested EIB loan	

1.5.2 Climate Action elements

Provide breakdown of % of Climate Action from total investment costs, with Mitigation and Adaptation shown separately and cost elements of each % explained clearly. For any project, component or element that provides Mitigation and Adaptation combined, a % split must be made and double counting of that project component and element should be excluded.

For non-mitigation projects, please provide explanation of the CRVA or adaptation strategy that has led to the identification of the need for this project and to the selection of this project as a climate change resilience project with Adaptation activities.

Please provide details of the CRVA carried out or planned to be carried out for the project itself and or the project's system (normally in form of the ToR of the CRVA, or the CRVA report/analysis) .

1.6 Expected expenditure schedule (in EUR)

year	2016	n	Total
EUR/\$					

1.7 Expected technical/ economical life-span (years)

1.8 Implementation period (dates: month, year)

- a) Start:
- b) Completion (expected and real):

1.9 Authorisation required to implement/operate the project
Please provide the name(s) of the authority(ies) issuing the relevant permit(s) and whether or not the authorisation(s) has (have) been issued. If permits are not issued, please indicate the expected date.

1.10 Jobs affected by the investment
Number of jobs that will be created, secured or lost as a consequence of the project

a) during construction:	
b) post construction (operation and maintenance) – secured:	

1.11 Physical indicators

Please indicate (quantify) planned physical output/result of the project.

Indicator name and definition	Baseline (year)	Target value (year)
a) ...		
b)		
c)		

1.12 Procurement Plan

Contract name	Tender procedure	Publication date	Publication reference (OJEU or national journal)	Contract Value (PLN)	Company awarded (if available)
Example below					

1.13 Environmental impact

- a) Please explain briefly the effects of the project on the environment.
- b) Does the Project have any particular environmental risks or benefits?
- c) Compliance with EIA Directive 2011/92/EU and EIA Directive 2014/52/EU or equivalent:
 - o For requiring an EIA (Annex II screened in or Annex I of EIA Directive or equivalent): The Borrower shall provide a copy of the Environmental Decision(s) and Environmental Impact Assessment (EIA) with a summary description of the environmental measures adopted (mitigating, compensation, etc.). In addition, please provide a copy of the corresponding Non-Technical Summary (NTS) or a link to a public version of it on a relevant public entity's official website.
 - o For schemes which fall under Annex II of the EIA Directive or equivalent and not requiring an EIA : The Borrower shall ensure that a screening procedure taking into account the criteria listed in Annex III of EU EIA Directive or equivalent was carried out by the environmental competent authority. The screening decision can be common for several schemes. A copy of this decision might be requested by the EIB.
- d) Compliance with the EU Habitats and Birds Directives or equivalent
 - o For schemes with potential or likely significant effects on a Protected Site and subject to a screening under the likewise EU Habitats and Birds Directives or equivalent: the Borrower shall provide a declaration that confirms that the required assessments under the EU Habitats and Birds Directives or equivalent have been carried out (if necessary), that the scheme will have no significant impact on any protected site and that the appropriate mitigation measures have been identified.
 - o For schemes with a significant impact, potential or likely, on a special protection area, requiring an assessment under Article 6(4) of the Habitats Directive or equivalent: the Borrower shall provide a form - signed by the competent authority responsible for monitoring Special Sites, with impacts and mitigation actions on the affected area together with the justification of overriding public interest.

1.14 Operation and maintenance of the facilities:

- a) Organisation in charge of the operation and maintenance of the Scheme.
- b) Operating and maintenance costs and available budget for operation and maintenance.

1.15 Economic and financial aspects

- a) Population served by the Scheme, or other pertinent demand analysis. In the case of road scheme actual and forecast traffic flows have to be included.
If applicable, a summary of cost-benefit or economic feasibility analysis.

- b) If applicable, cost recovery mechanism (Will users be required to contribute to the cost of the Scheme? Tariff policy?)

2. Overall conclusions and recommendations

Place:

Date:

Borrower:

Responsible person:

<ul style="list-style-type: none"> o Copy of the Covenant of Integrity. <p>In case of national procurement procedure:</p> <ul style="list-style-type: none"> o Copy of the non-objection of the Lead Financier (if applicable), o Copy of the signed contract (if not agreed in the Finance contract that the Borrower will provide it) 		
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Information on the end of works and first year of operation

The Borrower shall deliver to the Bank the following information on project completion and initial operation at the latest by the deadline indicated below.

Document / information	Date of delivery to the Bank
<p>Project Completion Report, including:</p> <ul style="list-style-type: none"> - Final allocation table with information: <ul style="list-style-type: none"> o Final costs; o Implementation time schedule; o Other modifications; environment, procurement; o Brief description of the changes in the project and their justification; - Update of the changes/modifications in schemes; - Any significant issue that has occurred and any significant risk that may affect the project's operation; - Any legal action concerning the project that may be on-going; - Brief summary of each project; - Final list of indicators and targets reached. - Objectives, nature of technology to be used and capacity, technical description of the capital investment, projects strategic significance for the Final Beneficiary. - Clear statement and analysis of project's role and operational context in respect of the overall strategy/mandate relating to: <ul style="list-style-type: none"> o Climate Mitigation; o Climate Adaptation; o Disaster Relief Management. - Results of the Climate Action measures – both quantitative and qualitative where relevant. 	<p><i>December 2024</i></p>

4. Information required 3 years after the Project Completion Report

The Borrower shall deliver to the Bank the following information 3 years after the project completion report at the latest by the deadline indicated below.

Document / information	Date of delivery to the Bank
<p>3 year plus report, including:</p> <ul style="list-style-type: none"> - Update of the actual values for the indicators of the project, for inclusion in the Bank's Results Measurement (REM) Plus assessment of mitigation or adaptation measures effectiveness of Climate Action investments from measured results. 	<p><i>31st October 2027</i></p>

Language of reports Format: Word, Excel	English
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Definition of LIBOR

A. LIBOR USD

“LIBOR” means, in respect of USD:

- (a) in respect of a relevant period of less than one month, the Screen Rate for a term of one month;
- (b) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and
- (c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the “**Representative Period**”).

For the purposes of paragraphs (b) and (c) above, “available” means the rates that are calculated and published under the aegis of the ICE Benchmark Administration Limited (or any successor to that function of the ICE Benchmark Administration Limited as determined by the Bank) for given maturities.

“**Screen Rate**” means the rate of interest for deposits in USD for the relevant period as set by the ICE Benchmark Administration Limited (or any successor to that function of the ICE Benchmark Administration Limited as determined by the Bank) and released by financial news providers at 11h00, London time, or at a later time acceptable to the Bank on the day (the “**Reset Date**”) which falls 2 (two) London Business Days prior to the first day of the relevant period.

If such Screen Rate is not so released by any financial news provider acceptable to the Bank, the Bank shall request the principal London offices of 4 (four) major banks in the London interbank market selected by the Bank to quote the rate at which USD deposits in a comparable amount are offered by each of them at approximately 11h00, London time, on the Reset Date, to prime banks in the London interbank market for a period equal to the Representative Period. If at least 2 (two) such quotations are provided, the rate will be the arithmetic mean of the quotations provided.

If fewer than 2 (two) quotations are provided as requested, the Bank shall request the principal New York City offices of 4 (four) major banks in the New York City interbank market, selected by the Bank, to quote the rate at which USD deposits in a comparable amount are offered by each of them at approximately 11h00, New York City time, on the day falling 2 (two) New York Business Days after the Reset Date, to prime banks in the European market for a period equal to the Representative Period. If at least 2 (two) such quotations are provided, the rate will be the arithmetic mean of the quotations provided.

If the rate resulting from the above is below zero, LIBOR will be deemed to be zero.

If no rate is available as provided above, LIBOR shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

B. GENERAL

For the purposes of the foregoing definitions:

- (a) “**London Business Day**” means a day on which banks are open for normal business in London and “**New York Business Day**” means a day on which banks are open for normal business in New York.
- (b) All percentages resulting from any calculations referred to in this Schedule will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with halves being rounded up.
- (c) The Bank shall inform the Borrower without delay of the quotations received by the Bank.
- (d) If any of the foregoing provisions becomes inconsistent with provisions adopted under the ICE Benchmark Administration Limited (or any successor to that function of the ICE Benchmark Administration Limited as determined by the Bank) in respect of LIBOR, the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.

FORMS FOR THE BORROWER

C.1 Form of Disbursement Request

Disbursement Request

CDB Climate Action FL II

Date:

Please proceed with the following disbursement:

Loan Name (*):

Signature Date (*): Contract FI number:

Currency & amount requested	
Currency	Amount

Proposed disbursement date:

INTEREST	Int. rate basis (Art. 3.01)	<input type="text" value="Fixed Rate"/>	Reserved for the Bank (contract currency)	<input type="text"/>	
	Rate (%)	<input type="text"/>		Total Credit Amount:	<input type="text"/>
	OR (please indicate only ONE)	-----		Disbursed to date:	<input type="text"/>
	Maximum Rate (%)	<input type="text"/>		Balance <u>for</u> disbursement:	<input type="text"/>
	Frequency (Art. 3.01)	Semi-annual <input type="checkbox"/>		Current disbursement:	<input type="text"/>
	Payment Dates (Art. 5)	<input type="text"/>		Balance <u>after</u> disbursement:	<input type="text"/>
CAPITAL	Interest Revision/Conversion date (if any)	<input type="text"/>	Disbursement deadline:	<input type="text"/>	
	Repayment frequency	Semi-annual <input type="checkbox"/>	Max. number of disbursements:	<input type="text"/>	
	Repayment methodology (Art. 4.01)	Equal instalments <input type="checkbox"/> Constant annuities <input type="checkbox"/>	Minimum Tranche size:	<input type="text"/>	
	First repayment date	<input type="text"/>	Total allocations to date:	<input type="text"/>	
	Maturity Date:	<input type="text"/>	Conditions precedent:	Yes / No	

¹¹ To be provided on paper bearing the Borrower's letterhead.

Borrower's account to be credited:

Acc. N°:

(please, provide IBAN format in case of disbursements in EUR, or appropriate format for the relevant currency)

Bank name, address:

Please transmit information relevant to:

Borrower's authorised name(s) and signature(s):

C.2 Certificate from the Borrower

To: European Investment Bank

From: Caribbean Development Bank

Date:

Subject: Finance Contract between European Investment Bank and Caribbean Development Bank, dated ● 2017 (the "**Finance Contract**")

FI number 87.613 Serapis number 2016 - 0150

Dear Sirs,

Terms defined in the Finance Contract have the same meaning when used in this letter.

For the purposes of Article 1.04C of the Finance Contract we hereby certify to you as follows:

- (a) no Prepayment Event has occurred and is continuing unremedied;
- (b) no security of the type prohibited under Article 7.03 has been created or is in existence;
- (c) there has been no material change to any aspect of the Project or in respect of which we are obliged to report under Article 8.01, save as previously communicated by us;
- (d) no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute an Event of Default has occurred and is continuing unremedied or unwaived;
- (e) no litigation, arbitration administrative proceedings or investigation is current or to our knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against us or any of our subsidiaries any unsatisfied judgement or award;
- (f) the representations and warranties to be made or repeated by us under Article 6.10 are true in all respects;
- (g) no Material Adverse Change has occurred, as compared with the situation at the date of the Finance Contract;
- (h) there has been no change in relation to the person(s) authorised to sign Disbursement Requests, save as previously communicated by us.

Yours faithfully,

For and on behalf of the **Caribbean Development Bank**

[authorised signatory]

[authorised signatory]

ANNEX

Resolution of Board of Directors of Borrower and authorisation of signatory

Side letter to Finance Contract XXXXXXXXXXXXXXXXXXXX

The European Investment Bank (EIB) has made available a loan of up to EUR 100 million for the Caribbean Development Bank (CDB), in line with the Finance Contract signed between EIB and CDB on 24 May 2017.

For the purposes of the implementation of the mentioned Finance Contract, this letter is meant to provide clarifications on the way in which Procurement and Environmental and Social aspects are going to be dealt with by CDB. In this respect:

- 1- Procurement: the procurement of goods, works and services to be financed out of the proceeds of the loan is to be carried out in accordance with EIB's Guide to Procurement, as indicated in the Finance Contract.
 - (i)
 - (ii) Notwithstanding, because EIB considers that CDB's Procurement Guidelines and CDB's Guidelines for the Selection and Engagement of Consultants are aligned with the principles embedded in EIB's Guide to Procurement, it is understood that for the purposes of the Finance Contract the procurement of goods, works and services to be financed out of the proceeds of the loan may be carried out in accordance to CDB's Procurement Guidelines and CDB's Guidelines for the Selection and Engagement of Consultants, provided that:
 - (iii)
 - (iv) CDB's procurement eligibility restrictions will be waived to expand such eligibility to countries eligible for EIB financing which are not Member Countries of CDB;
 - (v) EIB's "Covenant of Integrity" will be included in tender documents and contracts; and
 - (vi) Procurement notices are published in the Official Journal of the European Union, where necessary.

In this respect, CDB shall inform EIB of any amendments related to CDB's Procurement Guidelines and CDB's Guidelines for the Selection and Engagement of Consultants.

In the event of any conflict between (i) EIB's Guide to Procurement and (ii) CDB's Procurement Guidelines and CDB's Guidelines for the Selection and Engagement of Consultants, the EIB's Guide to Procurement shall prevail.

- 2- Environmental and Social Standards: as defined in the Finance Contract, these standards are (i) Environmental Laws and Social Laws applicable to the relevant Sub-Project (as defined in the Finance Contract) or the Final Beneficiary (as defined in the Finance Contract); and (ii) the EIB Statement of Environmental and Social Principles and Standards.
 - (vii)
 - (viii) Notwithstanding the above, because EIB considers CDB Environmental and Social Review Procedures to be aligned with the EIB Statement of Environmental and Social Principles and Standards, it is understood that compliance with CDB Environmental and Social Review Procedures suffices to fulfil the requirements set out in the Finance Contract.

(ix)
In this respect, CDB shall inform EIB of any amendments related to CDB Environmental and Social Review Procedures.

(x) In the event of any conflict between (i) EIB Statement of Environmental and Social Principles and Standards and (ii) CDB Environmental and Social Review Procedures, the EIB Statement of Environmental and Social Principles and Standards shall prevail.