

CARIBBEAN DEVELOPMENT BANK

POLICY-BASED LOAN SUMMARY

FOR

**SECOND GROWTH AND RESILIENCE BUILDING POLICY-BASED LOAN
GRENADA**

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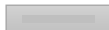

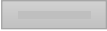



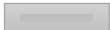
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POLICY-BASED LOAN SUMMARY

SECOND GROWTH AND RESILIENCE BUILDING POLICY-BASED LOAN GRENADA

Financial Terms and Conditions			
Borrower and Implementing Agency: Government of Grenada (GOGR)		Disbursement Date: December 15, 2015	
Operation Type: Programmatic (2 nd of 3 operations), Single Tranche Policy-Based Loan (PBL)			
Source: Caribbean Development Bank (CDB) – Special Development Fund Unified resources CDB – Ordinary Capital Resources (OCR)	Amount: USD4 million (mn) USD6 mn	Interest Rate: Amortisation Period: Grace Period:	2.0 per cent (%) per annum 20 years (following grace period). 10 years.
Resource Availability: At August 31, 2015, the amount outstanding on Policy-Based Operations stood at USD412.02 mn or 25.9% of total loans outstanding.		Interest Rate: Amortisation Period: Grace Period:	3.43 % p.a., variable 8 years (following grace period). 2 years.
Commitment Fee: 1% p.a. on the OCR Portion unwithdrawn commencing from the sixtieth (60 th) day after the date of the Loan Agreement.			
Risk Management			
Country Rating:  Outlook:  Limit: 		Overall Project/Entity Score: 	
CDB Lending to Country: As at September 29, 2015		Undisbursed Balances: USD26.7 mn	
Approvals:  Disbursements:  Repayments: 		Outstanding Loans: USD123.4 mn Availability (Adjusted for Approvals):  Availability (Adjusted for Approvals and Disbursements): 	
Incremental Capital Adequacy Charge: 			

This information is withheld in accordance with one or more of the exceptions to disclosure under the Bank's Information Disclosure Policy.

Office of Risk Management Commentary:

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Project at a Glance**Project Objective/Description:**

The objective of the Growth and Resilience Building PBL series is to support GOCR in implementing a 36-month Home Grown Structural Adjustment Programme of institutional and policy reforms to restore macroeconomic stability and resume sustainable private sector-led growth and development. This objective is to be met by (i) creating conditions for private investment in a sustainable manner; (ii) supporting improved public sector management and better targeting of social safety net programmes; (iii) enhancing resilience against natural disasters; and (iv) facilitating debt restructuring and enhanced debt management.

This is the second in a series of three proposed single-tranche PBLs that together constitute a USD30 mn programmatic loan to Grenada. The operation supports policy actions further along the reform continuum under the programme's four policy areas: (i) enhancing the environment for private sector-led growth; (ii) strengthening procurement practices and transparency; (iii) improving debt management; and (iv) expanding social transfer programmes. The PBL complements HGSAP that is also supported by the International Monetary Fund Extended Credit Facility, as well as a three-year Development Policy Loan by the World Bank. Collectively, these facilities will provide the fiscal space to allow GOCR to maintain essential spending on services and social programmes while undertaking an ambitious adjustment reform effort. The second PBL builds on lessons that are essential for results including: (i) strong government ownership; (ii) selectivity aligned with high-priority reforms; and (iii) active donor collaboration.

Special Contractual Clauses: None

Exceptions to CDB Policies:

Waiver of CDB's Lending Policies to vary the lending terms applicable to Grenada as a Group 2 country to permit the SFR Portion of the Loan to be lent on terms applicable to a Group 3 country.

GENDER MARKER SUMMARY

Gender Marker	Analysis	Data	Engagement	Response	Score	Code
	1	0.5	0.5	1	3	GM ^{1/}

^{1/} GM – Gender Mainstreamed. Project has the potential to contribute significantly to gender equality.