



# MINUTES OF PROCEEDINGS

OF

## The Honourable The Senate

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The Senate met in the Senate Chamber, Parliament at the Parliament Buildings on Friday the 16th day of September, 2022, at 11.00 o'clock a.m.

### PRESENT

His Honour Senator R. R. Farley, J.P., B.Sc., C.P.A., C.M.A. (*President*)

Senator Dr. the Most Honourable J. X. Walcott, FB, M.B., B.S., F.R.C.S. (Edin.), J.P. ( <i>Senior Minister</i> ) ( <i>Minister of Foreign Affairs and Foreign Trade</i> )	Senator G. P. B. Nicholls, B.Sc. (Hons.), LL.B. (Hons.), LL.M., MCI Arb.
Senator Dr. C. K. M. Haynes, M.B.B.S.	Senator the Hon. L. E. Nurse, F.C.A., F.C.C.A.
Senator J. A. King, B.S.S.	Senator Mr. C. A. Maynard, M.B.B.S., F.R.C.S. (ENT)
Senator Miss P. E. Parris, J.P.	Senator Miss C. N. Drakes, B.Sc. (Econ. & Mgmt), M.Phil Econ.
Senator L. R. Harewood, J.P., BSM, B.Sc., M.Sc., M.B.A.	Senator Rev. Dr. J. A. Rogers, B.Sc., B.A. (Hons.), M.Phil., Ph.D.
Senator Mrs. S. C. S. Roberts-Odle, B.Sc., M.Sc.	Senator A. W. Mallalieu, C.P.A., F.R.I.C.S.
Senator A. A. O. Boyce, B.Sc., M.Sc., LL.B.	Senator Dr. the Hon. C. W. DaC. Brathwaite, CHB, Ph.D.
	Senator Dr. K. G. Hinds, Ph.D.

### ABSENT

Her Honour Senator Ms. H. E. Thompson, LL.B. (*Deputy President*), Senator the Hon. Ms. L. R. Cummins, B.Sc., M.Sc. (*Minister of Tourism and International Transport*) (*Leader of the Senate*), Senator Dr. the Hon. S. M. Munro-Knight, Ph.D. (*Minister of State in the Prime Minister's Office*), Senator Ms. M. C. Taitt, Q.C., LL.B. (Hons.) M.B.A. and Senator K. J. Boyce, LL.B. (Hons.), L.E.C.

Prayers were delivered by Senator Miss P. E. Parris.

**OBITUARY**

The Senate observed a moment of silence in honour on the passing of Her Majesty Queen Elizabeth II, late Monarch of the United Kingdom and Head of the British Commonwealth of Nations.

**MINUTES**

The Minutes of the meetings of Wednesday, 10th August, 2022 and Tuesday, 30th August, 2022 were taken as read and confirmed on the motion of Senator Dr. the Most Honourable J. X. Walcott.

**ANNOUNCEMENTS BY HIS HONOUR THE PRESIDENT**

Mr. President acknowledged receipt of excuses for absence from Her Honour Senator Ms. H. E. Thompson, Senators the Hon. Ms. L. R. Cummins, Dr. the Hon. S. M. Munro-Knight and K. J. Boyce.

Mr. President gave a brief Report on the Annual Commonwealth Parliamentary Conference held in Halifax, Canada in August 2022.

**PUBLIC BUSINESS**

**ORDER NO. 4**

On the Order being called Senator Dr. the Most Honourable J. X. Walcott sought and obtained leave to introduce the measure in a cognate debate with Order No. 5.

Senator Dr. the Most Honourable J. X. Walcott spoke on the following Resolution:

WHEREAS by virtue of section 4 of *Debt Conversion (Counter-Guarantee) Act, 2022-12*, the Government may with the approval of Parliament, enter into counter-guarantee agreements to allow the Government to buy back Eurobonds due 2029 and prepay Series E debt;

AND WHEREAS the Government may by resolution of both Houses of Parliament, enter into counter-guarantee agreements in respect of guaranteed payments of principal and interest due in respect of loans to be used to buy back Eurobonds due 2029 and prepay Series E debt, on such terms and conditions as it thinks fit, but such guaranteed amounts shall not exceed the sum of BBD 300 million dollars, exclusive of the interest payable thereon;

AND WHEREAS the Government is seeking a guarantee of approximately BBD 200 million from the Inter-American Development Bank and to enter into a corresponding counter-guarantee on the terms and conditions of an Agreement, the main provisions of which are set out in the *First Schedule* to this Resolution;

AND WHEREAS the Government is seeking a guarantee of up to approximately BBD 100 million from The Nature Conservancy and to enter into corresponding counter-guarantee on the terms and conditions of an Agreement, the main provisions of which are set out in the *Second Schedule* to this Resolution;

AND WHEREAS the Government commits to use low cost guaranteed funding to buyback or prepay more expensive existing debt and pay the net savings over 15 years to a local trust which will manage conservation work on the terms and conditions of the Conservation Funding Agreement, the main provisions of which are set out in the *Third Schedule* of this Resolution;

AND WHEREAS the Government commits that the local trust will use the proceeds under the Conservation Fund Agreement to pursue environmental milestones as outlined in the Conservation and Sustainability Commitments Agreement, the main provisions of which are set out in the *Fourth Schedule* of this Resolution;

BE IT RESOLVED that Parliament approve the counter-guarantee agreements with the Inter-American Development Bank and The Nature Conservancy of up to approximately BBD 300 million, to enable the Government to buyback or prepay more expensive existing debt on the terms and conditions of the Agreements, the main provisions of which are set out in the *First Schedule* and *Second Schedule* respectively;

AND BE IT RESOLVED that Parliament approve the Conservation Funding Agreement for the purpose of paying the net savings over 15 years to a local trust which will manage conservation work, the main provisions of which are set out in the *Third Schedule*;

AND BE IT RESOLVED that Parliament approve the environmental and conservation commitments under the Conservation and Sustainability Commitments Agreement, the main provisions of which are set out in the *Fourth Schedule*;

APPROVED by the House of Assembly the 13th day of September, Two Thousand and Twenty-two.

#### FIRST SCHEDULE

##### TERMS AND CONDITIONS

Facility:	Counter-guarantee
Counter-Guarantor:	Inter-American Development Bank (IADB)
Borrower:	Government of Barbados
Counter-Guarantee Amount:	up to BBD 200 000 000.
Purpose:	To buyback or prepay more expensive existing debt and pay the net savings over 15 years to a local trust which will manage conservation work
Terms:	20 years with a Weight Average Life of up to 12.75 years
Drawn amounts:	Any amounts drawn under the Guarantee will not be reinstated. Any reimbursement made will not be available for new Guaranteed Payments.
Conditions Precedent:	<ul style="list-style-type: none"> <li>(a) the contract has entered the force;</li> <li>(b) legal opinion;</li> <li>(c) satisfaction of the bank of the structuring of the guaranteed instrument;</li> <li>(d) designation of officials with authentic copies of the signatures of said representatives;</li> <li>(e) complied Policy conditions;</li> </ul>

FIRST SCHEDULE – *Cont'd***TERMS AND CONDITIONS – *Cont'd***

Conditions Precedent – <i>Cont'd</i>	<p>(f) The Counter-Guarantor</p> <p>(i) shall be in compliance with all the obligations provided under this Contract; and</p> <p>(ii) shall not be in default for a period longer than thirty (30) days of any payment obligation set forth in this Contract or under any other contract entered into with the Bank.</p>
Guarantee fee:	<p>The Guarantee fee shall be paid semi-annually, calculated using the variable lending ending spread applicable to sovereign guaranteed loans granted by the Bank and financed with resources from the Bank's ordinary capital. First payment due on the expiration date of the 6-month period following the date of entry into force of the Guarantee Contract.</p>
Standby fee:	<p>The Standby fee shall not exceed 0.75% per annum and will begin to accrue from the date of signature until the date in which the Guaranteed Amount is one hundred percent (100%) callable.</p>
Payments under the Guarantee:	<p>The payments under the guarantee to be made upon receipt of a payment demand. IADB will not be required to make any investigation as to whether the information contained in it is correct.</p>
Reimbursement:	<p>To be reimbursed within a period of not more than 180 days. An amortization schedule may be agreed to through written agreement with the counter guarantor established under the Bank's guarantee policy, the Flexible Financing Facility and Chapter III and V of the General Conditions.</p>
Interest rate:	<p>Semi-annually due on the 15th day of the month. SOFR-Based Interest Rate plus the applicable lending spread for the Bank's ordinary capital loans.</p>
Early Disbursement Event:	<p>(a) The Bank may make an early disbursement of the Guarantee through a deposit in an escrow account nominated by and for the benefit of the Guaranteed Creditors, if any default events.</p> <p>(b) In the event that the Bank makes an Escrow Payment equivalent to the Maximum Guaranteed Amount, the Bank's Guarantee will be canceled once the Guaranteed Creditors have been notified. Upon the occurrence of an Early Disbursement Event of the Guarantee, it is the right of the Bank to declare that the Outstanding Balance or a portion thereof is immediately due and payable.</p>

## SECOND SCHEDULE

**TERMS AND CONDITIONS**

Facility:	Counter-guarantee
Counter-Guarantor:	The Nature Conservancy (TNC)
Borrower:	Government of Barbados
Counter Guarantee Amount:	up to BBD 100 000 000.
Purpose:	To buyback or prepay more expensive existing debt and pay the net savings over 15 years to a local trust which will manage conservation work
Terms:	20 years from date of entry into force
Amounts drawn:	Any amounts drawn under the Guarantee will not be reinstated.
Conditions Precedent:	<ul style="list-style-type: none"> <li>(a) duly executed agreements;</li> <li>(b) legal opinions;</li> <li>(c) each of the representations and warranties made be true and correct in all material respects;</li> <li>(d) satisfaction of the bank of the structuring of the blue loan agreement;</li> <li>(e) designation of officials with authentic copies of the signatures of said representatives;</li> <li>(f) The Counter-Guarantor <ul style="list-style-type: none"> <li>(i) shall be in compliance with all the obligations provided under this Contract and each other Transaction Document; and</li> <li>(ii) shall not be in default for a period longer than thirty (30) days of any payment obligation under any other contract entered into with TNC or IADB.</li> </ul> </li> </ul>
Guarantee fee:	0.90% per annum on maximum guaranteed amount payable semi-annually beginning 6 months following date of entry into force on the 20th of the month
Conservation Advisory Payment:	BBD 180,000 for 1-5 years BBD 140,000 until maturity (aggregate payments shall not exceed BBD 2.30M)
Reimbursement:	Within 180 days from guaranteed payment made by TNC. TNC, in its sole discretion, and through written agreement with the Counter-Guarantor, may agree to a payment schedule that is different than the one specified.

SECOND SCHEDULE – *Cont'd***TERMS AND CONDITIONS – *Cont'd***

Interest rate:	Highest coupon on the blue loan agreement
Default Interest rate:	Interest rate plus 1%
Prepayment	<p>(a) TNC may make an early disbursement through a deposit in an escrow account nominated by and for the benefit of the Guaranteed Creditors, if any default of the events.</p> <p>(b) In the event that TNC makes an Escrow Payment equivalent to the Maximum Guaranteed Amount, the Guarantee will be canceled once the Guaranteed Creditors have been notified. Upon the occurrence of an Early Disbursement Event of the Guarantee, the right of the TNC to declare that the Outstanding Balance or a portion thereof is immediately due and payable will be exercisable by TNC.</p>

## THIRD SCHEDULE

**TERMS AND CONDITIONS**

The main financial terms and conditions of the Conservation Funding Agreement are as follows:

Payment Schedule:	Net savings achieved through guaranteed funding and debt conversion to be paid over 15 years in semiannual installments at 0% interest
Late Payment Charge:	Rate per annum equal to the sum of (a) the highest annual [coupon] on the blue loan agreement plus (b) one percent (1%).
Expenses:	50% of all cost and expense
Natural Disaster Clause:	Yes
Pari Passu Clause:	Yes
Termination Events:	Yes
Payments under the Fund:	<p>Following receipt of any payment made pursuant to the Conservation Funding Agreement on each Payment Date, BESF shall apply all such amounts in the following order of priority:</p> <p>(a) first, BESF shall set aside an amount necessary to fund fifty percent (50%) of the general, administrative and operation expenses of BESF for that year, subject to the annual limit set.</p>

THIRD SCHEDULE – *Cont'd***TERMS AND CONDITIONS – *Cont'd***

- Payments under the Fund:  
– *Cont'd*
- (b) second, for each Payment Date that occurs in the first seven (7) years from the Effective Date, BESF shall retain an amount that is 50% of the amount to be applied by BESF towards grants for Barbados in the context of the development of the MSP; and
  - (c) third, after setting aside the amounts set forth in clauses (a) and (b) above received by BESF as of such Payment Date, commit any remaining amounts of such payment as grants to third parties in accordance with the requirement under Exhibit A (Conservation Fund Terms) of the Agreement.

## FOURTH SCHEDULE

**TERMS AND CONDITIONS**

The following milestones are agreed under the Conservation and Sustainability Commitments Agreement, which include the value of having a Marine Spatial Plan (MSP) i.e. what Barbados is willing to commit to achieving over the next 5 to 7 years; the supporting frameworks/tools/systems for MSP preparation and long term sustainability.

**Milestone 1: Initiation of the MSP**

No later than three (3) months after the signing of the Counter Guarantee Agreements (“CGA” or the “Agreement”), Barbados shall initiate the process of developing a MSP for its Ocean by the

- (a) designation of a Government of Barbados ministry or agency to lead and manage MSP process; and
- (b) establish a MSP project-steering committee (“MSP Steering Committee”) comprised of both
  - (A) senior level officers or employees from governmental agencies; and
  - (B) qualified representatives from non-governmental organizations.

**Milestone 2: Completion of First Draft of Zoning Design**

No later than thirty-six (36) months after the date of signing of the Conservation and Sustainability Commitments Agreement, the government shall complete a first draft of the marine zoning design for the complete area of affected Ocean showing at least three (3) spatial scenarios that could achieve up to an aspirational goal of 30% biodiversity protection, including at least one option evaluating the potential for 15% in High Protection Biodiversity Zones and 15% in

FOURTH SCHEDULE – *Cont'd***TERMS AND CONDITIONS – *Cont'd***

Medium Protection Biodiversity Zones that would allow for long-term, sustainable, effective management of Barbados' Ocean resources. The draft zoning design will include spatial maps in sufficient detail to allow visual assessment of each proposed area of protected space in each scenario, the rationale for each Zone area including estimates of km<sup>2</sup>, percentage of Ocean, biodiversity significance, existing uses and activities, existing maritime zones, threats or pressures, and proposed categorization as High or Medium Protection Biodiversity Zones. The zoning design spatial scenarios will be evidence-based, using all relevant data and information, including participatory mapping and other sources of information collected for appropriate marine spatial models and planning tools. Evidence of stakeholder engagement and participation shall be included in the Milestone Report.

**Milestone 3: Government Approval of**

- (a) Legislation and Regulations to Declare Marine Biodiversity Protection Zones/MPAs; and**
- (b) MSP Institutional Frameworks**

No later than four (4) years and six (6) months after the date of signing of the Conservation and Sustainability Commitments Agreement, the Government shall:

- (a) approve the legislation and regulations that allows for the legal declaration, Gazetting, and management of feasible marine Biodiversity Protection Zones/MPAs (identified as part of the MSP process), including bestowing of authority to an appropriate government agency / agencies for monitoring and enforcement;
- (b) approve and effect the institutional framework required for MSP implementation; and
- (c) legally declare and Gazette 10% of Ocean under biodiversity protection, if deemed feasible within the scientific analysis provided by the MSP.

**Milestone 4: Completion of the MSP, Gazetting of Biodiversity Protection Zones/MPAs and MSP implementation**

No later than five (5) years after signing the Agreement Barbados shall,

- (a) have completed the MSP;
- (b) legally declared and Gazetted as MPAs whichever is the lower of either
  - (i) an aspirational goal of 30% of Ocean, with at least 15% in High Protection Biodiversity Zones and at least 15% in Medium Protection Biodiversity Zones; or
  - (ii) the percentage of Ocean declared as MPAs, with percentages of High Protection Biodiversity Zones and Medium Protection Biodiversity Zones deemed achievable in the MSP; and
- (c) Implement the MSP.



FOURTH SCHEDULE – *Concl'd***TERMS AND CONDITIONS** – *Concl'd***Milestone 5: Government Approval and Adoption of Management Plans**

No later than seven (7) years and six (6) months after the date of signing of Conservation and Sustainability Commitments Agreement, Barbados shall have

- (a) approved Management Plans for each Gazetted Biodiversity Protection Zone MPA; and
- (b) the agency(s) with authority over such plans shall have adopted a Management plans support of Barbados's goals for longterm, sustainable, effective management of their Ocean using, but not limited to, strategies for protected area management, aligned with recognized standards,

and moved that the Resolution be approved.

Senator Miss C. N. Drakes spoke.

Senator Dr. the Hon. C. W. DaC. Brathwaite spoke.

Senator L. R. Harewood spoke.

Senator Dr. C. K. M. Haynes spoke.

Senator Dr. K. G. Hinds spoke.

Senator A. W. Mallalieu spoke.

Senator Rev. Dr. J. A. Rogers spoke.

Senator Dr. the Most Honourable J. X. Walcott spoke in reply.

The Resolution was passed.

**ORDER NO. 5**

On the Order being called, Senator Dr. the Most Honourable J. X. Walcott moved the passing of the following Resolution:

WHEREAS by virtue of section 2 of the *Special Loans Act, Cap. 105* the Government is authorised from time to time to borrow from another government, any bank, corporation, company or other institution sums of money not exceeding in the aggregate BBD 2 500 000 000 on such terms as may be agreed upon between the Government and the lender of any such sum of money;

AND WHEREAS by section 3 of the said Act it is provided that any money borrowed under the authority of the Act shall be appropriated and applied to such purposes as Parliament may approve by resolution and that such money and any interest payable thereon is charged upon the general revenues and assets of Barbados;

AND WHEREAS the Government considers it necessary to borrow the sums of approximately

- (a) BBD 150 million from First Caribbean International Bank (Barbados) Limited;
- and
- (b) BBD150 million from Credit Suisse International

in order to buyback and prepay existing higher cost Government of Barbados debt and utilize the savings to finance marine conservation in Barbados;

AND WHEREAS the said sums of approximately

- (a) BBD 150 million from First Caribbean International Bank (Barbados) Limited; and
- (b) BBD 150 million from Credit Suisse International

are borrowed on the terms and conditions contained in an Agreement, the main provisions of which are set out in the *Schedule*;

AND WHEREAS the said sums of approximately

- (a) BBD 150 million from First Caribbean International Bank (Barbados) Limited; and
- (b) BBD 150 million from Credit Suisse International

are within the authorised borrowing limit given to the Government under section 2 of the said Act;

BE IT RESOLVED therefore that Parliament approve the borrowing of the sum of approximately

- (a) BBD 150 million from First Caribbean International Bank (Barbados) Limited; and
- (b) BBD 150 million from Credit Suisse International

to buyback and prepay existing higher cost Government of Barbados debt and utilize the savings to finance marine conservation in Barbados on the terms and conditions contained in an Agreement, the main provisions of which are set out in the *Schedule*.

APPROVED by the House of Assembly the 13th day of September, Two Thousand and Twenty-two.

#### SCHEDULE

##### TERMS AND CONDITIONS

Facility A:	Term Loan
Lender:	Credit Suisse International
Amount:	USD75.0 million
Currency:	USD
Term:	Fifteen (15) years
Grace period:	Forty-two (42) months
Maturity:	September 2037
Repayment:	Twenty-four (24) semiannual payment of USD3,125,000.
Interest rate:	A margin of 0.95% per annum plus Facility A Base Rate (interpolated United States Treasury yield curve). To be fixed at disbursement. Current indicative rate approximately 4.15% per annum.

SCHEDULE – *Cont'd***TERMS AND CONDITIONS** – *Cont'd*

Fees:	Arrangement Fees, Agency Fees and Blue Bonds running costs in accordance with the Fee Letter.
Natural Disaster Clause:	Yes
Facility B:	Term Loan
Lender:	First Caribbean International Bank (Barbados) Limited
Amount:	BBD150.0 million
Currency:	BBD
Term:	Fifteen (15) years
Grace period:	Forty-two (42) months
Maturity:	September 2037
Repayment:	Twenty-four (24) semiannual payment of BBD6,250,000.
Interest rate:	3.25% per annum (Fixed)
Fees:	Arrangement Fees, Agency Fees and Blue Bonds running costs in accordance with the Fee Letter.
Natural Disaster Clause:	Yes

The Resolution was passed.

**ADJOURNMENT**

Senator Dr. the Most Honourable J. X. Walcott moved the adjournment of the Senate *sine die*.

Senator Dr. K. G. Hinds spoke.

Senator Dr. the Most Honourable J. X. Walcott spoke.

Senator Miss C. N. Drakes spoke.

Senator Mr. C. A. Maynard spoke.  
Mr. President spoke.  
Senator Dr. K. G. Hinds spoke.  
Senator Dr. the Most Honourable J. X. Walcott spoke.  
The motion was passed.  
At 2.10 p.m. Mr. President adjourned the Sitting.

N. R. JONES, Q.C.  
Deputy Clerk of Parliament.

The Minutes were certified correct and confirmed the \_\_\_\_\_ day of \_\_\_\_\_, 2022.

President.

SENATE CHAMBERS  
PARLIAMENT BUILDINGS  
BRIDGETOWN.

**SENATE**

**FIRST SESSION OF 2022 – 2027**

**MINUTES**

Friday, 16th September, 2022.

Government Printing Department