

AMENDATORY CONTRACT NO. 1

AMENDATORY CONTRACT entered into between the GOVERNMENT OF BARBADOS (the "Borrower") and the INTER-AMERICAN DEVELOPMENT BANK (the "Bank", and together with the Borrower, the "Parties").

ARTICLE ONE

The Parties agree to amend Loan Contract No. 4342/OC-BA (National Tourism Program), entered into between the Borrower and the Bank dated March 2, 2018 (the "Loan Contract"), in the manner and to the extent set forth below.

1. Section 3.01 "Special Conditions Precedent to First Disbursement" of the Special Conditions is amended in its entirety to read as follows:

"SECTION 3.01. Special Conditions Precedent to First Disbursement. In addition to the conditions precedent stipulated in Article 4.01 of the General Conditions, the first disbursement of the Loan shall be subject to the fulfillment, to the satisfaction of the Bank, of the following requirements:

(a) Evidence that the Project Execution Unit (PEU) has been created and that, at least, the Project Coordinator, Financial Specialist and Procurement Specialist have been selected, pursuant to Terms of Reference satisfactory to the Bank;

(b) Evidence that the Program Operating Manual (POM) has been approved in the terms previously agreed with the Bank, including the ESMS; and

(c) Evidence that a Steering Committee, comprising, at least, representatives of the following entities: Ministry of Tourism and International Transport (MTI), PEU and the Barbados Tourism Marketing Inc. (BTMI), has been established to facilitate Project coordination, including a definition of their roles and responsibilities in the Project execution."

2. Section 4.01 "Executing Agency" of the Special Conditions is amended in its entirety to read as follows:

"SECTION 4.01. Executing Agency. The Ministry of Tourism and International Transport shall be the Executing Agency of the Project."

3. Sub-section (b) of Section 5.02 "Supervision of the Financial Management of the Project" of the Special Conditions is amended in its entirety to read as follows:

"(b) For purposes of Article 7.03(a) of the General Conditions, the fiscal year of the Project is the period between April 1 and March 31 of each year."

4. Sub-section (a) of Section 6.02 "Communications and Notices" of the Special Conditions is amended in its entirety to read as follows:

"SECTION 6.02. Communications and Notices. (a) Any notice, request, communication, or report from one Party to another by virtue of this Contract related to the execution of the Project, with the exception of the notices indicated in paragraph (b) hereof, shall be made in writing and shall be considered to have been made when the relevant document is delivered to the addressee at the respective address given below, or by electronic means under such terms and conditions as the Bank establishes and communicates to the Borrower, unless the Parties agree otherwise.

For the Borrower:

Mailing address:

Permanent Secretary of Economic Affairs
Ministry of Finance and Economic Affairs
Warrens Office Complex
Warrens
St. Michael, Barbados

Facsimile: (246) 535-1368
Email address: headleyn@gob.bb

For the Executing Agency:

Mailing address:

Ministry of Tourism and International Transport
One Barbados PlaceWarrens
St. Michael, Barbados

Facsimile: (246) 535-3342

For the Bank:

Inter-American Development Bank
Country Office in Barbados

Mailing address:

“Hythe”, Welches
Maxwell Main Road
Christ Church
Barbados
BB17068

Facsimile: (246) 629-8869

Email address: idbbarbados@iadb.org”

5. Paragraph 1.01 of the Annex is amended in its entirety to read as follows:

“1.01 The objective of the Project is to increase the resilience of the Barbados tourism industry, with a focus on increasing tourism receipts. Specific objectives are to: (i) increase tourist expenditures on heritage and cultural products; and (ii) increase digital visibility of Barbados in the tourism market.”

6. Paragraph 2.02 of the Annex, is amended in its entirety to read as follows:

“2.02 This component will finance the development of new tourism products targeted at addressing the cultural and heritage priority themes: Bridgetown, a historic marvel of maritime engineering; the story of sugar and rum; the industrial heritage; and Bajan soul and cultural practices. The implementation of these products is expected to contribute to increasing and diversifying visitors’ expenditures and to broad the appeal of Barbadian tourism. The component will finance: (i) a new Visitor Centre in the Old Town Hall Building (including civil works, furniture, hardware and software) and the enhancement of a tourist urban route through historic Bridgetown; (ii) the implementation of two other tourism products (Renewed National Museum at the Garrison, and Oistins waterfront improvement); (iii) the development of a tram tour that traverses Historic Bridgetown and Its Garrison – Barbados’ UNESCO World Heritage Property; (iv) the provision of lighting, signage and portable bathrooms along Trevor’s Way; (v) enhancements to the Legends Cricket Museum at the existing site or at Kensington Oval; (vi) the creation of an art gallery on the floor above the visitor centre planned for the Old Town Hall; (vii) the pedestrianization of St. Lawrence Gap and the possible inclusion of a tram traversing the St. Lawrence Gap. (viii) the preparation of interpretation content and materials for all products to be disseminated by

both physical and electronic means; (ix) the preparation of final engineering/architectural designs, economic, environmental and social project specific studies/plans (if required) for all products; and (x) the contracting of specialized consultancies to supervise construction works.”

7. Paragraphs 2.04 and 2.05, as well as their sub-title “Component 3: Improving Airlift”, are eliminated.

8. Paragraph 2.06 of the Annex is amended in its entirety to read as follows:

“2.06 These resources will cover: (i) the contracting of four specialists (Project coordinator, financial specialist, procurement specialist, administrative officer) to work in the Project Executing Unit (PEU), at least one specialist to support the technical aspects involved in the implementation of the Project’s components in order to have an effective coordination of the PEU with Barbados Tourism Marketing Inc. (BTMI) and the Ministry of Tourism and International Transport (MTI); (ii) operational costs of the PEU; (iii) environmental and social management; (iv) monitoring and evaluation (mid-term evaluation, final evaluation, impact evaluation); and (v) auditing.”

9. Paragraph 3.01 of the Annex is amended in its entirety to read as follows:

“3.01 The cost of this operation is twenty million Dollars (US\$20,000,000) and it will be financed with resources of the Ordinary Capital of the Bank.

Cost and Financing
(in thousand US\$)

Components	IDB (Ordinary Capital)	%
Component 1: New Tourism Products	15,300	76.5
Component 2: Strengthening Digital Marketing	2,000	10.0
Administrative Cost	2,415	12.1
Contingencies	285	1.4
Total	20,000	100”

10. Section IV “Execution and Administration” of the Annex is amended in its entirety to read as follows:

“4.01 The Executing Agency will be the Ministry of Tourism and International Transport (MTI).

4.02 MTI will execute the Project through an especially created PEU. The PEU will be in charge of the following: coordinating Project activities with participating government agencies, procurement execution, contract supervision, financial and accounting management, including the

submission of disbursement requests, compliance with local and the Bank's environmental and consultation requirements in the implementation of Project activities, and risk management. MTI administrative and financial officers will support the PEU to ensure proper management of loan resources. The PEU will be staffed with at least the following: Project coordinator, procurement specialist, financial specialist, and administrative assistant. PEU staff will be financed with loan funds. Additionally, technical advisors will be hired to provide input on specific aspects of each component.

- 4.03** In addition to MTI, several entities will participate assisting the Project in their respective areas of expertise. The BTMI will be in charge of providing technical support to Components 1 and 2. A Steering Committee (SC) will be established to facilitate coordination and overall guidance and resolve Project bottlenecks. The SC will include the Permanent Secretary of the MTI or nominee/representative (Chair), BTMI, Public Investment Unit (PIU), Barbados World Heritage Committee, Ministry of Transport and Works, project coordinator and the Town and Country Development Planning Office (TCDPO). The TCDPO is in charge of the orderly and progressive development of land (including planning and permits) and its involvement in the Project will be key for certain works and products that will be executed in Component 1.
- 4.04** Once the projects financed under Component 1 are completed, the MTI or other government agency, will assume management responsibilities, including operation and maintenance.”

ARTICLE TWO

The Parties hereby ratify that all other provisions of Loan Contract No. 4342/OC-BA, remain in full force and effect.

ARTICLE THREE

The Parties agree that this Amendatory Contract No. 1 shall enter into force from the date of signature by the representative of the Borrower.

IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorized representative, have signed this Amendatory Contract No. 1 in two (2) equally valid copies.

GOVERNMENT OF BARBADOS

INTER-AMERICAN DEVELOPMENT
BANK

Honourable Mia Amor Mottley
Prime Minister and Minister of Finance,
Economic Affairs and Investment

Juan Carlos De la Hoz Vinas
Representative in Barbados

Date: _____
Place: _____

Date: _____
Place: _____