

**LOAN AGREEMENT**  
**BETWEEN**  
**THE GOVERNMENT OF BARBADOS**  
**AND**  
**CORPORACIÓN ANDINA DE FOMENTO**  
**DOCUMENT I**  
**SPECIAL CONDITIONS**

This document contains the Loan Agreement consisting of these Special Conditions (Document I), the General Conditions (Document II), the Technical Annex (Document III) and the Annex "Forms for Debt Management Operations" (Document IV), hereinafter jointly referred to as the "Agreement", and is entered into, on the Effective Date (as defined below), between the following parties and subject to mutually agreed terms and conditions set forth below:

- **CORPORACIÓN ANDINA DE FOMENTO** ("CAF"), a multilateral financial institution established pursuant to the Agreement Establishing CAF executed in the city of Bogota, Republic of Colombia, on February 7, 1968, with its headquarters in Caracas, Bolivarian Republic of Venezuela, and duly represented herein by its Representative, Mr. Gianpiero Leoncini León Velarde; and
- **THE GOVERNMENT OF BARBADOS** (the "Borrower"), duly represented herein by the Hon. Mia Amor Mottley, Prime Minister and Minister of Finance, Economic Affairs and Investment.

**ARTICLE 1. Background**

1.1. The Borrower has requested an interest-bearing loan from CAF to finance, under the terms of this Agreement, the "*Sector Wide Approach Programme (SWAP) to support the Land Transportation Sector in Barbados*" (hereinafter, the "Programme").

1.2. CAF has undertaken to make available to the Borrower and the Borrower accepts the Loan (as defined below), which will be subject to the terms and conditions set forth in this Agreement.

1.3. The Parties expressly agree that, as of the Effective Date, the Loan shall be subject to the terms of the Agreement, which shall supersede, in their entirety, any prior verbal or written agreement between the Parties on the same subject matter.

1.4. Terms not specifically defined in these Special Conditions or in the Annexes, shall have the meaning assigned to them in the General Conditions.

#### **ARTICLE 2. Purpose of the Agreement**

2.1. In accordance with the articles of the Agreement, and subject to the terms and conditions set forth herein, CAF grants to the Borrower, and the Borrower accepts, an interest-bearing loan in the amount indicated in the Article 3 of these Special Conditions titled "*The Loan*" to be used solely to finance the Programme.

#### **ARTICLE 3. The Loan**

3.1. The interest-bearing loan that CAF grants to the Borrower shall be for up to an amount of fifty million Dollars (USD 50,000,000.00) (hereinafter, the "Loan").

#### **ARTICLE 4. Term of the Loan**

4.1. The Loan will have a term of twenty (20) years, including a Grace Period of thirty-six (36) months, during which no repayment of the principal of the Loan is due, both commencing on the Effective Date.

#### **ARTICLE 5. Utilization of the Loan Proceeds**

5.1. The Borrower expressly agrees that the Loan proceeds shall be used in strict compliance with the provisions of this Agreement and that it is intended to finance the following items of the Programme:

- a) support management, planning and public investments for the development of the land transportation sector in Barbados; and
- b) the Evaluation Expenses and Finance Fee of the Loan.

#### **ARTICLE 6. Executing Agency**

6.1. The Parties agree that the use of the proceeds of the Loan shall be carried out by the Borrower as a direct loan to the Government of Barbados, through the Ministry of Finance, Economic Affairs and Investment (hereinafter, the "Executing Agency"). The Borrower asserts that the Executing Agency shall carry out all responsibilities under the Loan in accordance with the provisions set forth in this Agreement.

#### **ARTICLE 7. Disbursements**

7.1. The Loan shall be disbursed in three (3) Disbursements. The maximum amount of Disbursements per calendar year will be determined by CAF and imputed to the annual disbursement allocation assigned to the Country. At no time may the annual disbursement limit assigned to the Country be exceeded in accordance with the applicable CAF regulations.

#### **ARTICLE 8. Disbursement Period**

8.1. The Borrower shall have a period of up to six (6) months to request, directly or through the Executing Agency, the first Disbursement and up to thirty-six (36) months to request the final Disbursement. Both periods shall be counted from the Effective Date.

8.2. At least thirty (30) days in advance and, in any case, before the expiration date of the terms established in the preceding paragraph, the Borrower may request in writing an extension, which shall be duly justified, and CAF may accept or reject it at its discretion.

8.3. In the event that CAF decides to approve the extension requested in accordance with the Article 8.2, it will send a notification in this regard indicating the new term approved.

#### **ARTICLE 9. Special Conditions**

9.1. The Borrower directly and/or the Executing Agency, as appropriate, must comply, to CAF's satisfaction, with the conditions precedent to the first and to all the Disbursements established in the Article of the General Conditions titled "*Conditions Precedent to the Disbursements*" and, in addition, with the following special conditions:

##### **A. Prior to the first Disbursement submit:**

- i. Chart presenting the amounts invested in the transportation sector, including road network development, maintenance and rehabilitation carried out during the fiscal year 2019-2020 by the Ministry of Transport, Works and Water Resources (MTWW).
- ii. Updated report on the implementation of the development of tourism corridors, specifically interventions on Highway 1 and Highway 7 (road rehabilitation, signage, etc.).
- iii. The Barbados National Energy Policy containing the decarbonisation of public transport, part of the clean transport strategy contained in the Vision 2030-Fossil Fuel Free Barbados-National Energy Policy.
- iv. Final Report of the consultancy for the prioritization of interventions for MTWW (institutional strengthening).
- v. Cabinet approval of the implementation of the Electronic Vehicle Registration System (Intelligent Transportation Systems – ITS) for the Licensing Authority.
- vi. Cabinet approval to establish the new Road Signage Programme.
- vii. Report on the Street Light Improvement Programme (with efficient lighting), part of the Public Sector Smart Energy Programme.
- viii. Road Maintenance Action Plan and Traffic Management for 2021 (MTWW Programme Budget).
- ix. Latest indicators for:
  - Road network according to condition (good, fair, poor, and critical) in kms and percentage.
  - Paved kilometres and percentage share of the total road network.
  - Maintenance activity indicators for the previous fiscal year (road surface repairs, debushing, etc.) made by the MTWW.
  - Number of traffic incidents, yearly data (number of fatalities, injuries, accidents).
  - Traffic volumes in major corridors (vehicles/capacity).
  - Total passengers in the public transport system.
  - Percentage of passengers on sustainable public transportation vehicles.

**B. Prior to the second disbursement submit:**

- i. Chart presenting the amounts invested in the transportation sector, including road development, maintenance and rehabilitation carried out during the fiscal year 2021-2022 by the Ministry of Transport, Works and Water Resources (MTWW).
- ii. Pedestrianisation Plan for Bridgetown presented to Cabinet, part of the development of multi-modal mobility nodes, pedestrian priority and active travel.
- iii. Action plan for outsourcing the Inspection of vehicles.
- iv. Introduction of a new Highway Management System.
- v. Implementation Plan for the Barbados Mass Transit Authority.
- vi. Report on the implementation of the Road Signage Programme.
- vii. Report on the implementation of the Street Light Improvement Programme.
- viii. Progress report on the Road Maintenance Action Plan and Traffic Management for 2021 (intersections, corridors, ditches, bridges, etc.).
- ix. Latest indicators for:
  - Road network according to condition (good, fair, poor, and critical) in kms and percentage.
  - Paved kilometres and percentage share of the total road network.
  - Maintenance activity indicators for the previous fiscal year (pothole repairs, landslide clearing, crack filling, rutting, etc.) made by the MTWW.
  - Number of traffic incidents, yearly data (number of fatalities, injuries, accidents).
  - Traffic Volumes – major corridors (vehicles/capacity).
  - Increase in share of kilometers covered by renewable public transportation vehicles (that do not use fossil fuel).
  - Total passengers in the public transport system.
  - Percentage of passengers on sustainable public transportation vehicles.

**C. Prior to the third and final disbursement submit:**

- i. Chart presenting the amounts invested in the transportation sector, including road development, maintenance and rehabilitation carried out during the fiscal year 2022-2023 by the Ministry of Transport, Works, and Water Resources (MTWW).
- ii. Approved Barbados Physical Development Plan 2021.
- iii. Status report on the implementation of the Barbados Mass Transit Authority.
- iv. Status report on the implementation of the Highway Management System.
- v. Progress report on the Road Maintenance Action Plan and Traffic Management for 2022 (intersections, corridors, ditches, bridges, etc.).
- vi. Updated report on the Street Light Improvement Programme.
- vii. Updated report on the Road Signage Programme.
- viii. Update on the implementation of the Electronic Vehicle Registration System for the Licensing Authority.
- ix. Latest indicators for:
  - Road network according to condition (good, fair, poor, and critical) in km and percentage.

- Paved kilometres and percentage share of the total road network.
- Maintenance activity indicators for the previous fiscal year (pothole repairs, landslide clearing, crack filling, rutting, etc.) made by the MTWWR.
- Number of traffic incidents, yearly data (number of fatalities, injured people, accidents).
- Traffic Volumes – major corridors.
- Increase in share of kilometres covered by renewable public transportation vehicles (that do not use fossil fuel).
- Total passengers in the public transport system.
- Percentage of users of the public transport on sustainable vehicles.

#### **ARTICLE 10. Loan Repayment**

10.1. The repayment of the Loan shall be carried out through the payment of thirty-five (35) semi-annual consecutive and, to the extent possible, equal instalments (hereinafter, an "Instalment") to which the interest accrued at the maturity of each of the Interest Periods will be added.

10.2. The first Instalment shall be paid on the Interest Payment Date, which corresponds to the thirty-six (36) months from the Effective Date, the second Instalment on the Interest Payment Date which corresponds to forty-two (42) months from the Effective Date, and so on until the number of Instalments is completed, according to the term.

10.3. Any delay in the timely payment of any Instalment shall entitle CAF to collect the corresponding default interest in the manner set forth in the Article of the General Conditions titled "*Default Interest*", without prejudice to the possibility of CAF suspending its obligations and/or declaring the Loan overdue, pursuant to the Articles of the General Conditions titled "*Suspension of CAF's Obligations*" and "*Declaration of Expired Term of the Loan*" respectively.

#### **ARTICLE 11. Voluntary Prepayments**

11.1. The Borrower may make voluntary prepayments to the Loan, subject to CAF's satisfaction of all of the following conditions:

- a) that the Borrower does not owe any overdue amount to CAF for principal, interest, commissions and/or other expenses and charges;
- b) that at least ninety-six (96) Months have elapsed since the Effective Date;
- c) that the amount of the voluntary prepayment is a whole multiple of an Instalment;
- d) that the Borrower informs CAF in writing of its intention to make a voluntary prepayment at least forty-five (45) Days in advance; and
- e) that the voluntary prepayment is made on an Interest Payment Date.

11.2. Unless otherwise agreed between the Parties, voluntary prepayment shall apply to the Instalments due in reverse order of proximity to their maturity. CAF shall make the corresponding calculations and inform the Borrower of the amount of the voluntary prepayment fee at least fifteen (15) Days prior to the date of the voluntary prepayment.

11.3. The Borrower shall pay CAF any other expenses associated with the corresponding voluntary prepayment, including, without any limitation, those arising from the supervision

of the operation, any related transaction and/or the early termination of the Agreement, if applicable.

11.4. Unless otherwise agreed between the Parties, notifications of voluntary prepayments are irrevocable.

#### **ARTICLE 12. Interest**

12.1. The Borrower undertakes to pay CAF interest on the Outstanding Loan Balance on each Interest Payment Date.

12.2. The interest referred to in Article 12.1 above shall be calculated at the variable annual rate resulting from adding the applicable LIBOR rate to the respective Interest Period and a margin of one point eighty percent (1.80%) annually (the "Margin"), or the rate applicable pursuant to Article 12.3 below (hereinafter the "Interest Rate"). Likewise, the Article of the General Conditions titled "*Interest*" shall apply. Under no circumstances may the Interest Rate applicable to any Interest Period be less than zero.

12.3. The Borrower irrevocably accepts and agrees that the Margin may be modified by CAF if the Effective Date occurs after the term established in applicable CAF rules has elapsed. In such case, the Margin will be the one that CAF communicates in writing to the Borrower as applicable on the Effective Date by means of the procedure established for it in the Article of these Special Conditions titled "*Communications*". If the communication from CAF in such regard does not exist, within the following thirty (30) Days counted from the moment in which CAF takes note of the occurrence of the Effective Date, the Margin referred to in the sub-article 12.2 above shall be applied..

12.4. The Borrower irrevocably accepts and agrees that LIBOR will be replaced by the Alternative Reference Rate for all purposes of the Agreement, in the event that (i) CAF verifies the occurrence of a modification in market practice that affects the determination of LIBOR; or (ii) CAF determines that it is not possible or that it is no longer commercially feasible for CAF to continue using LIBOR as a reference for its operations. CAF's right to determine the Alternative Reference Rate will only be exercised to preserve the financial management between assets and liabilities and will not give rise to a commercial advantage in its favour. In said circumstances, CAF will notify the Borrower in writing, under the provisions of the Article in the Special Conditions of the Loan Agreement titled "*Communications*", of the Alternative Reference Rate which will be applicable and will become fully effective on the date of receipt by the Borrower of said notice.

12.5. If any payment required to be made by the Borrower under the Agreement is not made on the date on which it was actually due, either on an arranged due date or in advance of such due date in accordance with this Agreement, the respective amount shall bear default interest as provided in the Article of the General Conditions titled "*Default Interest*".

#### **ARTICLE 13. Compensatory Financing Fund**

13.1. During the first eight (8) years counted from the Effective Date (or during which they are applicable in accordance with the following sub-clause), CAF shall finance with no reimbursement ten (10) Basis Points (or those applicable in accordance with the following sub-article 13.2) of the Interest Rate. Such financing shall be made to the expense of the Compensatory Financing Fund of CAF (hereinafter, the "Compensatory Financing Fund").

13.2. The Borrower irrevocably accepts and agrees that the Compensatory Financing Fund may be modified by CAF if the Effective Date occurs after the term established in CAF's applicable rules has expired. In such case, the Compensatory Financing Fund shall be the one that CAF communicates in writing to the Borrower as applicable on the Effective Date by means of the procedure established for such purposes in the Article of these Special Conditions titled "*Communications*". If the communication from CAF in such regard does not exist, within the following thirty (30) Days counted from the moment in which CAF takes note of the occurrence of the Effective Date, Compensatory Financing Fund established in the sub-article 13.1 above shall be applied.

#### **ARTICLE 14. Commitment Fee**

14.1. The Borrower shall pay CAF a Commitment Fee of zero point thirty-five percent (0.35%) annually, on the undisbursed Loan balances or such amount applicable in accordance with the Article 14.2 below, and in the manner provided in the Article of the General Conditions titled "*Commitment Fee*".

14.2. The Borrower irrevocably accepts and agrees that the Commitment Fee may be modified by CAF if the Effective Date occurs after the term established in CAF's applicable rules has expired. In such case, the Commitment Fee shall be the one that CAF communicates in writing to the Borrower as applicable on the Effective Date by means of the procedure established for such purposes in the Article of these Special Conditions titled "*Communications*". If the communication from CAF in such regard does not exist, within the following thirty (30) Days counted from the moment in which CAF takes note of the occurrence of the Effective Date, the Commitment Fee established in the sub-article 14.1 above shall be applied.

#### **ARTICLE 15. Finance Fee**

15.1. The Borrower will pay CAF in a single one-time payment, the Finance Fee of zero point eighty-five percent (0.85%) on the amount indicated in Article 3 of these Special Conditions titled "*The Loan*" or such amount as is applicable in accordance with Article 15.2 below and in the manner provided in the Article of the General Conditions titled "*Finance Fee*".

15.2. The Borrower irrevocably accepts and agrees that the Finance Fee may be modified by CAF if the Effective Date occurs after the term established in CAF's applicable rules has expired. In such case, the Finance Fee shall be the one that CAF communicates in writing to the Borrower as applicable on the Effective Date by means of the procedure established for such purposes in the Article of these Special Conditions titled "*Communications*". If the communication from CAF in such regard does not exist, within the following thirty (30) Days counted from the moment in which CAF takes note of the occurrence of the Effective Date, the Finance Fee established in the sub-article 15.1 above shall be applied.

#### **ARTICLE 16. Evaluation Expenses**

16.1. The Borrower shall pay CAF, on the Effective Date or, at the latest, at the time in which the first Disbursement is carried out, the amount of thirty-five thousand Dollars (USD 35,000.00) due to Evaluation Expenses.

**ARTICLE 17. Debt Management Operations**

17.1. The Parties may agree to carry out Debt Management Operations in accordance with the terms of this Article.

17.2. The Parties agree that for purposes of Debt Management Operations, the terms detailed below are considered included in the Article of the General Conditions titled "*Definitions*" and will have the following meaning:

**Debt Management Operation:** means, without distinction, a Currency Conversion and/or an Interest Rate Conversion and shall be subject to the requirements of these Special Conditions.

**Requested Financial Conditions:** are the financial conditions proposed by the Borrower and contained in the respective Management Operation Request, under which the Borrower is obligated to CAF, and at CAF's option, to perform the corresponding Debt Management Operation.

**Debt Management Operation Confirmation:** it is the document in form and content similar to the model titled "*Debt Management Confirmation Form*", which is included in the Annex "*Forms for Debt Management Operations*" ("a" or "b" as appropriate), by which CAF agrees to enter into the Debt Management Operation described in the corresponding Debt Management Operation Request.

**Currency Conversion:** it is the change of Dollars to any other Alternative Currency as payment currency of the portion of the Loan on which said Debt Management Operation is concerned.

**Interest Rate Conversion:** it is the change of the Interest Rate applicable to the portion of the Loan on which said Debt Management Operation is applied.

**Value Date:** is the date, determined as such in the Debt Management Operation Confirmation, from which the respective Debt Management Operation takes effect.

**Alternative Currency:** it is the legal tender in the Country, or any currency other than the USD, a basket of currencies or a value index.

**Debt Management Operation Request:** means the document in form and content similar to the model titled "*Debt Management Operation Request*", which is included in the Annex "*Forms for Debt Management Operations*" ("a" or "b" as appropriate), whereby the Borrower irrevocably and unconditionally undertakes to enter into, and at CAF's option, the Debt Management Operation described in the Requested Financial Conditions.

17.3. Debt Management Operations will be subject to the compliance of all of the following preconditions to the satisfaction of CAF:

- a) CAF discretionary approval;
- b) compliance by the Borrower with the applicable laws;
- c) obtaining the government authorizations required for the Borrower to carry out the requested Debt Management Operation; and



- d) that the documentation of the respective Debt Management Operation is satisfactory to CAF.
- 17.4. The procedure for carrying out Debt Management Operations is as follows:
- a) The Borrower will send CAF the Debt Management Operation Request, accompanied by a legal opinion from the Borrower's legal advisor, indicating the following: (i) that the obligations contracted by the Borrower in the Debt Management Operation Request comply with the applicable laws; (ii) that the transactions that must be accomplished to carry out the Debt Management Operation are legal, valid, binding and enforceable; and (iii) that once the Debt Management Operation has been carried out in accordance with the provisions herein, the Agreement will be understood as modified and that such modifications are legal, valid, binding and enforceable.
  - b) Both the Debt Management Request and the Debt Management Operation Confirmation must be delivered in original documents, duly signed by the respective Party, at the notification address that appears in the Article of these Special Conditions titled "*Communications*";
  - c) If CAF, in its sole discretion, approves the requested Debt Management Operation, it will send the Borrower a Debt Management Operation Confirmation within the expiration date of the offer that appears in the respective Debt Management Operation Request.
- 17.5. In relation to each Debt Management Operation, the Parties expressly agree that:
- a) unless the Parties agree in writing, the Debt Management Operation must cover the entire Outstanding Loan Balance;
  - b) as to the issuing of the Debt Management Operation Request, the Borrower is expressly, unconditionally and irrevocably obligated to perform with CAF and at CAF's option, the relevant Debt Management Operation, under the terms of the Requested Financial Conditions;
  - c) as of the granting by CAF of the Debt Management Operation Confirmation, the respective Debt Management Operation will be understood to have been concluded and perfected and, for all legal purposes, its terms and conditions will be binding on the Parties;
  - d) as to the Value Date, the Borrower's payment obligations in relation to the portion of the Loan that is the object of the respective Debt Management Operation, will be those contained in the corresponding Debt Management Operation Confirmation;
  - e) Debt Management Operations consisting of Currency Conversion do not extinguish or modify the Borrower's obligation to pay in Dollars and under the terms of the Agreement: (i) the Unpaid Loan Balance that has not been the subject of the Currency Conversion and (ii) the interest accrued until the Value Date;
  - f) Debt Management Operations consisting of Interest Rate Conversion do not extinguish or modify the Borrower's obligation to pay the interest accrued up to the Value Date, calculated at the Interest Rate; and
  - g) in matters not expressly modified by the Debt Management Operation Confirmation, the Borrower will continue to be bound under the same terms and conditions provided in the Agreement.
- 17.6. In the event that, in accordance with the Article of these Special Conditions titled "*Voluntary Prepayments*", the Borrower makes a voluntary advance payment in relation to a

portion of the Loan that has been the subject of a Debt Management Operation, the Borrower will pay to CAF, in addition to the provisions of the aforementioned Article, any other cost or penalty, any expense associated with the early termination of the Debt Management Operation, including, among others, the costs of financing breaking and the costs of early termination of derivative contracts that CAF would have incurred due to or on account of the respective Debt Management Operation.

17.7. The Parties may enter into supplementary agreements in relation to the Debt Management Operations by simple exchange of letters between their authorized representatives, provided that such supplementary agreements of the Loan do not result in substantial changes to the object, term or purpose of the Loan and an increase in the amount of the Loan in order to:

- a) establish, determine or develop additional conditions, protocols or procedures to those existing in the procedures outlined in Article 17.4 above; or
- b) agree modifications to the terms of the Annex titled "*Forms for Debt Management Operations*".

17.8. The supplementary agreements agreed in accordance with Article 17.7 above, will be binding on each of the Parties, will not release the Borrower in any way from the obligations assumed under the Agreement and will not be considered as novation for any other obligation set forth in this Agreement.

#### **ARTICLE 18. Communications**

18.1. Any notice, request or communication to be addressed by the Parties to each other for any matter relating to the Agreement shall be made in writing by means of a document signed by its Authorized Representatives and shall be deemed to have been made from the time the corresponding document is received by the addressee to the following addresses, unless the Parties agree otherwise in writing:

To CAF	Corporación Andina de Fomento
To the attention of:	Gianpiero Leoncini
	CAF Country Representative
Address:	8th Floor, Albion Plaza Energy Centre,
	22-24 Victoria Avenue
	Port of Spain
	Republic of Trinidad and Tobago

To the Borrower	The Government of Barbados
To the attention of:	Permanent Secretary, Finance
	Ministry of Finance, Economic Affairs and Investment
Address:	Government Headquarters
	Bay Street
	St. Michael, Barbados

18.2. Communications between the Parties may be transmitted to each other by means of one or more electronic transmissions and will have the same validity and binding force as if it were the original transmission printed, signed, sent and received, and will be considered to have been made from the moment the corresponding document is received by the

recipient as evidenced by the respective acknowledgment of receipt, at the electronic mail addresses indicated below. The validity or binding force of the aforementioned communications will not be denied for the sole reason that one or more electronic transmissions have been used in their formation.

18.3. For the purposes of Article 18.2 above, the corresponding documents shall be presumed authentic by the fact that they originate from those persons who appear as Authorized Representatives pursuant to the Article of the General Conditions titled "*Authorized Representatives*", in the terms and conditions mentioned in that document.

To CAF Electronic mail	Corporación Andina de Fomento <a href="mailto:trinidadandtobago@caf.com">trinidadandtobago@caf.com</a> Cc: <a href="mailto:gleoncini@caf.com">gleoncini@caf.com</a> ; <a href="mailto:sledesma@caf.com">sledesma@caf.com</a>
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To the Borrower Electronic mail	The Government of Barbados <a href="mailto:BarbadosLoans@gob.bb">BarbadosLoans@gob.bb</a>
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To the Executing Agency Electronic mail	Permanent Secretary, Finance Ministry of Finance, Economic Affairs and Investment <a href="mailto:BarbadosLoans@gob.bb">BarbadosLoans@gob.bb</a>
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18.4. In any case, CAF reserves the right to notify the Borrower that all or part of the documentation to be presented or sent to CAF in accordance with the provisions of the Agreement will be considered to be delivered only when received at the physical addresses indicated in Article 18.1 above.

#### **ARTICLE 19. Arbitration**

19.1. Any disagreement or discrepancy arising from the Agreement shall be resolved in accordance with the stipulations of the Article in the General Conditions titled "*Arbitration*".

#### **ARTICLE 20. Agreement Stipulations and Competent Jurisdiction**

20.1. The Agreement is governed by the provisions of these Special Conditions, the General Conditions and the Annexes. The rights and obligations established in the Agreement are valid and enforceable in accordance with its terms, without regard to the legislation of a given country. For any other issues that are not expressly provided for in the Agreement, the legislation of the Country shall apply.

#### **ARTICLE 21. Prevalence between Agreement Provisions**

21.1. In any other matter not expressly provided for in the Special Conditions or in the Annex, the General Conditions shall apply.

21.2. In the case of a discrepancy between any stipulation of the Special Conditions and the General Conditions, the provisions of these Special Conditions will prevail.

21.3. In the case of a discrepancy between any provision of the Annex and the General Conditions, the provisions of the General Conditions shall prevail.

21.4. In the case of a discrepancy between any stipulation of these Special Conditions and the Annex, the provisions of the Special Conditions shall prevail.

21.5. In the case of a discrepancy between any stipulation in a document that constitutes the Agreement, the specific provision shall prevail over the general provision

21.6. The Parties agree to waive Article 3 of the General Conditions titled "*Utilization of Loan Proceeds*". Moreover, all references to "Evaluation Expenses" in the General Conditions are not applicable in this Agreement.

**ARTICLE 22. Annexes**

22.1. The following Annexes are part of the Agreement:

- a) the "Technical Annex"; and
- b) the "Annex Forms for Debt Management Operations".

**ARTICLE 23. Effective Date**

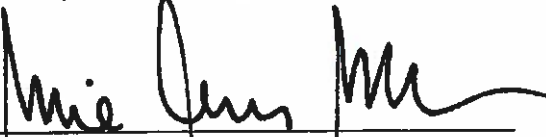
23.1. The Parties hereby agree that the Agreement shall enter into force on the date of its signature (hereinafter referred to as the "Effective Date").

**ARTICLE 24. Termination**

24.1. The Agreement and all the obligations thereunder shall conclude with the total payment of the Loan (capital, interest, commissions and any other expenses) and the fulfilment of all of the obligations set forth in the Agreement.

**IN WITNESS WHEREOF**, CAF and the Borrower, acting through its authorized representatives, have signed this Loan Agreement, in two (2) equally authentic copies on the date written below their representative signatures.

**The Government of Barbados**



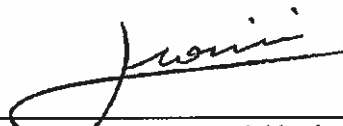
The Honourable Mia Amor Mottley, Q.C., M.P.  
Prime Minister and Minister of Finance,  
Economic Affairs and Investment

Place: BRIDGETOWN

BARBADOS

Date: 24/11/2021

**Corporación Andina de Fomento**



Gianpiero Leoncini León Velarde  
CAF Representative

Place: PORT OF SPAIN

TRINIDAD AND TOBAGO

Date: 18/11/2021

**LOAN AGREEMENT**  
**BETWEEN**  
**THE GOVERNMENT OF BARBADOS**  
**AND**  
**CORPORACIÓN ANDINA DE FOMENTO**  
**DOCUMENT II**  
**GENERAL CONDITIONS**

**Article 1. Definitions**

1.1. The following terms shall have the following meanings for the purposes of the Agreement:

**Agreement:** is the agreement signed by the Parties consisting of the Special Conditions (Document I), the General Conditions (Document II) and the Annex (Document III).

**Alternative Reference Rate:** is (i) the reference rate determined by CAF; plus (ii) an adjustment reasonably determined by CAF, to preserve the financial management between assets and liabilities, without giving rise to a commercial advantage in favour of CAF.

**Annexes:** are the Technical Annex and the rest of the related documents which are in the Clause of the Special Conditions titled "*Annexes*", which are an integral part of the Agreement.

**Authorized Representatives:** will have the meaning assigned to said term in Article 38 of the General Conditions titled "*Authorized Representatives*".

**Base Rate:** is LIBOR, or the Alternative Reference Rate according to the Article of the Special Condition titled "*Interest*".

**Basis Point:** is one one-hundredth (1/100) of one percent (1%).

**Borrower:** shall have the meaning ascribed to that term in the Special Conditions.

**Business Day:**

- a) exclusively to determine the date on which a Disbursement or payment for principal, interest, commissions, expenses, etc. must be settled; a day on which banks are open to the public in New York City, United States of America;
- b) exclusively for purposes of determining LIBOR, the term "*Business Day*" shall have the meaning ascribed to it in the definition of LIBOR; and
- c) for any other purpose, is any day that is not a Saturday, Sunday, holiday or is not

considered a working day in Caracas, Bolivarian Republic of Venezuela and in Bridgetown, Barbados.

**CAF:** shall have the meaning ascribed to that term in the Special Conditions.

**CAF Environmental and Social Safeguards:** refers to the compilation of environmental and social principles, standards and procedures that aim to guarantee the environmental sustainability and social responsibility of the operations financed by CAF in the framework of the fulfilment of its institutional mission of promoting sustainable development and which are published (in Spanish) in the following link:

<https://www.caf.com/media/30035/salvaguardas-ambientales-y-sociales.pdf>

**Commitment Fee:** is the commission that the Borrower must pay to CAF for reserving the availability of the Loan, determined in the Article of the Special Conditions titled "*Commitment Fee*".

**Country:** is the Borrower's and Executing Agency's country.

**Days:** any reference to days without specifying whether they are calendar days or business days shall be understood to mean calendar days.

**Debt:** is any obligation (incurred as debtor, borrower, issuer, endorser, or guarantor) for the payment or repayment of money, whether current or future, direct or contingent, of any person pursuant to an agreement or instrument that involves or evidences money lent or received or that substantially produces the same economic effects.

**Default Interest Rate:** shall have the meaning ascribed to that term in Article 10 of these General Conditions titled "*Default Interest*".

**Disbursement:** is the act whereby CAF makes available to the Borrower a specific amount of money charged to the Loan in accordance with the modalities provided for in Article 5 of these General Conditions titled "*Disbursement Modalities*".

**Disbursement Request:** means the document to be submitted by the Borrower directly or through the Executing Agency to CAF, in a form and content satisfactory to CAF.

**Dollars or USD:** is the legal tender of the United States of America.

**Effective Date:** it will have the meaning assigned to said term in the Article of the Special Conditions titled "*Effective Date*".

**Executing Agency:** shall have the meaning ascribed to that term in the Article of the Special Conditions titled "*Executing Agency*".

**Finance Fee:** is the commission that the Borrower must pay to CAF for granting the Loan determined in the Article of the Special Conditions titled "*Finance Fee*".

**Force Majeure or Fortuitous Event (Act of God):** is the natural or deliberate cause that

produces an extraordinary, unforeseeable, and irresistible event, not attributable to the Borrower or CAF, that prevents the execution of any of the Borrower's obligations other than the payment obligations assumed hereunder, or that determines its partial, late or defective compliance, or the impossibility of compliance, for whomever is obligated to provide a service.

**General Conditions:** are the general rules, including those related to definitions, repayment, interests, commissions, inspection and surveillance, conversions, disbursements, as well as others related to the execution of the Programme or Project herein which form an essential part of the Agreement and which, unless otherwise expressly agreed in writing in the Special Conditions, shall be binding upon CAF and the Borrower.

**Grace Period:** is the period between the Effective Date and the maturity date of the first Instalment of the principal, in accordance with the Article of the Special Conditions titled "*Loan Repayment*". During this period, the Borrower shall pay CAF the contracted interest and commissions.

**Instalment:** refers to each principal amortization instalment that the Borrower must pay to CAF on each Interest Payment Date in accordance with the provisions of the Article of the Special Conditions titled "*Loan Repayment*".

**Interest Payment Date:** is the last Business Day of each six (6) month period counted from the Effective Date.

**Interest Period:** is each six (6) month period commencing on an Interest Payment Date and ending on the next immediate Interest Payment Date, except, in the case of the first period, for which Interest Period shall be the period commencing on the day the First Disbursement occurs and ending on the next immediate Interest Payment Date.

**Interest Rate:** shall have the meaning ascribed to that term in the Article of the Special Conditions titled "*Interest*".

**LIBOR:** For any Interest Period, the London interbank offered interest rate (expressed as an annual percentage) for loans with a maturity of six (6) months, denominated in Dollars, calculated by the ICE Benchmark Administration ("*IBA*") (or by any other person which takes over administration of such rates) as set forth on the relevant pages of Reuters Service (or appropriate successor) currently display page LIBOR01, Bloomberg Financial Market Service (or appropriate successor) currently display page BBAM, or on any other similar information system of international repute which publishes the corresponding rates (each a "*Screen Rate*") at 11:00 a.m. (London time) two (2) Business Days prior to the commencement of such Interest Period. For the sole purpose of determining LIBOR in accordance with this definition, "*Business Day*" means a day on which commercial banks are generally open to settle payments in New York City, United States of America, and on which banks are open for foreign exchange transactions in the interbank market in London, United Kingdom. If for any reason whatsoever, a Screen Rate for LIBOR is not available on the interest rate determination date, (whether permanently or temporarily), CAF shall notify the Borrower and in lieu thereof, shall determine LIBOR for said date by calculating the arithmetic mean of the offered rates which it has received on or about 11:00 am (New York

time) two (2) Business Days prior to the commencement of such Interest Period, for loans in Dollars by one or more New York prime banks selected by CAF at its discretion. For the sole purpose of determining LIBOR in accordance with this definition in the exclusive event that quotes are obtained on or about 11:00 am (New York time), "Business Day" means a day on which commercial banks are generally open to settle payments in New York City, United States of America. In all events in which a Screen Rate is not available on an Interest Rate Determination Date, CAF's arithmetic calculations shall be rounded upwards, if necessary, to the nearest four (4) decimal places. All LIBOR determinations shall be made by CAF and shall be conclusive in the absence of manifest error.

**Loan:** shall have the meaning ascribed to that term in the Special Conditions.

**Margin:** is the amount equal to the Basis Points established in the Article of the Special Conditions titled "*Interest*" to be added to the Base Rate to determine the Interest Rate.

**Month:** refers to the period that elapses between one day and the same date of the following month. The term of a Month may therefore be 28, 29, 30 or 31 days.

**Outstanding Loan Balance:** means, at any time, the amount of the Borrower's outstanding Loan principal owed to CAF.

**Parties:** means CAF as creditor and the Borrower as debtor.

**Prohibited Practices:** means to offer, give, receive or solicit, directly or indirectly, anything of value that would unduly influence the actions of another party as well as any act or omission, including misrepresentation of facts and circumstances, that knowingly or recklessly misleads or attempts to mislead any party to obtain a financial or other benefit or to avoid an obligation; damage or cause injury, or threaten to damage or cause damage, directly or indirectly, to any party or its property in order to unduly influence the actions of one party; an agreement between two or more parties made with intent to accomplish an improper purpose, including inappropriately influencing the actions of another party; destroying, falsifying, deliberately altering or concealing evidence; or any act intended to materially impede the exercise of CAF's inspection and supervision rights in accordance with the provisions of this Agreement.

**Special Conditions:** are the provisions of a particular nature that are obligatory to regulate the specific relationship between CAF and the Borrower contained in the document of the same name that forms an essential part of the Agreement.

**Technical Annex:** is the document identified as such, which is an integral part of the Loan Agreement and contains the detailed technical description of the Project or Programme, including its corresponding components.

1.2. In the cases where the context of these conditions allows it, words in the singular include the plural and vice versa.

1.3. The headings of the Articles have been established to facilitate their identification



only, the headings not contradicting in any form what is established in the text of the Article itself.

1.4. All terms defined in the Agreement shall have the same meaning when used in any communication or other document drawn up, presented or delivered hereunder, unless otherwise stipulated or expressly stated therein to have a different meaning.

## **Article 2. Non-Financeable Activities Under this Loan Agreement or with the Loan Proceeds**

2.1. Loan proceeds shall not be used to finance the following activities:

- a) speculation;
- b) gambling and casinos;
- c) operations related to the war industry;
- d) political activities;
- e) production or commercialization of polluting substances or species;
- f) illegal activities according to the law of the Country; and/or
- g) other activities that CAF determines from time to time and reports in writing to the Borrower.

## **Article 3. Utilization of Loan Proceeds**

3.1. The Borrower agrees:

- a) to use the resources of the Loan exclusively for the purposes set forth in the Agreement and to carry out the activities described herein in full compliance with this Agreement and with the law of the Country applicable to the Borrower and the Executing Agency;
- b) not to use, directly or through the Executing Agency, the resources of the Loan in activities related, directly or indirectly, with money laundering, nor with the financing of terrorism, nor by natural and / or legal persons related to them, nor in relationship with Prohibited Practices.

3.2. CAF may, at any time, request documents and information it may consider necessary in order to determine whether the utilization of the proceeds complies with the provisions of the Agreement, granting, in each case, the deadline the Borrower or the Executing Agency, as appropriate, shall meet and present the required documents and information, as appropriate.

3.3. In the event of non-compliance with these obligations, CAF will have the right to: (i) suspend the Disbursements and the execution of its other obligations under the Agreement; and/or (ii) declare the Loan due, without the need for any judicial or extrajudicial requirement, and the Borrower will not be able to invoke an arbitration in its favour; and/or (iii) require the Borrower to return the proceeds in respect of which such obligations were breached, together with their corresponding interests. In this last event, the Borrower will be obliged to make the refund from the date of CAF's request in this regard.

## **Article 4. Borrower Statements**

4.1. The Borrower states and declares to CAF that whoever (i) signs the Agreement by the Borrower and (ii) will sign the documents sent to CAF for cause or on the occasion of the Agreement, is duly authorized to act on their behalf and representation, and that all the requirements and formalities that are applicable to it have been fulfilled and therefore it is

authorized to subscribe and link the Borrower in the terms of this Agreement.

**Article 5. Disbursement Modalities**

5.1. The Loan may be implemented by CAF through one or more of the modalities mentioned below:

**a) Direct transfers**

CAF may carry out direct transfers of resources at the expense of the Loan, to the Borrower or the Executing Agency, as appropriate, to the account indicated in the respective Disbursement Request, and according to the procedures used by CAF for this type of Disbursement, provided that said transfers are for an amount greater than that indicated by CAF; and/or

**b) Other modalities**

Other modalities agreed by the Parties in accordance with the provisions of Article 41 of these General Conditions titled "*Modifications*".

5.2. For the purposes of the provisions of Article 5.1 above, the Borrower, directly or through the Executing Agency, must submit to CAF, with the Disbursement Request, any other information and documentation required by CAF.

**Article 6. Terms for Requesting Disbursements and Disbursing the Loan**

6.1. The Borrower, directly or through the Executing Agency, shall request the Disbursements from CAF (i) within the terms established in the Article of the Special Conditions titled "*Disbursement Period*"; (ii) by presenting a Disbursement Request duly completed and signed by an Authorized Representative of the Borrower or the Executing Agency, as appropriate, and (iii) complying with the conditions provided in Article 7 of these General Conditions titled "*Conditions Precedent to Disbursements*", and the Article of the Special Conditions titled "*Special Conditions*".

6.2. Each Disbursement Request will be irrevocable for the Borrower. Upon sending the Disbursement Request to CAF, the Borrower or the Executing Agency, in the name and on behalf of the Borrower, shall clearly, expressly, unconditionally and irrevocably undertake to:

- a) receive from CAF, as a loan, the amount of the Disbursement requested in the terms agreed by CAF;
- b) pay to CAF the capital and interest of the Disbursement under the terms provided in this Agreement; and
- c) make any other obligatory payments and assume the costs that may arise in the terms of the Agreement.

6.3. Upon expiration of the terms to request the first and the last of the Disbursements, as the case may be, the Borrower may not request any other Disbursement, nor complete the documentation pending at that date regarding any Disbursement Request previously submitted. Should this situation arise, CAF will be expressly empowered not to disburse any amount and will send the Borrower a communication to this effect.

**Article 7. Conditions Precedent to the Disbursements**

7.1. Loan Disbursements will be subject to compliance with the following conditions precedent to CAF's satisfaction:

a) For the first Disbursement:

1. CAF shall have received a Legal Opinion stating, with reference to the relevant constitutional, legal and statutory provisions, that the obligations assumed by the Borrower and the Executing Agency in this Agreement are legal, valid, binding and enforceable. Such opinion shall also cover any matter that CAF considers relevant;
2. CAF shall have received to its satisfaction a list of names and signatures of the persons representing the Borrower and the Executing Agency in all activities related to the execution of the Agreement;
3. CAF shall have received the payment of the Evaluation Expenses and of the Finance Fee, or, if applicable, that the Borrower and/or the Executing Agency, as appropriate, has authorized CAF in writing to deduct said amounts from the first Disbursement;
4. Any others established as such in the Special Conditions.

b) For all Disbursements, including the first one:

1. The Borrower and/or the Executing Agency, as appropriate, shall have submitted a written Disbursement Request to CAF, with the documents and other background information that CAF has requested for that purpose;
2. That none of the circumstances described in Articles of these General Conditions titled "*Suspension of CAF's Obligations*", "*Suspension of Obligations for Reasons Beyond the Control of the Parties*" or "*Declaration of Expired Term of the Loan*" have occurred;
3. That the modality of implementation of the Disbursement does not contravene or is linked to any activity that contravenes:
  - a) any local norm of any country, or any regional, supranational, community norm, including but not limited to the norms of the CAF Shareholder Countries, the members of the European Union or the United States of America, related to combating money laundering and the prevention of terrorist financing and/or the requirements and procedures of the policies and principles implemented by CAF, for the prevention and detection of money laundering and prevention of terrorist financing; and/or
  - b) any principle, recommendation or provision issued by the United Nations and/or any other body dedicated to combating money laundering and the prevention of terrorist financing, such as, but not limited to, the Financial Action Task Force (FATF), the Financial Action Group of Latin America (GAFILAT) and each of its other regional groups;
4. Others that may be established as such in the Special Conditions.

**Article 8. *Pari Passu* Ranking**

8.1. The Borrower undertakes to maintain the payment obligations it assumes under the Agreement with the same ranking and preference in priority of payment and in all other respects with all its other existing or future non-subordinated indebtedness, without prejudice of the priorities and privileges provided in the law of the Country applicable to the

Borrower.

**Article 9. Interest**

9.1. From the date of the first Disbursement, the Outstanding Loan Balance shall accrue interest at the annual rate resulting from the application of the Article of the Special Conditions titled "*Interest*".

9.2. Interest shall be payable until the full repayment of the Loan occurs. Interest shall be calculated on the basis of one year equal to three hundred sixty (360) days in relation to the number of calendar days actually elapsed. For the purpose of calculating interest, the first day of each Interest Period shall be included but not the last day. All determinations regarding the applicable Interest Rate for each Interest Period shall be made by CAF and shall be conclusive in the absence of manifest error.

**Article 10. Default Interest**

10.1. Any delay in the payment of any amount due to CAF under the Agreement shall constitute an automatic default for the Borrower without the need for any judicial or extrajudicial requirement. The Borrower may not invoke arbitration in its favour.

10.2. In the event of a default, the Borrower shall pay CAF default interest on the portion of the matured principal at the variable annual rate resulting from adding the Margin plus two hundred (200) Basis Points (2%), to the highest Base Rate in effect during the period between the date the payment was due (for a maturity specifically set forth in the Agreement or otherwise set forth in the Agreement) and the effective date of payment, hereinafter, the "Default Interest Rate." The "*Default Interest Rate*" calculated in accordance with the provisions herein shall be applicable until such time as the total payment of the amount owed occurs.

10.3. Without prejudice to the charge of a Default Interest Rate, in the event of default by the Borrower, CAF may suspend Disbursements and its compliance with its obligations under the Agreement and/or declare the expiration of the term of the Loan in accordance with Articles 24 and 25 of these General Conditions titled "*Suspension of CAF's Obligations*" and/or "*Declaration of Expired Term of the Loan*".

10.4. Default Interest Rate shall be calculated on the basis of one year equal to three hundred and sixty (360) days in relation to the number of calendar days actually elapsed. All determinations of a Default Interest Rate shall be made by CAF and shall be conclusive in the absence of manifest error.

**Article 11. Non-Business Day Maturities**

11.1. Any instalment falling due on a non-Business Day shall be extended to the immediately following Business Day. The above shall not apply when the next following Business Day corresponds to another calendar year, in which case the due date shall be the last Business Day of the calendar year in which the original period matures.

11.2. Any reference to semester or semi-annual period shall refer to an uninterrupted period of six (6) calendar months. If the semi-annual period matures on a non-Business Day, it shall be deemed to be extended to the first Business Day of the following month.

**Article 12. Expenses**

12.1. All expenses incurred by CAF after the Effective Date such as trips, specialized consultancies, attorneys' fees, expert opinions, appraisals, notarial procedures, registrations and other, shall be the Borrower's exclusive responsibility and for the Borrower's account, which shall make the applicable advance payment or reimbursement within thirty (30) days following request. In all circumstances these expenses must be duly justified by CAF.

**Article 13. Currency Used for Loan Disbursement**

13.1. The Loan shall be disbursed in Dollars.

**Article 14. Currency Used for Loan Payment**

14.1. The Borrower expressly undertakes to pay exclusively in Dollars any sum outstanding for principal, interest, commissions, expenses and any other charge due to, or in connection with, the Agreement.

**Article 15. Place of Payments**

15.1. Any payment to be made by the Borrower to CAF because of, or in connection with, the Agreement shall be made in the places and bank accounts that CAF communicates in writing to the Borrower.

15.2. The Borrower's payment obligations derived from this Agreement will only be considered fulfilled or satisfied on the date that CAF effectively receives said payments, in liquid funds and immediately available in the account indicated by CAF.

**Article 16. Application of Payments**

16.1. Any payment made by the Borrower to CAF because of, or in connection with, the Agreement shall be charged in accordance with the order of precedence set forth below:

- a) expenses and charges;
- b) fees;
- c) Default Interest, if applicable;
- d) Expired compensatory interest;
- e) repayment of past-due instalments.

16.2. CAF reserves the right to modify the order of priority provided in this Article if considered appropriate. In such case, CAF will notify the Borrower in writing in accordance with the provisions of the Clause of the Special Conditions titled "*Communications*".

**Article 17. Commitment Fee**

17.1. The Commitment Fee will be due and payable upon a sixty (60) day period from the Effective Date, and shall be calculated at each instance on the undisbursed balances of the Loan.

17.2. The Payment of the Commitment Fee will be made at the expiration of each of the six (6) Month period counted from the Effective Date, on each Interest Payment Date.

17.3. The Commitment Fee shall be calculated on the basis of one year equal to three

hundred and sixty (360) days in relation to the number of calendar days actually elapsed.

17.4. The Commitment Fee will cease, in whole or in part, to the extent that:

- a) All or part of the Loan has been disbursed; or
- b) The obligation to disburse the Loan has been totally or partially null and void, in accordance with the Articles of these General Conditions titled "*Term for Requesting Disbursements and Disbursing the Loan*", "*Suspension of CAF's Obligations* " and "*Declaration of Expired Term of the Loan*"; or
- c) Disbursements have been suspended for causes not attributable to the Parties, in accordance with the Article of these General Conditions titled "*Suspension of Obligations for Reasons Beyond the Control of the Parties*".

**Article 18. Finance Fee**

18.1. The Finance Fee shall be incurred upon the sole occurrence of the Effective Date. The Borrower shall pay the Finance Fee to CAF on the Effective Date, or no later than the date of the first Loan Disbursement.

**Article 19. CAF's Environmental and Social Safeguards**

19.1. The Borrower and/or the Executing Agency, as appropriate, shall comply throughout the term of the Agreement (i) with CAF's Environmental and Social Safeguards, operative as of the Effective Date; (ii) with the provisions of the environmental and social legislation in force in the Country and applicable to the Programme or Project and/or to the Loan; and (iii) with the specific provisions of the Special Conditions of the Agreement.

19.2. The Borrower and/or the Executing Agency, as appropriate, undertake to immediately inform CAF of the occurrence of any breach of the obligations set forth in the Article 19.1 above.

19.3. The Borrower and/or the Executing Agency, as appropriate, undertake to implement a corrective Action Plan, agreed with CAF, to mitigate, correct and compensate for the adverse environmental and social consequences that arise due to or on the account of the Programme or Project.

In the event that CAF's Environmental and Social Safeguards are modified and/or updated after the Effective Date, CAF will notify said modification and/or update to the Borrower and/or the Executing Agency, as appropriate, as soon as possible by sending a communication in accordance with the Article of the Special Conditions titled "*Communications*". The said modification and/or update will not have retroactive effects; however, the Parties will agree on an action plan to adjust the Programme or Project to the corresponding modification and/or update.

**Article 20. Payment of Taxes and Other Surcharges**

20.1. The payment of Instalments, interests, commissions, expenses and other charges shall be made by the Borrower without any deduction for levies, taxes, costs, liens, rates, duties, tariffs, tax stamps, or other surcharges in force on the Effective Date, or that are established after this date. However, in the event that any payment is due for the aforementioned items, the Borrower shall pay CAF such sums so that the resulting net

amount, after paying, withholding or otherwise deducting all levies, taxes, costs, liens, rates, duties tariffs, tax stamps, or other surcharges in force at the time is equal to all the provisions stipulated in the Agreement.

20.2. Likewise, any tax burden imposed on the Agreement, the receipts, promissory notes or other documents derived therefrom shall be for the account of and exclusively charged to the Borrower.

**Article 21. Cancellation of Part or of the Total Amount of the Loan**

21.1. The Borrower may choose not to accept any part or the total amount of the Loan, by sending a written request seeking a cancellation to CAF at least fifteen (15) days prior to the effective date of the cancellation.

21.2. The non-acceptance or renunciation by communication in accordance with the provisions of sub-Clause 21.1 above shall be effective, upon CAF's written communication to the Borrower of its acceptance, the Borrower shall be responsible for all financial costs that CAF may incur as a result of such cancellation.

21.3. The non-acceptance or renunciation of all or part of the Loan, as well as the termination of this Agreement shall not give rise to the reimbursement of the corresponding share of the Finance Fee or the Evaluation Expenses.

**Article 22. Adjustment of Outstanding Instalments**

22.1. CAF will adjust the outstanding Instalments proportionally if by virtue of the provisions of the Article of the Special Conditions titled "*Disbursement Period*" and in the Articles of these General Conditions titled "*Term for Requesting Disbursements and Disbursing the Loan*", "*Cancellation of Part or of the Total Amount of the Loan*", "*Suspension of CAF's Obligations*", "*Suspension of Obligations for Reasons Beyond the Control of the Parties*" and/or "*Declaration of Expired Term of the Loan*", the Borrower's right to receive any part of the Loan is suspended or becomes null and void.

**Article 23. Suspension of CAF's Obligations**

23.1. CAF, by written notice to the Borrower may suspend Disbursements and the performance of its other obligations under the Agreement, whenever, and for as long as, any of the following circumstances arise:

- a) any delay in the payment of any sum owed by the Borrower to CAF for principal, interest, fees, expenses, charges or otherwise under the Agreement or any other agreement with CAF; or
- b) the breach of the Borrower or the Executing Agency to comply with any obligation set forth in the Agreement other than to pay sums of money to CAF on a specified date; or
- c) breach by the Borrower and/or the Executing Agency of any obligation stipulated in any another loan agreement with CAF; or
- d) the verification of inaccurate information or lack of information provided or to be provided by the Borrower or the Executing Agency prior to the execution of the Agreement or during its execution, that has affected the granting of the Loan; or;
- e) that in CAF's reasonable judgment a Prohibited Practice has been performed by an employee, agent or representative of the Borrower or of the Executing Agency, or of

- a third party who has received proceeds from the Loan at their request during the execution of the Project or Programme or in the use of the proceeds of the Loan.
- f) that in CAF's reasonable judgment a third party that has received proceeds from the Loan is involved in a Prohibited Practice, or in any activity classified as money laundering and/or terrorism financing and twenty (20) Business Days have passed since the Borrower and/or the Executing Entity had knowledge, or were notified by CAF of the occurrence of a Prohibited Practice or of an activity which is established as money laundering and/or terrorism financing, without the Borrower and/or the Executing Entity having taken the corrective measures that were necessary, acceptable to CAF and in compliance with the due process set forth in the Country's law (including the due notice to CAF);
  - g) any other circumstance provided for in the Agreement.

23.2. Notwithstanding letter f) above, CAF reserves the right to suspend at any time all Disbursements which purpose is to finance direct or indirect payments in favour of third parties that at CAF's reasonable criteria are involved in a Prohibited Practice, or in an activity which is established as money laundering and/or terrorism financing. In the event of such circumstance, CAF may immediately suspend the Disbursements which purpose is to finance direct or indirect payments in favour of such third party and the execution of its other obligations related to such third party and shall have the right to demand that the Borrower return the portion of the Loan that has been delivered to such third party, with its corresponding interest. Under this last scenario, the Borrower will be obliged to return the portion of the Loan with its corresponding interest on the date specified for such purpose in CAF's written communication in that regard.

**Article 24. Suspension of Obligations for Reasons Beyond the Control of the Parties**

24.1. CAF may suspend the execution of its obligations under the Agreement whenever any of the following circumstances occur:

- a) the withdrawal of the Borrower as a shareholder of CAF; or
- b) any event of Force Majeure or a Fortuitous Event (*Acts of God*) that prevents the Parties from complying with the obligations undertaken.

**Article 25. Declaration of Expired Term of the Loan**

25.1. CAF shall be titled to declare the Loan balance immediately due and payable in the following cases:

- a) when any of the circumstances described in Article 23 of these General Conditions titled "*Suspension of CAF's Obligations*" occurs, or when the situation described in Article 24 (a) of these General Conditions titled "*Suspension of Obligations for Reasons Beyond the Control of the Parties*" occurs; or
- b) whenever the events of *Force Majeure* or Fortuitous Events (*Acts of God*) referred to in Article 24 (b) of these General Conditions titled "*Suspension of Obligations for Reasons Beyond the Control of the Parties*" are prolonged for more than thirty (30) Business Days or the consequences arising therefrom are not or cannot be remedied within such period.

25.2. The sole verification of the occurrence of one of these cases will allow CAF to declare the Loan balance immediately due and payable without the need for any judicial



injunction or extrajudicial action. The Borrower, may not invoke arbitration in its favour. To this effect, CAF shall inform the Borrower, in writing of such decision. In such cases, CAF shall be expressly authorized to request the Borrower to immediately repay all sums due, including interest, fees, expenses and charges, accruing up to the date on which payment is made.

25.3. The Borrower expressly and irrevocably authorizes CAF to apply to the payment of any amounts owed by the Borrower under this Agreement the balances in favour of the Borrower that may exist in the possession of CAF for any reason. The foregoing shall proceed as a matter of law and CAF may exercise the powers conferred to it in this Agreement with no other requirement than the expiration of the amounts due by the Borrower, the expiration declaration by CAF or the non-compliance of any payment, without need of the Borrower's authorization or ratification or any judicial declaration.

**Article 26. Obligations of the Executing Agency**

26.1. The Borrower authorizes and empowers the Executing Agency to assume and carry out the procedures that are expressly assigned to said entity in the Agreement.

26.2. Notwithstanding the provisions of Article 26.1 above, the Borrower shall be solely responsible to CAF for compliance with the provisions of the Agreement.

**Article 27. Increase in the Programme or Project Cost, Additional Funding**

27.1. If during the execution of the Programme or Project, as appropriate, a modification of its total cost occurs, either due to an increase in its costs or due to modifications in its original scope, the Borrower undertakes to contribute with the additional resources that may be necessary to ensure the correct and timely execution of the Programme or Project. If this situation occurs, the Borrower and/or the Executing Agency, as appropriate, agrees to inform and supply CAF, in a timely manner, with the relevant documentation.

**Article 28. Selection of Alternative Financing Sources**

28.1. CAF, as a beneficiary of financial conditions from other sources of financing to which CAF has access during the term of the Agreement, may propose that the Programme or Project be financed with Loan resources, provided that (i) the Programme or Project qualifies as an eligible operation, at the discretion of CAF and with respect to the source of financing in question, and (ii) the Borrower undertakes to comply with the terms and conditions that are required by CAF for this purpose.

28.2. The Borrower and/or the Executing Agency give CAF their consent to share information about the Borrower, the Executing Agency, the Loan and/or the Agreement and/or the Programme or Project with the relevant entities in order to assess the viability of the application of the benefit in question and the compliance with the conditions required by said entity.

28.3. CAF will not incur any liability *vis-a-vis* the Borrower and/or the Executing Agency, regarding the approval or refusal of the request, granting, use, cancellation, termination or suspension of any benefit that could be generated from the alternative sources of financing referred to herein.

**Article 29. Special Conditions Arising from Specific Sources of Funds**

29.1. CAF will transmit to the Borrower the pertinent requirements and conditions that have been established by the sources of the resources that are used in the financing of the Loan.

**Article 30. Prohibited Practices**

30.1. The Borrower and the Executing Agency must take the necessary measures in order to prevent the commission of Prohibited Practices, for cause or on account of the Agreement; and/or of the contracts to be financed with resources from the Loan.

30.2. The Borrower and/or the Executing Agency, as appropriate, must inform CAF of any fact that is known to them, alleging the commission of any Prohibited Practice in the use of the funds granted under the Agreement; cooperate with CAF in any investigation that it carries out as a result of such allegations, and undertakes to supply the information and documentation that is required for such purposes.

30.3. The Borrower and the Executing Agency must take the necessary corrective measures so that the occurrence of a Prohibited Practice does not affect the development of the Programme or Project and/or the obligations under the Agreement.

**Article 31. Supervision**

31.1. CAF shall establish as appropriate such monitoring procedures as it deems necessary to ensure the normal execution of the Programme or Project, as applicable.

**Article 32. Reports**

32.1. During the term of the Loan, and in accordance with the terms indicated in each case, the Borrower shall submit, directly or through the Executing Agency, such reports as CAF deems appropriate regarding the use of the sums lent and the goods and services purchased with such sums, as well as the execution of the Programme or Project, as applicable.

**Article 33. Notice of Adverse Circumstances**

33.1. The Borrower shall inform CAF, directly or through the Executing Agency, as soon as it becomes aware of:

- a) any circumstance that hinders or could hinder the achievement of the objectives of the Programme or Project or the execution of the Agreement; and
- b) any amendment to the applicable country laws and regulations affecting the Borrower or the Executing Agency with respect to the execution of the Programme or Project, or compliance with the Agreement.

33.2. CAF may take any action it deems appropriate in accordance with the provisions of the Agreement.

**Article 34. Disclosure**

34.1. The Borrower undertakes to CAF the obligation to disclose that the Programme or Project, as the case may be, is executed with CAF's financing and, to this end, shall previously coordinate with CAF the form and means of such disclosures.

**Article 35. No Waiver**

35.1. CAF's delay in exercising any of its rights under the Agreement, or any omission in their exercise, shall not be interpreted as a waiver of such rights, nor as an acceptance of any circumstance whereby they could not be exercised.

35.2. Any waiver or modification of CAF's rights under this Agreement must be set forth in writing, and such waiver or modification shall be valid only for the specific circumstance and purpose for which it was granted.

**Article 36. Assignment, Transfer and Disposition of the Loan Agreement**

36.1. CAF, maintaining its contractual position, may, in whole or in part, without any limitation, participate in, transfer or otherwise dispose the rights over the Loan or over the cash flow derived from its rights over the Loan without prior notice or consent of the Borrower. For this purpose, CAF is authorized to share the required information with the relevant entities.

36.2. In the event that CAF assigns its contractual position, the assignee shall assume CAF's contractual position in the Agreement with respect to the Borrower and shall be bound by the same conditions as agreed by CAF with the Borrower, which is expressly and irrevocably authorized by the Borrower by subscribing to this Agreement. The assignment of CAF's contractual position must comply with the requirements of the legislation of the Country.

36.3. The Borrower may not assign, transfer or otherwise dispose of the rights and obligations under the Agreement, except with the express prior written permission from CAF.

**Article 37. Arbitration**

37.1. Any controversy or discrepancy that has a direct or indirect relationship with the Agreement, except for those relating to the execution of payment obligations past due by the Borrower, as well as those referred to the exemptions, immunities and privileges of CAF, shall be submitted to the consideration of the Parties, who by mutual agreement shall make their best efforts to reach a solution thereto within a period of ninety (90) days from the date on which one Party notifies the other Party in writing of the aforementioned controversy or discrepancy.

37.2. If no resolution of the controversy or discrepancy, is obtained in accordance with the preceding Article 37.1, the Parties shall submit the controversy or discrepancy to an independent Arbitral Tribunal for decision.

The arbitration shall be definitively resolved and settled in accordance with Article 37.2 and the Arbitration Rules of UNCITRAL (United Nations Commission on International Trade Law).

37.3. Language of Arbitration, Composition and Designation of the Members of the Arbitral Tribunal:

- a) the language of the arbitration shall be English;
- b) the Arbitral Tribunal shall be composed of three members: CAF and the Borrower

shall each designate one member and the third (hereinafter the "*Chairman*") shall be designated by direct agreement between the Parties or through their respective arbitrators.

**37.4. Initiation of the Procedure:**

- a) in order to submit a controversy to the arbitration procedure, the claimant Party shall address a written communication to the other Party stating the nature of the claim, the satisfaction or compensation that it seeks and the name of the arbitrator it appoints;
- b) the Party receiving such communication shall, within forty-five (45) days after the receipt of such communication, state its position regarding the claim and communicate to the adverse Party the name of the person it appoints as arbitrator.

**37.5. Convening of the Arbitral Tribunal:**

The Arbitral Tribunal shall be convened in the city it appoints. The Arbitral Tribunal shall install on the date on which the Chairman decides and, once convened, shall meet on the dates also established by the Arbitral Tribunal.

**37.6. Rules to be followed by the Arbitral Tribunal:**

The Arbitral Tribunal shall be subject to the following rules:

- a) the Arbitral Tribunal shall be competent to hear only the controversy brought before it by the Parties, shall adopt its own procedure and may, of its own initiative, designate whatever experts it considers necessary. In any event, it shall give the Parties the opportunity to make presentations.
- b) the Arbitral Tribunal shall rule in law on the basis of the terms of the Agreement and shall issue an award even if either Party fails to appear or present its case.
- c) with respect to the arbitral award:
  1. it shall be evidenced in writing and adopted by the concurring vote of at least two (2) of the arbitrators;
  2. it shall be rendered within sixty (60) Business Days following the date on which the Chairman is appointed, unless the Arbitral Tribunal determines that due to special and unforeseen circumstances such period should be extended;
  3. it shall be notified to the Parties in writing, with a communication signed by at least two (2) members of the Arbitral Tribunal;
  4. it must be complied within thirty (30) Days following the date of notification; and
  5. it shall be final, binding upon the Parties and will not be subject to any appeal.

**37.7. Fees and Expenses:**

- a) The fees of each arbitrator shall be paid by the Party that appointed it and the fees of the Chairman shall be paid by both Parties in equal proportion;
- b) Prior to convening the Arbitral Tribunal, the Parties shall agree on the remuneration of the other persons who, by mutual agreement, they deem should take part in the arbitration proceedings. If such agreement is not reached in a timely manner, the Arbitral Tribunal itself shall determine the compensation that may be reasonable for such persons under the circumstances; and
- c) Each party shall defray its own expenses in the arbitration proceedings, but the expenses of the Arbitral Tribunal shall be borne equally by the Parties. Any doubt regarding the division of costs or the manner in which they are to be paid shall be

determined, without appeal, by the Arbitral Tribunal.

**37.8. Notifications:**

Any communication relating to the arbitration or the arbitral award shall be made in the manner provided for in the Agreement. The Parties waive any other form of notification.

**37.9. Waiver:**

The Borrower and the Executing Agency irrevocably waive, to the fullest extent permitted by the laws of the Country, any immunity or privilege enjoyed by them.

**Article 38. Authorized Representatives**

38.1. The Borrower directly or through the Executing Agency shall submit to CAF in a timely manner a list of names and signatures of persons who will represent them as authorized representatives in the various activities related to the Agreement. The said list shall be certified by the person authorised for such purpose and communicated in accordance with the procedure established in the Article of the Special Conditions titled "*Communications*".

38.2. The Borrower and the Executing Agency shall notify CAF of any change in the designation of the authorized representatives. Until such time as CAF receives the list of authorized representatives, it shall be understood that only the person or persons signing the Agreement on behalf of the Borrower shall represent the Borrower and the Executing Agency as the authorized representative.

**Article 39. Indemnity**

39.1. The Borrower undertakes to indemnify and compensate for any damage or injury caused to CAF or to any of its officers, employees, shareholders, agents, advisors or representatives, derived from any type of claims, collections, litigations, losses, damages, costs, penalties or expenses (including legal expenses) that arise due to or on the occasion of the Agreement and/or the execution of the Programme or Project, as appropriate, excluding the damages or harm exclusively arising from the fault or wilful misconduct of CAF or of the indemnified corresponding party.

**Article 40. Partial Nullity**

40.1. In the event that any provision of this Agreement is considered prohibited, void, voidable, ineffective or unenforceable in a coercive or executive manner in any jurisdiction, said provision will be considered without any effect in regards to this Agreement, without affecting or invalidating the rest of the provisions, or the validity, or enforceability of said provision in any other jurisdiction.

**Article 41. Modifications**

41.1. Any modification to the Agreement must be approved in writing duly executed by the Parties, with full compliance with the requirements of the applicable law.

41.2. The Parties by a simple exchange of letters between their Authorised Representatives may:

- a) establish, determine or develop additional conditions, protocols or procedures to those existing in the Technical Annex; or

- b) agree to modifications of the terms in the Technical Annex that specifically contemplate the possibility of being modified by these means;
- c) agree on other disbursement modalities as indicated by CAF, in accordance with the terms of Article 5 in these General Conditions titled "*Disbursement Modalities*";
- d) at the request of the Borrower and as provided in the law of the country, agree on the change of the entity designated as the Executing Agency as provided for in the Article of the Special Conditions titled "*Executing Agency*".

41.3. The modification agreed to in accordance with Article 41.2 above:

- a) cannot constitute or contain changes in the objective, term or destination of the loan resources and cannot lead to an increase in its amount;
- b) will be mandatory for both Parties and will not exempt the Borrower from the obligations assumed under the Contract, and will not be considered as novation of the obligations assumed by any Party.

**Article 42. CAF's Immunities, Exemptions and Privileges**

42.1. Nothing in the Agreement can or shall be interpreted as a waiver of the privileges, exemptions and immunities granted by the Agreement Establishing CAF (*el Convenio Constitutivo*), by the agreements signed with the Country, and/ or by the agreements signed with its other Shareholder Countries nor by their respective legislations.

**Article 43. Effective Date**

43.1. The Effective Date of the Agreement shall be that established as such in the Article of the Special Conditions titled "*Effective Date*".

## **DOCUMENT III**

### **TECHNICAL ANNEX**

#### **Sector Wide Approach Programme (SWAP) to support the Land Transportation Sector in Barbados**

##### **Programme Description**

Barbados is a Small Island Developing State, with a population of 286 thousand inhabitants, located in the South Eastern Caribbean, with an open economy and limited access to natural resources. Tourism is the island's largest industry employer and leading source of foreign exchange earnings, meaning its evolution has an important impact on the economy and on the general well-being of the population. The Government of Barbados recognizes the relevant role of tourism and its related activities as a powerful instrument for economic growth and development; in fact, during the last few years several important investments have been made in the upgrading of the airport, port, road facilities and mobility, searching for sustainability both from an economic and environmental perspective.

In this context, the strategic principles stated in the Barbados' Physical Development Plan (PDP) provide a vision for sustainable growth and development, setting policies to guide land use, mobility, community facilities, physical infrastructure and environmental management, and a framework to guide investment decisions around the island to foster economic, environmental, physical and social well-being. The plan also addresses the critical impacts of climate change and guides the future development strategy of the island, protecting natural systems and reducing natural disaster risks. This planning framework builds upon the expansive growth that occurred during the last 20 years, but also promotes reinvestment and growth of the urban sector in a safe, logical and orderly fashion ensuring protection of core assets, reduction of environmental risks and ecological scarcities, promotion of sustainable development and efficiency in delivery of infrastructure.

Following the PDP, in particular, the component related to mobility and accessibility, the Ministry of Transport, Works and Water Resources (MTWW) developed a Strategic Plan 2019-2030 "Providing Excellence in Transport Services". This plan provides a roadmap for transformation of the transport, public works and maintenance sectors, with a view to ensuring greater efficiencies in the implementation of projects, improvements in the level of transport services, enhanced maintenance and increased environmental accountability for public infrastructure and transport projects and policies, providing access to employment, education, health, tourism and other services. This strategic plan centers on mobility of goods and people, combining motorized vehicles with non-motorized and aquatic vehicles, promoting public safety, and recognizing the relationship between climate change and transportation.

##### **A. Objective**

The main objective of the Programme is to support Barbados' management, planning and public investment for the development of land transportation, through actions including

changes to the regulatory framework, sector and strategic plans, execution of various initiatives for institutional strengthening, modernization of systems and processes, and quality improvement of infrastructure, mainly the road network.

## **B. Description and Components**

Based on the sector's context and main goals established in Barbados's Physical Development Plan, the Programme seeks to recognize actions aimed at improving management and level of service of the land transportation sector, especially through the following components:

### **(i) Planning and management of the transportation sector**

Barbados is working on the production and update of various components of its transportation sector planning framework. As is the case with the Physical Development Plan, which is currently being revised, in order to adapt and improve the original version (2017) to include specific considerations related to the competitiveness of the tourism sector. Also, a new governance and management scheme for the mass transport sector is in process, searching for better public transportation quality of service, promoting the development of touristic corridors, multimodal nodes, active transportation, etc.

As mentioned, the PDP promotes the development of multi-modal mobility nodes, pedestrian priority and active travel. In this context, and as a service to tourism, a Pedestrianisation Plan for Bridgetown has been presented to Cabinet, with interventions that privilege moving around the central part of Bridgetown by foot, improving access to public transportation and controlling, or even restricting, the use of private vehicles in certain areas.

### **(ii) Infrastructure improvement and road safety**

#### *Maintenance, management and road safety*

As part of the plan for improvement in transport services and quality of roads around the island, the MTWW has planned several interventions for upgrading the road network conditions and reducing congestion through the Road Maintenance Action Plan and Traffic Management, executed annually. It considers regular and major maintenance to extend pavement life. These conservation and rehabilitation actions consider pavement maintenance, drainage structures, signage and road safety. The roads are selected for each action plan based on visual inspection of pavement defects, the roughness index (IRI), traffic levels, user complaints and road safety audits, as well as service for tourism. The development of tourism corridors, including interventions on Highway 1 and Highway 7, have been prioritized, connecting hotels, restaurants, stores, etc.

The MTWW is also developing a new Highway Management System, for automating the prioritization and management process for road interventions. This system to manage road assets, linked to a Geographic Information System (GIS), is aimed to guarantee the conservation of the road network and the definition of multiannual investment plans. This will be developed along with the updating of studies for climate change adaptation in the island, to prepare road projects that consider resilient infrastructure concepts.



Also, and since more than eight thousand traffic incidents are registered annually on the island, plans to reduce this growing trend are being promoted. Several coordinated actions are taking place, including communication campaigns, meetings and workshops for identifying interventions. This adds to the road network maintenance, and signage, lighting and safety measures considered as part of the Road Signage Programme and Street Light Improvement Programme (with energy efficient technology). Also, road safety audits are planned to be developed, as a tool to identify specific danger spots that should be improved to promote safety for users.

#### *Efficient transportation*

In line with the planned goals to reduce greenhouse gases, upgrading transport to less contaminant alternatives through efficient technologies and renewable energy options is a priority. In fact, the Barbados National Energy Policy includes the de-carbonisation of public transport, as part of the clean transport strategy contained in the Vision 2030-Fossil Fuel Free Barbados-National Energy Policy. The modernization of the public transport fleet to electrical vehicles is also contemplated, thus increasing the renewable energy share in the total kilometers driven by public transportation.

#### **(iii) Institutional strengthening**

To accomplish its mission, the MTWW has been developing strategies for a more efficient management of assets and processes under its responsibility. In this context, a diagnostic report is being undertaken to prioritize actions and interventions, particularly for the institutional strengthening of the Ministry, with recommendations that consider changes in the structure, modernization of human resources and systems, development of an internal planning framework, working with the private sector to improve the delivery of certain services to the public, etc. This is based on four pillars: (i) reforms and internal reorganization; (ii) e-government and system updates; (iii) attraction of the private sector via public-private partnerships (PPPs); (iv) personnel training, particularly regarding technological systems and contract management.

Some of the planned interventions are already under execution, such as the Electronic Vehicle Registration System (a type of Intelligent Transportation System – ITS) for the Licensing Authority, Action Plan for outsourcing the inspection of vehicles.

#### **C. Costs and financing**

The amount of the loan facility is up to USD 50 MM, intended to be used for the activities described above, under the strategic lines of the Physical Development Plan and the MTWW Strategic Plan.

The tentative disbursement schedule is as follows (in USD MM):

Year	2021	2022	2023	Total
<b>Amount</b>	12	18	20	<b>50</b>
<b>%</b>	24%	36%	40%	<b>100%</b>

DOCUMENT IV

"Annex Forms for Debt Management Operations"

**FORMS**

DEBT MANAGEMENT OPERATION REQUEST FORM

(a) CURRENCY CONVERSION

DEAR SIR/MADAM,  
CORPORACIÓN ANDINA DE FOMENTO

REF: Loan Agreement #[●] for USD [●], executed between the Corporación Andina de Fomento and [Name of the Country] on [Month] [Day], [Year] (hereinafter, the "Agreement").

Subject: Debt Management Operation Request #[●] – Currency Conversion

[Name of the Country], [●] (hereinafter, the "Borrower"), represented in this act by [●], of nationality [●] and identified with [document] in his capacity as [●]; duly empowered to do so by [document identifying subscriber's empowering] dated [Month] [Day], [Year], hereby, in compliance with the provisions of the Article of the Special Conditions entitled "*Debt Management Operations*", makes an irrevocable offer to CAF by entering into a Debt Management Operation under the following Requested Financial Conditions (the capitalized terms will have the meaning assigned to them in the Agreement):

REQUESTED FINANCIAL CONDITIONS

<u>DOLLAR CONVERSION TO [name of local currency]</u>	
• AMOUNT IN DOLLARS	[●] <sup>1</sup>
• OFFER VALIDITY	UNTIL [Month] [Day], [Year]
• EXCHANGE RATE	UP TO [●]
• INTEREST RATE IN [name of local currency]	UP TO [●] <sup>2</sup> /UP TO [●] <sup>3</sup> + [●] <sup>4</sup>
• REPAYMENT CURRENCY	[name of local currency]
THE DATES OF PAYMENTS OF CAPITAL AND INTERESTS WILL BE THE SAME SET IN THE AGREEMENT	

<sup>1</sup> It must be a part equivalent to, at least, one amortization instalment or whole multiples or the entire Unpaid Balance of the Loan.

<sup>2</sup> Fixed rate

<sup>3</sup> In case of Variable Rate, please include the corresponding indexation factor in this field.

<sup>4</sup> Please include the mark-up on the indexation factor.

The Borrower clearly, expressly and unconditionally agrees with CAF, and at the latter's choice, to enter into the Debt Management Operation according to the Requested Financial Conditions and shall be bound by the terms of the Debt Management Operation Confirmation that, CAF sends to the Borrower, if the former, in its sole discretion, decides to accept this offer.

As to the sending to the Borrower, by CAF, of the Debt Management Operation Confirmation, the Currency Conversion requested therein will be understood to have been established and perfected and the terms and conditions of the Debt Management Operation Confirmation will be binding on the Parties for all legal purposes

DEBT MANAGEMENT OPERATION REQUEST FORM

(b) INTEREST RATE CONVERSION

DEAR SIR/MADAM,  
CORPORACIÓN ANDINA DE FOMENTO

REF: Loan Agreement #[●] for USD [●], executed between the Corporación Andina de Fomento and [Name of the Country] on [Month] [Day], [Year] (hereinafter, the "Agreement").

Subject: Debt Management Operation Request #[●] – Interest Rate Conversion

[Name of the Country], [●] (hereinafter, the "Borrower"), represented in this act by [●], of nationality [●] and identified with [document] in his capacity as [●]; duly empowered to do so by [document identifying subscriber's empowering] dated [Month] [Day], [Year], hereby, in compliance with the provisions of the Article of the Special Conditions entitled "Debt Management Operations", makes an irrevocable offer to CAF by entering into a Debt Management Operation under the following Requested Financial Conditions (the capitalized terms will have the meaning assigned to them in the Agreement):

REQUESTED FINANCIAL CONDITIONS

INTEREST RATE CONVERSION [{Variable to Fixed}]/[Fixed to Variable]	
• AMOUNT IN DOLLARS	[●] <sup>5</sup>
• OFFER VALIDITY	UNTIL [Month] [Day], [Year]
• INTEREST RATE	UP TO [●] <sup>6</sup> /UP TO LIBOR A[●M] <sup>7</sup> + [●] <sup>8</sup>
THE CURRENCY AND THE DATES OF PAYMENTS OF CAPITAL AND INTERESTS WILL BE THE SAME SET IN THE AGREEMENT	

The Borrower clearly, expressly and unconditionally agrees with CAF, and at the latter's choice, to enter into the Debt Management Operation according to the Requested Financial Conditions and shall be bound by the terms of the Debt Management Operation Confirmation that, CAF sends to the Borrower, if the former, in its sole discretion, decides to accept this offer.

<sup>5</sup> It must be a part equivalent to, at least, one amortization instalment or whole multiples or the entire Unpaid Balance of the Loan.

<sup>6</sup> Fixed Rate.

<sup>7</sup> Define the number of months applicable to the LIBOR.

<sup>8</sup> Variable Rate.

As of the sending to the Borrower, by CAF, of the Debt Management Operation Confirmation, the Interest Rate Conversion requested therein will be understood to have been established and perfected and the terms and conditions of the Debt Management Operation Confirmation will be binding on the Parties for all legal purposes.

**DEBT MANAGEMENT OPERATION CONFIRMATION FORM**

**(a) CURRENCY CONVERSION**

DEAR. SIR/MADAM  
[Name of the Country]

REF: Your Debt Management Operation Request #[●] –  
Currency Conversion

Subject: Debt Management Operation Confirmation #[●] –  
Currency Conversion

In response to your Debt Management Operation Request, CAF hereby accepts the above-mentioned offer and confirms, based on the Requested Financial Conditions presented by the Borrower, the following terms and conditions:

CONFIRMED FINANCIAL CONDITIONS

DOLLAR CONVERSION TO <i>[name of local currency]</i>	
• AMOUNT IN DOLLARS	[●] <sup>9</sup>
• VALUE DATE	<i>[Month] [Day], [Year]</i> <sup>10</sup>
• EXCHANGE RATE	[●] <sup>11</sup>
• INTEREST RATE IN <i>[name of local currency]</i> <sup>12</sup>	[●] <sup>13</sup> / [●] <sup>14</sup> + [●] <sup>15</sup>
THE DATES OF PAYMENTS OF CAPITAL AND INTERESTS WILL BE THE SAME SET IN THE AGREEMENT	

- AMORTIZATION AMOUNT IN *[name of local currency]*

<sup>9</sup> It must correspond with the amount established by the Borrower in the respective Debt Management Operation Request.

<sup>10</sup> It must be before the Expiration Date of the Offer of the respective Debt Management Operation Request.

<sup>11</sup> It must be within the limit set in the respective Debt Management Operation Request.

<sup>12</sup> It must be equivalent to or fewer than requested by the Borrower in the respective Debt Management Operation Request.

<sup>13</sup> Fixed Rate.

<sup>14</sup> In case of Variable Rate, please include the corresponding indexation factor in this field.

<sup>15</sup> Please include the mark-up on the indexation factor.

PAYMENT DATE CAPITAL <sup>16</sup>	IMPORTANCE	PAYMENT DATE INTERESTS <sup>17</sup>	IMPORTANCE/RATE

By means of this Debt Management Operation Confirmation, it is understood that the Currency Conversion has been established and perfected and that the application of the Terms and Conditions of this Operations shall be legally binding to both Parties.

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<sup>16</sup> It must be the same Capital Payment Date that appears in the Loan Agreement.

<sup>17</sup> It must be the same Interest Payment Date that appears in the Loan Agreement.

DEBT MANAGEMENT OPERATION CONFIRMATION FORM

(b) INTEREST RATE CONVERSION

DEAR. SIR/MADAM  
[Name of the Country]

REF: Your Debt Management Operation Request #[●] –  
Interest Rate Conversion

Subject: Debt Management Operation Confirmation #[●] –  
Interest Rate Conversion

In response to your Debt Management Operation Request, CAF hereby accepts the above-mentioned offer and confirms, based on the Requested Financial Conditions presented by the Borrower, the following terms and conditions:

CONFIRMED FINANCIAL CONDITIONS

INTEREST RATE CONVERSION [ <i>Variable to Fixed</i> ]/[ <i>Fixed to Variable</i> ]	
• AMOUNT IN DOLLARS	[●] <sup>18</sup>
• VALUE DATE	[Month] [Day], [Year] <sup>19</sup>
• INTEREST RATE <sup>20</sup>	[●] <sup>21</sup> /LIBOR [●M] <sup>22</sup> + [●] <sup>23</sup>
THE CURRENCY AND THE DATES OF PAYMENTS OF CAPITAL AND INTERESTS WILL BE THE SAME SET IN THE AGREEMENT	

By means of this Debt Management Operation Confirmation, it is understood that the Interest Rate Conversion has been established and perfected and that the application of the Terms and Conditions of this Operations shall be legally binding to both Parties.

<sup>18</sup> It must correspond to the amount established by the Borrower in the respective Debt Management Operation Request.

<sup>19</sup> It must be before the Expiration Date of the Offer of the respective Debt Management Operation Request.

<sup>20</sup> It must be equivalent to or fewer than that requested by the Borrower in the respective Debt Management Operation Request.

<sup>21</sup> Fixed Rate.

<sup>22</sup> Define the number of months applicable to the LIBOR.

<sup>23</sup> Variable Rate.