

**AGREEMENT FOR THE ESTABLISHMENT OF A CONDITIONAL CREDIT LINE
FOR INVESTMENT PROJECTS (CCLIP)**

BH-O0006

between

THE COMMONWEALTH OF THE BAHAMAS

and the

INTER-AMERICAN DEVELOPMENT BANK

Advancing Renewable Energy in The Bahamas

AGREEMENT FOR THE ESTABLISHMENT OF A CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP)

This agreement, hereinafter the “Agreement”, is entered into between THE COMMONWEALTH OF THE BAHAMAS, hereinafter referred to as the “Borrower”, and the INTER-AMERICAN DEVELOPMENT BANK, hereinafter referred to as the “Bank” and together with the Borrower, as the “Parties”.

Section 1. Objective of the Agreement. The purpose of this Agreement is to establish the Conditional Credit Line for Investment Projects for Advancing Renewable Energy in The Bahamas, hereinafter the “Conditional Credit Line” or “CCLIP”, under which individual loan operations will be processed in order to advance renewable energy within The Bahamas, improving the reliability and resilience to climate-related natural disasters, while rehabilitating critical infrastructure.

The Conditional Credit Line was approved by the Board of Executive Directors of the Bank through Resolution DE-6/20, on January 29, 2020.

Section 2. Special Definitions. For the purposes of this Agreement, the following terms shall have the meaning assigned to them below, in addition to the terms defined in the General Conditions of the Individual Loan Contracts. Any reference to the singular includes the plural and vice versa:

- (a) “Executing Agency” means the Ministry of Finance which means the entity with legal capacity responsible for executing and utilizing the resources of the Individual Loans.
- (b) “Individual Loan Contract” means each of the individual loan contracts that the Borrower may enter into with the Bank to finance an Individual Operation charged to the Conditional Credit Line established by this Agreement.
- (c) “Individual Loans” or “Individual Operations” means the loans granted by the Bank to the Borrower with resources of the Conditional Credit Line established by this Agreement, for the achievement of the objective mentioned in Section 1.

Section 3. Use of the Conditional Credit Line. (a) The Conditional Credit Line will be used to finance Individual Operations through Individual Loan Contracts, which will be signed provided that: (i) the Borrower has submitted to the Bank the request for financing of the corresponding Individual Operation; and (ii) the Bank's Board of Executive Directors has approved said Individual Operation.

(b) The processing of each Individual Operation subsequent to the first shall be subject to the fulfillment, to the satisfaction of the Bank, of the following requirements: (i) the performance of the previous Individual Operation is satisfactory and its development

objectives are likely to be achieved; (ii) the Executing Agency of the Individual Operation is the same as that of the previous Individual Operation; (iii) the Borrower and the Executing Agency have complied with the contractual conditions of the Individual Loan Contract for the previous Individual Operation; (iv) the Individual Operation is included in the country program; and (v) the Individual Operation falls under the sector and components of the CCLIP.

Section 4. Amount of the Conditional Credit Line. The total amount of the Conditional Credit Line is one hundred seventy million dollars of the United States of America (US\$170,000,000.00) from the resources of the Ordinary Capital of the Bank.

Section 5. Period for the Utilization of the Conditional Credit Line. The period for the utilization of the Conditional Credit Line is ten (10) years from the signature date of this Agreement.

Section 6. Commitment of Additional Resources. Each Individual Operation to be financed with resources of the Conditional Credit Line may require additional resources. The need and amount of such additional resources will be determined by mutual agreement between the Borrower and the Bank in the corresponding Individual Operation.

Section 7. Financial conditions of the Individual Operations. Each Individual Operation will be subject to the financial terms and conditions applicable to investment loans financed with resources from the Ordinary Capital of the Bank as set out in the Individual Loan Contracts.

Section 8. Procurement of Goods, Works and Non-consulting Services and Selection and Contracting of Consulting Services. The Individual Operations to be financed under the Conditional Credit Line will be governed by the Bank's Procurement and Consulting Policies indicated in the corresponding Individual Loan Contracts.

Section 9. Cancellation or Reduction of the Amount of the Conditional Credit Line. The Conditional Credit Line may be canceled, or its amount reduced at any time by written agreement between the Parties, in which case, the Individual Operations that are in execution will continue subject to the provisions of the corresponding Individual Loan Contracts.

Section 10. Limitations on the Obligations of the Parties. This Agreement does not constitute an obligation for the Bank to fully or partially finance an Individual Operation with resources from the Conditional Credit Line, nor, in turn, an obligation for the Borrower to request from the Bank resources from the Conditional Credit Line to finance an Individual Operation.

Section 11. Provisions Applicable to Individual Operations. The Individual Operations will be governed by the provisions established in each of the respective Individual Loan Contracts, as well as by the provisions of this Agreement, as applicable.

Section 12. Monitoring and Evaluation. During the execution of the Individual Operations, the Borrower shall ensure that the monitoring and evaluation arrangements agreed upon with the Bank are in place, in accordance with the corresponding Individual Loan Contract and the plans, regulations, and other relevant documents of the Individual Operation approved by the Bank.

Section 13 Entry into Effect. This Agreement shall enter into effect on the signature date by the Borrower and, unless it has been canceled in advance by the Parties, shall remain in effect until the date on which the payment corresponding to the last Individual Loan Contract has been fully amortized.

Section 14. Communications. Any notice, request, communication, or report from one Party to another by virtue of this Agreement, shall be made in writing and shall be considered to have been made when the relevant document is delivered to the addressee at the respective address given below.

For the Borrower:

Ministry of Finance
Sir Cecil Wallace-Whitfield Center
West Bay Street
P.O. Box N-3017
Nassau, NP
The Bahamas

Facsimile: (242) 327-1618

Email address: marlonjohnson@bahamas.gov.bs

For the Bank:

Inter-American Development Bank
Country Office in The Bahamas
P.O. Box No N-3743
Nassau, NP
The Bahamas

Facsimile: (242) 393-8430

Email address: Cof-CBH@iadb.org

IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorized representative, have signed this Agreement in Nassau, N.P., The Bahamas.

THE COMMONWEALTH OF
THE BAHAMAS



The Hon. Kevin Peter Turnquest
Deputy Prime Minister and Minister of Finance

Date: August 5th, 2020

INTER-AMERICAN DEVELOPMENT
BANK



Daniela Carrera-Marquis
Representative of the Bank
in The Bahamas

Date: August 05, 2020