



**LOAN NUMBER 9053-JM**

# **Loan Agreement**

**(First Economic Resilience Development Policy Loan)**

**between**

**JAMAICA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**



## **LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between JAMAICA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, *inter alia*, of: (i) the actions which the Borrower has already taken under the Program and which are described in Section I of Schedule 1 to this Agreement; and (ii) the Borrower’s maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore hereby agree as follows:

### **ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

### **ARTICLE II — LOAN**

- 2.01. The Bank agrees to lend to the Borrower the amount of seventy million Dollars (US\$70,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”).
- 2.02. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.03. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.04. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.05. The Payment Dates are February 15 and August 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with Schedule 2 to this Agreement.
- 2.07. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

**ARTICLE III — PROGRAM**

- 3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;
  - (b) without limitation upon paragraph (a) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule I to this Agreement.

**ARTICLE IV — REMEDIES OF THE BANK**

- 4.01. The Additional Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 30 days after notice of the event has been given by the Bank to the Borrower.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Borrower's Representative is its Minister of Finance and the Public Service.
- 6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

Ministry of Finance and the Public Service  
P.O. Box 512  
30 National Heroes Circle  
Kingston 4  
Jamaica; and

(b) the Borrower's Electronic Address is:

Facsimile:  
(876) 924-9291

- 6.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

(b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED as of the Signature Date.

**JAMAICA**

By

*N. Clarke*

\_\_\_\_\_  
**Authorized Representative**

Name: *Nigel Clarke*

Title: *Minister of Finance and the Public Service*

Date: *March 20, 2020*

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By

*Tahseen Sayed*

\_\_\_\_\_  
**Authorized Representative**

Name: Tahseen Sayed

Title: Country Director

Date: 20-Mar-2020

## SCHEDULE 1

### Program Actions; Availability of Loan Proceeds

#### Section I. Actions under the Program

The actions taken by the Borrower under the Program include the following:

*Pillar A: Support Fiscal Sustainability and Inclusion*

1. To strengthen the fiscal responsibility framework, the Borrower, through the Cabinet, has approved the design of a fiscal council, which will be operationally independent and financially autonomous (as evidenced by the Borrower's letters from: (a) the Cabinet Offices dated October 9, 2019; and (b) from the Ministry of Finance and the Public Service, dated December 20, 2019).
2. To improve the governance of the Borrower's public sector, the Borrower, through the Ministry of Finance and the Public Service, has merged, closed or reintegrated into line ministries 6 Public Bodies in accordance with the Public Sector Transformation Action Plan of 2018 (as evidenced by the letter from the Ministry of Finance and the Public Service, dated December 20, 2019).
3. To improve equity of public spending, the Borrower, through: (a) the Cabinet and the Ministry of Labour and Social Security, has increased the benefit size of the PATH conditional cash transfer; and (b) the Ministry of Labour and Social Security, has implemented a Community Engagement Series to expand the number of PATH's eligible beneficiaries in rural areas (as evidenced by the letter from the Ministry of Labour and Social Security, dated October 14, 2019 and the Provisional Report on PATH Community Engagement Series 2019 (Round 2) dated November 14, 2019).

*Pillar B: Enhance Fiscal and Financial Resilience against Natural Disaster Risks*

4. To mitigate the financial impact of natural disasters, the Borrower, through the Cabinet, has approved a public financial management policy framework for natural disaster risk financing (as evidenced by the letters from: (a) the Cabinet Offices, dated October 9, 2019; and (b) the Ministry of Finance and the Public Service, dated December 20, 2019).
5. To expedite post-disaster relief and recovery, the Borrower, through the House of Representatives, has raised the ceiling of the Contingencies Fund, from J\$100 million to J\$10 billion (as evidenced by the letter from the Houses of Parliament dated March 26, 2019).



6. To expedite funding for disaster relief and recovery, the Borrower, through the Ministry of Finance and the Public Service, has issued binding guidelines governing the process for budgetary allocation and reallocation, procurement and disbursement of public funds in post-disaster situations (as evidenced by the letter from the Ministry of Finance and the Public Service dated November 19, 2019).

*Pillar C: Improve the Investment Climate for Sustainable Growth*

7. To improve customs management and reduce foreign trade transaction costs, the Borrower, through the Ministry of Finance and the Public Service, has submitted a new customs bill to the House of Representatives for its approval (as evidenced by the letter from the Houses of Parliament dated October 25, 2019).
8. To facilitate the titling of land, the Borrower: (a) through the Cabinet, has integrated the Land Administration and Management Programme into the National Land Agency; and (b) through the Ministry of Economic Growth and Job Creation, has enacted the amendment to the Registration of Titles, Cadastral Mapping and Tenure Clarification (Special Provisions) Act to reduce the fees for land titling transactions for first time registrations (as evidenced by: (i) the letters from: (A) the Ministry of Economic Growth and Job Creation, dated January 18, 2019; (B) the Ministry of Finance and the Public Service, dated January 25, 2019; and (C) the Cabinet Offices, dated October 25, 2019; and (ii) the Registration of Titles, Cadastral Mapping and Tenure Clarification (Special Provisions) (Amendment) Order, 2019, dated December 5, 2019, published in the Borrower's official gazette No. 192, Vol. CXLII, dated December 5, 2019).
9. To promote the effective management and sustainable development of fisheries, aquaculture and other related activities, the Borrower has enacted a new Fisheries Act (as evidenced by the Borrower's Fisheries Act, 2018, No. 18-2018, dated October 23, 2018, and the Borrower's Fisheries Act, 2018 (Appointed Date) Notice, dated May 30, 2019, published in the Borrower's official gazette No. 57, Vol. CXLII, dated May 31, 2019).

**Section II. Availability of Loan Proceeds**

- A. **General.** The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.
- B. **Allocation of Loan Amounts.** The Loan is allocated in a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds. The allocation of the amounts of the Loan to this end is set out in the table below:

<b>Allocations</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>
(1) Single Withdrawal Tranche	69,825,000
(2) Front-end Fee	175,000
(3) Amount due pursuant to Section 4.05 (c) of the General Conditions	0
<b>TOTAL AMOUNT</b>	<b>70,000,000</b>

**C. Withdrawal Tranche Release Conditions**

No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied: (a) with the Program being carried out by the Borrower; and (b) with the adequacy of the Borrower's macroeconomic policy framework.

**D. Deposit of Loan Amounts**

The Borrower, within thirty (30) days after the withdrawal of the Loan from the Loan Account, shall report to the Bank: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the Jamaican Dollar equivalent of the Loan proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Borrower's budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

**E. Audit.** Upon the Bank's request, the Borrower shall:

1. have the account referred to in Section 2.03 (a) of the General Conditions audited by the Auditor General, in accordance with consistently applied auditing standards acceptable to the Bank;
2. furnish to the Bank as soon as available, but in any case not later than six months after the date of the Bank's request for such audit, a certified copy of the report of such audit, of such scope and in such detail as the Bank shall reasonably request, and make such report publicly available in a timely fashion and in a manner acceptable to the Bank; and
3. furnish to the Bank such other information concerning the account referred to in Section 2.03 (a) of the General Conditions and their audit as the Bank shall reasonably request.

**G. Closing Date.** The Closing Date is March 31, 2021.



**SCHEDULE 2**

**Commitment-Linked Amortization Repayment Schedule**

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

**Level Principal Repayments**

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each February 15 and August 15 Beginning August 15, 2026 through August 15, 2043	2.78%
On February 15, 2044	2.70%

## APPENDIX

### Section I. Definitions

1. "Auditor General" means the Borrower's Auditor General, or any successor thereto.
2. "Cabinet" means the Borrower's Cabinet, or any successor thereto.
3. "Community Engagement Series" means the Borrower's initiative to provide access to public assistance services (including PATH) to poor and vulnerable persons living in rural communities through public education fairs.
4. "Contingencies Fund" means the fund established by the Borrower's Financial Administration and Audit Act, dated June 15, 1959.
5. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Development Policy Financing", dated December 14, 2018.
6. "House of Representatives" means the Borrower's House of Representatives.
7. "J\$" or "Jamaican Dollar" means the lawful currency of Jamaica.
8. "Land Administration and Management Programme" means the Borrower's program that has the objective of helping the population to obtain certificates of title and updating the information on existing land titles.
9. "Ministry of Economic Growth and Job Creation" means the Borrower's Ministry of Economic Growth and Job Creation, or any successor thereto.
10. "Ministry of Finance and the Public Service" means the Borrower's Ministry of Finance and the Public Service, or any successor thereto.
11. "Ministry of Labour and Social Security" means the Borrower's Ministry of Labour and Social Security, or any successor thereto.
12. "National Land Agency" means the Borrower's agency in charge of land administration, created through the Borrower's Executive Agencies Act, dated April 1, 2002.
13. "Parliament" means the Borrower's Parliament.

14. "PATH" means the Borrower's Programme of Advancement Through Health and Education, a conditional cash transfer program providing cash benefits for eligible poor and vulnerable families, or any successor thereto acceptable to the Bank.
15. "Program" means: the program of objectives, policies, and actions set forth or referred to in the letter dated January 20, 2020 from the Borrower to the Bank declaring the Borrower's commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program's objectives.
16. "Public Body" means a statutory body or authority or any company owned or controlled by the Borrower, excluding any executive agency under the Executive Agencies Act 2002.
17. "Public Sector Transformation Action Plan of 2018" means the Borrower's plan to merge, integrate, close and/or divest Public Bodies and executive agencies with the objective of creating a more efficient, effective and accountable public sector.
18. "Registration of Titles, Cadastral Mapping and Tenure Clarification (Special Provisions) Act" means the Borrower's act No. 25, dated October 14, 2005.
19. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.
20. "Single Withdrawal Tranche" means the amount of the Loan allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement.



# IBRD Policy

## General Conditions for IBRD Financing: Development Policy Financing (2018)

### **Bank Access to Information Policy Designation**

Public

### **Catalogue Number**

LEG5.02-POL.106

### **Issued**

December 14, 2018

### **Effective**

December 14, 2018

### **Content**

General Conditions for IBRD Financing: Development Policy  
Financing (2018)

### **Applicable to**

IBRD

### **Issuer**

Senior Vice President and General Counsel, LEGVP

### **Sponsor**

Deputy Gen. Counsel, Operations, LEGVP