

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8416-BZ

Loan Agreement
(Climate Resilient Infrastructure Project)

between

BELIZE

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated *February 3*, 2015

LOAN AGREEMENT

Agreement dated February 3, 2015, between BELIZE (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, the amount of thirty million Dollars (\$30,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
- 2.05. The Payment Dates are April 15 and October 15 in each year.

- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall, under the overall oversight of MoFED and the guidance of the Project Steering Committee:
- (a) through:
- (i) MoWT carry out Parts 1 and 2.2 of the Project;

- (ii) MNRA carry out Part 2.1 of the Project; and
- (iii) the Coordinating Authority carry out Part 4 of the Project; and
- (b) cause BSIF to assist in the implementation of Parts 1 and 2 (and if applicable Part 4) of the Project by undertaking the management and coordination (including fiduciary and safeguards aspects) of the Project (under Part 3) in accordance with the Subsidiary Agreement.

all in accordance with the provisions of Article V of the General Condition.

- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Events of Suspension consist of the following:

- (a) BSIF has failed to comply with any of its obligations under the Subsidiary Agreement.
- (b) The BSIF Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower or BSIF to perform any of their respective obligations under the Subsidiary Agreement or this Agreement.

- 4.02. The Additional Events of Acceleration consist of the following:

- (a) Any event specified in paragraph (a) of Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.
- (b) Any event specified in paragraph (b) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Subsidiary Agreement has been executed on behalf of the Borrower and BSIF.

- 5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized or ratified by the Borrower and BSIF and is legally binding upon the Borrower and BSIF in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than eighteen (18) months after the Bank's approval of the Loan which expires on February 26, 2016.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is its Minister of Finance and Economic Development.

6.02. The Borrower's Address is:

Ministry of Finance and Economic Development
Sir Edney Cain Building
Belmopan City, Belize

Facsimile:
501-822-2886

6.03. The Bank's Address is:

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

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at The District of Columbia, U.S.A, as of the
day and year first above written.

BELIZE

By



Authorized Representative

Name: Nestor Mendez

Title: Ambassador of Belize to
the U.S.A

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Sophie Sirkine

Title: Director

SCHEDULE 1

Project Description

The objectives of the Project are: (a) to enhance the resilience of road infrastructure against flood risk and impacts of climate change; and (b) to improve the Borrower's capacity to respond promptly and effectively in an Eligible Crisis or Emergency, as required.

The Project consists of the following parts:

Part 1. Climate Resilient Infrastructure

Carrying out of feasibility and engineering studies for the preparation of investments to reduce physical vulnerability of critical infrastructure in the Priority Areas by retrofitting and rehabilitating existing infrastructure within the primary and secondary road networks (including associated drainage and flood mitigation systems), as needed to strengthen their resilience to natural hazards and the anticipated impacts of climate variability, and implementation of said investments (the Subprojects).

Part 2. Technical Assistance for Improved Climate Resilience Management

Strengthening the capacity of MoWT and MNRA to mainstream climate resilience considerations into core physical and investment planning and to strengthen asset maintenance, through, *inter alia*:

- 2.1 Support to MNRA for improved land-use and territorial planning, the development of an information baseline and complimentary data management platform, including *inter alia*:
 - (a) assistance to the MNRA, in particular its Land Information Center, to consolidate existing geographic information system databases, to establish data sharing protocols and management platform, to provide training programs tailored to the center and other Borrower's staff needs for data management; and
 - (b) support to the MNRA, in particular its Physical Planning Unit, in mainstreaming climate resilience considerations and disaster risk information into land use and territorial planning.

- 2.2. Support to MoWT to strengthen MoWT's infrastructure maintenance and asset management capacities, including:
- (a) support for the implementation of MoWT's road maintenance strategy including specific measures to enhance the operations and maintenance capacity of MoWT; and
 - (b) development of technical standards for capital investments to take into account climate risk and incorporate appropriate mitigation strategies including resilience in the infrastructure for flood events.

Part 3. Project Management and Implementation Support

Support for Project management and implementation through financing of services, Training, Operating Costs and goods for BSIF, MoWT and MNRA.

Part 4. Contingent Emergency Response

Providing support for immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall, through MoFED, maintain the PSC, throughout the implementation of the Project, with a composition, functions and responsibilities satisfactory to the Bank, as further set forth in the POM, for purposes of overseeing and coordinating the Project implementation.
2. The Borrower shall cause BSIF to maintain, throughout Project implementation, the PMU with a composition, functions, staffing and responsibilities satisfactory to the Bank, as further set forth in the POM, including the responsibility for overall Project coordination and management, financial management, procurement, ensuring compliance with social and environmental safeguards, and monitoring and evaluation of the Project. The Borrower shall cause BSIF to ensure that the PMU is headed by a Project coordinator and assisted by professional staff (including engineers, procurement specialists, financial management specialists and safeguards specialists), in numbers and with terms of reference, qualifications and experience, satisfactory to the Bank.
3. The Borrower shall carry out, and cause BSIF to carry out Parts 1, 2 and 3 of the Project in accordance with the provisions of the POM, satisfactory to the Bank, including:
 - (a) procedures for implementation of the Project and institutional arrangements, including coordination among the stakeholders and agencies involved in Project implementation, consistent with the provisions of this Agreement and with the Borrower's applicable laws and regulations;
 - (b) timetables of actions required to be carried out under the Project, the respective roles and responsibilities of the agencies involved in the implementation of the Project, including the PSC and PMU and the staffing and fiduciary responsibilities thereof;
 - (c) technical and operational aspects and procedures for implementation of the Project, including the financial management procedures (budgeting, accounting and internal control, disbursement and flow of funds, financial reporting, annual reports, and internal and external audit arrangements including the Project specific chart of accounts), procurement procedures, monitoring and evaluation arrangements, and

other fiduciary and administrative arrangements and the terms of reference thereof;

- (d) the Priority Areas and the selection criteria for the Subprojects;
 - (e) Project impact and implementation indicators, including the procedures for monitoring and evaluation of the Project; and
 - (f) the EMF, CAPF and RPF.
- 4. In case of any conflict among the terms of the POM and those of this Agreement, the provisions of this Agreement shall prevail.
 - 5. The Borrower shall cause BSIF not to amend, abrogate, repeal, waive or fail to enforce any provisions of the POM without prior approval by the Bank.

B. Subsidiary Agreement

- 1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to BSIF under the Subsidiary Agreement under terms and conditions approved by the Bank, which shall include the terms and conditions set forth in Schedule 4 to this Agreement.
- 2. The Borrower shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, terminate, waive or fail to enforce the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

The Borrower shall ensure, and shall cause BSIF to ensure, that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Annual Work Plan

- 1. For the purposes of carrying out of Parts 1, 2 and 3 of the Project, the Borrower shall cause BSIF to:
 - (a) prepare and furnish to the Bank, in accordance with the guidelines detailed in the POM, and, not later than October 15 each year, commencing on October 15, 2014 in each year of Project implementation, a consolidated annual working plan satisfactory to the Bank, including a description of activities proposed for the upcoming Fiscal Year, a budget, a financing plan, a training program, and an

updated Procurement Plan for the procurement of goods, works and services required to carry out such activities; and

- (b) thereafter, take all measures required to ensure the efficient completion and achievement of said AWP in a manner acceptable to the Bank.

E. Environmental and Social Safeguards

1. The Borrower shall ensure, and cause BSIF to ensure, that the Project activities are carried out in accordance with the Safeguard Instruments, including the guidelines, rules and procedures defined in said Safeguard Instruments. To that end, the Borrower shall ensure, and cause BSIF to ensure, that for each Subproject under Part 1 of the Project, the following actions are taken in a manner acceptable to the Bank:

- (a) if an Environmental Management Plan, Resettlement Action Plan or CAP Plan would be required for any Subproject on the basis of the EMF, RPF or CAPF, as the case may be:
 - (i) such EMP, RAP or CAP Plan, as applicable, shall be prepared in accordance with the requirements of the EMF, RPF and CAPF, as applicable, disclosed locally and furnished to the Bank;
 - (ii) adequate and meaningful consultations shall be carried out on said EMP, RAP or CAP Plan; and
 - (iii) the activities or investments shall be carried out in accordance with such EMP, RAP and CAP Plan as approved by the Bank;
- (b) no works shall be commenced on any site until:
 - (i) all measures required to be taken under the EMP or RAP, or both, as applicable, prior to the initiation of said works have been taken;
 - (ii) all measures required to be taken under the CAP Plan to address the needs of the Indigenous Peoples in the areas under the Subproject have been taken in a manner acceptable to the Bank;
 - (iii) the Borrower has prepared and furnished to the Bank a report in form and substance satisfactory to the Bank, on the status of compliance with the requirements of said EMP, RAP or CAP Plan; and
 - (iv) the Bank has confirmed that said works may be commenced.

2. The Borrower shall cause BSIF to ensure that all measures required for carrying out the recommendations of the Safeguard Instruments are taken in a timely fashion and in a manner acceptable to the Bank.
3. Subprojects that would lead to:
 - (a) conversion or degradation of critical natural habitats or their supporting areas; or
 - (b) have an impact on the health and quality of forests; affect the rights of peoples living in forests, or bring about changes in the management, protection, or utilization of natural forests or plantations

will not be eligible for financing under the Project.

4. For purposes of the Project, the Borrower shall ensure, through MoWT and MNRA for their respective Parts of the Project, and shall cause BSIF to ensure for all Parts of the Project, that the terms of reference of any consultancy contract entered under the Project shall be satisfactory to the Bank, following its review thereof, and to that end, such terms of reference shall duly incorporate the requirement of the Bank's Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance.
5. Without limitation to its other reporting obligations under this agreement and under Section 5.08 of the General Conditions, the Borrower shall cause BSIF to include in the Project Reports referred to in Section II.A.1 of this Schedule, adequate information on the implementation of the Safeguard Instruments, giving details of:
 - (a) measures taken in furtherance of such Safeguard Instruments;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments;
 - (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Instruments; and
 - (d) afford the Bank a reasonable opportunity to exchange views with the Borrower on such reports.

F. Emergency Response Mechanism

1. In order to ensure the proper implementation of Part 4 of the Project, the Borrower shall take the following measures:

- (a) prepare and furnish to the Bank for its review and approval, an operations manual which shall set forth detailed implementation arrangements for the CER Part, including:
 - (i) designation of terms of reference for and resources to be allocated to, the entity to be responsible for coordinating and implementing the CER Part (“Coordinating Authority”);
 - (ii) specific activities which may be included in the CER Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion;
 - (iii) financial management arrangements for the CER Part;
 - (iv) procurement methods and procedures for Emergency Expenditures to be financed under the CER Part;
 - (v) documentation required for withdrawals of Emergency Expenditures;
 - (vi) environmental and social safeguard management frameworks for the CER Part, covering all potentially applicable Bank safeguard policies, consistent with the Bank’s policies on the matter; and
 - (vii) any other arrangements necessary to ensure proper coordination and implementation of the CER Part;
 - (b) afford the Bank a reasonable opportunity to review said proposed operations manual;
 - (c) promptly adopt such operations manual for the CER Part as shall have been approved by the Bank (“CER Operations Manual”);
 - (d) ensure that the CER Part is carried out in accordance with the CER Operations Manual; provided however that, in the event of any inconsistency between the provisions of the CER Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CER Operations Manual without prior approval by the Bank.
2. The Borrower shall, throughout the implementation of the CER Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Bank.

3. The Borrower shall undertake no activities under the CER Part (and no activities shall be included in the CER Part) unless and until the following conditions have been met in respect of said activities:
 - (a) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the CER Part in order to respond to said Eligible Crisis or Emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
 - (b) the Borrower has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CER Operations Manual, the Bank has approved all such instruments, and the Borrower has implemented any actions which are required to be taken under said instruments, to ensure proper coordination and implementation of the CER Part.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall cause BSIF to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank as set forth in the POM. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain, and shall cause BSIF to maintain, a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause BSIF to prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project, covering the semester, in form and substance, satisfactory to the Bank.
3. The Borrower shall, and shall cause BSIF to have, its financial statements (including the Project's Financial Statements) audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of such financial statements shall cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made under

the Preparation Advance for the Project. The audited financial statements for each such period shall be: (a) furnished to the Bank not later than four (4) months after the end of such period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for Parts 1, 2 and 3 of the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for Parts 1, 2 and 3 the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the provisions set forth in the POM; (b) Shopping; and (c) Direct Contracting.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

E. Procurement of Emergency Expenditures under the CER Part of the Project

Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for Part 4 of the Project shall be procured in accordance with the procurement methods and procedures set forth in the CER Operations Manual.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<u>Category</u>	<u>Amount of the Loan Allocated (expressed in USD)</u>	<u>Percentage of Expenditures to be financed (inclusive of Taxes)</u>
(1) Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	21,500,000	100%
(2) Goods, works, non-consulting services, consultants' services, and Training for Part 2 of the Project	4,925,000	100%
(3) Goods, works, non-consulting services, consultants' services, Operating Costs and Training for Part 3 of the Project	2,000,000	100%
(4) Emergency Expenditures under Part 4 of the Project	1,000,000	100%
(5) Refund of the Preparation Advance	500,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
(6) Front-end Fee	75,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(7) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.07(c) of this Agreement
TOTAL AMOUNT	30,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$ 1,500,000 equivalent may be made for payments made prior to this date but on or after May 13, 2014, for Eligible Expenditures; or

- (b) under Category (4) for Emergency Expenditures under Part 4 of the Project, unless and until the Bank is satisfied, and notified the Borrower of its satisfaction, that all of the following conditions have been met in respect of said activities:
- (i) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the CER Part in order to respond to said Eligible Crisis or Emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof;
 - (ii) the Borrower has prepared and disclosed all safeguards instruments required at that time for said activities, and the Borrower has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.F.3 of Schedule 2 to this Agreement;
 - (iii) the Borrower's Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.F.2 of Schedule 2 to this Agreement, for the purposes of said activities; and
 - (iv) the Borrower has adopted the CER Operations Manual in form, substance and manner acceptable to the Bank and the provisions of the CER Operations Manual remain, or have been updated in accordance with the provisions of Section I.F.1 of this Schedule 2, so as to be appropriate for the inclusion and implementation of said activities under the CER Part.

2. The Closing Date is August 31, 2019.

SCHEDULE 3

Amortization Schedule

1. 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”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each April 15 and October 15 Beginning October 15, 2019 through April 15, 2039	2.5%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

SCHEDULE 4

Terms and Conditions of the Subsidiary Agreement

The Subsidiary Agreement shall contain, *inter alia*, the following provisions:

- A.** The obligations of the Borrower through the MoFED:
 - 1. to promptly disburse to BSIF the proceeds of the Loan to finance the carrying out of the Project with due diligence and efficiency;
 - 2. to support the implementation of Parts 1 through 4 of the Project as set forth in the POM, and Part 4, as applicable, as set forth in the CER Operational Manual;
 - 3. to take or permit to be taken all actions to enable BSIF to comply with its obligations referred to in Section C of this Schedule;
 - 4. to ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines;
 - 5. to provide adequate funding as shall be required for the Project and in particular for the implementation of any Involuntary Resettlement Action Plan; and
 - 6. not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Subsidiary Agreement or any provision thereof unless as may otherwise be agreed to by the Bank.

- B.** The right of the Borrower to take remedial actions against BSIF in case BSIF shall have failed to comply with any of its obligations under the Subsidiary Agreement (which actions shall previously be agreed to with the Bank).

- C.** The obligations of BSIF:
 - 1. to carry out its responsibilities under the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, economic, financial and environmental practices, and in accordance with the provisions of the Loan Agreement, the Subsidiary Agreement, the Safeguard Instruments, the Project Operations Manual and, as applicable, the CER Operations Manual;
 - 2. to carry out the financial management, procurement, monitoring and evaluation aspects of the Project, including the obligation to:
 - (a) ensure that all goods, works and services to be financed out of the Loan are procured in accordance with the provisions of the Loan Agreement;

- (b) ensure that adequate policies and procedures are maintained to enable it to monitor and evaluate, in accordance with indicators acceptable to the Bank, the progress of the Project and the achievement of its objectives;
 - (c)
 - (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Project;
 - (ii) have such financial statements audited by independent auditors acceptable to the Bank, and promptly furnish the statements so audited to the Bank; and
 - (iii) make such audited financial statements publicly available in a timely fashion and in a manner acceptable to the Bank; and
 - (d) maintain the PMU throughout Project implementation, as provided in Section I.A.2 of Schedule 2 to this Agreement.
3. to ensure compliance with social and environmental safeguards requirements as set forth in the Safeguards Instruments and Section E of Schedule 2 to this Agreement;
 4. to comply with the provisions of the Anti-Corruption Guidelines in connection with the activities of the Project under its responsibility;
 5. promptly inform the Borrower and the Bank of any condition which interferes or threatens to interfere with the progress of the Project, or the performance of its obligations under the Subsidiary Agreement;
 6. not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the pertinent Subsidiary Agreement or any provision thereof, unless previously agreed by the Bank; and
 7. to take or permit to be taken all actions to enable the Borrower to comply with their respective obligations referred to in this Agreement and/or in the Subsidiary Agreement, as the case may be.

APPENDIX

Section I. Definitions

1. “Affected Persons” means persons who, on account of the execution of the Project had or would have their:
 - (a) standard of living adversely affected; or
 - (b) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or
 - (c) access to productive assets adversely affected, temporarily or permanently; or
 - (d) business, occupation, work or place of residence or habitat adversely affected.
2. “Annual Work Plan” or “AWP” means any of the plans prepared pursuant to Section I.D.1 (a) of Schedule 2 to this Agreement.
3. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
4. “BSIF” means the Belize Social Investment Fund, an autonomous institution established and operating pursuant to the BSIF Legislation.
5. “BSIF Legislation” means the Borrower’s Social Investment Fund Act, Chapter 43, as revised through October 31, 2003.
6. “Culturally Appropriate Participation Framework” or “CAPF” means the Borrower’s framework, dated April 14, 2014 and published on the same date, acceptable to the Bank, setting forth procedures for the preparation of plans, containing measures for addressing the needs of the Indigenous Peoples, and providing guidelines and procedures for consultation with and informed participation of Indigenous Peoples residing or cultivating lands in areas under the Project, and referred to in Section I.E of Schedule 2 to this Agreement.
7. “CAP Plan” means in respect of any Subproject affecting Indigenous Peoples, a plan approved by the Bank, with measures for the culturally appropriate participation of Indigenous Peoples prepared and implemented in accordance with the CAPF and the provisions of Section I.E of Schedule 2 to this Agreement.

8. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
9. “CER Operations Manual” means the operations manual referred to in Section I.F.1 of Schedule 2 to this Agreement, to be adopted by the Borrower for Part 4 of the Project in accordance with the provisions of said Section.
10. “CER Part” means Part 4 of the Project.
11. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011.
12. “Coordinating Authority” means the entity or entities designated by the Borrower in the CER Operations Manual and approved by the Bank pursuant to Section I.F.1(a) (i) of Schedule 2 to this Agreement, to be responsible for coordinating Part 4 of the Project.
13. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.
14. “Emergency Expenditure” means any of the Eligible Expenditures set forth in the CER Operations Manual in accordance with the provisions of Section I.F.1 of Schedule 2 to this Agreement and required for the activities included in Part 4 of the Project.
15. “Environmental Management Framework” or “EMF” means the Borrower’s framework, acceptable to the Bank, dated March 20, 2014 and published on May 14, 2014, setting forth the modalities for environmental screening and procedures/actions for the preparation and implementation of environmental assessments and EMPs under Part 1 of the Project, and including “chance findings” procedures to protect physical cultural resources and measures to address any impacts on natural habitats; and such term includes all schedules and annexes to the Environmental Management Framework.
16. “Environmental Management Plan” or “EMP” means an environmental management plan, prepared in accordance with the Environmental Management Framework and the provisions of Section I.E.1 of Schedule 2 to this Agreement for the purposes of any investment under Part 1 of the Project and acceptable to the Bank, and giving details of the magnitude of the environmental impacts, as well as the specific actions, measures and policies designed to facilitate the achievement of the objective of the Environmental Management Framework under such investment, including the budget and cost estimates, and sources of funding, along

with the institutional and procedural measures needed to implement such actions, measures and policies.

17. “Fiscal Year” means the fiscal year of the Borrower commencing on April 1 of each year and ending on March 31 of the following year.
18. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012.
19. “Indigenous Peoples” means a social group of people with a distinct social and cultural identity that makes them vulnerable to being disadvantaged in the development process, including the presence in varying degrees of the following characteristics: (i) a close attachment to ancestral territories and to the natural resources in these areas; (ii) self-identification and identification by others as members of a distinct cultural group; (iii) an indigenous language, often different from the national language; (iv) presence of customary social and political institutions; and (v) primarily subsistence-oriented production.
20. “Involuntary Resettlement” means the impact of an involuntary taking of land under the Project, which taking causes Affected Persons to among others have their:
 - (a) standard of living adversely affected; or
 - (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or
 - (c) access to productive assets adversely affected, temporarily or permanently; or
 - (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.
21. “Involuntary Resettlement Action Plan” or “RAP” means in respect of any Subproject involving Involuntary Resettlement, a resettlement plan for such investment, prepared and implemented in accordance with the RPF and the provisions of Section I.E of Schedule 2 to this Agreement and approved by the Bank, such resettlement plan to include a program of actions, measures and policies for compensation and resettlement of the Affected Persons, and setting forth the magnitude of displacement, proposed compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements designed to ensure proper implementation of, and regular feedback on compliance with such plan.

22. “Involuntary Resettlement Policy Framework” or “RPF” means the Borrower’s framework dated April 14, 2014 and published on the same date, acceptable to the Bank, setting forth the modalities for resettlement and compensation of Affected Persons under Part 1 of the Project, as the same may be amended from time to time with the agreement of the Bank.
23. “MNRA” means the Borrower’s Ministry of Natural Resources and Agriculture, and includes any successor thereto.
24. “MoFED” means the Borrower’s Ministry of Finance and Economic Development, and includes any successor thereto.
25. “MoWT” means the Borrower’s Ministry of Works and Transport, and includes any successor thereto.
26. “Operating Costs” means the following reasonable incremental operational costs (which would not have been incurred absent the Project) related to Project implementation, management and supervision and incurred by the Borrower or BSIF, all based on periodic budgets to be agreed with the Bank:
 - (a) costs for utilities, maintenance and consumable office supplies, printing services, and communication services; and
 - (b) transportation costs, travel and *per diem* cost for Project staff which will carry out supervisory activities under the Project.
27. “PMU” means the Project Management Unit within BSIF referred to in Section I.A.2 of Schedule 2 to this Agreement.
28. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Bank to the Borrower pursuant to the letter agreement signed on behalf of the Bank on July 18, 2013 and on behalf of the Borrower on August 29, 2013.
29. “Priority Area” means any of the areas in which Subprojects could be carried out as set forth in the POM.
30. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011.
31. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated May 16, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

32. “Project Steering Committee” or “PSC” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement, established by MoFED, on October 2013, with a structure, composition, functions and responsibilities acceptable to the Bank, as set forth in the Project Operations Manual.
33. Project Operations Manual” or “POM” means the operations manual for the Project, referred to in Section I.A.3 of Schedule 2 to this Agreement, approved by the Bank on June 19, 2014.
34. “Safeguard Instruments” means the EMF, the RPF, the CAPF, and the related EMPs, RAPs and CAP Plans for the Project.
35. “Bank’s Safeguards Policies” means the Bank’s operational policies and procedures, set forth in the Bank’s operational manual and identified as OP/BP 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60, as said manual is published under www.WorldBank.org/opmanual.
36. “Subsidiary Agreement” means the agreement referred to in Section I.B.1 of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to BSIF.
37. “Subproject” means any investment referred to in Part 1 of the Project and approved by the Bank.
38. “Training” means reasonable costs of workshops and training related to the Project, (other than expenditures under consultants’ services and Non-consulting Services) including:
 - (a) reasonable travel, room, board and *per diem* expenditures as incurred by trainers and trainees in connection with their training and by non-consultant training facilitators;
 - (b) course fees;
 - (c) training facility rentals; and
 - (d) training material preparation, acquisition, reproduction and distribution expenses.