Early Warning System

# MIGA-15791

## NH-SFO Second-Loss - Barbados Policy Based Guarantee

# Early Warning System

MIGA-15791

## NH-SFO Second-Loss - Barbados Policy Based Guarantee

### Quick Facts

| | |
|---|---|
| **Countries** | Barbados |
| **Financial Institutions** | Multilateral Investment Guarantee Agency (MIGA) |
| **Status** | Proposed |
| **Bank Risk Rating** | U |
| **Borrower** | Government of Barbados |
| **Sectors** | Finance |
| **Investment Type(s)** | Guarantee |
| **Investment Amount (USD)** | $ 140.00 million |
| **Loan Amount (USD)** | $ 140.00 million |
| **Project Cost (USD)** | $ 140.00 million |

## Project Description

According to MIGA, the Project consists of one or more 20-year commercial loan(s) of up to US$184 million equivalent to the Government of Barbados (GoB), acting through its Ministry of Finance. The loan(s) will be denominated in Barbadian dollars and form part of the IBRD Development Policy Operation (DPO) supporting reforms (Prior Actions) the GoB has already completed.  The reform program aimed at strengthening the structural foundations of Barbados' economy — modernizing the systems that underpin economic activity while expanding the human capital and investment base needed to sustain inclusive growth, job creation, and regional integration.

The commercial loan(s) is expected to benefit from a combination of a (i) US$110 million IBRD Policy-Based Guarantee, provided on a first-loss basis; and (ii) MIGA Non-Honoring of Sovereign Financial Obligations (NH-SFO) guarantee(s) of around US$140 million, provided on a second-loss basis. The guarantees will cover 95% of GoB’s scheduled payment obligations under the loan(s). The loans will also include a Climate Resilient and Pandemic Debt Clause. After a qualifying natural disaster or pandemic, this clause allows the GoB to defer scheduled principal payments for up to two years, preserving liquidity when it is most needed.

The WBG-supported tranche sits alongside a parallel commercial financing of approximately US$425 million equivalent that is guaranteed by the Inter-American Development Bank (IDB), the Development Bank of Latin America (CAF) and the Caribbean Development Bank (CDB). Together, the two tranches would support up to US$610 million equivalent of commercial lending to Barbados.

## Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

## Contact Information

No contacts available at the time of disclosure

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing: migainquiry@worldbank.org

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org