

## **AMENDATORY CONTRACT**

AMENDATORY CONTRACT entered into between the CARIBBEAN DEVELOPMENT BANK (the “Borrower”) and the INTER-AMERICAN DEVELOPMENT BANK (the “Bank,” and together with the Borrower, the “Parties.”).

### **WHEREAS**

The Borrower has requested the Bank to make certain amendments to Loan Contract No. 2798/BL-RG, which finances the CDB Global Loan Program for the IDA-Eligible OECS Member Countries, entered into between the Borrower and the Bank on May 21st, 2013 “(hereinafter referred to as the “Loan Contract”), as provided hereunder.

Therefore, the Parties agree as follows:

### **ARTICLE ONE**

1. Loan Contract No. 2798/BL-RG, is hereby amended as follows:

In the Special Clauses, Section 4.01(b)(iii) “Utilization of the resources of the Financing” will be amended as follows:

“(iii) shall not use more than the equivalent of thirty percent (30%) of the Financing to finance loan operations that support policy reforms, such as Policy-Based Loan (PBL) operations.”

2. In the Annex A, Paragraph 2.03(b) will be amended as follows

“(b) Loan resources may be used by CDB to finance sub-loans that support policy reforms, such as Policy-Based Loan (PBL) operations. Such sub-loans shall be based on a sound macroeconomic framework of the beneficiary country, requiring a determination that the country’s macroeconomic policy framework is appropriate at the moment of approval of the sub-loan and the maintenance of an appropriate macroeconomic policy framework for each disbursement under that sub-loan. For that, CDB shall conduct an independent macroeconomic assessment (IMA) in consultation with the Bank. As part of the IMA, coordination with other institutions is required; in particular, the view of the International Monetary Fund (IMF) shall be taken into account, *i.e.*, the presence of an on-track IMF program or an Article IV assessment completed within six (6) months prior to the presentation of the sub-loan to CDB Board of Directors. In the absence of an on-track IMF Program or an Article IV assessment completed within this time period, CDB must request a written assessment from the IMF. No more than thirty percent (30%) of the Financing may be used to finance sub-loans that support policy

reforms. The Bank's negative list for PBLs, which will be included in the Credit Regulations, will be applied to this type of sub-loans."

## ARTICLE TWO

The Parties agree that this Amendatory Contract shall enter into force from the date of signature by the representative of the Borrower.

## ARTICLE THREE

The Parties hereby ratify that all other provisions of the Loan Contract remain in full force and effect.

IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorized representative, have signed this Amendatory Contract in two (2) equally valid copies and will enter into effect on the date of its signature by the Borrower.

CARIBBEAN DEVELOPMENT BANK

INTER-AMERICAN DEVELOPMENT BANK

/s/ Nigel Romano

/s/ Joel Branksi

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Nigel Romano  
Vice President (Operations) Ag.

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Joel Branksi  
Representative in Barbados

Place: Barbados

Place: Barbados

Date: August 7, 2014

Date: July 30, 2014