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Loan Contract No. 4798/OC-BL - Amendment No. 2
Loan Contract No. 4839/OC-BL - Amendment No. 1
Loan Contract No. 5233/OC-BL - Amendment No. 1
Loan Contract No. 5353/OC-BL - Amendment No. 1
Loan Contract No. 5582/OC-BL - Amendment No. 1
Loan Contract No. 5583/OC-BL - Amendment No. 1
Loan Contract No. 5647/OC-BL - Amendment No. 1
Loan Contract No. 5749/OC-BL - Amendment No. 1
Loan Contract No. 5753/OC-BL - Amendment No. 2
Loan Contract No. 5769/OC-BL - Amendment No. 1

AMENDATORY CONTRACT

AMENDATORY CONTRACT entered into between BELIZE (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").

WHEREAS

The Borrower has requested, through communication IA/IDB/1/2024(1) Vol. X dated January 24, 2024, the modification of the following loan contracts: (i) 4798/OC-BL, Education Quality Improvement Program II, entered into by the Borrower and the Bank on January 27, 2020 and amended on November 9, 2020; (ii) 4839/OC-BL, Strengthening of Tax Administration, entered into by the Borrower and the Bank on November 1, 2019; (iii) 5233/OC-BL, Support the Health Sector to Contain and Control Coronavirus, entered into by the Borrower and the Bank on May 17, 2022; (iv) 5353/OC-BL, Strengthening Public Expenditure Management in Belize, entered into by the Borrower and the Bank on May 27, 2022; (v) 5582/OC-BL, Trade and Investment Facilitation Program for Belize, entered into by the Borrower and the Bank on February 21, 2023; (vi) 5583/OC-BL, Sustainable and Inclusive Belize, entered into by the Borrower and the Bank on February 21, 2023; (vii) 5647/OC-BL, Digital Innovation to Boost Economic

Development in Belize, entered into by the Borrower and the Bank on February 21,2023; (viii) 5749/OC-BL, Skills for the Future Program, entered into by the Borrower and the Bank on August 8, 2023; (ix) 5753/OC-BL, Water and Sanitation Program for Rural Areas, entered into by the Borrower and the Bank on November 16, 2023 and amended on December 19, 2023; (x) 5769/OC-BL, Promoting Sustainable Growth in the Blue Economy Program, entered into by the Borrower and the Bank on November 29, 2023.

Therefore, the Parties agree as follows:

ARTICLE ONE

The Parties agree to amend Loan Contracts No. 4798/OC-BL; 4839/OC-BL and 5233/OC-BL in the manner and to the extent set forth below:

1. A new sub-section (d) is added to Section 2.05 of the Special Conditions as follows:

"SECTION 2.05. Amortization Schedule. …

(d) **Principal Payment Option Activation**. The Borrower and the Bank agree on the activation of the Principal Payment Option applicable to this Loan in accordance with the terms and conditions established in Articles 3.03 to 3.06 of the General Conditions."

2. The following definitions are added to Article 2.01 of the General Conditions, following alphabetical order and with the corresponding adjustments to the numbering of the definitions included therein:

"

"Contingent Credit Facility" means the Contingent Credit Facility for Natural Disaster Emergencies or the Contingent Credit Facility for Natural Disaster and Public Health Emergencies, as the case may be, approved by the Bank, and as may be amended from time to time.

"Eligible Natural Disaster" means (i) an earthquake; (ii) a tropical cyclone; and/or (iii) another natural disaster for which the Bank can offer the Principal Payment Option, subject to the Bank's operational and risk management considerations, in either of the three cases of catastrophic proportions, that meets the parametric and non-parametric conditions established by the Bank in the Principal Payment Option Parametric and Non-Parametric Terms and Conditions.

"Principal Payment Option" means the one-time principal payment option with respect to the Amortization Schedule, which may be offered to a Borrower which is a member country of the Bank pursuant to Articles 3.03 to 3.06 of these General Conditions.

"Principal Payment Option Activation Notification Letter" means the communication by which the Bank responds to a Principal Payment Option Activation Request Letter.

"Principal Payment Option Activation Request Letter" means the communication from the Borrower to the Bank requesting that the Loan be eligible for the Principal Payment Option subject to the terms and conditions set forth in this Contract.

"Principal Payment Option Exercise Notification Letter" means the communication by which the Bank responds to a Principal Payment Option Exercise Request Letter and informs the Borrower of the adjusted Amortization Schedule resulting from the exercise of the Principal Payment Option.

"Principal Payment Option Exercise Request Letter" means the communication from the Borrower to the Bank requesting a modification to the Amortization Schedule under the Principal Payment Option pursuant to Article 3.06 of these General Conditions.

"Principal Payment Option Parametric and Non-Parametric Terms and Conditions" means the terms and conditions of the parametric and non-parametric conditions established by the Bank and applicable for the verification of the occurrence of an Eligible Natural Disaster."

3. Article 3.01 of the General Conditions is amended to read as follows:

"ARTICLE 3.01. <u>Dates of Payment of Amortization, Interest, Credit Fee, and Other Costs</u>. The Loan will be amortized in accordance with the Amortization Schedule. Interest and amortization installments will be paid on the fifteenth (15th) day of the month, as set forth in the Special Conditions, in an Amortization Schedule Modification Notification Letter, in a Conversion Notification Letter, or in a Principal Payment Option Exercise Notification Letter, as the case may be. The dates for payment of an amortization payment, credit fee, and other costs shall always coincide with an interest payment date."

4. Article 3.02(a) of the General Conditions is amended to read as follows:

"(a) The Borrower, with the prior consent of the Guarantor, if any, may request the modification of the Amortization Schedule at any time from the entry into effect of the Contract and up to sixty (60) days prior to the expiration of the Original Disbursement Period as set forth in this Article. The Borrower may also request the modification of the Amortization Schedule in the case of a Principal Payment Option, a Currency Conversion, or an Interest Rate Conversion, as set forth respectively in Articles 3.06, 5.03, and 5.04 of these General Conditions."

5. Article 3.02(b) of the General Conditions is amended to read as follows:

"(b) For any modifications to the Amortization Schedule, except pursuant to the Principal Payment Option, a Currency Conversion, or an Interest Rate Conversion, the Borrower shall deliver to the Bank an Amortization Schedule Modification Request Letter, which shall: (i) state whether the proposed modification to the Amortization Schedule is applicable to all or part of the Loan; and (ii) indicate the new amortization schedule, including the first and last amortization dates, the frequency of payments, and the percentage that these payments represent of the total of the Loan or the Loan tranche for which the modification is requested."

6. Article 3.02(c)(iii) of the General Conditions is amended to read as follows:

"(iii) the Loan tranche subject to the modification of the Amortization Schedule has not been subject to a prior modification, unless the new Amortization Schedule modification is the result of the exercise of the Principal Payment Option, a Currency Conversion, or an Interest Rate Conversion."

7. New Articles 3.03 to 3.06 are added to the General Conditions as follows:

"**ARTICLE 3.03.** **Principal Payment Option**. (a) The Principal Payment Option may only be offered by the Bank to a borrower which is a member country of the Bank. For the purposes of the Principal Payment Option described in this Contract, the term "Borrower" should be understood as the member country of the

Bank. The Borrower may request to the Bank, and the Bank may accept, that this Loan be eligible for the Principal Payment Option in accordance with the provisions set forth in this Contract. Upon acceptance by the Bank of the Borrower's request, the Borrower may be allowed to exercise the Principal Payment Option during the accrual period of the transaction fee applicable to the Principal Payment Option set forth in Article 3.05 of these General Conditions by requesting the modification of the Amortization Schedule following the occurrence of an Eligible Natural Disaster in accordance with Article 3.06 of these General Conditions."

(b) **Principal Payment Option Activation Request after the entry into effect of this Contract.** The Borrower may request to the Bank, and the Bank may accept, that this Loan be eligible for the Principal Payment Option after it has entered into effect and up to sixty (60) days prior to the expiration of the Original Disbursement Period. To this end, the Borrower shall deliver to the Bank a Principal Payment Option Activation Request Letter in form and substance satisfactory to the Bank, signed by a duly authorized representative of the Borrower. Once the Bank has received a Principal Payment Option Activation Request Letter, the Bank may accept the request by delivering to the Borrower a Principal Payment Option Activation Notification Letter.

(c) **Condition to Request the Activation of the Principal Payment Option.** A request from the Borrower to activate the Principal Payment Option will be eligible provided that, at the time of the request, there is a Contingent Credit Facility entered into between the Borrower and the Bank with a corresponding active natural disaster coverage for at least one Eligible Natural Disaster.

(d) **Expansion of Contingent Credit Facility Natural Disaster Coverage.** If the Borrower expands the natural disaster coverage of its Contingent Credit Facility with the Bank to include one or more natural disasters that said Contingent Credit Facility did not provide coverage for at the time of activation of the Principal Payment Option as set forth in paragraph (c) above, the Borrower may request that the Bank update the Principal Payment Option Parametric and Non-Parametric Terms and Conditions accordingly. If the Bank approves said request, the parametric and non-parametric terms and conditions applicable for the verification of the respective natural disaster will be established by the Bank, at its own discretion, in the updated Principal Payment Option Parametric and Non-Parametric Terms and Conditions, which shall be communicated by the Bank to the Borrower. Once the Bank has communicated the updated Principal Payment Option Parametric and Non-Parametric Terms and Conditions as set forth in this paragraph, the natural disaster will be considered an Eligible Natural Disaster for the purposes of the Principal Payment Option.

(e) **Cancellation.** The Principal Payment Option may be cancelled upon written request by the Borrower to the Bank, in which case the Principal Payment Option transaction fee shall continue to accrue until thirty (30) days after the receipt by the Bank of the Borrower's request for cancellation. The Parties agree that any amount paid by the Borrower in connection with the transaction fee of the Principal Payment Option between the date of receipt of the notice of cancellation by the Bank and the effective date of the cancellation will not be reimbursed by the Bank to the Borrower.

(f) **Ineligibility.** This Loan will not be eligible for the Principal Payment Option if the Amortization Schedule of the Loan contemplates either a bullet payment or principal payments in the last five (5) years of the amortization period of the Loan.

ARTICLE 3.04. **Principal Payment Option Parametric and Non-Parametric Terms and Conditions**. (a) The parametric and non-parametric conditions applicable for the verification of the Eligible Natural Disaster will be established by the Bank, at its own discretion, in the Principal Payment Option Parametric and Non-Parametric Terms and Conditions, which shall be communicated by the Bank to the Borrower following the activation of the Principal Payment Option as set forth in Article 3.03 of these General Conditions. The Principal Payment Option Parametric and Non-Parametric Terms and Conditions shall be binding on the Borrower and may be amended by the Bank by written notification to the Borrower.

(b) The fulfillment of the parametric conditions established for the verification of an Eligible Natural Disaster as set forth in the Principal Payment Option Parametric and Non-Parametric Terms and Conditions will be verified by the Bank using data provided by independent third-party entities determined by the Bank.

(c) The fulfillment of the non-parametric conditions established for the verification of an Eligible Natural Disaster as set forth in the Principal Payment Option Parametric and Non-Parametric Terms and Conditions will be verified by the Bank and, to that end, the Bank may, at its own discretion, consult with any third parties.

ARTICLE 3.05. **Transaction Fee Applicable to the Principal Payment Option**. (a) A transaction fee applicable to the Principal Payment Option, which will be determined by the Bank periodically, shall be paid by the Borrower on the Outstanding Loan Balance. The Bank will notify the Borrower of the transaction fee to be paid for the Principal Payment Option. Such fee shall remain in effect until it ceases to accrue as established in paragraph (c) of this Article.

(b) The transaction fee applicable to the Principal Payment Option: (i) shall be expressed in the form of basis points per annum; (ii) shall begin to accrue twelve (12) months prior to the date on which the first amortization installment of the Loan is due or sixty (60) days prior to the expiration date of the Original Disbursement Period, whichever occurs later; and (iii) shall be paid on each interest payment date as provided for in Article 3.01 of these General Conditions.

(c) The transaction fee applicable to the Principal Payment Option shall cease to accrue: (i) on the date the Borrower exercises the Principal Payment Option pursuant to Article 3.06 of these General Conditions; or (ii) five (5) years prior to the last amortization date as provided in the Amortization Schedule as set forth in paragraph (g) of Article 3.06 of these General Conditions, whichever occurs first.

ARTICLE 3.06. **Exercise of the Principal Payment Option**. (a) Following the occurrence of an Eligible Natural Disaster during the accrual period of the transaction fee applicable to the Principal Payment Option set forth in Article 3.05 of these General Conditions, the Borrower may request to exercise the Principal Payment Option by delivering to the Bank a Principal Payment Option Exercise Request Letter, in form and substance satisfactory to the Bank, by which the Borrower shall:

(i) notify the Bank of the occurrence of an Eligible Natural Disaster;

(ii) submit to the Bank the supporting documentation related to the fulfillment of the parametric and non-parametric conditions applicable to the Eligible Natural Disaster;

(iii) indicate the Loan number; and

(iv) include the new amortization schedule, which shall reflect the redistribution of Loan amortization payments that would be due during the two-year period following the occurrence of an Eligible Natural Disaster in accordance with the provisions of paragraphs (b) and (d) of this Article.

(b) The Bank may accept the request referred to in paragraph (a) of this Article subject to the Bank's operational and risk management considerations and to the satisfaction of the following requirements:

(i) the new amortization schedule of the Loan corresponds to an amortization schedule with semiannual principal payments;

(ii) the last amortization date and the cumulative WAL of the modified Amortization Schedule does not exceed the Final Amortization Date nor the Original WAL; and

(iii) there has been no delay in the payment of any sums owed by the Borrower to the Bank for principal, fees, interest, return of resources of the Loan used for ineligible expenditures, or for any other reason, under this Contract or any other contract entered into between the Bank and the Borrower, including any loan contract or Derivative Contract.

(c) The Bank will notify the Borrower of its decision in a Principal Payment Option Exercise Notification Letter. If the Bank accepts the Borrower's request, the Principal Payment Option Exercise Notification Letter will include: (i) the new Amortization Schedule for the Loan; and (ii) the effective date of the new Amortization Schedule.

(d) If the Principal Payment Option is exercised less than sixty (60) days in advance of the next principal payment due to the Bank as set forth in the Amortization Schedule, the modified Amortization Schedule shall not affect such next principal payment and, therefore, the two-year period of the Principal Payment Option would commence immediately after said principal payment.

(e) All interest, fees, premiums, and any other Loan charge, as well as any other payment for expenses or costs that may be imputed to this Contract, will continue to be due by the Borrower during the two-year period following the occurrence of an Eligible Natural Disaster in accordance with the provisions of this Contract.

(f) The Principal Payment Option may only be exercised by the Borrower regarding an Eligible Natural Disaster for which the Borrower had, at the time of activation of the Principal Payment Option, a corresponding active natural disaster coverage under a Contingent Credit Facility. If, following the activation of the Principal Payment Option, the Bank approves that the Borrower be eligible to exercise the Principal Payment Option for additional natural disasters pursuant to paragraph (d) of Article 3.03 of these General Conditions, the Borrower may also exercise the Principal Payment Option regarding said Eligible Natural Disaster.

(g) The Principal Payment Option may be exercised by the Borrower, subject to the Bank's operational and risk management considerations, up to five (5) years prior to the date of the last scheduled amortization payment to the Bank, as set forth in the Amortization Schedule. If the Principal Payment Option is not exercised within such period, it shall be deemed automatically cancelled, and the respective transaction fee shall cease to accrue upon the expiration of the said period.

(h) Once the Principal Payment Option has been exercised pursuant to this Article, the Borrower shall not be eligible to exercise such option again with respect to the Loan."

8. The numbering of "**Article 3.03. <u>Interest</u>**" to "**Article 3.11. <u>Place of Payments</u>**" of Chapter III of the General Conditions is adjusted to encompass the new articles mentioned in Article 1, section 7 of this Amendatory Contract and shall read as "**Article 3.07. <u>Interest</u>**" to "**Article 3.15. <u>Place of Payments</u>**".

ARTICLE TWO

The Parties agree to amend Loan Contracts No. 5353/OC-BL; 5647/OC-BL; 5749/OC-BL; 5582/OC-BL; 5583/OC-BL; 5769/OC-BL and 5753/OC-BL in the manner and to the extent set forth below:

1. Section 2.05 of the Special Conditions is amended to read as follows:

"**SECTION 2.05. <u>Amortization Schedule</u>**. ...

(d) **Principal Payment Option Activation**. The Borrower and the Bank agree on the activation of the Principal Payment Option applicable to this Loan in accordance with the terms and conditions established in Articles 3.03 to 3.06 of the General Conditions."

2. Article 3.03(a) of the General Conditions is amended to read as follows:

"**ARTICLE 3.03.** **Principal Payment Option**. (a) The Principal Payment Option may only be offered by the Bank to a borrower which is a member country of the Bank. For the purposes of the Principal Payment Option described in this Contract, the term "Borrower" should be understood as the member country of the Bank. The Borrower may request to the Bank, and the Bank may accept, that this Loan be eligible for the Principal Payment Option in accordance with the provisions set forth in this Contract. Upon acceptance by the Bank of the Borrower's request, the Borrower may be allowed to exercise the Principal Payment Option during the accrual period of the transaction fee applicable to the Principal Payment Option set forth in Article 3.05 of these General Conditions by requesting the modification of the Amortization Schedule following the occurrence of an Eligible Natural Disaster in accordance with Article 3.06 of these General Conditions."

3. Articles 3.05(a) and (b) of the General Conditions are amended to read as follows:

"**ARTICLE 3.05.** **Transaction Fee Applicable to the Principal Payment Option**. (a) A transaction fee applicable to the Principal Payment Option, which will be determined by the Bank periodically, shall be paid by the Borrower on the Outstanding Loan Balance. The Bank will notify the Borrower of the transaction fee to be paid for the Principal Payment Option. Such fee shall remain in effect until it ceases to accrue as established in paragraph (c) of this Article.

(b) The transaction fee applicable to the Principal Payment Option: (i) shall be expressed in the form of basis points per annum; (ii) shall begin to accrue twelve (12) months prior to the date on which the first amortization installment of the Loan is due or sixty (60) days prior to the expiration date of the Original Disbursement Period, whichever occurs later; and (iii) shall be paid on each interest payment date as provided for in Article 3.01 of these General Conditions."

4. Article 3.06(a) of the General Conditions is amended to read as follows:

"ARTICLE 3.06. **Exercise of the Principal Payment Option**. (a) Following the occurrence of an Eligible Natural Disaster during the accrual period of the transaction fee applicable to the Principal Payment Option set forth in Article 3.05 of these General Conditions, the Borrower may request to exercise the Principal Payment Option by delivering to the Bank a Principal Payment Option Exercise Request Letter, in form and substance satisfactory to the Bank, by which the Borrower shall: ..."

ARTICLE THREE

The Parties agree that all other provisions of the Loan Contracts remain in full force and effect.

ARTICLE FOUR

The Borrower undertakes to notify the Bank, in writing, within a maximum period of ten (10) working days from effective date of this of this Amendatory Contract, whether it considers this Amendatory Contract to contain information that may qualify as an exception to the principle of disclosure of information under the Access to Information Policy of the Bank, in which case the Borrower undertakes to identify such information in the relevant provisions of the Amendatory Contract. In accordance with the aforementioned policy, the Bank will make available on its "Web" page the text of this Amendatory Contract once it has entered into effect and the aforementioned period has expired, excluding only that information which the Borrower has identified as an exception to the principle of disclosure of information under this policy.

ARTICLE FIVE

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

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 in Belmopan, Belize.

BELIZE	INTER-AMERICAN DEVELOPMENT BANK
Honourable John Briceño Prime Minister and Minister of Finance, Economic Development and Investment	Rocio Medina Bolivar IDB Country Representative
Date: February 20th, 2024	Date: February 20, 2024

4798/OC-BL - Amendment No. 2
4839/OC-BL - Amendment No. 1
5233/OC-BL - Amendment No. 1
5353/OC-BL - Amendment No. 1
5582/OC-BL - Amendment No. 1
5583/OC-BL - Amendment No. 1
5647/OC-BL - Amendment No. 1
5749/OC-BL - Amendment No. 1
5753/OC-BL - Amendment No. 2
5769/OC-BL - Amendment No. 1