

Central American Bank for Economic Integration (CABEI) - Amendment No. 1 to Loan Agreements No. 1997, 2061, 2054, 2147 and 2295, Loan Amendment Motion, 2023.

WHEREAS, Belize being a member of the Central American Bank for Economic Integration (CABEI), is eligible for development assistance in the form of loans, grants and technical assistance from the Bank on such terms and conditions as may be agreed between Belize and the Bank from time to time;

AND WHEREAS, the Government of Belize has received financial support from the Bank throughout the years and currently has five (5) loan agreements in execution for the following ongoing projects:

1. Loan No. 1997 - Rural Financing Program, for US\$1,905,800, signed on 5th June 2009;
2. Loan No. 2061 - Renovation and Rehabilitation of the Corozal Border Post, for US\$6,167,410, signed on 8th June 2011;
3. Loan No. 2054 - Renovation and Rehabilitation of the Southern Highway from the Tramo Dump to Jalacte, for US\$4,500,000, signed on 8th June 2011;
4. Loan No. 2147 - Belize Integral Security Program, for US\$30,000,000, signed on 21st August, 2015;
5. Loan No. 2295 - Expansion and Rehabilitation of the Phillip Goldson Highway, for US\$24,000,000, signed on 19th October, 2022;

AND WHEREAS, the interest rate, for these five (5) loan agreements signed between the Government of Belize and CABEI, is currently based on the London Interbank Offered Rate (LIBOR);

AND WHEREAS, the LIBOR interest rates will cease to exist on 30th June 2023, and will be replaced with the Secured Overnight Financing Rate (SOFR); (SOFR being a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities);

AND WHEREAS, CABEI has informed of its move to adopt the SOFR as its new lending reference rate for its loan portfolio in Belize;

AND WHEREAS, the transition to this new lending rate will require amendments, to the five (5) signed loan agreements with CABEI, to indicate the following: “The LIBOR Index shall be replaced with the six-month SOFR, plus a 42.826 basis points credit spread adjustment set by CABEI”;

AND WHEREAS, the Government of Belize is required to obtain the prior authorization of the National Assembly, by way of a Resolution, for such Amendment;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that this Amendment is necessary and in accordance with international best practices, approves and confirms that the Government of Belize may enter into Amendment No. 1 to Loan Agreements 1997, 2061, 2054, 2147 and 2295 with CABEI as set out above, and further authorizes the Minister of Finance to execute and deliver the said Loan Amendment Agreements and all other documents and agreements connected therewith.