

**Caribbean Development Bank – Seventh Power Project – Additional Loan to Belize Electricity Limited (US\$6.2 Million) – Extension of Sovereign Guarantee - Guarantee Motion, 2025.**

**WHEREAS**, section 12(1) of the Loans (Caribbean Development Bank) Act, Chapter 74 of the Substantive Laws of Belize, Revised Edition 2020, provides, inter alia, that the Government may in such manner, and on such terms and subject to such conditions as may be agreed by it and the Caribbean Development Bank (the “Bank”), guarantee the discharge by a company of the company’s obligations under any agreement for borrowing from the Bank;

**AND WHEREAS**, subsection (5) of the said section 12 of the CDB Act provides that no guarantee above the sum of BZ\$5.0 million shall be given by the Government without the approval of the National Assembly;

**AND WHEREAS**, section 7(6) of the Finance and Audit (Reform) Act (No. 12 of 2005) provides that before the Government offers any guarantee in support of any loan made directly to a private sector entity or statutory body by any public or private bank, financial institution or capital market in or outside Belize, the Government shall seek the approval of the National Assembly;

**AND WHEREAS**, in 2019, the Belize Electricity Limited (BEL) signed a loan agreement with the Bank for US\$6,840,000, to undertake the Seventh Power Project in Caye Caulker, of which the Government of Belize, after approval from the House, signed a sovereign guarantee agreement in the same amount to cover the Loan;

**AND WHEREAS**, the Bank has now offered to provide an additional financing to BEL to cover the cost of the necessary increased project scope of the ongoing Seventh Power Project, that is interconnecting Caye Caulker to the National Grid, to respond to the rapid growth in peak demand being experienced at Caye Caulker;

**AND WHEREAS**, the additional financing is in the form of another loan to BEL in the amount of US\$6.2 million dollars, and is being offered on the condition, among others, that the additional Loan sum be guaranteed by the Government of Belize, through an extension of the original Sovereign Guarantee that was provided by the Government of Belize;

**AND WHEREAS**, the Bank has offered to lend BEL the additional sum of **US\$6,200,000** (“the Loan”) from the Bank’s **Ordinary Capital Resources (OCR)**, on the following terms and conditions:

<b>Loan Amount:</b>	US\$6.2 million from the Bank’s Ordinary Capital Resources (Equity & Market);
<b>Rate of Interest:</b>	5.6% per annum on the amount withdrawn and outstanding from time to time;

**Repayment Terms:** To be repaid in forty-eight (48) equal or approximately equal and consecutive quarterly installments of about US\$129,166.66, on each due date, commencing on the first due date, two (2) years after the agreement date;

**Commitment Fee:** 1% on the undisbursed balance of the Loan;

**NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that the Additional Loan ensures that the Seventh Power Project effectively fulfils its objectives of adequately and reliably connecting the growing village of Caye Caulker to the grid, and improve the livelihood of its citizens, approves and confirms that the Government may enter into an extension of the Sovereign Guarantee Agreement with the Bank on the terms and conditions set out above, and further authorizes the Minister of Finance to execute and deliver the said Guarantee Agreement and all other documents associated therewith.