



In March 2023 **CoopEnergy Barbados** became aware of plans by the Barbados government to divest its interest in the local sugar industry after many years of sustained losses.

CoopEnergy recognized the potential opportunity to transform the sugar industry into a renewable energy operation, and proposed a mechanism for takeover of the BAMC holdings on behalf of the members of the Coop, the workers in the industry, and the general public at large, all under a local cooperative umbrella.

Our proposal was accepted in principle by government and a Memorandum of Understanding (MOU) signed in May 2023. This outlines the process of transfer of assets, and follows well established steps:

- Offer of sale by seller, and provisional acceptance by buyer
- Agreement on terms and timings of transfer of ownership
- Verification of value and legal status of the asset to be sold
- Final agreement on price and terms of sale - after verification of asset's value and legal status
- Transfer of ownership

Agreement was reached on the terms and the format of the divestment and the agreed legal entities ABC & BESCO were registered. Directors were appointed and a shareholders' agreement etc were drawn up and signed. CoopEnergy's directors began to become involved in day-to-day operations in anticipation of a final handover.

On 18 December 2023, the BAMC severed all staff, closed its sugar operations, and started the handover process. During the handover process, we were notified of certain fundamental changes to the initial MOU signed.

- Government decided to retain a 25% interest in the new operations instead of full divestment.
- The employee share offer by BAMC was put on hold, so no employee representation was on the Boards.
- Two members of BAMC Board - the chairman and deputy chair, would now represent this 25% interest, and sit on ABC/BESCO Boards.
- The independent management and financial reports stipulated in the MOU were not provided as promised, and instead, persistent pressures were put on **CoopEnergy** to make significant financial commitments - prior to being provided this information.
- These operational and finance reports are obviously also needed by the Co-op movement in order for potential Credit Union investors to properly assess their investment options.

By June 2024, the situation had reached a 'Catch-22' state, leading to the transition process becoming stalled. Numerous written requests from CoopEnergy for clarification from Government have gone unanswered up to months later, and even to this time.

We are also not aware of any formal public statements from Government advising of the status of this major divestment - despite having had two major budget presentations since we started.

It would be irresponsible for any Cooperative in Barbados to authorize such significant investments in an industry that has been known to be failing, without complete financial disclosure, as well as coherent business projections, which clearly show how previous failings are to be addressed.

CoopEnergy entered this arrangement with government with much enthusiasm and with great plans for its successful expansion into the energy sector. With our international Co-op partners, we are fully convinced of the project's viability, provided that it is managed on a professional and business basis, and that it is free of the various influences that previously plagued the industry.

CoopEnergy however will not be buying a pig in a bag. While we are prepared to purchase the agreed shares at fair market price, sound business practice requires that we perform the required due diligence assessments that were agreed up front in the MOU to establish the true values.

Given the now extended absence of responses from Government, and the unwelcoming and unresponsive attitudes adopted, our appointed Directors have been unable to be actively involved in operations or administration since June 2024. However we continue to await Government's response, and we continue to wish for a proper, timely and reasonable conclusion to this matter.