

Members Update - CoopEnergy Sugar Initiative



Dear Members

Following our public statement issued in January, where we outlined our position with respect to the stalled Sugar industry transfer of BAMC assets to BESCO and ABC Ltd, we have been engaged in a drawn-out mediation process with the BAMC in an attempt to bring an amicable resolution to this matter.

CoopEnergy has been extremely transparent and straightforward throughout the whole process but we have now reached the point where it is clear that this opportunity for amicable settlement has now been closed by the BAMC, and by government.

As we have explained previously, after signing a *Memorandum of Understanding* and later, a *Shareholders Agreement* with CoopEnergy for the transfer BAMC's sugar portfolio to BESCO and ABC, the BAMC subsequently appears to have undergone a change of heart, and issued letters in August of 2025 purporting to terminate the contracts - which they had not only signed, but had themselves, essentially drawn up.

We pointed out to BAMC that the contracts made no provisions for any such unilateral withdrawal as purported in their letters, and that in fact, the Agreement specifically requires that any disputes are to be resolved via a mediation process.

BAMC eventually concurred with this position, and agreed to participate in a mediation process under the guidance of experienced mediator Mrs Beverley J Franklin-Brewer.

Mediation

Our expectation was that BAMC would then raise whatever concerns had prompted their decision to terminate the agreement, and give CoopEnergy the opportunity to either address the matters - or to discuss mutually agreeable terms for the termination of the agreement.

After a long series of delays for various reasons, the mediation session merely resulted in BAMC maintaining their position on unilaterally terminating the Agreements - simply indicating that they had a change of mind after signing the contracts.

Our Position

CoopEnergy entered the process with exceptionally high enthusiasm for making a major contribution to the energy, agriculture, enfranchisement, and worker-empowerment areas of Barbados. We believe that we were ideally placed to make an outstanding success of this arrangement for the following reasons:

1. The Cooperative movement in Barbados is now well placed to step into these areas of national life. This is so from a financial resources perspective, from human resources capacity, and also with respect to the availability of the technical competencies needed for success.
2. While the Barbados National Energy Initiative has run into a roadblock with respect to intermittent sources such as photo-voltaic and wind, biofuel sources such as bagasse and waste-to-energy projects are excellently suited for the national energy plan at this time.
3. CoopEnergy was able to compile a team of highly experienced professionals in a wide variety of the critical areas needed for outstanding success. These include co-op administrative executives, engineers - including energy experts, financial experts, and many others with key skills, who were keen to make this a success.
4. We established relationships with large and successful external Co-operative agencies, such as the International Cooperative Alliance (ICA), who are associated with similar energy operations, and who have expressed keen interest in assisting CoopEnergy in making this initiative a success.
5. Key members of CoopEnergy were intimately involved in a similar project decades ago, that resulted in the creation of **Cooperators General Insurance Company Ltd.**, a successful \$80 million dollar insurance company that is 100% locally owned - by the Credit Union movement.

6. During the interim period before BAMC's ending of the contract, CoopEnergy made numerous detailed presentations to a variety of Cooperative and other agencies and received overwhelming support for the initiative - with the only reservation being, that the transfer had to be fully transparent and professionally executed - for fear of our buying a pig in a bag.

Governments' Case

It had become common public knowledge that as a condition of accessing a significant IMF loan, a number of State-Owned Enterprises - such as BAMC and CBC were required to be privatized by government.

It is also common knowledge that the BAMC has been heavily subsidized by government - by some estimates, to the tune of \$20m per year. Indeed, in 2024, to facilitate the transfer of BAMC to ABC and BESCO, over \$50m was provided to BAMC to settle outstanding liabilities.

It turns out that December 18, 2024, the date when the Cabinet of Barbados finally approved the contractual arrangements for transfer to ABC and BESCO, also happens to be close to the deadline set for government to meet the terms of the IMF loan compliance. Government therefore was able to access the \$400m IMF loan.

However, it is after this date that difficulties in communication arose, and where BAMC then introduced new requirements that are not covered under the contract. Requirements such as having BAMC directors on the Board of ABC and BESCO, and that CoopEnergy make payments without having access to audited financial records, clean asset lists, and outstanding liabilities listings.

Eventually, after having no responses to our many communications requesting clarifications, we received the letters of purported termination referenced above.

Our Efforts

The investments into this venture of time, expertise, energy, and of long term commitments to consulting partners, associates, and to our international partners by CoopEnergy, has been extensive.

Our initial plans called for approximately \$100m dollars in investments in upgrading the clearly dilapidated Portvale Factory with modern boilers and bagasse storage facilities, and for transforming the plantations under ABC management to modern worker-focussed operations. Significant planning, consultations, meetings and time would have been expended in putting all these efforts into place, and BAMC would have been intimately aware of these efforts and costs.

Having now unsuccessfully completed the mediation process as outlined in the contracts, CoopEnergy intends to take the matter to our membership for our next step in this unfortunate and quite bewildering saga with our own government.

Clearly government has the right, and certainly the power, to terminate the arrangement. However justice requires that the reasonable and lawful concerns of all signatories to the valid contract - including our cooperative and of its members, be properly considered and satisfied. There are now numerous precedent cases in our court records where this principle has been confirmed by the High Courts of Barbados.

Trevor Browne
16 Aug 2026