BELIZE

No. HR34/1/10

HOUSE OF REPRESENTATIVES

Friday, 13th January 2012

10:00 AM

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ORDERS OF THE DAY

1. Prayers.

3. Announcements by the Speaker.

6. Papers.

No. HR259/1/10	-	Social Security Board - Actuarial Review 2010; Financial Statements for Year Ended December 2010; and Report of Operations 2010.
No. HR260/1/10	-	Central Bank of Belize – Estimates of Revenue and Expenditure for Fiscal Year 2012.

(The Honourable Prime Minister and Minister of Finance)

13. Motions relating to the Business or Sittings of the House.

SUPPLEMENTARY ORDER NO. 1

BELIZE

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S U P P L E M E N T A R Y

ORDERS OF THE DAY

7. Papers.

No. HR261/1/10 - Belize Rural Finance Programme (RFP) Financial Statements 31st March, 2011.

(The Honourable Minister of Economic Development, Commerce, Industry and Consumer Protection)

No. HR262/1/10 - Representation of the People Registration (Amendment) Rules, 2012.

(The Honourable Minister of Public Service, Governance Improvement, Elections and Boundaries and Sports)

No. HR262A/1/10 - Electricity (Tariffs, Fees and Charges) (Amendment) Byelaws, 2012.

(The Honourable Minister of Public Utilities and Information and Broadcasting)

No. HR263/1/10 - Belize Agricultural Health Authority (Animal Identification) Regulations, 2011.

No. HR264/1/10 - Belize Agricultural Health Authority (Prevention, Control and Eradication of Bovine Spongiform Encephalopathy) Regulations, 2012.

No. HR265/1/10 - Belize Agricultural Health Authority (Prevention, Control and Eradication of Bovine Brucellosis) Regulations, 2011.

(The Honourable Minister of Agriculture and Fisheries)

10. Statements by Ministers.

14. Public Business.

A. <u>Government Business</u>

I MOTIONS ***(For Text of Motions see Notice Paper attached)***

1. Belize Telemedia Limited Loan Guarantee Motion, 2012.

<u>Cabinet's recommendation to be signified.</u>

2. Christmas Assistance Program Reporting Motion, 2012.

<u>Cabinet's recommendation to be signified.</u>

3. Social Security Board Housing Loans Debt Relief and Write-Off Motion, 2012.

<u>Cabinet's recommendation to be signified.</u>

4. Government Housing Loans Write-Off Motion, 2012.

<u>Cabinet's recommendation to be signified.</u>

(The Hon. Prime Minister and Minister of Finance)

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S U P P L E M E N T A R Y

NOTICES OF QUESTIONS AND MOTIONS

M O T I O N S

1. Belize Telemedia Limited Loan Guarantee Motion, 2012.

Notice given on 11th January 2012.

WHEREAS, Belize Telemedia Limited ("Telemedia") is a private sector entity, which provides an extensive array of telecommunications and related services;

AND WHEREAS, the majority of issued shares in Telemedia are, at present, held by the Government of Belize;

AND WHEREAS, Telemedia is desirous of borrowing the sum of US$8.0 million ("the Loan") from Heritage Bank Ltd. ("the Bank") to assist in the financing of capital expenditure in relation to systems upgrades and expansion projects;

AND WHEREAS, the Bank is prepared to offer the Loan to Telemedia under certain terms and conditions, which include the provision of a sovereign guarantee by the Government of Belize, supported by a Resolution of the House of Representatives;

AND WHEREAS, the Guarantee will remain in effect until Telemedia is able to provide alternative security that is acceptable to the Bank;

AND WHEREAS, the main terms and conditions of the Loan offer by the Bank are as follows:

Borrower:	Belize Telemedia Limited.
Lender:	Heritage Bank Limited.
Loan Principal Amount:	US$8,000,000.00 (Eight Million Dollars United States Currency).
Loan Type:	Non-revolving Loan Facility available by way of promissory note.
Loan Term:	Eighty-four (84) months or 7 years.

Purpose:	To assist with capital expenditure in relation to systems upgrades and expansion projects.
Interest Margin:	7.5% per annum (variable interest rate).
Arrangement Fee:	1% of the facility payable upon acceptance of the offer. Annual renewal fee of 0.25% of the outstanding principal balance.
Repayment:	Repayment of the facility will be over a period of 84 months or 7 years. For the first six months, interest only payable in arrears, on the 1st day of every month. Thereafter, repayment will be amortized over the remaining 78 months with monthly blended payments of US$135,845.96 being made to Principal and Interest until the Loan is repaid in full.
Security:	(1) A legal assignment of the US Dollar contracts with International Carriers, as agreed between Borrower and Lender, to pay proceeds direct to the Lender for the account of the Borrower. (2) A Sovereign Guarantee by the Government of Belize supported by a Resolution of the House of Representatives.

AND WHEREAS, section 7(6) of the Finance and Audit (Reform) Act, 2005, provides that the Government of Belize shall seek the approval of the National Assembly by way of a Resolution before offering such a Loan Guarantee;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that Telemedia has the financial ability to repay the Loan, and has assets of a value equivalent to the extent of the Government guarantee, and being further satisfied that the Loan will lead to the growth of the economy of Belize, hereby approves and confirms that the Government of Belize may offer the required Guarantee to the Bank for advancing the Loan to Telemedia on the terms and conditions set out above, and further authorizes the Minister of Finance to execute and deliver the said Guarantee and all other documents associated therewith.

Cabinet's recommendation to be signified.

2. Christmas Assistance Program Reporting Motion, 2012.

Notice given on 11th January 2012.

WHEREAS, in December 2011, the Government of Belize approved a Christmas Assistance Program ("the Program") for the poor and disadvantaged persons in the whole of Belize;

AND WHEREAS, the Program was comprised of elements of food distribution, housing repair, education assistance, and small cash contributions;

AND WHEREAS, the total cost of the Program was estimated at some BZ$1,240,000.00;

AND WHEREAS, there were no funds allocated for the Program in the General Revenue Appropriation (2011/2012) Act, 2011;

AND WHEREAS, section 5(1) of the Finance and Audit (Reform) Act, 2005, provides, *inter alia*, that if the Minister [of Finance] is satisfied that there has arisen an urgent and unforeseen need for expenditure which, being in respect of a new service or new goods not provided for in any Act, and which cannot without serious injury to the public interest be postponed until the next meeting of the House of Representatives called for consideration of supplementary estimates, he may by Special Warrant under his hand and in anticipation of grants being made by the National Assembly authorize the issue of moneys from the Consolidated Revenue Fund in such amounts as may be necessary to meet that need;

AND WHEREAS, in pursuance of the above provision, the Minister of Finance, being satisfied that the Program constituted an urgent and unforeseen need for expenditure, issued a Special Warrant authorizing the issue of the said sum of BZ$1, 240,000.00 from the Consolidated Revenue Fund, in anticipation of grants being made by the National Assembly for the Program by way of a Supplementary Appropriation Act;

AND WHEREAS, section 5 (3) of the said Act further provides that all such authorizations by Special Warrant shall be **reported** to the House of Representatives at its next sitting where practicable, followed by the enactment of a Supplementary Appropriation Act at a subsequent sitting called for approving supplementary estimates;

AND WHEREAS, the Minister of Finance has indicated his intention to introduce a Bill at the next sitting of this House for the purpose of confirming the appropriation made by the said Special Warrant;

NOW, THEREFORE, BE IT RESOLVED, that this Honourable House takes note of the authorization made by the Minister of Finance by Special Warrant to finance the Program, and will await the introduction of a formal Supplementary Appropriation Bill to confirm the appropriation from the Consolidated Revenue Fund.

Cabinet's recommendation to be signified.

3. Social Security Board Housing Loans Debt Relief and Write-Off Motion, 2012.

Notice given on 12th January 2012.

WHEREAS, the Social Security Board ("SSB") has a housing loans and mortgage portfolio of about 886 loans;

AND WHEREAS, a majority of these house mortgages have been non-performing for some years;

AND WHEREAS, with a view to giving debt relief to such house owners, the Government of Belize intends to purchase from SSB all house mortgages with an outstanding principal balance of BZ$50,000.00 and under, and then write off the outstanding balances on such mortgages;

AND WHEREAS, such house mortgages numbered **781** as at 30th September 2011, with an aggregate value of about BZ$17.0 million;

AND WHEREAS, the SSB has offered to sell to the Government the aforesaid house mortgages at their impaired (present) value of about BZ$6,991,944.00;

AND WHEREAS, the Government considers the above offer to be reasonable and acceptable;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that it would be in the public interest to give debt relief to such house owners, hereby approves and confirms that the Government of Belize may purchase from the SSB house mortgages with an outstanding principal balance of $50,000.00 and under, at their present impaired value of BZ$6,991,944.00; set off this amount against the accumulated arrears due to the Government from SSB under the securitization program; and then write off the loan balances on the aforesaid house mortgages, with an aggregate value of about BZ$17.0 million and an impaired value of BZ$6,991,944.00.

Cabinet's recommendation to be signified.

4. Government Housing Loans Write-Off Motion, 2012.

Notice given on 12th January 2012.

WHEREAS, the Government of Belize has an old housing loans and mortgage portfolio of about 17 loans which has been managed by the Heritage Bank Limited ("the Bank") on behalf of the Government since 1999;

AND WHEREAS, the Bank has reported that most of these mortgages have been non-performing for the last several years;

AND WHEREAS, there is, at present, an outstanding balance of **BZ$403,025.25** (both principal and interest) on the said loans;

AND WHEREAS, all reasonable efforts have been made to collect the loan balances but without success;

AND WHEREAS, with a view to giving debt relief to small house

owners, the Government intends to write off the outstanding balances on the said loans;

AND WHEREAS, the approval of the National Assembly is required for any general cancellation of revenues or other amounts due to Government;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that it would be in the public interest to give debt relief to small house owners, hereby approves the write off of the said amount of **BZ$403.025.25,** being the current outstanding balance on the aforesaid housing loans.

Cabinet's recommendation to be signified.

(The Hon. Prime Minister and Minister of Finance)

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SUPPLEMENTARY ORDER NO. 2

BELIZE

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S U P P L E M E N T A R Y

ORDERS OF THE DAY

7. Presentation of Reports from Committees.

No. HR266/1/10 - Report from the Finance and Economic Development Committee on the Belize Telemedia Limited Loan Guarantee Motion, 2012.

No. HR267/1/10 - Report from the Finance and Economic Development Committee on the Christmas Assistance Program Reporting Motion, 2012.

No. HR268/1/10 - Report from the Finance and Economic Development Committee on the Social Security Board Housing Loans Debt Relief and Write-Off Motion, 2012.

No. HR269/1/10 - Report from the Finance and Economic Development Committee on the Government Housing Loans Write-Off Motion, 2012.

(The Chairman of the Finance and Economic Development Committee)

14. Public Business.

A. Government Business

I MOTIONS ***(For Text of Motions see Notice Paper attached)***

1. Belize Telemedia Limited Loan Guarantee Motion, 2012.

(referred 13th January 2012.)

2. Christmas Assistance Program Reporting Motion, 2012.

(referred 13th January 2012.)

3. Social Security Board Housing Loans Debt Relief and Write-Off Motion, 2012.

(referred 13th January 2012.)

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(referred 13th January 2012.)

(The Hon. Prime Minister and Minister of Finance)

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Purpose:	To assist with capital expenditure in relation to systems upgrades and expansion projects.
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Arrangement Fee:	1% of the facility payable upon acceptance of the offer. Annual renewal fee of 0.25% of the outstanding principal balance.
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