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**BELIZE**

**No. HR18/1/12**

## HOUSE OF REPRESENTATIVES

Friday, 9<sup>th</sup> March 2018

10:00 AM

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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 Select Committees.**

No. HR 135/1/12 - Report from the Finance and Economic Development Committee on the Inter-American Development Bank – Climate Vulnerability Reduction Program Loan Motion, 2018.

No. HR 136/1/12 - Report from the Finance and Economic Development Committee on The OPEC Fund for International Development US\$40,000,000 – Upgrading of Caracol Road Project, Phase I Loan Motion, 2018.

*(The Honourable Chairman of the Finance and Economic Development Committee)*

No. HR 137/1/12 - Report from the Constitution and Foreign Affairs Committee on the Appointment of Ombudsman Motion, 2018.

*(The Honourable Chairman of the Constitution and Foreign Affairs Committee)*

#### **14. Public Business.**

##### **A. Government Business**

##### **II MOTIONS** *(For Text of Motions see Notice Papers attached)*

**1.** Inter-American Development Bank – Climate Vulnerability Reduction Program Loan Motion, 2018.

*(referred 9<sup>th</sup> March 2018)*

**2.** The OPEC Fund for International Development US\$40,000,000 – Upgrading of Caracol Road Project, Phase I Loan Motion, 2018.

*(referred 9<sup>th</sup> March 2018)*

3. Appointment of Ombudsman Motion, 2018.

*(referred 9<sup>th</sup> March 2018)*

*(The Right Honourable Prime Minister and Minister of Finance and Natural Resources)*

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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. **Inter-American Development Bank – Climate Vulnerability Reduction Program Loan Motion, 2018.**

*(referred 9<sup>th</sup> March 2018)*

**WHEREAS**, Belize being a member of the Inter-American Development Bank (the “Bank”), 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 approached the Bank for financial assistance in the execution of a Climate Vulnerability Reduction Program;

**AND WHEREAS**, it is the intention of the Government to apply such financial assistance to reduce Belize’s climate vulnerability and risk through the implementation of climate resilient measures in the tourism sector and by improving the governance of Belize’s Disaster Risk Management;

**AND WHEREAS**, such project consists of climate reduction in the tourism sector, including climate resilient flood control measures in Belize City; investments in Caye Caulker and Goff’s Caye; environmental issues; coastal monitoring for Goff’s Caye (erosion and coral reef); and management plans for Palapa beach (Caye Caulker) and Goff’s Caye;

**AND WHEREAS**, the project also consists of Governance for Disaster Risk Management and Climate Change adaptation, including a risk information system, designing of building codes and climate risk financing strategy for the tourism and agriculture sectors; project management, annual evaluations and audits will also be financed by the project;

**AND WHEREAS**, it is intended that the execution of the project shall be carried out on behalf of the Government by the Ministry of Works, acting as Executing Agency;

**AND WHEREAS**, the Bank has offered the Government financing of up to US\$10,000,000.00 from its Ordinary Capital Resources in support of the Climate Vulnerability Reduction Program under the following terms and conditions:

|                        |                                                                                                                                                                                                                                                              |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lender:                | The Inter-American Development Bank;                                                                                                                                                                                                                         |
| Loan Principal Amount: | US\$10,000,000.00 Single Currency Facility Loan;                                                                                                                                                                                                             |
| Disbursement Schedule: | Over a period of forty-eight (48) months from the date of signature of Loan Contract;                                                                                                                                                                        |
| Loan Term:             | Twenty five (25) Years inclusive of a sixty-six (66) month Grace Period on Principal Repayments;                                                                                                                                                             |
| Repayment Period       | To be repaid in 39 approximately equal, semi-annual, and consecutive installments of about US\$256,410.25;                                                                                                                                                   |
| Purpose:               | To execute Climate Vulnerability Reduction Program;                                                                                                                                                                                                          |
| Rate of Interest:      | Lending Rate is based on the Single Currency Facility Loan with a LIBOR-Based Interest Rate plus the applicable lending spread for the Bank's ordinary capital loans, to be paid semi-annually beginning six months from date of signature of Loan Contract; |
| Credit Fee:            | A Credit Fee will be at a percentage to be established by the Bank on a periodic basis, not exceeding 0.75% per annum;                                                                                                                                       |

**AND WHEREAS**, under the provisions of section 7 (2) of the Finance and Audit (Reform) Act, 2005, the Government of Belize is required to obtain the prior authorisation of the National Assembly, by way of a Resolution, for such a borrowing;

**NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that the Loan proceeds would significantly assist the Government of Belize in its endeavor to reduce Belize's climate vulnerability and risk through the implementation of climate resilient measures in the tourism sector and by improving the governance of Belize's Disaster Risk Management, approve and confirm that the Government may enter into a Loan Contract with the Inter-American Development Bank on the terms and conditions set out above for financing the said Project, and further authorize the Minister of Finance to execute and deliver the said Loan Contract and all other documents associated therewith.

2. **The OPEC Fund for International Development US\$40,000,000 – Upgrading of Caracol Road Project, Phase I Loan Motion, 2018.**

*(referred 9<sup>th</sup> March 2018)*

**WHEREAS**, Member States of the Organization of Petroleum Exporting Countries (OPEC), being conscious of the need for solidarity among all developing countries and aware of the importance of financial cooperation between them and other developing countries, have established the OPEC Fund for International

Development (OFID) to provide financial support on concessionary terms to developing countries;

**AND WHEREAS**, the Government of Belize aims at improving the connectivity and accessibility, between the George Price Highway and the Caracol Archaeological Site, through the upgrading of the Caracol Road;

**AND WHEREAS**, the Government of Belize has requested assistance from the OFID in the sum of US\$40 million for the partial financing of the Project;

**AND WHEREAS**, the OFID has approved an offer of a Loan of US\$40 million to the Government of Belize to finance the upgrading of 42.5 km of roads and related infrastructure (Phase I) which represents 91% of the total costs of the civil works component of this Phase of the Project;

**AND WHEREAS**, the Government of Belize will cover the remaining 9% of the total costs of the civil works as counterpart contribution of approximately US\$3.96 million;

**AND WHEREAS**, the approved financing will be used towards the widening and upgrading of the existing carriageway, reconstruction of six reinforced-concrete bridges, construction of a drainage system and ancillary works, including the installation and relocation of streetlights and water mains and other protection and safety works;

**AND WHEREAS**, the terms and conditions of the Loan Offer are as follows:

|                        |                                                                                                                                                                                             |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lender:                | The OPEC Fund for International Development (OFID);                                                                                                                                         |
| Loan Principal Amount: | US\$40,000,000.00;                                                                                                                                                                          |
| Loan Term:             | 20 years (5 years grace period plus 15 years repayment period);                                                                                                                             |
| Grace Period:          | 5 years from the Date of the Loan Agreement;                                                                                                                                                |
| Repayment period:      | Repayment in thirty (30) semi-annual installments comprising of twenty-nine (29) installments of US\$1,333,330.00 and one (1) installment of US\$1,333,430.00 commencing February 15, 2023; |
| Purpose:               | To improve connectivity and accessibility, between the George Price Highway and the Caracol Archaeological Site, through the upgrading of the Caracol Road;                                 |
| Rate of Interest:      | At a rate of 2.5 percent per annum on the principal amount withdrawn and outstanding and payable semi-annually on February 15 and August 15 in each year;                                   |
| Service Charge:        | At a rate of one percent (1.0%) per annum on the principal amount of the Loan withdrawn and outstanding payable semi-annually on February 15 and August 15 in each year;                    |

**AND WHEREAS**, under the provisions of section 7 of the Finance and Audit (Reform) Act, 2005, the Government of Belize is required to obtain the prior authorization of the National Assembly, by way of a Resolution, for such a borrowing;

**NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that the loan proceeds would significantly contribute towards the efforts of the Government to improve connectivity and accessibility, between the George Price Highway and the Caracol Archaeological Site, through the upgrading of the Caracol Road, approve and confirm that the Government of Belize may enter into a Loan Agreement with the OPEC Fund for International Development (OFID) on the term and conditions set out above, and further authorize the Minister of Finance to execute and deliver the said Loan Agreement and all other documents associated therewith.

**3. Appointment of Ombudsman Motion, 2018.**

*(referred 9<sup>th</sup> March 2018)*

**WHEREAS**, section 3(2) of the Ombudsman Act, Chapter 5 of the Substantive Laws of Belize, Revised Edition 2011, provides that the Ombudsman shall be appointed by the Governor-General, acting on the recommendations of both Houses of the National Assembly contained in resolutions passed in that behalf;

**AND WHEREAS, MR. LIONEL ARZU** possesses the relevant qualifications and fulfils the requirements for appointment to the office of Ombudsman, as contained in the Ombudsman Act;

**NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that **MR. LIONEL ARZU** is a fit and proper person to be appointed as Ombudsman, recommends to the Governor-General that **MR. LIONEL ARZU** be appointed as Ombudsman for a period of one (1) year with effect from 1<sup>st</sup> April, 2018, in accordance with the provisions of the Ombudsman Act.

*(The Right Honourable Prime Minister and Minister of Finance and Natural Resources)*

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