

BELIZE

No. HR23/1/12

HOUSE OF REPRESENTATIVES

Friday, 23rd November 2018

10:00 A.M.

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SUPPLEMENTARY

ORDERS OF THE DAY

7. Presentation of Reports from Select Committee.

- No. HR173/1/12 - Report from the Finance and Economic Development Committee on the Inter-American Development Bank - Additional Financing for George Price Highway Rehabilitation Project (US\$7,000,000) Loan Motion, 2018.
- No. HR174/1/12 - Report from the Finance and Economic Development Committee on the Conditional Settlement Agreement between GDG Acquisitions LLC and the Government of Belize Ratification Motion, 2018.
- No. HR175/1/12 - Report from the Finance and Economic Development Committee on the General Sales Tax (Amendment) Bill, 2018.

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

14. Public Business.

A. Government Business

I MOTIONS *(For text of Motions see Notice Papers attached)*

1. Inter-American Development Bank - Additional Financing for George Price Highway Rehabilitation Project (US\$7,000,000) Loan Motion, 2018.

(referred 23rd November 2018)

2. Conditional Settlement Agreement between GDG Acquisitions LLC and the Government of Belize Ratification Motion, 2018.

(referred 23rd November 2018)

*(The Right Honourable Prime Minister and Minister of Finance and Labour,
Local Government, Rural Development, Energy, Public Utilities, Public Service
and Elections and Boundaries)*

II BILL FOR SECOND READING

1. **General Sales Tax (Amendment) Bill, 2018.**

Bill for an Act to amend the General Sales Tax Act, Chapter 63 of the Substantive Laws of Belize, Revised Edition 2011; to clarify definitions in the Act; and to provide for matters connected therewith or incidental thereto.

*(The Right Honourable Prime Minister and Minister of Finance and Labour,
Local Government, Rural Development, Energy, Public Utilities, Public Service
and Elections and Boundaries)*

III COMMITTEE OF THE WHOLE HOUSE ON BILL

IV BILL FOR THIRD READING



BELIZE

No. HR23/1/12

HOUSE OF REPRESENTATIVES

Friday, 23rd November 2018

10:00 AM.

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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 - Additional Financing for George Price Highway Rehabilitation Project (US\$7,000,000) Loan Motion, 2018.**

(referred 23rd November 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 Board of Directors of the Bank approved an Original Loan to the Government of Belize in the sum of US\$27,000,000.00 dated November 17, 2015;

AND WHEREAS, the Government of Belize has since approached the Bank for additional financial assistance since the Original Loan is not sufficient to execute all related components of the George Price Highway Rehabilitation Project;

AND WHEREAS, it is the intention of the Government to apply the additional financing to meet the costs of the supervision of the civil works; utilities relocation required to execute the civil works; and environmental and social mitigation measures; the additional resources will also augment financing for the administration activities of the GPH Rehabilitation Project;

AND WHEREAS, the overall project consists of civil works for the rehabilitation of the GPH from miles 47.9 (Belmopan) to 67.3 (Santa Elena Bypass); the supervision of the civil works; utilities relocation required to execute the civil works; and environmental and social mitigation measures; the civil works include the measures to address road safety, and climate change resiliency issues;

AND WEREAS, the Bank has offered the Government financing of up to US\$7,000,000.00 from its Ordinary Capital Resources in support of George Price Highway Rehabilitation Project under the following terms and conditions:

Lender:	The Inter-American Development Bank;
Loan Principal Amount:	US\$7,000,000.00 Ordinary Capital of the Bank;
Disbursement Schedule:	Over a period of four (4) years from the effective date of the Loan Contract;
Loan Term:	Twenty five (25) Years from the date of signature of the Loan Contract, inclusive of a sixty-six (66) month Grace Period on Principal Repayment;
Repayment Period:	To be repaid in 39 semi-annual and consecutive, and insofar as possible, equal installments; first installment to be paid on the expiration date of the sixty-six (66) month period following the effective date of the Loan Contract;
Purpose:	To execute George Price Highway Rehabilitation Project;
Rate of Interest:	Lending Rate is based on the LIBOR-Based Interest Rate;
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 to substantially improve the George Price Highway road infrastructure between miles 47.9 in Belmopan and 67.3 in Santa Elena to national standards, thereby decreasing travel time and costs, reducing road fatalities and injuries, and ensuring road accessibility by improving the climate change resilience of the corridor, 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. **Conditional Settlement Agreement between GDG Acquisitions LLC and the Government of Belize Ratification Motion, 2018.**

(referred 23rd November 2018)

WHEREAS, GDG Acquisitions LLC (“GDG”) sued the Government of Belize (“Belize”) in the United States District Court for the Southern District of Florida as the assignee of a December 18, 2002 Master Lease Agreement (“MLA”) contending that Belize was liable for additional lease payments on telephone equipment purportedly provided under the MLA and seeking damages and the return of the equipment (the “Action”);

AND WHEREAS, Belize counterclaimed in the Action against GDG and brought a third party complaint against the assignor of the MLA, International Telecommunications Limited (“Intelco”), contending, among other things, that the MLA was invalid and that Intelco was liable to it for damages arising from its failure to install and service the telephone equipment;

AND WHEREAS, Belize and GDG seek to settle their differences arising out of the disputes raised in the Action;

AND WHEREAS, GDG and Belize entered into a Conditional Settlement Agreement on 15 November, 2018, under certain terms and conditions;

AND WHEREAS, the key terms and conditions of the Conditional Settlement Agreement are as follows:

Condition Precedent:	Agreement to come into force and effect only on the ratification of the Agreement by the National Assembly of Belize;
Settlement Amount:	Two Million Five Hundred Thousand United States Dollars (US\$2.5 million);
Payment:	In one single payment of US\$2.5 million;
Payment Dates:	No later than 14 December, 2018;
Releases:	Upon ratification of the Agreement and upon payment of the Settlement Amount, the GOB and GDG each will release the other from any and all claims, liabilities, obligation, losses, actions or causes of action of any kind and nature whatsoever arising out of or relating to the Action, including all claims that were or could have been brought in the Action;

WHEREAS, this Conditional Settlement Agreement shall only have full force and effect upon the ratification by the House of Representatives and the Senate;

AND WHEREAS, the Government of Belize is desirous of settling its differences with GDG;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that it is in the public interest to settle outstanding differences with GDG, and being further satisfied that the proposed terms and conditions are appropriate and acceptable in the circumstances, hereby approves and ratifies the Conditional Settlement Agreement dated 15 November, 2018, between the Government of Belize and GDG, including all the key terms and conditions contained therein..

*(The Right Honourable Prime Minister and Minister of Finance and Labour,
Local Government, Rural Development, Energy, Public Utilities, Public Service
and Elections and Boundaries)*