

BELIZE

No. HR25/1/12

HOUSE OF REPRESENTATIVES

Friday, 15th March 2019

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 186/1/12 - Report from the Finance and Economic Development Committee on the Caribbean Development Bank - Sixth Road (Coastal Highway Upgrading) Project - (US\$36,576,000) - Loan Motion, 2019.
- No. HR 187/1/12 - Report from the Finance and Economic Development Committee on the Caribbean Development Bank - Second Road Safety Project - (US\$5,941,000) - Loan Motion, 2019.
- No. HR 188/1/12 - Report from the Finance and Economic Development Committee on The Kuwait Fund for Arab Economic Development - Kuwaiti Dinars 6,000,000 Million - Caracol Road Project - Phase II - Loan Motion, 2019.
- No. HR 189/1/12 - Report from the Finance and Economic Development Committee on the International Business Companies (Amendment) Bill, 2019.
- No. HR 190/1/12 - Report from the Finance and Economic Development Committee on the International Financial Services Commission (Amendment) Bill, 2019.

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

- No. HR 191/1/12 - Report from the Constitution and Foreign Affairs Committee on the Re-Appointment of Ombudsman Motion, 2019.

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

14. Public Business.

A. Government Business

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

1. Caribbean Development Bank - Sixth Road (Coastal Highway Upgrading) Project - (US\$36,576,000) - Loan Motion, 2019.

(referred 15th March 2019)

2. Caribbean Development Bank - Second Road Safety Project - (US\$5,941,000) - Loan Motion, 2019.

(referred 15th March 2019)

3. The Kuwait Fund for Arab Economic Development - Kuwaiti Dinars 6,000,000 Million - Caracol Road Project - Phase II - Loan Motion, 2019.

(referred 15th March 2019)

4. Re-Appointment of Ombudsman Motion, 2019.

(referred 15th March 2019)

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

II BILLS FOR SECOND READING

1. International Business Companies (Amendment) Bill, 2019.

Bill for an Act to amend the International Business Companies Act, Chapter 270 of the Laws of Belize, Revised Edition 2011; to remove the option by a company to meet physical presence requirements and to institute mandatory physical presence by such international business companies; and to provide for matters connected therewith or incidental thereto.

2. International Financial Services Commission (Amendment) Bill, 2019.

Bill for an Act to amend the International Financial Services Commission Act, Chapter 272 of the Substantive Laws of Belize, Revised Edition 2011; to strengthen the provisions

relating to international financial services; to set the criteria for physical presence of persons licensed by the International Financial Services Commission as well as for international business companies; and to provide for matters connected therewith or incidental thereto.

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

III COMMITTEE OF THE WHOLE HOUSE ON BILLS

IV BILLS FOR THIRD READING

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BELIZE

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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. **Caribbean Development Bank - Sixth Road (Coastal Highway Upgrading) Project - (US\$36,576,000) - Loan Motion, 2019.**

(referred 15th March 2019)

WHEREAS, section 3(1) of the Loans (Caribbean Development Bank) Act, Chapter 74 of the Substantive Laws of Belize, Revised Edition 2011, provides that subject to such conditions as may be agreed between the Government and the Caribbean Development Bank (“the Bank”), the Government may borrow from the Bank from time to time such sums as may be required by the Government;

AND WHEREAS, section 3(2) of the said Act further provides that no agreement in respect of sums borrowed under the powers conferred by section 3(1) shall be executed unless the terms and conditions thereof have been first approved by a Resolution of the House of Representatives to that effect;

AND WHEREAS, section 7(2) of the Finance and Audit (Reform) Act, (No. 12 of 2005), provides that any agreement or contract or instrument effecting such borrowing or loan to the Government of or above the equivalent of ten million dollars Belize currency, shall only be validly entered into pursuant to a resolution of the National Assembly authorizing the Government to raise the loan or borrow the money;

AND WHEREAS, the Board of Directors of the Bank has recently approved a Loan to the Government of Belize in the sum of **US\$36,576,000**;

AND WHEREAS, the Board of Directors of the Bank has recently approved a Grant to the Government of Belize of an amount not exceeding the equivalent of **GBP 25,050,000** (approximately US\$33.4 million) from CDB, acting as Administrator of the UK Caribbean Infrastructure Partnership Fund (CIF) Grant, to assist in financing the Project;

AND WHEREAS, the purpose of the Loan is for the upgrading of 59 km of existing gravel road (Coastal Highway) between the northern and southern districts; the road connects the George Price Highway near Mile 30 and La Democracia Village to the Hummingbird Highway at Mile 9; the loan will also finance the acquisition of eighteen hectares of land necessary for road widening and realignment purposes; another component of the loan is to engage consultancy services to carry out construction Supervision Services; other activities include enhancing the capacity of communities in Gales Point and Mullins River to improve income-generation and economic empowerment and the preparation of a land use

plan to inform development of the land resources within the immediate environs of the Coastal Highway;

AND WHEREAS, the primary objectives of the Project is the rehabilitation of approximately 59 km of roadway, including pavement upgrading, safety improvements and climate adaptation works, bridge repairs and bridge replacement and engineering and construction-related services;

AND WHEREAS, the Bank has offered to lend to the Government the sum of **US \$36,576,000** (“the Loan”) to finance the Project on the following terms and conditions:

Ordinary Capital Resources Portion

- (a) **US \$32,427,600 Ordinary Capital Resources (OCR)** – to be repaid in forty-eight (48) equal or approximately equal and consecutive quarterly installments commencing five (5) years after the date of the Loan Agreement;
- (b) **Interest** at the rate of 4.8% per annum to be paid quarterly on the outstanding OCR portion of the loan;
- (c) **A Commitment Fee** of 1% to be paid quarterly on the un-withdrawn portion of the loan from time to time, to accrue from the sixtieth (60th) day after the date of the Loan Agreement;

Special Funds Resources Portion

- (a) **US \$4,148,400 Special Funds Resources (SFR)** – to be repaid in eighty (80) equal or approximately equal and consecutive quarterly installments commencing five (5) years after the date of the Loan Agreement;
- (b) **Interest** at the rate of 1% per annum to be paid quarterly on the outstanding SFR portion of the loan;

The Loan shall be fully disbursed by June 30, 2023, or such later date as the Bank may specify in writing;

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 rehabilitate approximately 59 km of roadway, including pavement upgrading, safety improvements and climate adaptation works, bridge repairs and bridge replacement and engineering and construction-related services,

approves and confirms that the Government may enter into a Loan Agreement with the Caribbean Development Bank on the terms and conditions set out above, and further authorizes the Minister of Finance to execute and deliver the said Agreement and all other documents associated therewith.

Cabinet's recommendation to be signified.

2. Caribbean Development Bank - Second Road Safety Project - (US\$5,941,000) - Loan Motion, 2019.

(referred 15th March 2019)

WHEREAS, section 3(1) of the Loans (Caribbean Development Bank) Act, Chapter 74 of the Substantive Laws of Belize, Revised Edition 2011, provides that subject to such conditions as may be agreed between the Government and the Caribbean Development Bank (“the Bank”), the Government may borrow from the Bank from time to time such sums as may be required by the Government;

AND WHEREAS, section 3(2) of the said Act further provides that no agreement in respect of sums borrowed under the powers conferred by section 3(1) shall be executed unless the terms and conditions thereof have been first approved by a Resolution of the House of Representatives to that effect;

AND WHEREAS, section 7(2) of the Finance and Audit (Reform) Act, (No. 12 of 2005), provides that any agreement or contract or instrument effecting such borrowing or loan to the Government of or above the equivalent of ten million dollars Belize currency, shall only be validly entered into pursuant to a resolution of the National Assembly authorizing the Government to raise the loan or borrow the money;

AND WHEREAS, the Board of Directors of the Bank approved a First Loan (Road Safety Project) to the Government of Belize in the sum of **US \$7,248,000** dated **January 30, 2013**; and an Additional Loan (Road Safety Project - Revision in Scope and Additional Loan) in the sum of **US\$4,584,000** dated **February 2, 2015**;

AND WHEREAS, the Board of Directors of the Bank has recently approved a Second Loan (Second Road Safety Project) to the Government of Belize in the sum of **US \$5,941,000**;

AND WHEREAS, the purpose of the Second Loan is to provide funds to the Government of Belize for Institutional Strengthening to support improved road user awareness leading to behavior change, post-crash care and road safety management; provide support services including development of monitoring and evaluation software; pre- and post-project Knowledge, Attitudes and Practices (KAP) Surveys; development of road safety messages; purchase of enforcement equipment, educational toolkits, ambulances, high visibility personnel and vehicle safety equipment; and project management;

AND WHEREAS, the main objective of the Project is to support the continued improvement of the safety of road users, post-crash response and capacity building for agencies involved in road safety management in Belize;

AND WHEREAS, the Bank has offered to lend to the Government the sum of **US \$5,941,000** (“the Loan”) in one part to finance the Project on the following terms and conditions:

Special Funds Resources

(d) **US \$5,941,000 from the Bank's Special Fund Resources (SFR)** – to be repaid in sixty (60) equal or approximately equal and consecutive quarterly installments on each Due Date commencing on the first Due Date, five (5) years after the Agreement Date;

(e) **Interest** at the rate of 1% per annum to be paid quarterly on the outstanding balance of the Loan;

The Loan shall be fully disbursed by March 31, 2023, or such later date as the Bank may specify in writing;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that the Project will significantly contribute to the Government's efforts to support the continued improvement of the safety of road users, post-crash response and capacity building for agencies involved in road safety management in Belize, approves and confirms that the Government may enter into a Loan Agreement with the Caribbean Development Bank on the terms and conditions set out above, and further authorizes the Minister of Finance to execute and deliver the said Agreement and all other documents associated therewith.

Cabinet's recommendation to be signified.

3. The Kuwait Fund for Arab Economic Development - Kuwaiti Dinars 6,000,000 Million - Caracol Road Project - Phase II - Loan Motion, 2019.

(referred 15th March 2019)

WHEREAS, the Kuwait Fund for Arab Economic Development (hereinafter referred to as "the Kuwait Fund") provides support to Arab and other developing countries by providing concessionary financing and technical assistance for implementation of key development projects and programmes;

AND WHEREAS, the Government of Belize has requested assistance from the Kuwait Fund for partial financing of **Phase II** of the Upgrading of the Caracol Road Project (hereinafter referred to as "the Project");

AND WHEREAS, Phase II of the Project comprises the upgrading of a further 26 miles of the Caracol Road, from a dirt and gravel road to an asphalt road consisting of two lanes, with a width of about 23 feet and shoulders of about 5 feet on each side, and includes improved drainage, the reconstruction of reinforced-concrete bridges, as well as lighting, safety provisions and new signage on the Road;

AND WHEREAS, the Fund has approved an offer of a Loan in the amount of **Six Million Kuwaiti Dinars**, equivalent to approximately **US\$20 Million**, to the Government of Belize to assist in the financing of Phase II of the Project;

AND WHEREAS, the approved funding will be used to finance: 64% of the amount needed for the civil works and 100% of the amount needed for the Technical Assistance and Institutional Support required under Phase II of the Project;

AND WHEREAS, the Government of Belize will cover the remaining 36% of the total costs of the construction works under Phase II, through counterpart

contribution and the commitment of a second loan from the OPEC Fund for International Development (OFID), which is funding Phase I of the Project;

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

Lender:	The Kuwait Fund for Arab Economic Development;
Loan Principal Amount:	Six Million Kuwaiti Dinars (or approximately US\$ 20 Million);
Disbursement Schedule:	Withdrawals shall be made from time to time up to December 31, 2023;
Loan Term:	Twenty (20) years (5 years grace period plus 15 years repayment period);
Grace Period:	Five (5) years from effective date of the Loan Agreement;
Repayment period:	Repayment in thirty (30) equal semi-annual installments of US\$663,570 commencing October 15, 2023;
Purpose:	To rehabilitate an additional 26 miles of the Caracol Road, under Phase II of the Project, to improve the connectivity and accessibility between the George Price Highway and the Caracol Archaeological Site;
Rate of Interest:	At a rate of Two percent (2.0%) per annum on the principal amount withdrawn and outstanding and payable semi-annually on April 15 and October 15 in each year;
Service Charge:	At a rate of one half of one percent (1/2%) per annum on the principal amount of the Loan withdrawn and outstanding payable semi-annually on April 15 and October 15 in each year;

AND WHEREAS, under the provisions of section 7 of the Finance and Audit (Reform) Act, (No. 12 of 2005), the Government of Belize is required to obtain the authorization of the National Assembly, by way of a Resolution, for such a borrowing;

AND WHEREAS, for scheduling purposes the Loan Agreement with the Kuwait Fund was entered into on January 14, 2019, subject to the affirmation of this Honourable House;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that the loan proceeds would significantly contribute to the economic and social development of the settlements along the Caracol Road in the Cayo District, by improving the accessibility and connectivity to the area, thereby enhancing opportunities for agriculture, trade and business as well as tourism, approves and affirms that the Government of Belize may enter into a Loan Agreement with the Kuwait Fund for Arab Economic Development on the terms and conditions set out above, and further authorizes the Minister of Finance to execute and deliver the said Loan Agreement and all other documents associated therewith.

Cabinet's recommendation to be signified.

4. Re-Appointment of Ombudsman Motion, 2019.

(referred 15th March 2019)

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** continues to possess 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 re-appointed as Ombudsman, recommends to the Governor-General that **MR. LIONEL ARZU** be re-appointed as Ombudsman for a further period of one (1) year with effect from 1st April 2019, on his existing terms and conditions.

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

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