

**BELIZE**

**No. 14/1/13**

**SENATE**

**Friday, 19<sup>th</sup> May 2017**

**10:00 A.M.**

Pursuant to the direction of Mr. President, in writing, dated 12<sup>th</sup> May 2017, the Senate met in the National Assembly Chamber in Belmopan on Friday, 19<sup>th</sup> May 2017, at 10:00 A.M.

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**Members Present:**

Senator, the Honourable Lee Mark Chang – President  
Senator, the Honourable Godwin Hulse – Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration  
Senator, the Honourable Dr. Carla Barnett – Vice-President and Minister of State in the Ministry of Finance and Natural Resources  
Senator, the Honourable Michael Peyrefitte – Attorney General  
Senator, the Honourable Macario Coy Sr.  
Senator, the Honourable Stephen Duncan  
Senator, the Honourable Aldo Salazar  
Senator, the Honourable Eamon Courtenay  
Senator, the Honourable Michel Chebat - Temporary  
Senator, the Honourable Paul Thompson  
Senator, the Honourable Markhelm Lizarraga  
Senator, the Honourable Rev. Ashley Rocke  
Senator, the Honourable Elena Smith  
Senator, the Honourable Osmany Salas

**Member Absent:**

Senator, the Honourable Valerie Woods

**MR. PRESIDENT** *in the Chair.*

**PRAYERS** *by Rev. Ashley Rocke.*

**OATH OF ALLEGIANCE OF A NEW SENATOR**

The Clerk administered the Oath, in accordance with section 65 of the Belize Constitution, to the new Senator, the Honourable Michel Chebat.

**ANNOUNCEMENT BY THE PRESIDENT**

Mr. President made the following announcement:-

“Honourable Members, by letter dated 12<sup>th</sup> May 2017, Cabinet’s recommendation has been signified to the following:

1. Caribbean Development Bank - Eighth Consolidated Line of Credit to the Development Finance Corporation - Loan and Guarantee Motion, 2017; and
2. Caribbean Development Bank - Belize Social Investment Fund III – Loan Motion, 2017.”

## **MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE SENATE**

The Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration moved that, at its rising, the Senate adjourn to a date to be fixed by the President.

Question put and agreed to.

Senator Michael Chebat raised on a Motion relating to a matter of Privilege. Pursuant to Standing Order 84, the Honourable President did not allow the motion. Therefore, the three Opposition Senators, Senator Eamon Courtenay, Senator Michel Chebat and Senator Paul Thompson, left the meeting as a form of protest.

## **PUBLIC BUSINESS**

### **A. GOVERNMENT BUSINESS**

#### **I MOTIONS**

1. **Caribbean Development Bank - Eighth Consolidated Line of Credit to the Development Finance Corporation - Loan and Guarantee Motion, 2017.**

The Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration moved:-

**WHEREAS**, section 15(1) of the Development Finance Corporation Act, 2009 (No. 1 of 2009), provides that the Development Finance Corporation (DFC) may, with the approval of the Minister of Finance, and subject to the principles of sound fiscal management, borrow sums domestically or internationally, for meeting any of its obligations or discharging any of its functions;

**AND WHEREAS**, subsection (3) of the said section 15 further provides that in consideration of the resultant contingent liability on the balance sheet of Government, the DFC must obtain the approval of the National Assembly to increase its amount of foreign debt;

**AND WHEREAS**, section 6 of the Loans (Caribbean Development Bank) Act, Chapter 74 of the Laws of Belize provides, *inter alia*, that a statutory board (such as the DFC) may in such manner and on such terms and subject to such conditions as may be agreed between the statutory authority and the Caribbean Development Bank (CDB) borrow from the CDB from time to time such sums as may be required by the statutory

authority, provided that no agreement in respect of such borrowing 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 the Minister has given to the statutory authority his approval in writing thereof;

**AND WHEREAS**, the Caribbean Development Bank (CDB) has offered to the DFC:

- (a) A Loan of **US\$20,000,000** in the form of a Consolidated Line of Credit, for on-lending to the following priority sectors:
  - (i) Small and medium-sized enterprises;
  - (ii) Student loans;
  - (iii) Low-income housing; and
  - (iv) Energy efficiency/renewable energy;.

And,

- (b) A Grant of an amount not to exceed **US\$185,000** to finance Consultancy Services:
  - (i) To strengthen the DFC's due diligence capacity for Climate Risk Assessment of sub-projects; and
  - (ii) For institutional strengthening and capacity building of the DFC;

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

- (a) **US \$19,000,000.00 from the Bank's Ordinary Capital Resources (OCR)** – to be repaid in sixty-eight (68) 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;
- (b) **US \$1,000,000.00 from the Bank's Special Funds Resources** – to be repaid in sixty-eight (68) equal and consecutive quarterly installments on each Due Date, commencing on the first Due Date, five (5) years after the agreement date;
- (c) **Interest on the OCR Portion** at the rate of 3.3% per annum to be paid quarterly on the withdrawn and outstanding portion of the loan;
- (d) **Interest on the SFR Portion** at the rate of 2.5% per annum to be paid quarterly on the outstanding portion of the loan; and
- (e) **Commitment Fee** at the rate of 0.25% per annum on any amount of the OCR Portion un-withdrawn from time to time. Such charge shall accrue the sixtieth (60<sup>th</sup>) day after the agreement date and shall be paid quarterly;

**AND WHEREAS**, in addition to the above financial terms, another key condition is that the Loan shall be guaranteed by the Government of Belize;

**AND WHEREAS**, section 12(1) of the Loans (Caribbean Development Bank) Act, Chapter 74 of the Substantive Laws of Belize, Revised Edition 2011, provides, *inter alia*, that the Government may in such manner, and on such terms and subject to such conditions as may be agreed by it and the Caribbean Development Bank (the “Bank”), guarantee the discharge by a **statutory body** of the company’s obligations under any agreement for borrowing from the Bank;

**AND WHEREAS**, subsection (5) of the said section 12 provides that no guarantee above the sum of BZ\$5.0 million shall be given by the Government without the approval of the National Assembly;

**AND WHEREAS**, section 7(6) of the Finance and Audit (Reform) Act (No. 12 of 2005) provides that before the Government offers any guarantee or some other form of security in support of any loan made directly to a private sector entity or statutory body by any public or private bank, financial institution or capital market in or outside Belize, the Government shall seek the approval of the National Assembly;

**NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that the Loan would contribute to the social and economic development of Belize by improving the capacity of DFC to provide funding on an economically sustainable and environmentally acceptable basis: (i) approves that the DFC may borrow the said sum of US\$20,000,000 from the CDB on the terms and conditions set out above and further authorizes the Board of Directors of the DFC to execute and deliver the Loan Agreement and all other documents associated therewith; and (ii) further approves and confirms that the Government may enter into a Guarantee Agreement with the CDB on the terms and conditions set out above, and further authorizes the Minister of Finance to execute and deliver the said Guarantee Agreement and all other documents associated therewith..

After the debate thereon, question put and agreed to.

## **2. Caribbean Development Bank - Belize Social Investment Fund III – Loan Motion, 2017.**

The Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration moved:-

**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**, the Board of Directors of the Bank has recently approved a Loan to the Government of Belize in the sum of **US \$10,000,000**;

**AND WHEREAS**, the purpose of the Loan is to provide funds to the Government of Belize to be made available to Belize Social Investment Fund (BSIF) on a non-reimbursable basis for use by BSIF to finance social and economic infrastructure, social services and organizational strengthening sub-projects in poor rural communities;

**AND WHEREAS**, the Project consists of the following components:

- (a) *Community Sub-projects*: finance 24 small/medium-sized community projects to improve the living conditions of approximately 35,000 beneficiaries;
- (b) *Design and Supervision Services*: support architectural and engineering consultancy services for designs of sub-projects, preparation of bidding documents, construction supervision services, and hydrological surveys;
- (c) *Institutional Strengthening*: consultancy services for an assessment of the organizational management, legal and financial arrangements for the road sector, and recommendations for its reform;
- (d) *TA*: provide short-term consultancy services for a Gender and Social Inclusion specialist to enhance BSIF's capacity to apply differential participatory and action research methods to strengthen the participation of women and vulnerable groups in community development;
- (e) *Project Management*: project coordination expenses including consultancy fees, equipment, auditing, consultations, supervision and field visits, social marketing and visibility;

**AND WHEREAS**, the Bank has offered to lend to the Government the sum of **US\$10,000,000** ("the Loan") in two Portions to finance the Project on the following terms and conditions:

**Special Funds Resources Portion**

- (a) **US \$7,500,000 from the Bank's Special Fund Resources (SFR)** – to be repaid in eighty (80) 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;
- (b) **Interest** at the rate of 2.5% per annum to be paid quarterly on the outstanding SFR portion of the Loan;

**Ordinary Capital Resources Portion**

- (a) **US \$2,500,000 from the Bank's Ordinary Capital Resources (OCR)** – to be repaid in forty-eight (48) 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;
- (b) **Interest** at the rate of 1.89% per annum on the amount of the Equity and Market Tranche of the OCR Portion withdrawn and outstanding;
- (c) **A Commitment Fee** of 1% per annum to be paid on the un-withdrawn portion of the loan from time to time over the disbursement period of the Loan beginning from the sixtieth (60<sup>th</sup>) day after the date of the Loan Agreement;

The Loan shall be fully disbursed by June 30, 2021, 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 finance social and economic infrastructure, social services and organizational strengthening sub-projects in poor rural communities, 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.

After the debate thereon, question put and agreed to.

**3. Resolution Authorizing the Ratification by Belize of the Agreement Establishing the European Union (EU) and Latin America and the Caribbean (LAC) International Foundation Motion, 2017.**

The Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration moved:-

**WHEREAS**, the European Union and the Latin America and the Caribbean Foundation (hereafter called “Foundation”) was open for signature on 25<sup>th</sup> October 2016 during the Community of Latin America and Caribbean States (CELAC) and European Union Foreign Ministers’ Meeting in Santo Domingo;

**AND WHEREAS**, the objective of the Foundation is *inter alia*, to contribute to the strengthening of the CELAC-EU bi-regional partnership process involving participation and inputs of civil society and other social actors, encourage further mutual knowledge and understanding between both regions, enhance the mutual visibility between both regions, as well as of the bi-regional partnership itself, promote and coordinate result-oriented activities in support of bi-regional relations and focus on the implementation of priorities established by CELAC-EU Summits;

**AND WHEREAS**, the Government of Belize is desirous of ratifying to the Agreement pursuant to Article 24(1) of the Agreement;

**AND WHEREAS**, section 61(A)(2)(a) of the Belize Constitution as amended by the Belize Constitution (Sixth Amendment) Act (No. 13 of 2008) provides that the Senate shall authorize the ratification to any treaty by the Government of Belize;

**NOW, THEREFORE, BE IT RESOLVED** that the Senate authorizes the Government of Belize to ratify the Agreement establishing the Foundation, a full text of which is hereto annexed.

Motion was referred to the Constitution and Foreign Affairs Committee for examination, consideration and report.

**4. Resolution Authorizing the Ratification by Belize of the Agreement between the Government of the United Arab Emirates and the Government of Belize for the Promotion and Reciprocal Protection of Investments Motion, 2017.**

The Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration moved:-

**WHEREAS**, the Agreement between the Government of the United Arab Emirates and the Government of Belize for the Promotion and Reciprocal Protection of Investments (hereinafter called “the Agreement”) was signed on 1<sup>st</sup> October 2015;

**AND WHEREAS**, the objective of the Agreement is *inter alia*, to encourage and create favourable conditions for investment and to make investments in the territory of either Party, admit such investments in accordance with either Party’s laws and regulations and to accord fair and equitable treatment to the investments and returns of investors of either Party;

**AND WHEREAS**, the Government of Belize is desirous of ratifying to the Agreement pursuant to Article 16(1) of the Agreement;

**AND WHEREAS**, section 61(A)(2)(a) of the Belize Constitution as amended by the Belize Constitution (Sixth Amendment) Act (No. 13 of 2008) provides that the Senate shall authorize the ratification to any treaty by the Government of Belize;

**NOW, THEREFORE, BE IT RESOLVED** that the Senate authorizes the Government of Belize to ratify the Agreement, a full text of which is hereto annexed.

(Suspension of the debate on the Resolution Authorizing the Ratification by Belize of the Agreement between the Government of the United Arab Emirates and the Government of Belize for the Promotion and Reciprocal Protection of Investments Motion, 2017.)

In accordance with Standing Order 10 (8), the Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration moved that the proceedings on the matter on the Order Paper be entered upon and proceeded with at the sitting at any hour though opposed.

Question put and agreed to.

(Resumption and continuation of the debate on the Resolution Authorizing the Ratification by Belize of the Agreement between the Government of the United Arab Emirates and the Government of Belize for the Promotion and Reciprocal Protection of Investments Motion, 2017.)

After the debate thereon, the Motion was referred to the Constitution and Foreign Affairs Committee for examination, consideration and report.

**5. Resolution Authorizing the Ratification by Belize of the Agreement between the Government of the United Arab Emirates and the Government of Belize for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Motion, 2017.**

The Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration moved:-

**WHEREAS**, the Agreement between the Government of the United Arab Emirates and the Government of Belize for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital (hereinafter called “the Agreement”) was signed on 1<sup>st</sup> October 2015;

**AND WHEREAS**, the objective of the Agreement is *inter alia*, to promote their mutual economic relations through the conclusion of an agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital;

**AND WHEREAS**, the Government of Belize is desirous of ratifying to the Agreement pursuant to Article 31 of the Agreement;

**AND WHEREAS**, section 61(A)(2)(a) of the Belize Constitution as amended by the Belize Constitution (Sixth Amendment) Act (No. 13 of 2008) provides that the Senate shall authorize the ratification to any treaty by the Government of Belize;



**NOW, THEREFORE, BE IT RESOLVED** that the Senate authorizes the Government of Belize to ratify the Agreement, a full text of which is hereto annexed.

Motion was referred to the Constitution and Foreign Affairs Committee for examination, consideration and report.

## II COMMITTEE OF THE WHOLE SENATE ON MOTIONS

In accordance with Standing Order 68A, the Senate, without question put, resolved itself into the Constitution and Foreign Affairs Committee, a Committee of the whole Senate, to consider the Motions referred to it.

(In the Constitution and Foreign Affairs Committee)

MR. PRESIDENT in the Chair.

1. **Resolution Authorizing the Ratification by Belize of the Agreement Establishing the European Union (EU) and Latin America and the Caribbean (LAC) International Foundation Motion, 2017.**

Motion in its entirety agreed to.

Motion to be reported back to the Senate for adoption without amendment.

2. **Resolution Authorizing the Ratification by Belize of the Agreement between the Government of the United Arab Emirates and the Government of Belize for the Promotion and Reciprocal Protection of Investments Motion, 2017.**

Motion in its entirety agreed to.

Motion to be reported back to the Senate for adoption without amendment.

3. **Resolution Authorizing the Ratification by Belize of the Agreement between the Government of the United Arab Emirates and the Government of Belize for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Motion, 2017.**

Motion in its entirety agreed to.

Motion to be reported back to the Senate for adoption without amendment.

## PUBLIC BUSINESS

### A. GOVERNMENT BUSINESS

#### III MOTIONS

##### (Adoption of Motions)

1. **Resolution Authorizing the Ratification by Belize of the Agreement Establishing the European Union (EU) and Latin America and the Caribbean (LAC) International Foundation Motion, 2017.**

The Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration reported that the Constitution and Foreign Affairs Committee met and considered the above-captioned Motion and has agreed for it to be adopted without amendment.

Question put and agreed to.

2. **Resolution Authorizing the Ratification by Belize of the Agreement between the Government of the United Arab Emirates and the Government of Belize for the Promotion and Reciprocal Protection of Investments Motion, 2017.**

The Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration reported that the Constitution and Foreign Affairs Committee met and considered the above-captioned Motion and has agreed for it to be adopted without amendment.

Question put and agreed to.

3. **Resolution Authorizing the Ratification by Belize of the Agreement between the Government of the United Arab Emirates and the Government of Belize for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Motion, 2017.**

The Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration reported that the Constitution and Foreign Affairs Committee met and considered the above-captioned Motion and has agreed for it to be adopted without amendment.

Question put and agreed to.

## ADJOURNMENT

The Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration moved that the Senate be adjourned.

The Senate adjourned at 12:13 P.M. to a date to be fixed by the President.

**PRESIDENT**

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