

BELIZE

No. HR30/1/12

HOUSE OF REPRESENTATIVES

Friday, 16th August 2019

10:00 A.M.

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ORDERS OF THE DAY

1. Prayers.

6. Papers.

No. HR202/1/12 - Social Security Board – Actuarial Performance Report for Year Ended 2018; Financial Statements Report for Years Ended 2018 and 2017.

No. HR203/1/12 - Central Bank of Belize – 2018 Annual Report and Statement of Accounts.

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

7. Presentation of Reports from Select Committee.

No. HR204/1/12 - Report from the Finance and Economic Development Committee on the Belize City Council (Municipal Paper) Bill, 2019.

No. HR205/1/12 - Report from the Finance and Economic Development Committee on the Land Tax (Partial Remission of Arrears) Bill, 2019.

No. HR206/1/12 - Report from the Finance and Economic Development Committee on the National Liquefied Petroleum Gas Project Bill, 2019.

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

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

14. Public Business.

A. Government Business

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

1. Inter-American Development Bank - Strengthening Tax Administration Project (US\$14,000,000) Loan Motion, 2019.

Cabinet's recommendation to be signified.

2. Inter-American Development Bank - Contingent Loan for Natural Disaster Emergencies (US\$10,000,000) Loan Motion, 2019.

Cabinet's recommendation to be signified.

3. Inter-American Development Bank - Education Quality Improvement Program (EQIP) II (US\$10,000,000) Loan Motion, 2019.

Cabinet's recommendation to be signified.

4. Government of the Republic of China (Taiwan) - Upgrading of the Corozal-Sarteneja Road and the Construction of the Pueblo Nuevo and Laguna Seca Bridges (US\$50,000,000) Loan Motion, 2019.

Cabinet's recommendation to be signified.

(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. **Belize City Council (Municipal Paper) Bill, 2019.**

Bill for an Act to provide for the issuance of Municipal Paper by the Belize City Council, the establishment of a Belize City Municipal Paper Fund and a Belize City Interest Reserve Fund in connection therewith; and to provide for matters connected therewith or incidental thereto.

2. **National Liquefied Petroleum Gas Project Bill, 2019.**

Bill for an Act to comply with and give effect to certain undertakings and obligations of the Government of Belize, under and in connection with a public private partnership agreement for

the establishment, operation and transfer of a liquefied petroleum gas terminal and related facilities in Belize for the proper rationalization of cost, supply and pricing, and enhanced efficiency of the liquefied petroleum gas sector; to optimize quality control and in the overall interest of the public; to provide for certain exemptions from taxes and duties; 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)

3. Land Tax (Partial Remission of Arrears) Bill, 2019.

Bill for an Act to provide for the partial remission of arrears of land tax and speculation tax; and to provide for matters connected therewith or incidental thereto.

(The Honourable Minister of Natural Resources)

III COMMITTEE OF THE WHOLE HOUSE ON BILLS

IV BILLS FOR THIRD READING

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BELIZE**No. HR30/1/12****HOUSE OF REPRESENTATIVES**Friday, 16th August 2019

10:00 AM.

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NOTICES OF QUESTIONS AND MOTIONS**MOTIONS****1. Inter-American Development Bank - Strengthening Tax Administration Project (US\$14,000,000) Loan Motion, 2019.****Notice given on 7th August 2019.**

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 Project to Strengthen Tax Administration which will contribute to the efficiencies of the newly amalgamated tax departments, the Belize Tax Service;

AND WHEREAS, it is the intention of the Government to apply such financial assistance to increase the government’s effectiveness in tax collection by modernizing the technological infrastructure and improving Tax Administration governance and operational processes;

AND WHEREAS, the Bank has offered the Government, financing of up to US\$14,000,000 from its Ordinary Capital Resources in support of Belize’s Strengthening Tax Administration Project under the following terms and conditions:

Lender: The
Inter-American Development Bank;

Loan Principal Amount: **US\$14,000,000.00;**

Purpose: To contribute
to strengthening Tax Administration

(TA) aimed at increasing revenue collection;

Disbursement Schedule:

Over a period of five (5) 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 40 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;

Rate of Interest:

Lending Rate is based on the LIBOR-Based Interest Rate plus the applicable lending spread for the Bank's ordinary capital loans;

Credit Fee:
to

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 strengthening tax administration, 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 Program, and further authorize the Minister of Finance to execute and deliver the said Loan Contract and all other documents associated therewith.

Cabinet's recommendation to be signified.

2. Inter-American Development Bank - Contingent Loan for Natural Disaster Emergencies (US\$10,000,000) Loan Motion, 2019.

Notice given on 7th August 2019.

WHEREAS, Belize, as 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 to facilitate the execution of a project to alleviate the impact that a severe or catastrophic natural disaster could have on the country’s finances, by increasing the availability, stability, and efficiency of contingent financing to address emergencies;

AND WHEREAS, the operation will seek to enhance the comprehensive disaster risk management of Belize by fostering improvements in five (5) main areas to be monitored through a Comprehensive Natural Disaster Risk Management Program (CDRMP): (i) disaster risk management governance; (ii) risk identification; (iii) risk reduction; (iv) disaster preparedness; and (v) financial protection;

AND WHEREAS, the proposed operation contemplates a single component of US\$10,000,000 to structure a stable and efficient ex ante financial coverage to afford, in a timely manner, any extraordinary expenses that could arise in emergencies caused by severe or catastrophic natural disasters;

AND WEREAS, the Bank has offered financing of up to US\$10,000,000 from its Ordinary Capital Resources for the said purpose 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 sixty (60) months from the date of signature of Loan Contract; such period may be extended for up to five (5) additional years based on discretion;
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 a Project to alleviate the impact of severe natural disasters in Belize;
Rate of Interest:	Lending Rate is based on the Single Currency Facility Loan with a 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 in the execution of a project to alleviate the impact that a severe or catastrophic natural disaster could have on the country's finances, 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, and further authorize the Minister of Finance to execute and deliver the said Loan Contract and all other documents associated therewith.

Cabinet's recommendation to be signified.

3. Inter-American Development Bank - Education Quality Improvement Program (EQIP) II (US\$10,000,000) Loan Motion, 2019.

Notice given on 7th August 2019.

WHEREAS, Belize, as 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 an Education Quality Improvement Program (EQIP) II designed mainly to improve the quality and gender equity of education at the primary and secondary levels, with a special focus on innovation in Science Technology Engineering Arts and Mathematics (STEAM) education;

AND WHEREAS, the general objective of the program will be pursued by achieving the specific objectives: (i) improve the quality of primary school teachers by expanding the inquiry-and-problem-based learning approach; (ii) improve the quality of secondary school teachers by improving teaching practices with a focus on student-centered science and mathematics learning; and (iii) promote gender-sensitive STEAM teaching;

AND WHEREAS, the Project comprises the following components: (i) Inquiry-and-Problem-based Learning in the Primary School Classroom which aims to roll out the EQIP to the fifty percent (50%) of primary schools that have not yet benefitted, bringing the coverage to one-hundred percent (100%) of primary schools nationwide; (ii) STEAM Learning Secondary School by creating a Belize STEAM Laboratory School to train teachers, model individualized instruction that centers around the student, and foster innovation and digital transformation in STEAM subjects; (iii) Evaluation by collecting and analyzing information about activities, characteristics and outcomes; and (iv) Project Management which aims to facilitate the execution of the Project by supporting project management;

AND WEREAS, the Bank has offered financing of up to US\$10,000,000 from its Ordinary Capital Resources for the said purpose 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 sixty (60) 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 a Program to improve the quality of the Education System in Belize;
Rate of Interest:	Lending Rate is based on the Single Currency Facility Loan with a 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 in the execution of its Education Quality Improvement Program (EQIP) II to improve the quality and gender equity of education at the primary and secondary levels, with a special focus on innovation in Science Technology Engineering Arts and Mathematics (STEAM) education, 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, and further authorize the Minister of Finance to execute and deliver the said Loan Contract and all other documents associated therewith.

Cabinet's recommendation to be signified.

4. **Government of the Republic of China (Taiwan) - Upgrading of the Corozal-Sarteneja Road and the Construction of the Pueblo Nuevo and Laguna Seca Bridges (US\$50,000,000) Loan Motion, 2019.**

Notice given on 7th August 2019.

WHEREAS, the Government of Belize has received an offer of financial support from the Government of the Republic of China (Taiwan) under the bilateral program of economic cooperation and development between the two countries;

AND WHEREAS, the offer of financial support is in the form of a long-term, low- interest, Loan in the principal amount of US\$50.0 million from the Export-Import Bank of the Republic of China (Taiwan EXIM Bank);

AND WHEREAS, the purpose of the Loan is finance the Project to upgrade the Corozal-Sarteneja Road and to construct the Pueblo Nuevo and Laguna Seca Bridges in the Corozal District;

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

Lender:	Export-Import Bank of the Republic of China (Taiwan EXIM Bank);
Loan Principal Amount:	US\$50,000,000.00;
Purpose:	Project Implementation for the upgrading of the Corozal-Sarteneja Road and the Construction of the Pueblo Nuevo and Laguna Seca Bridges;
Loan Term:	Twenty (20) years (inclusive of the grace period);
Grace Period:	Five (5) years;
Disbursement Schedule:	To be disbursed over five calendar years commencing from the date of signing of the agreement, with each disbursement being in accordance with project milestones, and consisting of an aggregate amount not to exceed US\$50 Million;
Repayment:	In thirty (30) consecutive, equal (or nearly equal as possible) semi-annual principal installments commencing 66 months after date of the first Advance made under the Agreement.
Rate of Interest:	6-month Libor + 1%, 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 authorization of the National Assembly, by way of a Resolution, for such borrowing;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that the Loan proceeds would be utilized for the purpose stated above, approve and confirm that the Government of Belize may enter into a Loan Agreement with the Export-Import Bank of the Republic of China (Taiwan EXIM Bank) on the terms and conditions set out above, and further authorize the Minister of Finance to execute and deliver the said Loan Agreement and all other documents and agreements connected therewith.

Cabinet’s recommendation to be signified.

***(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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