

BELIZE

No. HR30/1/12

HOUSE OF REPRESENTATIVES

Friday, 16th August 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 Committee.

- No. HR 207/1/12 - Report from the Finance and Economic Development Committee on the Inter-American Development Bank - Strengthening Tax Administration Project (US\$14,000,000) Loan Motion, 2019.
- No. HR 208/1/12 - Report from the Finance and Economic Development Committee on the Inter-American Development Bank - Contingent Loan for Natural Disaster Emergencies (US\$10,000,000) Loan Motion, 2019.
- No. HR 209/1/12 - Report from the Finance and Economic Development Committee on the 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.

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

14. Public Business.

A. Government Business

II 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.

(referred 16th August 2019)

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

(referred 16th August 2019)

3. 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.

(referred 16th August 2019)

(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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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 - Strengthening Tax Administration Project (US\$14,000,000) Loan Motion, 2019.**

(referred 16th 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:	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.**

(referred 16th 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. 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.

(referred 16th 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, THERFORE, 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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