

BELIZE

No. HR38/1/12

HOUSE OF REPRESENTATIVES

Friday, 26th June 2020

10:00 AM

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S U P P L E M E N T A R Y (2)

ORDERS OF THE DAY

7. Presentation of Reports from Select Committee.

- No. HR 264/1/12 - Report from the Finance and Economic Development Committee on the Caribbean Development Bank - COVID-19 Emergency Response Support (US\$15,000,000) Loan Motion, 2020.
- No. HR 265/1/12 - Report from the Finance and Economic Development Committee on the Caribbean Development Bank – Enhancing Sugarcane Farmers Resilience to Natural Hazard Events (US\$1,013,000) Loan Motion, 2020.
- No. HR 266/1/12 - Report from the Finance and Economic Development Committee on the Inter-American Development Bank - Support to Safety Nets for Vulnerable Populations Affected by Coronavirus in Belize (US\$12,000,000) Loan Motion, 2020.
- No. HR 267/1/12 - Report from the Finance and Economic Development Committee on the International Fund for Agricultural Development – Resilient Rural Belize (Be-Resilient) Project (US\$1,914,800) Loan Motion, 2020.

(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. Caribbean Development Bank - COVID-19
Emergency Response Support (US\$15,000,000) Loan
Motion, 2020.

(referred on 26th June 2020)

2. Caribbean Development Bank – Enhancing
Sugarcane Farmers Resilience to Natural Hazard
Events (US\$1,013,000) Loan Motion, 2020.

(referred on 26th June 2020)

3. Inter-American Development Bank - Support to
Safety Nets for Vulnerable Populations Affected by
Coronavirus in Belize (US\$12,000,000) Loan Motion,
2020.

(referred on 26th June 2020)

4. International Fund for Agricultural
Development – Resilient Rural Belize (Be-Resilient)
Project (US\$1,914,800) Loan Motion, 2020.

(referred on 26th June 2020)

***(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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No. HR38/1/12

HOUSE OF REPRESENTATIVES

Friday, 26th June 2020

10:00 A.M.

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S U P P L E M E N T A R Y (2)

NOTICES OF QUESTIONS AND MOTIONS

M O T I O N S

1. **Caribbean Development Bank - COVID-19 Emergency Response Support (US\$15,000,000) Loan Motion, 2020.**

(Referred on 26th June 2020)

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 to the 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 Bank has offered to lend to the Government the sum of **US\$15,000,000** (“the Loan”) from the Bank’s Special Funds Resources;

AND WHEREAS, the purpose of the Loan is to provide funds to assist the Government of Belize to be able to meet its debt service obligations to the Bank, over the period July 1, 2020 to June 30, 2021, so that the Government can preserve fiscal space and redeploy its financial resources to be able to finance immediate and essential emergency COVID-19 related health expenditure for Belize (referred to as “the Project”);

AND WHEREAS, the Loan is being offered on the following terms and conditions:

- (a) **US\$15 million from Special Funds 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 one percent (1%) per annum to be paid quarterly on the amount of the Loan withdrawn and outstanding from time to time;

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 assist the Government of Belize in its efforts to bolster economic and social recovery from the effects of COVID-19 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.

2. **Caribbean Development Bank – Enhancing Sugarcane Farmers Resilience to Natural Hazard Events (US\$1,013,000) Loan Motion, 2020.**

(Referred on 26th June 2020)

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 to the 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 Bank has offered to lend to the Government the sum of **US\$1,013,000** (“the Loan”) from the Bank’s Special Funds Resources;

AND WHEREAS, the purpose of the Loan is to provide funds to assist the Government of Belize in the implementation of a Drought Recovery Scheme that will allow sugarcane farmers in northern Belize to be able to restore production following the impact of the 2019 drought (referred to as “the Project”);

AND WHEREAS, the Project will: (1) facilitate support to sugarcane farmers, in the drought impacted communities, in the form of inputs such as planting materials and agrochemicals, and services such as land clearing and preparation, by utilizing a specially designed voucher programme; and (2) provide technical assistance, to the sugarcane farmers, in climate smart agriculture practices and general sugarcane agronomy;

AND WHEREAS, the Loan is being offered on the following terms and conditions:

- (a) US\$1,013,000 million from Special Funds Resources (SFR)** – to be repaid in thirty-two (32) equal or approximately equal and consecutive quarterly installments on each Due Date commencing on the first Due Date, two (2) years after the Agreement Date;

- (b) **Interest** at the rate of one percent (1%) per annum to be paid quarterly on the amount of the Loan withdrawn and outstanding from time to time;

The Loan shall be fully disbursed by December 31, 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 improve the livelihood of the sugarcane farmers in northern Belize, which in turn will uplift the communities of Orange Walk and Corozal, 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. **Inter-American Development Bank - Support to Safety Nets for Vulnerable Populations Affected by Coronavirus in Belize (US\$12,000,000) Loan Motion, 2020.**

(Referred on 26th June 2020)

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 for a program to support minimum income levels for those affected by the coronavirus in the immediate period;

AND WHEREAS, the Program will involve protection in the form of cash transfers for the vulnerable population, not on the rosters of transfer programs, who were formerly unemployed or informally employed, as well as those who worked in the formal sector, but lost their employment as a result of COVID-19;

AND WHEREAS, it is intended that the execution of the project shall be carried out on behalf of the Government by the Ministry of Human Development, Social Transformation and Poverty Alleviation, acting as Executing Agency;

AND WHEREAS, the Bank has offered financing of up to **US\$12,000,000** 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\$12,000,000.00 Single Currency Facility Loan;
Disbursement Schedule:	Over a period of twelve (12) 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\$307,692.31;
Purpose:	To execute a program that will contribute to ensuring minimum levels of quality of life for vulnerable persons amid the crisis caused by COVID-19;
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 its continued efforts to offset the loss of income and protect the levels of consumption of the vulnerable population in Belize, due to COVID-19, approves and confirms 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 authorizes 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. **International Fund for Agricultural Development – Resilient Rural Belize (Be-Resilient) Project (US\$1,914,800) Loan Motion, 2020.**

(Referred on 26th June 2020)

WHEREAS, Belize being a member of the International Fund for Agricultural Development (IFAD), is eligible for development assistance in the form of loans, grants, and technical assistance from IFAD on such terms and conditions as may be agreed between Belize and the International Fund for Agricultural Development from time to time;

AND WHEREAS, the Government of Belize has approached International Fund for Agricultural Development for financial assistance in the execution of a Resilient Rural Belize Project;

AND WHEREAS, such project consists of Climate Resilient Value Chains Development (CRVC); this component shall introduce/strengthen smallholder participation in select value chains through the promotion of climate resilient production methods, product diversification, and related innovations; value chain

development will be participatory, with the objectives of: (i) supporting high quality smallholders' production for commercialization; and (ii) enhancing sustainable smallholder farmer access to markets; additionally, this component shall support self-consumption and healthy food choices through support for backyard gardens;

The project also consists of Climate Resilient Rural Infrastructure and Assets Development which will support climate resilient productivity and improved market access through rehabilitation and provision of new road, drainage, and irrigation infrastructure in priority areas; the overarching goal of this component is to support climate resilience infrastructure, enhancing smallholder farming business/rural enterprise opportunities, while serving the largest number possible of direct and indirect Programme beneficiaries;

AND WHEREAS, the International Fund for Agricultural Development has offered financing of up to US\$8,000,000 for the said purpose (with **US\$1,914,800.00** being loan funds and US\$6,085,200.00 being grant funds) under the following terms and conditions:

Lender:	International Fund for Agricultural Development;
Loan Principal Amount:	US\$1,914,800.00 Single Currency Facility Loan;
Commitment Fee:	0.50% per annum; the commitment fee will be calculated over the amount of the GCF Loan not yet disbursed; it will start accruing from the entry into force of this Agreement until the full disbursement by IFAD of the GCF Loan; no grace period will apply to the payment of the commitment fee;
Loan Term:	Forty (40) years inclusive of ten (10) years Grace Period on Principal Repayments;
Grace Period:	In respect of the repayment of the principal, ten (10) years from the entry into force of the agreement;
Repayment Period:	To be repaid in equal installments on a semi-annual basis starting at the end of the grace period arranged as follows: <ol style="list-style-type: none"> 1. From years 11 to 20, annual principal repayment will be equal to two per cent (2%) of the principal amount; and 2. From years 21 to 40, annual principal repayment will be equal

to four per cent (4%) of
the principal amount;

Purpose:	To minimize the impacts of climatic and economic events on smallholder farmers while supporting sustainable market access for their produce;
Rate of Interest:	0.00% per annum;
Service Charge:	0.25% per annum; the service charge will be calculated over the outstanding principal amount of the GCF Loan; it will apply from the date of each disbursement made by IFAD under this Agreement; no grace period will apply to the payment of the service fee;

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 minimize the impacts of climatic and economic events on smallholder farmers while supporting sustainable market access for their produce, approves and confirms that the Government may borrow from the International Fund for Agricultural Development the sum of US\$1,914,800, on the terms and conditions set out above, and further authorise the Minister of Finance to execute and deliver the Loan Agreement and all other documents associated 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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