

**International Cooperation and Development Fund Taiwan (ICDF Taiwan)  
Loan and Grant Agreement with the Development Finance Corporation  
(DFC) to Support the Sustainability of MSMEs in Belize US\$5.0 Million  
Loan, Grant and Guarantee Motion, 2022.**

**WHEREAS**, section 15(1) of the Development Finance Corporation Act, Chapter 279 of the Substantive Laws of Belize, Revised Edition 2020, 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 section 15 of the said Act 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**, subsection (4) of section 15 of the said Act, as amended by Act No. 6 of 2022, further provides that any agreement, contract or other instrument effecting any borrowing or loan to the Corporation of or above the equivalent of five million dollars shall only be validly entered into pursuant to a resolution of the National Assembly authorizing the DFC to raise the loan or to borrow the money;

**AND WHEREAS**, Belize, as a member of the Inter-American Development Bank (IDB), 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 IDB has implemented a Global Credit Program for Safeguarding the Productive Sectors and Employment in Belize, under which IDB extended a US\$15 million loan facility to support the sustainability of the Micro, Small and Medium Enterprises (MSMEs) in Belize ("**IDB Program**");

**AND WHEREAS**, as part of the implementation of the IDB Program and Line of Credit (LOC) for US\$15.0 million, the IDB has played a coordinating role with the International Cooperation and Development Fund (ICDF) Taiwan in arranging co-finance with IDB, on a parallel basis, for substantially the same purposes and goals as the IDB Program with ICDF Taiwan for a LOC of US\$5.0 million ("Taiwan ICDF Program"); the facility is a part of ICDF Taiwan's efforts to support the sustainable recovery of MSMEs after the COVID-19 pandemic in Belize with a focus on Women and Green Financing; the lending program will also be accompanied by a **Grant component of US\$500,000**, which will be funded by the Ministry of Foreign Affairs, Republic of China (Taiwan), to facilitate DFC's efforts to strengthen its digitalization capabilities;

**AND WHEREAS**, the ICDF Taiwan has offered a financing facility to DFC for the said Program, under the terms and conditions of the Loan and Grant Agreement as follows:

**A. Loan Component:**

- 1. Loan Amount:** US\$5.0 million;
- 2. Program Objective:** The general objective is to support the sustainability of MSMEs as employment providers in Belize and to support the post-COVID economic recovery of MSMEs, especially those owned or led by women, through access to production-oriented finance;
- 3. Loan Administrator:** IDB will administer the loan (for an Administrative fee of 0.5% of the commitment), in accordance with this agreement and a separate Coordination Agreement; the Credit Regulations, which govern the IDB Facility, will be applicable in the implementation of this facility;
- 4. Commitment Period:** Roughly three (3) years from the date of the Agreement, i.e., to 31<sup>st</sup> December, 2025;
- 5. Interest Rate:** Fixed at 2%;
- 6. Commitment Fee:** 0.75% on the undisbursed amount;
- 7. Repayment Period:** 20 years, following 5 years of grace period;
- 8. Payment Frequency:** Semi-annual;

**AND WHEREAS**, section 7 (6) of the Finance and Audit (Reform) Act, 2005, provides that, before the Government offers any guarantee or some other form of security in support of a loan made directly to a private sector entity or a statutory body by any public or private bank, financial institution or capital market in or outside of 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 proceeds would significantly assist the DFC to improve its capacity to provide affordable financing to support the sustainability of MSMEs in Belize, with a focus on Women and Green Financing, and to promote the economic recovery of MSMEs through access to production oriented financing, (i) approves that the DFC may borrow the said sum of US\$5.0 million from the ICDF Taiwan on the terms and conditions set out above and further authorizes the Board of Directors of the DFC to execute and deliver the Loan and Grant Agreement and other associated documents; and (ii) approves that all principal, interest, fees, premiums and other charges under the loan shall be tax, fee, duty or charge exempt as provided for in the loan and grant, and guarantee agreements; and (iii) further approves and confirms that the Government may

enter into a Guarantee Agreement with the ICDF Taiwan, on terms and conditions substantially as set out above and further authorizes the Minister of Finance to execute and deliver the said Guarantee Agreement and all documents associated therewith.