

**Inter-American Development Bank - Program for Strengthening Public Expenditure Management in Belize - US\$8 Million Loan Motion, 2022.**

**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, in an effort to increase the efficiency of the use of public resources, has approached the Bank for financial assistance to execute a Program to strengthen Public Expenditure Management in Belize;

**AND WHEREAS**, the Program consists of the following four sub-component objectives which aim at strengthening public financial management: (i) improve the efficiency of key expenditure functions; (ii) promote economies of scale and competitiveness among suppliers in the acquisition of all goods and services; (iii) promote a more sustainable technological infrastructure enabling processes to be more reliable and faster; (iv) improve institutional capacity for personnel to carry out processes and operate systems efficiently;

**AND WHEREAS**, it is intended that the execution of the project shall be carried out on behalf of the Government by the Ministry of Finance, Economic Development and Investment, acting as Executing Agency;

**AND WHEREAS**, the Bank has offered financing of up to US\$8,000,000.00 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\$8,000,000.00 Flexible Financing Facility Loan;
Disbursement Schedule:	Over a period of five (5) years from the date of signature of Loan Contract;
Loan Term:	Twenty-five (25) Years inclusive of sixty-six (66) months Grace Period on Principal Repayments;
Repayment Period:	To be repaid in 39 approximately equal, semi-annual, and consecutive installments of about US\$205,128.21;

Purpose: To execute a project that will increase the efficiency of public resources by strengthening public financial management;

Rate of Interest: Interest will be charged on the daily outstanding balance of the loan, as per the LIBOR-Based Interest Rate, plus the applicable lending spread for the Bank's ordinary capital loans, currently at 1.31% per annum;

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 promote the fiscal sustainability of Belize, 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..