

Inter-American Development Bank - Program to Support the Health Sector to Contain and Control Coronavirus and to Mitigate its effect on Service Provision (US\$5.0 Million) Loan Motion, 2021.

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 contribute to the reduction of the morbidity and mortality in Belize caused by COVID-19, and to mitigate other indirect impacts of the COVID-19 pandemic;

AND WHEREAS, the Program will consist of two components, as follows:

- (1) **Ensuring timely vaccine availability by increasing and facilitating access to vaccines:** this component will finance, through the issuance of a sovereign credit guarantee, the purchase of 238,800 Covid-19 vaccine doses under the signed commitment agreement with the GAVI Alliance through the Covid-19 Vaccine Global Access (COVAX) Facility; and
- (2) **Facilitating vaccine accessibility:** this component will finance investments for the National Covid-19 Vaccine Deployment Plan, involving activities to strengthen logistics of conservation (storage and cold chain management), distribution and deployment of vaccines, purchasing of required inputs to ensure vaccine delivery to health service sites and vaccine administration; and preparing and implementing a communication campaign regarding COVID-19 and the vaccination effort in Belize;

AND WHEREAS, the proposed program will be financed through an IDB direct investment loan to the Government of Belize in the sum of US\$2,862,740 and an IDB sovereign guarantee issued on behalf of the Government of Belize in the sum of US\$2,137,260;

AND WHEREAS, any claim to the sovereign guarantee and payment of said claim by the IDB could be reimbursed by the Government of Belize to the IDB for up to the remaining approved period of the sovereign guarantee, with repayment terms similar to that of an IDB investment loan, bringing the total loan facility to US\$5,000,000;

AND WHEREAS, the execution of the program shall be carried out by the Ministry of Health and Wellness, acting as the Executing Agency;

AND WHEREAS, the Bank has offered financing of up to **US\$5,000,000** from its Ordinary Capital Resources for the said Program, under the following terms and conditions:

Loan Principal Amount:	US\$5,000,000 (Comprised of US\$2,862,740 under the flexible financing facility and US\$2,137,260 under the flexible credit guarantee instrument);
Disbursement Schedule:	Over a period of three (3) years from the effective date of the Loan Contract for the Investment Loan and one (1) year from the effective date of the Sovereign Guarantee Contract;
Loan Term:	Twenty five (25) Years inclusive of a sixty six (66) month grace period;
Repayment Period:	To be repaid in 39, approximately equal, semi-annual and consecutive installments of about US\$128,205.13;
Purpose:	To support the participation of Belize in the COVAX mechanism to facilitate Belize's access to safe and effective doses of the COVID-19 vaccine, and to strengthen the logistics, supply chain management, and application for and of the vaccine;
Rate of Interest:	Interest will be charged, on the daily outstanding balance of the investment loan, as per the LIBOR-Based Interest Rate, plus the applicable lending spread for the Bank's ordinary capital loans;
Credit Fee:	A Credit Fee will be charged on the undisbursed balance of the investment loan, at a percentage to be established by the Bank, on a periodic basis, not exceeding 0.75% per annum;
Guarantee Fee:	A Guarantee fee will be charged on the Callable Guarantee amount using the variable lending spread applicable to sovereign guaranteed loans;

Stand By Fee:

A Stand By Fee will be charged on the Non-Callable Guarantee amount, 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 interrupt the transmission chain of COVID-19 in the country and fight the pandemic, approve and confirm that the Government may enter into a Loan Contract and a Sovereign Counter-Guarantee Agreement with the Inter-American Development Bank on the terms and conditions set out above, and further authorise the Minister of Finance to execute and deliver the said Contracts and all other documents associated therewith.