

SENATOR COLLET MONTEJO

BELIZE

No.29/1/14

SENATE

Wednesday, 16th August 2023

9:00 A.M.

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ORDERS OF THE DAY

- 1. Prayers.**
- 2. Oath of Allegiance of a new Senator.**
- 3. Announcement by the President.**
- 4. Bills brought from the House of Representatives.**
 1. *Accounting Records (Maintenance) (Amendment) Bill, 2023; and*
 2. *Customs and Excise Duties (Amendment) Bill, 2023.*

(Leader of Government Business and Minister of Foreign Affairs, Foreign Trade, and Immigration)

- 6. Paper.**

No. 70/1/14 - George Price Highway Upgrading Project - Section VI - San Ignacio Town to San Jose Succotz.

(Leader of Government Business and Minister of Foreign Affairs, Foreign Trade, and Immigration)

- 13. Motions relating to the Business or Sitzings of the Senate.**
- 14. Public Business.**

A. GOVERNMENT BUSINESS

I MOTIONS *(For Text of Motions see Notice Paper attached)*

1. Resolution Authorizing Accession to the Convention on Facilitation of International Maritime Traffic, 1965 (FAL Convention) Motion, 2023.
2. Resolution Authorizing the Accession of the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer Motion, 2023.
3. Resolution Authorizing the Ratification of Protocols of Amendment to Articles 50(a) and 56 of the Convention on International Civil Aviation Motion, 2023.

4. Saudi Fund for Development - Construction of Solar Energy Plant Project - 288,750,000 Saudi Riyals/US\$77 Million - Loan Motion, 2023.
5. Caribbean Development Bank - Agricultural and Industrial Line of Credit for the Development Finance Corporation (DFC) – US\$12.5 Million – Loan and Guarantee Motion, 2023.
6. Inter-American Development Bank – Water Supply and Modernization Program - US\$5.0 Million - Loan and Guarantee Motion, 2023.

(Leader of Government Business and Minister of Foreign Affairs, Foreign Trade and Immigration)

II BILLS FOR SECOND READING

III COMMITTEE OF THE WHOLE SENATE ON BILLS AND MOTIONS

IV BILLS FOR THIRD READING

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NOTICES OF QUESTIONS AND MOTIONS

MOTIONS

1. Resolution Authorizing Accession to the Convention on Facilitation of International Maritime Traffic, 1965 (FAL Convention) Motion, 2023.

WHEREAS, the Convention Facilitation of International Maritime Traffic, 1965 (hereinafter referred to as "the Agreement") was adopted in London, England on 9th April 1965, and entered into force on 5th March 1967, by the Conference of International Maritime Organization;

AND WHEREAS, the objective of the Agreement is to facilitate trade, prevent unnecessary delays in maritime traffic, to aid co-operation between Governments, and to secure the highest practicable degree of uniformity in formalities and other procedures; in particular, the Agreement reduces the number of declarations which can be required by public authorities enhancing maritime trade facilitation and digitalization of ports;

AND WHEREAS, the Government of Belize is desirous to accede to the Agreement pursuant to Article X (2) (c) of the FAL Convention;

AND WHEREAS, section 61 (A)(2)(a) of the Belize Constitution, as amended by the Belize Constitution (Sixth Amendment) Act (No. 13 of 2008), provides that the Senate shall authorize the accession of any treaty by the Government of Belize;

NOW, THEREFORE, BE IT RESOLVED that the Senate authorizes the Government of Belize to accede to the Resolution Authorizing Accession to the Convention on Facilitation of International Maritime Traffic, 1965 (FAL Convention), a full text of which is hereto annexed.

2. Resolution Authorizing the Accession of the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer Motion, 2023.

WHEREAS, the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer (hereinafter referred to as "the Amendment") was adopted in Kigali, Rwanda on 15th October 2016, and entered into force on 1st January 2019, by the Twenty-Eighth Meeting of the Parties;

AND WHEREAS, the Amendment provides an opportunity to strengthen pollution regulations and develop national strategies to effectively reduce the consumption of hydrofluorocarbons, which will contribute to a greener climate;

AND WHEREAS, the Government of Belize is desirous of acceding to the Amendment pursuant to Article IV of the Amendment;

AND WHEREAS, section 61A (2) (a) of the Belize Constitution provides that the Senate has the power to authorise the ratification, including adhesion or accession, of any treaty by the Government of Belize;

NOW, THEREFORE, BE IT RESOLVED that this Honourable Senate authorises the Government of Belize to accede to the Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, a full text of which is hereto annexed.

3. Resolution Authorizing the Ratification of Protocols of Amendment to Articles 50(a) and 56 of the Convention on International Civil Aviation Motion, 2023.

WHEREAS, the Government of Belize is a party to the Convention on International Civil Aviation, also known as the "Chicago Convention", which was signed on 7th December 1944, in Chicago, Illinois, United States of America;

AND WHEREAS, the Protocol of Amendment to Article 50(a) provides for an increase in the size of the Council of the International Civil Aviation Organisation from thirty-six (36) members to forty (40);

AND WHEREAS, the Protocol of Amendment to Article 56 provides for an increase in the membership of the Air Navigation Commission from nineteen (19) to twenty-one (21);

AND WHEREAS, the Protocols collectively have the objective of enabling a more expansive group of countries to actively participate in decision-making processes involving civil aviation;

AND WHEREAS, the Government of Belize is desirous of ratifying the said Protocols;

AND WHEREAS, section 61 A (2) (a) of the Belize Constitution provides that the Senate has the power to authorise the ratification, including adherence or accession, of any treaty by the Government of Belize;

NOW, THEREFORE, BE IT RESOLVED that this Honourable Senate, having examined the said Protocols, authorises the Government of Belize to ratify the Protocols relating to Articles 50 (a) and 56 of the Convention, full texts of the Protocols are hereto annexed.

4. Saudi Fund for Development - Construction of Solar Energy Plant Project - 288,750,000 Saudi Riyals/US\$77 Million - Loan Motion, 2023.

WHEREAS, the Saudi Fund for Development (SFD) (hereinafter referred to as "the Saudi Fund") is a government organization that provides soft loans and grants to finance development projects and programs in developing countries;

AND WHEREAS, the Government of Belize has requested assistance from the Saudi Fund to provide partial financing for the construction of a Solar Energy Plant (hereinafter referred to as "the Project");

AND WHEREAS, the Board of Directors of the Saudi Fund for Development has recently approved a Loan to the Government of Belize in the amount of Two Hundred Eighty-Eight Million Seven Hundred and Fifty Thousand (288,750,000) Saudi Riyals, (equivalent to approximately US\$77 Million), to assist in financing for the Project;

AND WHEREAS, the purpose of the Loan is to assist the Government of Belize in financing the construction of utility scale solar power plants with a total capacity of no less than 60 megawatts of solar PV generation, and supply and install solar panels to avoid emissions from the energy sector of the equivalent of about 60,000 tons of carbon dioxide equivalent per year through system efficiency and consumption of at least 100 GWH/year;

AND WHEREAS, the Project will consist of two main components whose activities will include the supply of PV modules, inverters, racking and mounting, cabling and wiring, and grid connection; the Project will contribute to adding sixty (60) megawatts of clean energy source to the national electricity grid;

AND WHEREAS, it is intended that the execution of the Program shall be carried out, on behalf of the Government, by the Central Executing Unit of the Ministry of Economic Development, acting as Executing Agency;

AND WHEREAS, the terms and conditions of the Saudi Fund Loan Offer are as follows:

Lender:	The Saudi Fund for Development;
Loan Principal Amount:	Two Hundred Eighty-Eight Million Seven Hundred and Fifty Thousand Saudi Riyals (or approximately US\$77 million);
Loan Term:	Twenty (20) years (5 years grace period plus 15 years repayment period);
Grace Period:	Five (5) years from the effective date of the Loan Agreement;
Rate of Interest:	Fixed interest rate of two percent (2.0%) per annum on the principal amount withdrawn and outstanding from time to time;

AND WHEREAS, under the provisions of section 7 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 a borrowing;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that the loan proceeds, would have a positive impact on improving the reliability of the electrical network and reduce the cost of electricity to national electricity provider, as well as improve the energy sector and contribute to the economic development of Belize, approves, confirms and ratifies that the Government of Belize may enter into a Loan Agreement with the Saudi Fund for Development on the term and conditions set out above, and further authorizes the Minister of Finance to execute and deliver the said Loan Agreement and all other documents associated therewith with effect from 1st August 2023.

5. Caribbean Development Bank - Agricultural and Industrial Line of Credit for the Development Finance Corporation (DFC) – US\$12.5 Million – Loan and Guarantee Motion, 2023.

WHEREAS, Belize, as a member of the Caribbean 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, section 15(1) of the Development Finance Corporation Act, Chapter 279, 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 (4) of section 15 of Development Finance Corporation’s (Amendment) Act, 2022, further provides that the Aggregate Domestic Debt of or above five million Belize dollars (BZ\$5,000,000) 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, the purpose of the DFC, as per section 4 of the Development Finance Corporation (Amendment) Act, 2022, is to expand and strengthen the economy of Belize by providing guarantees and funding on an economically and environmentally sustainable basis to those persons seeking financing, including those who would otherwise be unable to obtain funding from other sources on reasonable terms and conditions;

AND WHEREAS, the Bank has approved a line of credit to the DFC in the sum of US\$12.5 million to enable the DFC to on-lend to Micro, Small and Medium-sized Enterprises (MSMEs) within the Belizean economy, for agricultural and industrial purposes in the productive sector;

AND WHEREAS, the Line of Credit, with a fixed interest cost of 0.75% per annum, will also enable the DFC to better manage its interest rate risk noting that the cost of funds from the Bank's ordinary capital resources has increased from 3.3% to 4.9% per annum and from other sources from 1.2% to 5.74% per annum during the period from November 2021, to date;

AND WHEREAS, the main terms and conditions of the Line of Credit are as follows:

Loan Amount:	US\$12,500,000 from the Special Fund Resources of the Bank;
Purpose:	To support the financing of Sub loans to Micro, Small, and Medium-sized Enterprises (MSMEs) for agricultural and industrial credit in the productive sector;
Loan Term:	Principal repayment over twenty-five (25) years following five (5) years grace period;
Rate of Interest:	Interest shall be paid at the fixed rate of zero decimal seven five percent (0.75%) per annum on the loan disbursed and outstanding from time to time;
Disbursement Schedule:	The first disbursement shall be submitted by 30 th September 2023, with the loan being disbursed up to 31 st December 2026; both dates are subject to adjustment for a later date once specified in writing by the Bank;
Repayment Period:	To be repaid in 100 equal, or approximately equal, and consecutive quarterly installments on the amount drawn down, on each due date commencing on the first due date after the expiry of five (5) years following the date of this loan agreement or on such later due date as the Bank may specify in writing;
Commitment Period:	The loan shall be totally committed by the Borrower by 31 st December 2025, or on such later date as may be specified in writing by the Bank;
Security:	Government of Belize Sovereign Guarantee;

AND WHEREAS, a general condition of the Bank's lending programs is that the Principal, Interest, Fees, Premiums, and any other loan charge, shall be paid without any deduction or restriction whatsoever, exempt from any tax, fee, duty, or charge established or that may be established by the Borrower;

AND WHEREAS, under the provisions of 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 Line of Credit from the Bank to the DFC will increase the number of viable MSMEs leading to enhanced productive capacity to contribute to economic growth and the export potential of Belize, and sustaining and creating employment opportunities, (i) approves that the DFC may borrow the said sum of US\$12.5 million from the Bank on the terms and conditions set out above, and further authorizes the Board of Directors of the

DFC to execute and deliver the Loan 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 guarantee agreements, and (iii) further approves and confirms that the Government may enter into a Guarantee Agreement with the Bank, on terms and conditions set out above, and further authorizes the Minister of Finance to execute and deliver the said Guarantee Agreement and all documents associated therewith.

6. Inter-American Development Bank – Water Supply and Modernization Program - US\$5.0 Million - Loan and Guarantee Motion, 2023.

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 Belize Water Services Limited (BWSL) is a state-owned water and sewage utility company whose mission is to improve the lives of consumers by delivering cost-effective and sustainable supply of high quality water and wastewater services, in an environmentally and socially responsible manner;

AND WHEREAS, on 31st May 2023, the Bank’s Board of Executive Directors approved financing in the sum of US\$5 million, to assist the BWSL to be able to undertake its Water Supply and Modernization Program, on the condition, among others, that the Loan shall be guaranteed by the Government of Belize;

AND WHEREAS, the Program will consist of two components with the following specific objectives: (i) to increase access to water services in peri urban areas and rural villages near BWSL service areas, including the installation of pipes and water meters in Belmopan and Harmony Ville suburbs; and (ii) to improve the planning capacity and the operational financial performance of BWSL in selected service areas with a focus on climate change adaptation and mitigation, and will comprise of water disinfection, energy efficiency and smart metering technologies;

AND WHEREAS, the proposed program will be financed through an IDB direct investment loan to the BWSL up to the sum of US\$5,000,000, a non- reimbursable investment financing of US\$1.0 million and a Sovereign Guarantee issued by the Government of Belize up to the sum of US\$5,000,000;

AND WHEREAS, the execution of the program shall be carried out by the BWSL, acting as the Executing Agency;

AND WHEREAS, the Bank has offered financing of up to **US\$5,000,000** to the BWSL (the Borrower) for the said Program, under the following terms and conditions:

Loan Principal Amount:	US\$5,000,000;
Disbursement Schedule:	Over a period of four (4) years from the effective date of the Loan Contract but may be extended subject to the consent of the Government of Belize and IDB;
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\$128,205.12;
Purpose:	To reduce service gaps between urban and rural areas and to strengthen the institutional capacity of BWSL;

Rate of Interest: Interest will be charged on the daily outstanding balance of the loan, as per the SOFR-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 loan balance 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(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 assist the Government of Belize in its continued efforts to expand the water distribution system of BWSL to meet current and future potable water demands for the citizens of Belize, as well as make advancements through the implementation of relevant technologies in the sector; (i) approves that the BWSL may borrow the said sum of US\$5.0 million from the IDB on the terms and conditions set out above, and further authorizes the Board of Directors of the BWSL to execute and deliver the Loan 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 guarantee agreements; and (iii) further approves and confirms that the Government may enter into a Guarantee Agreement with the IDB, on the terms and conditions set out above, and further authorizes the Minister of Finance to execute and deliver the said Guarantee Agreement and all documents associated therewith.

(Leader of Government Business and Minister of Foreign Affairs, Foreign Trade and Immigration)
