

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BELIZE

SUSTAINABLE AND INCLUSIVE BELIZE

(BL-L1041 – BL-J0003)

PROJECT PROFILE

This document was prepared by the project team consisting of: LEADER: Marion Le Pommellec (CSD/RND); Alternate Team Leaders: Lina Salazar, Gines Suarez (CSD/RND). MEMBERS: Alejandro Carrión (CID/CID); Denise Levy, Lisa Restrepo, Santiago Bucaram (CSD/RND); Maria Ines Vasquez (IFD/ICS); Hugo Us (SCL/GDI); Omar Samayoa (CSD/CCS); Lucien Chung (INE/TSP); Adela Dávalos (SCL/MIG); Astrid Salazar, Hero Balani, Alexis Bryant (CID/CBL); Alvaro Luis Sanmartin Baez (LEG/SGO); Ute Reisinger, Jessica Arango Laws (VPS/ESG); Christian Lunstedt Tapia, Brodrick Watson (VPC/FMP); Henry Wade (DIS/CBL); Manuel Enrique Urquidi Zijderveld, Liliana Serrate, Guillaume Antoine Durand (SCL/LMK).

Under the Access to Information Policy, this document is subject to Public Disclosure.

PROJECT PROFILE

BELIZE

I. BASIC DATA

Project Name:	Sustainable and Inclusive Belize		
Project Number:	BL-L1041; BL-J0003		
Project Team:	Marion Le Pommellec (CSD/RND), Project Team Leader; Lina Salazar, Gines Suarez (CSD/RND), Alejandro Carrión (SCL/MIG), Alternate Team Leaders; Denise Levy, Lisa Restrepo, Santiago Bucaram (CSD/RND); Maria Ines Vasquez (IFD/ICS); Hugo Us (SCL/GDI); Omar Samayoa (CSD/CCS); Lucien Chung (INE/TSP); Adela Dávalos (SCL/MIG); Astrid Salazar, Hero Balani, Alexis Bryant (CID/CBL); Alvaro Luis Sanmartin Baez (LEG/SGO); Ute Reisinger, Jessica Arango Laws (VPS/ESG); Christian Lunstedt Tapia, Brodrick Watson (VPC/FMP); Henry Wade (DIS/CBL); Manuel Enrique Urquidi Zijderveld, Liliana Serrate, Guillaume Antoine Durand (SCL/LMK)		
Borrower:	Belize		
Executing Agency:	Ministry of Finance, Economic Development and Investment (MFEDI)		
Financial Plan:	IDB – Loan (Ordinary Capital):	US\$	15,000,000
	IDB – Grant Facility (Ordinary Capital):	US\$	800,000
	Total:	US\$	15,800,000
Safeguards:	Policies triggered:	ESPS 1; ESPS 2; ESPS 3; ESPS 4; ESPS 6; ESPS 7; ESPS 8; ESPS 9; ESPS 10	
	Classification:	ESIC: B; ESRR: moderate; DCCRC: moderate	

II. GENERAL JUSTIFICATION AND OBJECTIVES

- 2.1 The Government of Belize (GoB) requested the Bank's support, through a Specific Investment Loan (ESP), to increase opportunities for vulnerable populations, promoting natural resource-based economic activities in the post COVID-19 context. The GoB also expressed its interest in the non-reimbursable resources from the IDB Grant Facility (GRF), which aims to support countries with large and sudden intraregional migration inflows in operations that are under preparation and could be complemented or scaled up to address the effects of this phenomenon in host communities.
- 2.2 During the last decade, Belize's economy grew slowly, with GDP increasing by 2.2% annually, and average per capita income declining by 0.4% per year. Also, social indicators deteriorated. Poverty rate rose from 41% in 2009 to 52% in 2018, and the Gini coefficient increased from 0.38 in 2009 to 0.49 in 2018. Further, the country was one of the most highly impacted economies by COVID-19 in the world. The GDP contracted by 16.7% in 2020, as unemployment and labor force

participation deteriorated from 7.7% to 13.7% and 70.1% to 55.1% in 2020 and 2021, respectively (IDB, 2020¹; IMF, 2021; [SIB, 2021a](#); [SIB, 2021b](#)). The recovery has been strong since the start of the pandemic, with GDP growth for 2021 estimated at 12.5% and forecasted at 6.5% for 2022 (IMF, 2022). Unemployment and labor force participation also showed improvements to 9.2% and 62.4%, respectively, largely owing to the gradual recovery of the tourism industry. During the pandemic, the drop in revenues coupled with an increase in emergency expenditures led to a GDP deficit of -10.2% and debt level of 133% of GDP in 2020, but fiscal consolidation efforts and other expenditure cuts contributed to a deficit reduction in 2021 to -0.7% of GDP. A significant reduction in external debt was also achieved following Belize's Debt for Nature¹ Swap, reducing overall public debt to 108% of GDP. Nevertheless, uncertainties and risks remain, including the ongoing health crisis, which can affect tourism flows, as well as the occurrence of natural disasters and heightened inflationary pressures.

- 2.3 Belize's economy is highly concentrated on two sectors, tourism and agriculture, which represent about 50% of the GDP. In 2019, tourism represented 39% of GDP, 40% of total employment - primarily generated by MSMEs² - and 42% of total exports. As for agriculture, the sector accounted for more than 10% of GDP, 16.8% of employment, and 93% of goods exports in 2019. Agricultural exports (70% driven by SMEs) are poorly diversified and limited to a set of commodities with low value-added content (sugar, banana, citrus and sea products). This agro-export sector is increasingly vulnerable to prices reduction -associated with the abolition of trade preferences- and crop diseases (Foster et al, 2017; IDB, 2020).
- 2.4 The declining trends in socio-economic indicators along with the unprecedented shock of COVID-19 to the tourism industry have positioned the country at a crossroads. A new and transformative approach is needed. One includes a diversification strategy to increase the country's resilience and enhance a sustainable and inclusive economic growth. This strategy is two-pronged: first, to promote intra-sector diversification within the established key economic sectors of tourism and agriculture; and second, to enhance the business environment for the development of promising and upcoming sectors (i.e., ICT and blue economy/fisheries) (IDB, 2020). The present operation will support the government with implementing the first prong, while two other operations currently under design would support the second prong³.
- 2.5 **Tourism.** The tourism sector faces several structural challenges which are fundamental for the sector's long-term competitiveness and sustainability. First, limited tourist expenditure: Even though the tourism sector showed a positive growth rate before the pandemic, most of it was associated with cruise ship, instead of overnight visitors, which generates more expenditure per capita

¹ See the complete list of [Bibliographic References](#).

² According to Beltraide and the Statistical Institute of Belize, MSMEs are approximately 17,000 firms (98% of total enterprises), that contribute to 45% of GDP and 32% of total employment (70% of private-sector employment). The Beltraide Act No50 of 2017 establishes ranges to define Small and Medium Enterprises.

³ Namely, Digital Innovation to Boost Economic Development (BL-L1039) and Promoting Growth in Sustainable Blue Economy Program (BL-L1042).

(IDB, 2020). Second, a lack of skilled labor force (Chow, 2019). Third, the vulnerability of the country's valuable natural resources. It is estimated that Belize's coral reef and mangroves provide goods and services of around US\$559 million annually (Cooper et al., 2009), supporting activities such as diving, snorkeling and sport fishing, with 60% of Belize's yearly tourists visiting Belize Barrier Reef and offshore islands (Cherrington, 2014; and providing shoreline protection against erosion and coastal flooding. However, the concentration of the tourism footprint in a limited number of hot-spots destinations in the coastal area has contributed to the degradation of natural resources, which is aggravated by the lack of appropriate sanitation and solid waste disposal systems in some areas (Chow, 2019; IDB, 2020). To seize the opportunity generated by the pandemic to "build back better," tourism development in Belize should: (i) integrate crisis response strategies into tourism policies, particularly with a view to increase risk governance of tourism destinations; (ii) harness the potential to develop regional or domestic tourism to increase resilience in times of global obstacles;⁴ (iii) strengthen the local entrepreneurial capacity to enhance and upgrade the tourism value chain, increasing competitiveness and livelihood alternatives; and (iv) protect, all at the same time, its natural resources, which form the base of its attractiveness.

- 2.6 **Agriculture.** Agriculture is a major source of income for Belizeans, especially low-income households (Hersh et al, 2019). This sector could play an important role in fighting rural poverty, which is significantly higher than urban poverty (59% vs 43% – SIB, 2018), and in improving the country's food security and nutrition, in a context where 6% of the population are undernourished and 13% of children under five (5) years of age are stunted (FAOSTAT, 2020; IDB, 2020). Most Belizean farmers are small to medium size landholders: 25% are working on farms with less than 2 Ha, and 57% with less than 8 Ha. They face challenges related to low productivity and competitiveness, including: (i) low yields per hectare compared to LAC average for most of agricultural products (Table 1); (ii) low value added per worker (US\$4,769 compared to US\$7,104 in LAC); (iii) high production costs due to, among others factors, high consumption of synthetic inputs⁵; and (iv) difficulties to access high value markets and to meet more sophisticated international demand, including from tourists visiting Belize and demand for certified products (organic, fair-trade, social and environmental seals, among others). Underlying structural challenges in the sector include low technical and managerial knowledge, lack of access to technologies and financial resources, and low associativity, among others (CIAT & WB, 2018; BCCI & ILO, 2018 and 2019; IDB, 2020).

Table 1* - Yields of main crops (kg/ha)

	Sugarcane	Corn	Citrus	Bean	Rice	Banana	Cacao	Coconut
Belize	42,830	3,381	12,031	881	4,627	33,128	178	2,408
LAC	61,632	3,757	13,399	1,114	4,564	22,166	499	6,756

* Source: CIAT & WB, 2018.

⁴ The tourism industry is currently dependent on a few international markets, with arrivals mainly comprised of visitors from the US.

⁵ The fertilizer consumption in Belize is of 238.68 kilograms per hectare of arable land, while LAC average is of 181.23 – World Bank Indicators, 2018. Fertilizer prices tripled during 2021.

- 2.7 Moreover, the agricultural sector faces important climate and environmental sustainability challenges. In 2019, drought resulted in agricultural losses of US\$38.5 million (World Bank, 2022), while in 2020, economic damages of Hurricane Nana caused significant damages to the sector to banana farmers were estimated in the range of US\$6-10 million, while hurricanes Eta and Iota also caused flooding damage which particularly affected cattle (IDB, 2020). Models developed by IFPRI suggest that the area and the yields of beans, corn and vegetables will decrease due to Climate Change (CC); and will slow down the rate of growth of yields for sugarcane, tropical fruits, rice, and cacao. Furthermore, due to negative CC impacts on agriculture, it is estimated that Belize will be the most affected of all LAC countries in terms of poverty (+1.28%), crop imports (+13.5%) and decrease in GDP (-1.8%) (Banerjee et al, 2021). According to the [Yale Environment Performance Index 2020](#), that measures efforts to support healthy populations while minimizing the threats of agriculture to the environment, Belize ranks 155 of 180 countries, with a low 19.9/100 score, losing 10.1 points since 2010 and far below the 32.7/100 regional average.
- 2.8 **Gender, youth and diversity gaps.** Belizean women have a significantly higher unemployment rate than men (14-18% and 5-6%, respectively, depending on the education level), and they are paid less for the same work – gender gap can reach 28% for lower education levels (Näslund-Hadley et al, 2020). In agriculture, only 8% of the agricultural landholders are women (CIAT & WB, 2018). In 2018, Belize's youth unemployment rate (20.6%) was 3.5 times the unemployment rate for Belizean workers 25 and older. Regarding diversity gaps, the Maya and Garifuna are more affected by poverty (rates at 77% and 52%, respectively) than other ethnic groups ([SIB, 2018](#)), and Mayan workers with higher education receive lower wages than Creole workers with the same education. Access to skill development opportunities witnesses inequalities, with low-skilled workers overrepresented among certain ethnic groups (Näslund-Hadley et al, 2020).
- 2.9 **Migration.** Large and sudden migration inflows from Central American countries represent an additional development challenge to Belize. From 2015 to 2018, migration to Belize increased its population by 1.4%, turning the country into a host nation for its displaced neighbors. Over 90% of the immigrants in Belize come from Guatemala, El Salvador, and Honduras, representing approximately 14% of its population. The rapid influx of immigrant population has translated into integration challenges of the migrant population to the labor market. Migrants have access to the labor market through the Temporary Employment Permit, but it is exclusively linked to an employer. A 2021 report from the International Labor Organization (ILO) notes that Belize is heavily dependent on migrant labor for its agriculture, tourism and fruit production sectors, which require seasonal labor migration. Recent data from the Labor Force Survey (SIB, 2021) showed that the labor participation rate in September 2019 was 73.9% Guatemalan and 78.9% Honduran. As for unemployment rates, Guatemala and Honduran migrants account for 6.1% and 2.6% respectively (SIB, 2021). Upon arrival, the biggest challenges migrants face is linked to the language barrier and legal status. Moreover, it is important to consider that the GoB does not currently collect information on migrants with irregular status accessing the labor markets.
- 2.10 **Strategic focus.** The proposed operation will contribute to the intra-sector diversification strategy of Belize (¶2.4) by addressing pressing needs in the tourism

and agriculture sectors, particularly those affecting their long-term sustainability while at the same time promoting the inclusion of marginalized populations and non-formalized entrepreneurs. In that sense, the proposed operation will finance interventions that will enhance the productivity of the sectors' MSMEs, with a central focus on forging a more sustainable use and management of natural capital which for both, tourism and agriculture, is the main medium- and long-term challenge in Belize. This approach will, therefore, help improve MSME's incomes in the short-term, which in turn will generate the necessary incentives to instill sustainable business models that will support the sectors' long-term competitiveness.

- 2.11 **Strategic alignment.** The operation is consistent with the Institutional Strategy 2020-2023 (AB-3190-2) and is expected to contribute to the Corporate Results Framework 2020-2023 (Level 2 indicators: 3.Beneficiaries of targeted anti-poverty programs; 6.Beneficiaries of initiatives that support migrants and their host communities; 7.Beneficiaries of employment support initiatives; 9.Micro, small, medium enterprises financed; 10.Enterprises provided with technical assistance; 11.Farmers with improved access to agricultural services and investments; 16.Women beneficiaries of economic empowerment initiatives; 20.Beneficiaries of enhanced disaster and climate change resilience; 21.Habitat that is sustainably managed using ecosystem-based approaches) through the development challenges of: (i) Social inclusion and equality, since the beneficiaries will be vulnerable populations; (ii) Productivity and innovation, as the operation will support the development of MSMEs, promoting production and market innovation; and (iii) Economic integration, since the Project will promote linkages with markets, including exports ones. The operation is aligned with the cross-cutting themes of: (i) Gender equality and diversity, since the Project will include specific objectives, indicators, methods and activities aiming at ensuring the empowerment and full participation of women, indigenous and Afro descendant populations; (ii) Climate change and environmental sustainability, as it will support climate smart and environmentally sustainable businesses, practices and policies; and (iii) Institutional capacity and rule of law, through the interventions envisioned in Component 2. It is aligned with the Bank's "Vision 2025" (AB-3266) opportunities of regional integration, support to SMEs, gender and diversity, and CC action. It is aligned with Pillar 2 "Private sector productivity and sustainable growth, with a focus on MSMEs" of the Country Strategy with Belize 2022-2025 (GN-3086) and consistent with the Sector Framework Documents of: (i) Agriculture (GN-2709-10), in its lines of action "Promote investments that contribute to increasing the productivity of Agriculture, in line with a sustainable management of natural resources"; (ii) Environment and Biodiversity (GN -2827-8), in its dimension of success "Progress is being made towards sustainable management of natural capital and its contribution to economic growth is expanded"; (iii) Sustainable Tourism (GN-2779-7), in its dimensions of success "The share of economic benefits from tourism that is captured by the local population and vulnerable groups rises over time" and "The region's natural and cultural heritage assets are exploited in a sustainable manner by the tourism sector and the impacts of climate change on the sector are managed; and (iv) Climate Change (GN-2835-8) in its dimension of success "Countries make progress on mainstreaming climate considerations across sectors".

- 2.12 **Alignment with national and international priorities.** The project is aligned with the 2015-2030 National Agriculture and Food Policy; the 2019-2023 National Agro-Processing and Food Production Strategy; the 2014-2024 National Environmental Policy and Strategy; the National CC Strategy and Action Plan; and the National Determined Contribution, among others. It is expected that the Project contribute to Sustainable Development Goals 1 “No poverty”, 2 “Zero hunger”, 5 “Gender Equality”; 8 “Decent work and economic growth”, 12 “Responsible consumption and production”; 13 “Climate action”, 14 “Life below water” and 15 “Life on land”.
- 2.13 **Complementarities and synergies.** To maximize synergies and avoid duplications, a strong coordination will be established with other IDB operations that are currently under preparation, including: Digital Innovation to Boost Economic Development (BL-L1039, US\$10,000,000), Trade and Investment Facilitation Program (BL-L1040, US\$8,000,000)⁶ and the Promoting Growth in Sustainable Blue Economy Program (BL-L1042, US\$7,000,000). Also, technical assistance to MSMEs in areas such as preparation of business plans and financial audited statements, may improve their access to credit, complementing Bank’s effort in this field (Global Credit Program for Safeguarding the Productive Sectors and Employment - 5318/OC-BL – US\$15,000,000). The operation will also aim to reach complementarity with projects from other institutions, including the “Resilient Rural Belize Project” (US\$8M IFAD loan and US\$8M GCF loan) and the “Climate Resilient and Sustainable Agriculture Project,” (US\$25M loan from IBRD/IDA). Furthermore, the project will complement IDB Lab operational activities under: (i) Improving Livestock Sector Productivity and Climate Resilience in Belize (ATN/ME-16402-BL, US\$550,500); (ii) Enhancing Conservation in Belize’s Protected Areas through Disruptive Technologies (ATN/ME-17536-BL, US\$574,000), that seeks to improve economic livelihoods in rural communities; and (iii) Belize Tourism Innovation Lab (ATN/ME-18578-BL, US\$400,000), that seeks to positively impact workforce development within the local tourism industry.
- 2.14 The general objectives of this operation will be to improve incomes and promote sustainable livelihoods in the agriculture and tourism sectors. The specific objectives will be to improve MSMEs competitiveness, climate resilience, and environmental sustainability. Possible result indicators include (i) value of agricultural sales; (ii) post-harvest losses; (iii) production costs; (iv) organic waste composted; and (v) chemical fertilizers used; among others.
- 2.15 The beneficiaries will be vulnerable populations who are individual entrepreneurs (including farmers), members in associative arrangements, and/or owners of MSMEs of the selected sectors. The operation will pay particular attention to women, youth, indigenous people, afro descendants and migrants.⁷
- 2.16 The operation will be composed of two components:
- 2.17 **Component 1. Direct support to individual entrepreneurs, MSMEs and Associations for sustainable and inclusive development (Estimated IDB: US\$11,800,000).** It will promote the increase in quantity and quality of goods and

⁶ The objective is to improve the country's connectivity with regional and global markets.

⁷ Specific gap assessments will be conducted, and corresponding action plans prepared, during design.

services provided in the agriculture and tourism sectors, the creation of added value and the reduction of losses and production costs. Support, that may be provided under an individual or group basis, will include: (i) training and technical assistance in topics such as formalization/ registration of enterprises; general management, linkages with financial institutions and markets; technical, environmental and CC matters; and preparation of farm, business and investment plans; and (ii) non-reimbursable financial support to finance or co-finance the implementation of the farm, business and investment plans. Eligibility criteria will consider economic profitability, gender, youth and diversity aspects, migrants' integration, climate resilience, decarbonization and environmental sustainability, among others.

- 2.18 **Component 2. Enabling environment for sustainable and inclusive development (Estimated IDB US\$3,000,000).** To complement Component 1, it will support the delivery of public services to: (i) improve market intelligence and linkages; (ii) improve skill development opportunities; and (iii) mainstream climate change resilience, environmental sustainability, and risk governance; and in the selected sectors. Envisioned activities include the preparation of studies and strategies, participation in international events and fairs, technical assistance and training, as well as development of vocational and professional training and linkages between MSMEs with Academia.
- 2.19 **Other (Estimated IDB: US\$1,000,000).** Other costs include administration, monitoring, evaluation, and auditing.
- 2.20 The total cost of the Project is US\$15,800,000 to be disbursed in a five (5) year period, to be financed by the Bank Ordinary Capital (US\$15,000,000) and the Bank Grant Facility (US\$800,000). To increase the impact of the Project, additional resources (non-reimbursable resources and concessional loans) may be identified during preparation.

III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

- 3.1 **Sector knowledge.** Project preparation will benefit from the substantial body of knowledge generated during the past 4 years by the World Bank, FAO and CIAT, in the context of the preparation of the "Climate Resilient and Sustainable Agriculture Project"; and of the analytical work prepared to design the matching grant program financed by the Sustainable Tourism Program II (3566/OC-BL). Additional analytic work will be conducted to fill some remaining knowledge gap and to prepare feasibility studies that meet the Bank's standards (Annex IV).
- 3.2 **Lessons learned.** The operation will incorporate lessons learned from similar operations in Belize and the Region, based in particular on: (i) [impact evaluations](#) of IDB-financed projects; (ii) the recent Bank-financed systematization of operational lessons learned from incentive initiatives for capacity building and agricultural innovation in LAC; (iii) an analysis of other projects in execution in Belize, including the Sustainable Tourism Program II (3566/OC-BL); and the "Skills to Access the Green Economy through TVET in Belize and the Caribbean" pilot operation (ATN/TV-18294-BL).

- 3.3 **Gender, youth and diversity.** Specific pro-gender and pro-youth actions will be identified, as well as interventions with cultural relevance that ensure the participation of indigenous populations.
- 3.4 **Sustainability.** Support provided to MSMEs under Component 1 will be granted based on the evidence of the profitability of the planned investments. Also, matching schemes may be considered to stimulate ownership. Component 2 will give priority to interventions with low fiscal impact and may explore complementary strategies such as cost recovery for services, and partnership with non-governmental sectors.
- 3.5 **Priority areas of intervention.** The relevance and need to prioritize some intervention areas will be discussed during the orientation mission.

IV. ENVIRONMENTAL SAFEGUARDS AND FIDUCIARY SCREENING

- 4.1 The operation has been classified as Category B for its likely moderate Environmental and Social (E&S) impacts of small-scale interventions across Belize in the agriculture and tourism sectors. Impacts resulting from these activities are expected to be temporary, localized and for which mitigation measures are available. The operation has been classified moderate for climate change and disaster risk and received a preliminary Environmental and Social Risk Rating (ESRR) of Moderate driven by contribution risks regarding potential indirect and cumulative impacts on natural habitats and protected marine areas and on indigenous peoples and Afro-descendants. A Strategic E&S assessment including a Socio-Cultural Assessment for Indigenous Peoples and Afro-descendants with an Environmental and Social Framework (ESMF) as well as an Indigenous Peoples Plan (IPP) will be prepared. The operation will realize one round of meaningful, culturally appropriate and gender sensitive public consultations prior to approval and disclose E&S assessments and plans accordingly.
- 4.2 Procurement financed by the operation will follow policies GN-2349-15 and GN-2350-15, and financial management will be guided by policy OP-273-12. So far, no exceptions to these policies are anticipated. The level of fiduciary risk will be assessed using the ICAP methodology and will be elaborated in the POD.
- 4.3 The executing agency will be the Ministry of Finance, Economic Development, and Investment. Sectoral public institutions (Ministry of Agriculture, Food Security and Enterprises and Ministry of Tourism & Diaspora Relations) as well as some statutory bodies (Belize Market Development Corporation, Belize Tourism Board and Beltraide) may also play a role in execution. The responsibilities of each stakeholder, and the coordination arrangements, will be detailed in the POD. In such a multi-stakeholder context, identifying an operationally efficient executing scheme will be one of the main challenges of the project design. Operational lessons learned from the implementation of public investment projects in Belize and similar operations in other countries, will be key to identify cost efficient and effective execution mechanisms.

V. OTHER ISSUES

- 5.1 According to the preliminary risk assessment, the project execution environment is identified as a high risk. The IDB Group Country Strategy with Belize 2022-2025 highlights the issues of project management capacities, inter agency coordination, and attracting and retaining technical and project management talent. In addition to the attention given to identifying the optimum executing scheme (¶4.3), preliminary mitigation measures include the provision of technical support to the Central Executing Unit, to be financed in a first stage by Technical Cooperation: Design and support to the kick-off of the Sustainable and Inclusive Belize Project (BL-T1148). Conditions prior to first disbursement and special conditions of execution will also be considered as part as the risk mitigation strategy. Other potential risks will be analyzed during the design of the project and their corresponding mitigation measures will be identified and budgeted.

VI. RESOURCES AND TIMETABLE

- 6.1 The distribution of the Proposal for Operation Development (POD) to the Quality and Risk Review (QRR) is expected on June 15, 2022. The submission of the Draft Loan Proposal (DLP) to the Operations Policy Committee (OPC) is expected on August 5, 2022; and final consideration by the Board of Executive Directors is expected on September 14, 2022.
- 6.2 To support the preparation of this operation, the Project Team estimates the need for US\$95,000 from the Bank's administrative budget; and US\$150,000 from Technical Cooperation BL-T1148. The latter will finance (i) The technical design of component 1; (ii) The gender, youth, indigenous people and Afro descendants gap assessment and action plan. In addition to this, RG-T3479 and RG-T3572 will finance a gap analysis, survey, and study for migrant labor force.

CONFIDENTIAL

¹ The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.



E&S Screening Filter

Operation Information

Operation Name	
Sustainable and Inclusive Belize	
Operation Number	BL-L1041

Operation Details

Organizational Unit	IDB Sector/Subsector
CSD/RND	SUSTAINABLE AGRICULTURAL DEVELOPMENT
Type of Operation & Modality	Original IDB Amount
LON / ESP	\$15,000,000.00
Environmental and Social Impact Categorization (ESIC)	Disaster and Climate Change Risk Classification (DCCRC)
B	Moderate
Environmental and Social Risk Rating (ESRR)	
Substantial	
Executing Agency	Borrower
BL-MNR, BL-MDE	MINISTRY OF FINANCE
ESG Primary Team Member	Team Leader
Ute Reisinger	Marion Le Pommellec
Toolkit Completion Date	Author
02/02/2022	Reisinger, Ute
Applicable ESPs	
ESPS 1; ESPS 2; ESPS 3; ESPS 4; ESPS 6; ESPS 7; ESPS 8; ESPS 9; ESPS 10	

Operation Classification Summary

Overriden ESIC	Overriden ESIC Justification
B	Reduce: other (enter details in comments)
Comments	
small scale agricultural intervention of USD 15mio	

Overriden DCCRC	Overriden DCCRC Justification



E&S Screening Filter

Comments

Summary of Impacts / Risks and Potential Solutions

The Executing Agency or other relevant entity (in relation to the operation) has limited proven track record to respect and protect the fundamental principles and rights of workers (including fair treatment, commitment to non-discrimination, equal opportunity, protection of workers including workers in vulnerable situations, work accommodations, migrant workers' rights, collective bargaining and rights of association) and compliance with national employment and labor laws.

The operation will not result in the direct loss of employment (i.e. retrenchment).

The operation will not result in the indirect and/or cumulative loss of employment (i.e. retrenchment).

The Borrower will prepare and operate a partial Grievance Redress Mechanism for all workers (direct and contracted).

The operation will promote a sustainable use of resources including energy, water and raw materials.

The operation will not have direct negative impacts to the environment and human health and safety due to the production, procurement, use, and disposal of hazardous materials such as PCBs, Radiological Waste, Mercury, CFCs, etc.

The operation will not have indirect and/or cumulative negative impacts to the environment and human health and safety due to the production, procurement, use, and disposal of hazardous materials such as PCBs, Radiological Waste, Mercury, CFCs, etc.

The operation is not expected to or currently produce indirectly-cumulatively GHG emissions.

The operation is considering alternatives to implement technically and financially feasible and cost-effective options to avoid or minimize project-related GHG emissions during the design and operation of the project.

There are no direct health and safety risks associated with the design of structural elements or components of the operation (e.g. existing or new buildings, earthworks, bridges, drainage, roadways, power stations, transmission and distribution poles, underground utilities, and dams), and/or road transport activities (e.g. transport of heavy or over-sized equipment) which could result in health and safety impacts to third parties and project-affected people.

There are no indirect and/or cumulative health and safety risks associated with the design of structural elements or components of the operation (e.g. existing or new buildings, earthworks, bridges, drainage, roadways, power stations, transmission and distribution poles, underground utilities, and dams), and/or road transport activities (e.g. transport of heavy or over-sized equipment) which could result in health and safety impacts to third parties and project-affected people.

The project will not directly affect the public (including workers and their families) by exposing them to hazardous materials released by the project, particularly those that may be life threatening.

The project will not indirectly-cumulatively affect the public (including workers and their families) by exposing them to hazardous materials released by the project, particularly those that may be life



E&S Screening Filter

threatening.

There is no potential for the project or project-related activities (e.g. the influx of temporary or permanent project labor, among others) to directly result in or exacerbate community exposure to water-related (i.e., waterborne, water-based, and vector-borne diseases) and/or communicable diseases (e.g. COVID).

There is no potential for the project or project-related activities (e.g. the influx of temporary or permanent project labor, among others) to indirectly-cumulatively result in or exacerbate community exposure to water-related (i.e., waterborne, water-based, and vector-borne diseases) and/or communicable diseases (e.g. COVID).

There is no potential direct impacts to workers and project-affected people related to the use or arrangement of security services to safeguard personnel and/or property.

There is no potential indirect and/or cumulative impacts to workers and project-affected people related to the use or arrangement of security services to safeguard personnel and/or property.

The project will not lead to direct impacts related to land acquisition - Impacts include, and are not limited to, relocation; loss of shelter; loss of land; loss of assets; restrictions on land and natural resources; loss of income; loss of livelihoods; loss of social safety net.

The project will not lead to indirect and/or cumulative impacts related to land acquisition - Impacts include, and are not limited to, relocation; loss of shelter; loss of land; loss of assets; restrictions on land and natural resources; loss of income; loss of livelihoods; loss of social safety net.

Vulnerable people will not be disproportionately affected by direct impacts related to land acquisition - people may be considered vulnerable by virtue of disability, state of health, indigenous status, gender identity, sexual orientation, religion, race, color, ethnicity, age, language, political or other opinion, national or social origin, property, birth, economic disadvantage, or social condition. Other vulnerable people include the elderly, children, single-headed households, refugees, internally displaced persons, natural resource dependent communities.

Vulnerable people will not be disproportionately affected by indirect and/or cumulative impacts related to land acquisition - people may be considered vulnerable by virtue of disability, state of health, indigenous status, gender identity, sexual orientation, religion, race, color, ethnicity, age, language, political or other opinion, national or social origin, property, birth, economic disadvantage, or social condition. Other vulnerable people include the elderly, children, single-headed households, refugees, internally displaced persons, natural resource dependent communities.

The project will not directly introduce (intentionally or accidentally) alien, or non-native, species of flora and fauna that have the potential for invasive behavior in areas where they are not normally found.

The project will not indirectly-cumulatively introduce (intentionally or accidentally) alien, or non-native, species of flora and fauna that have the potential for invasive behavior in areas where they are not normally found.

Indigenous Peoples are not expected to be adversely impacted by direct project related land-acquisition or access restrictions. Note that all impacts on lands and natural resources subject to traditional ownership or under customary law requires FPIC.

Indigenous Peoples are not expected to be adversely impacted by indirect/cumulative project related land-acquisition or access restrictions. Note that all impacts on lands and natural resources subject to traditional ownership or under customary law requires FPIC.



E&S Screening Filter

The project doesn't have the potential to cause adverse direct impacts on Indigenous Peoples who live in isolation and initial contact.

The project doesn't have the potential to cause adverse indirect and/or cumulative impacts on Indigenous Peoples who live in isolation and initial contact.

The project is not expected to directly damage or negatively impact cultural heritage.

The project is not expected to directly damage or negatively impact critical cultural heritage.

The project is not expected to indirectly-cumulatively damage or negatively impact critical cultural heritage.

The project will not negatively directly affect people due to their gender, sexual orientation or gender identity.

The project is not expected to lead to direct risks and impacts associated with Sexual and Gender-based Violence.

The project will not potentially face direct barriers to equitable gender-based participation.

The project will not potentially face indirect and/or cumulative barriers to equitable gender-based participation.

The project will not deal with a subject matter and/or be implemented in an area where the manipulation, interference, coercion, discrimination, and intimidation of stakeholders has been documented.

ESPS 1 - Assessment and Management of Environmental and Social Risks and Impacts

The Executing Agency will conduct an Environmental and Social Assessment (ESA) or Environmental and Social Impact Assessment (ESIA) process for the project during preparation.

The Executing Agency will prepare and maintain an Environmental and Social Management System (ESMS) for the operation as defined under ESPS 1.

The Borrower/Executing Agency's has moderate organizational capacity and competency for managing environmental and social issues.

There are moderate levels of contextual risks associated with the project (e.g. political instability, oppression of communities, armed forces in the project area).

ESPS 2 - Labor and Working Conditions

The operation has the potential to have moderate direct impacts associated with child labor or forced labor in the workforce.

The operation has the potential to have moderate indirect and/or cumulative impacts associated with child labor or forced labor in the workforce.

The operation has the potential to cause minor direct impacts associated with accidents, injury, and attraction disease arising from, associated with, or occurring in the course of work.



E&S Screening Filter

The operation has the potential to cause minor indirect and/or cumulative impacts associated with accidents, injury, and attraction disease arising from, associated with, or occurring in the course of work.

The Executing Agency will prepare and maintain an Environmental and Social Management System (ESMS) for the operation with specific elements related to Labor and Working Conditions under ESPS 2.

ESPS 3 - Resource Efficiency and Pollution Prevention

The operation will have minor direct adverse impacts on human health and the environment due to pollution from project activities.

The operation will have minor indirect and/or cumulative adverse impacts on human health and the environment due to pollution from project activities.

The operation will generate minor direct impacts generated by solid waste (hazardous and/or non-hazardous).

The operation will generate minor indirect and/or cumulative impacts generated by solid waste (hazardous and/or non-hazardous).

The operation will have minor direct negative impacts to the environment and human health and safety due to the production, procurement, use, and disposal of pesticides.

The operation will have minor indirect and/or cumulative negative impacts to the environment and human health and safety due to the production, procurement, use, and disposal of pesticides.

The operation is expected to or currently produce directly GHG emissions (less than 25,000 tons of CO₂ equivalent per year).

The operation has low exposure to climate transition risks related with a loss of value of a project driven by the transition to a lower-carbon economy, result from extensive policy, legal, technology, and/or market changes to address climate change.

ESPS 4 - Community Health, Safety, and Security

The project's direct impacts on priority ecosystem services may result in minor adverse health and safety risks and impacts to the project-affected people.

The project's indirect and/or cumulative impacts on priority ecosystem services may result in moderate adverse health and safety risks and impacts to the project-affected people.

There is moderate potential for an emergency or unanticipated event to occur in the project area of influence that demands immediate action to prevent or reduce harm to people, property, and/or the environment.

Natural hazards, such as earthquakes, droughts, landslides, floods, wildfires, or others, including those caused or exacerbated by climate change, are likely to occur in the project area, and these may moderately impact the project, and/or the project may moderately exacerbate the risk from natural hazards to human life, property, and/or the environment.

ESPS 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources



E&S Screening Filter

The operation has the potential to minorly directly impact modified habitat that include significant biodiversity value.

The operation has the potential to moderately indirectly-cumulatively impact modified habitat that include significant biodiversity value.

The operation has the potential to minorly directly convert or degrade natural habitat.

The operation has the potential to moderately indirectly-cumulatively convert or degrade natural habitat.

The operation has the minor direct potential to implement project activities in critical natural habitat.

The operation has the moderate indirect and/or cumulative potential to implement project activities in critical natural habitat.

The operation has the potential to minorly directly impact a legally protected area or an internationally recognized area.

The operation has the potential to moderately indirectly-cumulatively impact a legally protected area or an internationally recognized area.

The project is likely to adversely directly minorly impact ecosystem services.

The project is likely to adversely indirectly-cumulatively moderately impact ecosystem services.

ESPS 7 - Indigenous Peoples

The project has the potential to cause minor adverse direct impact on Indigenous Peoples. FPIC is required when there will be (i) impacts on lands and natural resources subject to traditional ownership or under customary use; (ii) Relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use; or (iii) significant impact on Cultural Heritage.

The project has the potential to cause minor adverse indirect/cumulative impact on Indigenous Peoples. FPIC is required when there will be (i) impacts on lands and natural resources subject to traditional ownership or under customary use; (ii) Relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use; or (iii) significant impact on Cultural Heritage.

ESPS 8 - Cultural Heritage

The project has the potential to minorly indirectly-cumulatively damage or negatively impact cultural heritage.

ESPS 9 - Gender Equality

The project will negatively minorly indirectly-cumulatively affect people due to their gender, sexual orientation or gender identity.

The project will potentially lead to minor indirect and/or cumulative risks and impacts associated with Sexual and Gender-based Violence.

ESPS 10 - Stakeholder Engagement and Information Disclosure



E&S Screening Filter

The Borrower will prepare a stakeholder engagement framework/plan for the lifetime of the program (including the equal participation of women and men and also take into account Indigenous Peoples, vulnerable groups when relevant).

The Borrower will engage in meaningful consultations and engagement with stakeholders which is free of manipulation, interference, coercion, discrimination, and intimidation.

The Borrower will operate a Grievance Redress Mechanism at the Project level (direct and contracted).

Initial Environmental and Social Review Summary	
Operation Data	
Operation Number	BL-L1041; BL-J0003
IDB Sector/Subsector	AGRICULTURE AND RURAL DEVELOPMENT / SUSTAINABLE AGRICULTURAL DEVELOPMENT (CSD/RND)
Type of Operation & Modality	Specific Investment Operation (LON/ESP)
Initial E&S Impact Classification (ESIC)	B
Initial E&S Risk Rating (ESRR)	Moderate
Initial Disaster and Climate Change Risk Classification (DCCRC)	Moderate
Borrower	Ministry of Finance, Economic Development, and Investment (MFEDI)
Executing Agency	MFEDI
IDB Loan Amount (and total project cost)	\$15,000,000.00 (\$15,800,000.00)
Applicable ESPS's with requirements	ESPS 1; ESPS 2; ESPS 3; ESPS 4; ESPS 6; ESPS 7; ESPS 8; ESPS 9; ESPS 10
Executive Summary	
<p>The operation has been classified as Category B for its likely moderate Environmental and Social (E&S) impacts of small-scale interventions across Belize in the agriculture and tourism sectors providing non-reimbursable direct financing of cooperatives or individual Micro Small and Medium Sized Enterprises (MSMEs) as well as training and technical assistance for the beneficiaries. Impacts resulting from these activities are expected to be temporary, localized and for which mitigation measures are available. The operation has been classified moderate for climate change and disaster risk and received a preliminary Environmental and Social Risk Rating (ESRR) of Moderate driven by contribution risks regarding potential indirect and cumulative impacts on natural habitats and protected marine areas and on Indigenous peoples, afrodescendants and migrants as well as contextual risks such as social and territorial conflicts, illegal logging and deforestation and child and forced labor in the sectors.</p> <p>The interventions to be financed have the potential to generate pollution of water and marine resources, soil and air as well as solid and liquid waste. The operation will not finance the use of non-organic fertilizers or pesticides, however small quantities of hazardous waste may have to be disposed of adequately. The operation will not finance any resettlement, physical or economic displacement or land acquisitions as such. Some interventions may take place in indigenous and afrodescendants territories and/or will be tailored to benefit migrant communities, for which potential negative impacts and risks of exclusion and/or discrimination will have to be addressed. Working conditions in the selected sectors may pose risks of exploitation, to health and safety of workers and communities as well as allow for discrimination and exclusion of vulnerable groups. The operation will not finance any negative impacts on cultural heritage.</p>	

<p>During E&S due diligence the program will identify prioritized areas of intervention and conduct a Strategic E&S Assessment including a Socio-Cultural Assessment for indigenous peoples and afrodescendents. The impacts and risks of the operation will be managed through an Environmental and Management System, that will among other components include an Environmental and Social Framework (ESMF) as well as an Indigenous Peoples Plan (IPP) in compliance with the requirements set out in the Bank's Environmental and Social Policy Framework (ESPF). The operation will realize one round of meaningful, culturally appropriate and gender sensitive public consultations prior to approval and disclose the E&S documentation and plans accordingly.</p>	
<p>Operation Description</p>	
<p>The Sustainable and Inclusive Belize operation's main objective is to maintain and create adequate jobs, as well as to improve incomes in the Agriculture and Tourism sectors prioritizing vulnerable populations such as indigenous peoples, afrodescendents, migrants, women and youth. The operation seeks to improve MSMEs profitability, climate resilience/decarbonization, environmental sustainability and access to markets by providing non-reimbursable financial support as well as technical assistance and training:</p> <p><u>Component 1 (US\$11.8 million)</u> will finance direct support to individual entrepreneurs, MSMEs and Associations to increase quantity and quality (meeting higher technical, social, climate and environmental standards) of goods produced and services provided in the selected sectors; the creation of added value; and reduction of losses and of costs of production. Support, that may be provided to groups (associations, cooperatives) or individual MSMEs, will include: (i) training and technical assistance in topics such as formalization/registration of enterprises, general management, preparation of business plans, linkages with financial institutions and markets, and technical production aspects; and (ii) non-reimbursable financial support to finance or co-finance investments. The component will also consider the design and implementation of a digital information and process management system to ensure transparency, equity, and accountability of public resources.</p> <p><u>Component 2 (US\$3 million)</u> Policy and Institutional Strengthening will support the delivery of public services to: (i) Improve market intelligence and linkages; (ii) Improve access to information; (iii) Mainstream Climate Change Resilience & Mitigation and Environmental Sustainability in the selected priority sectors.</p> <p><u>Other (US\$1 million)</u> Other costs include administration, monitoring, evaluation, and auditing.</p>	
<p>Rationale for Classifications/Rating</p>	
<p><i>E&S Impact Classification</i></p>	<p>The operation has been classified as Category "B" due to potential E&S indirect impacts to natural habitats and indigenous territories by MSMEs financed by the operation in the agriculture and tourism sectors. E&S impacts are likely to be moderate, temporary, localized for which mitigation measures are easily available.</p>
<p><i>E&S Risk Rating</i></p>	<p>The operation has been preliminarily classified as Moderate E&S Risk driven by the contribution risk factor regarding potential indirect and cumulative impacts in natural habitats and on indigenous peoples, afrodescendants and migrants as well as contextual risks such as social and territorial conflicts, illegal deforestation and child and forced labor prevalent in the agriculture and tourism sectors.</p>

<i>DCC Risk Classification</i>	The operation has been classified as Moderate risk due to Belize's vulnerability to drought and water scarcity, as well as sea level rise because of climate change, and exposure to earthquake and tsunami hazards.	
Is the use of Borrower E&S Framework being considered?		<i>No</i>
The operation does not consider the use of the Borrower's E&S Framework.		
Environmental and Social Performance Standards (ESPSs) that apply to the proposed project		
ESPS-1. Assessment and Management of E&S Risks and Impacts		<i>Yes</i>
<p>The operation will be executed by the Ministry of Finance, Economic, Development and Investment (MFEDI) through a Central Executing Unit (CEU) yet to be established, hence no Environmental and Social Management System (ESMS) is currently being implemented. This CEU will perform project administration including project management, fiduciary and monitoring & evaluation tasks, while technical leadership and expertise would remain within Ministry of Agriculture and Tourism. Statutory bodies such as the Belize trade & investment development service (Beltraide), Belize Tourism Board and Belize Market Development Corporation, may contribute to project execution. E&S Due Diligence will assess institutional capacity of each actor and propose the CEU's E&S management structure.</p> <p>The E&S assessment process will define an ESMS for the operation that will establish the project specific E&S framework and include:</p> <p>Identification of E&S impacts and risks: Strategic Environmental and Social Assessment (SESA) and Sociocultural Assessment (SCA) for Indigenous Peoples and afrodescendents.</p> <p>Management Programs: Environmental and Social Management Framework (ESMF) and Indigenous Peoples Plan (IPP) with specific programs.</p> <p>Institutional Capacity: Proposed CEU E&S management structure, procedures, resources, and training.</p> <p>Emergency Preparedness and Response: Specific program to be prepared as part of the ESMF.</p> <p>Stakeholder Engagement: A general and Indigenous Peoples Stakeholder Engagement Plan will be developed as part of the ESMF and IPP that will include among other activities (i) the design and implementation of one round of meaningful, culturally adequate and gender inclusive public consultation prior to approval of the operation, (ii) the design and implementation of a community and workforce grievance mechanism.</p> <p>Monitoring and Review: The ESMF and IPP will include monitoring and supervision requirements for the CEU.</p>		
ESPS-2. Labor and Working Conditions		<i>Yes</i>
<p>The operation will not employ a large project workforce or finance any public works. However, family farming as well as informal economic activity may include inadequate working conditions proposing a risk to health and security of workers. There are risks of child and forced labor and human trafficking in the agricultural and tourism sectors to which migrant workers are highly vulnerable.</p> <p>The ESMF and IPP will define Labor Management Procedures (LMP) for the operation that will include among other aspects procedures (i) to identify and manage the risk of child and forced labor and human trafficking, (ii) for occupational health and safety of the project workforce and its beneficiaries</p>		

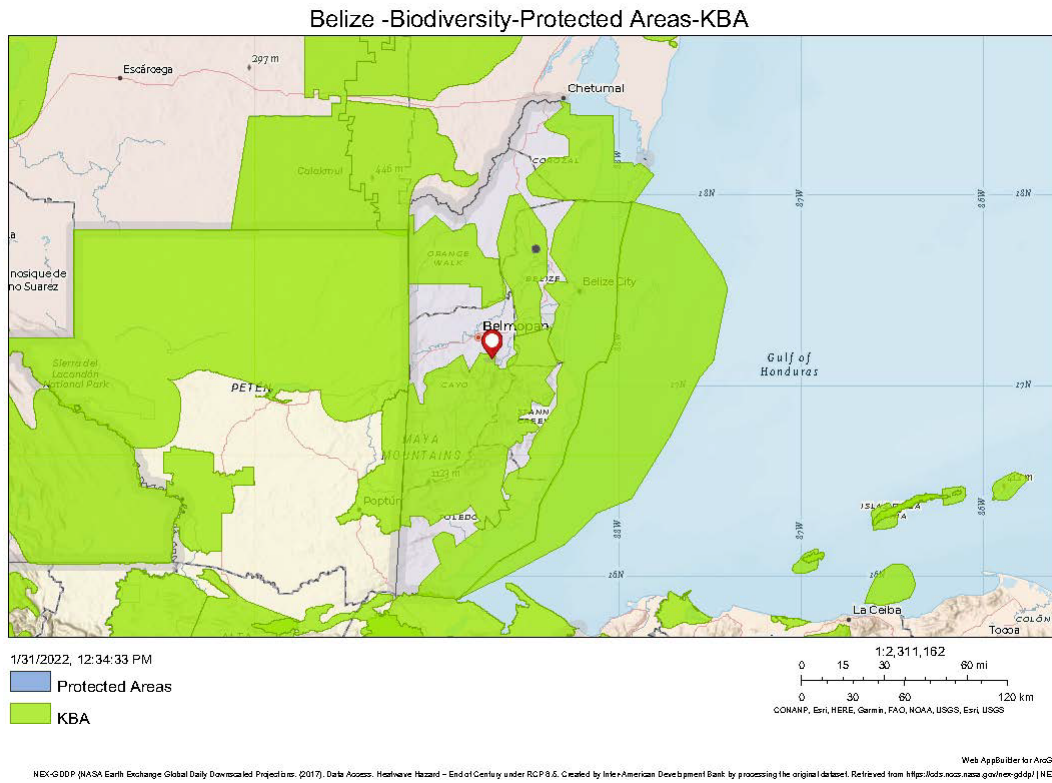
participating in activities, (iii) for a workforce grievance mechanism, and (iv) to avoid discrimination, exclusion and retaliation at the workplace.	
ESPS-3. Resource Efficiency and Pollution Prevention	<i>Yes</i>
<p>The operation may cause moderate impacts and risks related to small scale interventions directly financing MSMEs in the agriculture and tourism sectors. These are expected to be related to water and natural resources consumption, pollution of water, air and soil and generation of solid, liquid and organic waste as well as minor quantities of hazardous waste, noise and vibration, emission for stationary/mobile sources. The SESA and ESMF will determinate methodology and actions to manage the risk and mitigate the impacts applying the ESPF's mitigation hierarchy including specific programs for land and water use, management of natural resources, seed development, management of hazardous and solid waste, use of organic pesticides and fertilizers, etc. to be implemented by cooperatives and MSMEs. The measures are expected to align with the operation's objectives and strategic alignments and be incorporated in program activities.</p>	
ESPS-4. Community Health, Safety, and Security	<i>Yes</i>
<p>Activities of MSMEs and cooperatives in the agriculture and tourism may pose moderate risks related to community health, safety and security resulting from waterborne or transmissible diseases. The use of security personal is not foreseen. The SESA and SCA as well as the ESMF and IPP will determine measures aligned with ESPS 4.</p> <p>The operation is classified moderated for climate change and risk disaster. Belize is exposed to moderate earthquake and tsunamis risks, and risks related to climate change such as drought, precipitation change and water scarcity as well as sea level rise and extreme weather events. Some areas have a high risk to flooding and hurricane wind hazards. Belize has a National Climate Change Strategy and Action Plan that update Belize's Nationally Determined Contribution (NDC) and includes actions aligned with the operation such as activities to building adaptation and resilience to climate change and reduce disaster risk and promote based nature sustainable activities supporting vulnerable groups and reduce poverty, promotes stakeholder engagement and develops the tourism and agricultural sector among others. The operation includes a component to strengthening the resilience of MSME's to manage climate changes and some initiatives have been executing to identify financial opportunities for climate smart project through other financial institutions and the Ministry of Agriculture. The operation's ESMS will include an Emergency and Disaster Preparedness Plan and the ESMF will include specific measures for MSMEs and cooperatives for climate change and natural disaster risks. During E&S due diligence the above-mentioned plans and activities will be assessed for their alignment with the IDB's Disaster and Climate Change Risk Assessment Methodology.</p>	
ESPS-5. Land Acquisition and Involuntary Resettlement	<i>No</i>
<p>The operation will not finance any activities that require land acquisitions, involuntary resettlement, physical or economic displacement.</p>	
ESPS-6. Biodiversity Conservation and Sustainable Management of Living Natural Resources	<i>Yes</i>
<p>Priority areas of intervention have not yet been determined; however, it is likely that the operation will finance activities that affect protected areas and critical habitats and ecosystem services on both land and sea. Although direct impacts of cooperatives and MSME financing will likely be minor to moderate, the SESA and ESMF will assess the potential indirect and cumulative risks and impacts regarding legal and illegal deforestation and the degradation of natural habitats including coral reefs, and identify</p>	

<p>mitigation measures in line with ESPS 6 requirements. The use of exotic and invasive species will not be permitted. Belize includes a strategy to develop the agriculture and tourism sector considering natural capital, climate smart and environmental sustainability activities. Belize has the following management instrument regarding biodiversity conservation and sustainability management of living natural resources: National Environmental Strategy and Action Plan National Protected Area Management Plans, National Biodiversity Strategy and Action Plan Land use and planning development framework and Coastal and Marine zones management plans. Annex A includes maps of the Belize protected areas and key biodiversity areas.</p>	
ESPS-7. Indigenous Peoples	Yes
<p>Indigenous peoples and afrodescendants as well as migrants have been identified as vulnerable groups in the project area of intervention and program activities will be designed in a culturally appropriate manner to ensure sustainable delivery of program benefits. Priority areas of intervention have not yet been determined; however, it is likely that activities will take place in indigenous territories. The program will not finance land acquisition or any significant negative impacts on indigenous peoples or afrodescendants. Belize implements a National Development Plans for Indigenous Peoples / Toledo Maya Land Rights Commission Strategic Plan, which is broadly accepted, however local land or social conflicts may be prevalent especially regarding the use of natural resources and the interaction with migrant populations. The SCA and IPP will assess the dynamics of potentially overlapping indigenous territories and protected areas as well as potential territorial conflicts bordering Guatemala. The SCA and IPP will identify regional and local indigenous governance structures to ensure culturally adequate participation and develop mitigation measures to prevent negative impacts. A documented process to obtain Free, Prior and Informed Consents will not be required. Annex A includes maps of the Belize afrodescendants and indigenous people).</p>	
ESPS-8. Cultural Heritage	Yes
<p>Although the priority areas of intervention have not yet been determined, it is likely that investments in the tourism sector include the use of cultural heritage sites or resources. Any activities by cooperatives or MSMEs that may cause negative impacts on cultural heritage sites will not be eligible for financing. The SESA will assess risks to cultural heritage and the ESMF will identify exclusion criteria and mitigation measures accordingly. The ESMF will also include Chance Finding Procedures.</p>	
ESPS-9. Gender Equality	Yes
<p>The SESA and SCA will assess potential risks based on gender, sexual orientation and/or gender identity, including but not limited to risks of gender-based violence and potential exclusion and/or discrimination to participate in program activities. The ESMF and IPP will identify corresponding mitigation measures to be incorporated in the program design and E&S management activities considering social dimensions of migrant populations.</p>	
ESPS-10. Stakeholder Engagement and Information Disclosure	Yes
<p>The operation will realize one round of meaningful, culturally appropriate and gender sensitive public consultations prior to approval that will inform the project design and E&S mitigation measures. Although no significant negative impacts on indigenous peoples are expected that would require a process of obtaining Free Prior Informed Consent, the consultation strategy will comply with local requirements and practices of indigenous peoples' authorities.</p>	

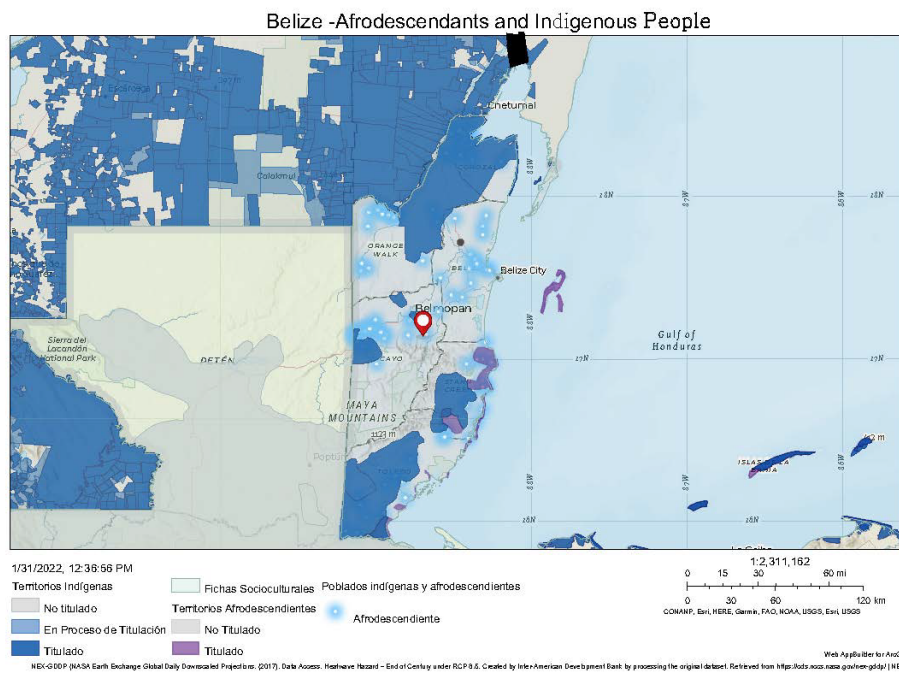
<p>The ESMF and IPP will include a Stakeholder Engagement Plan ensuring culturally adequate and continuous participation of project beneficiaries and affected people. The program will establish a culturally adequate and gender sensitive project grievance mechanism.</p> <p>In compliance with the ESPF, a fit for disclosure version of the E&S documents will be disclosed prior to analysis mission and their final versions, including a report on the public consultation process will be disclosed prior to approval of the operation.</p>			
IDB Environmental and Social Due Diligence			
For co-financed operations, is a common approach with other lenders being considered?			<i>Unknown</i>
<p>Additional resources, in the form of non-reimbursable resources (grants) and/or concessional loans, will be sought, to increase the scope (number of beneficiaries) of the Project. This information will be verified during the due diligence.</p>			
Strategy for Due Diligence			
<p>The operation will prepare an Environmental and Social Management System (ESMS) to manage the impacts and risks of the operation identified in the Strategic Environmental and Social Assessment (SESA) and Sociocultural Assessment (SCA). The ESMS will include an Environmental and Social Management Framework (ESMF) and an Indigenous Peoples Plan (IPP) to comply with the ESPF and its ESPS 1 to 10. The studies will be financed through a technical cooperation (BL-T1148) and the fit-for-disclosure documentation will be disclosed prior to approval of the operation.</p>			
<i>E&S Assessment requirement</i>	<i>Status of development</i>	<i>Estimated resources to finalize (specify Bank or Borrower cost)</i>	<i>Estimated timeline to finalize (inc. consultation)</i>
Strategic Environmental and Social Assessment (SESA) setting out the Environmental and Social Management System (ESMS) including (but not limited to) an Environmental and Social Management Framework (ESMF)	Not yet prepared	Source: IDB Technical Cooperation (TC) BL-T1148 "Support to the preparation of the Sustainable and Inclusive Belize Project" (US\$30k).	Execution: 4 months Intended start: March 2022 Consultation: April/ May 2022
Socio-Cultural Analysis (SCA) and Indigenous Peoples Plan (IPP) including afrodescendants and migration	Not yet prepared	Source: IDB TC BL-T-1148 (US\$20k)	Execution: 4 months Intended start: March 2022 Consultation: April/May 2022
Annexes			
Annex A.	E&S Maps		

Annex A: E&S Maps

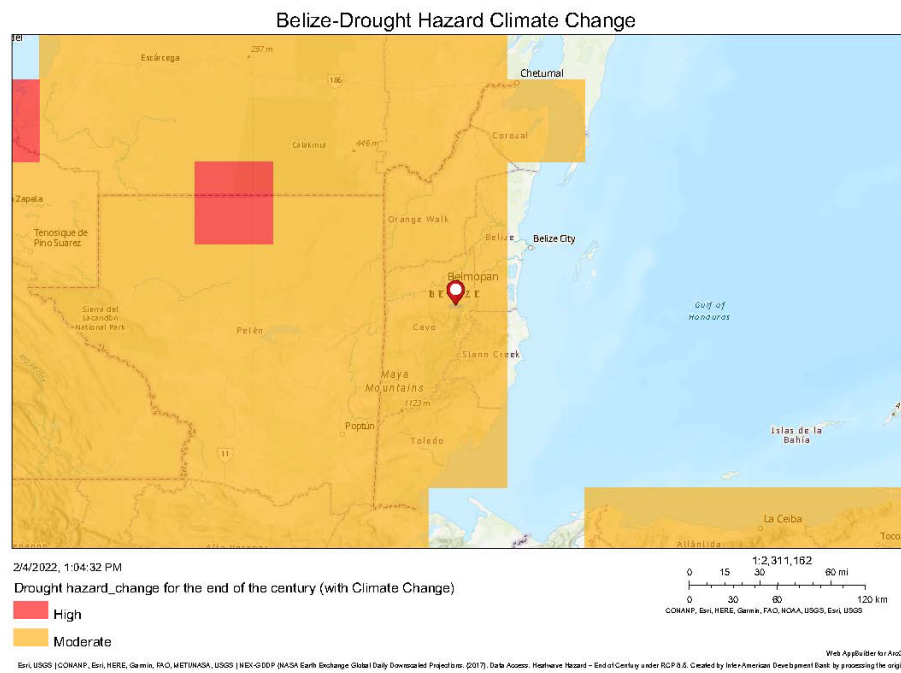
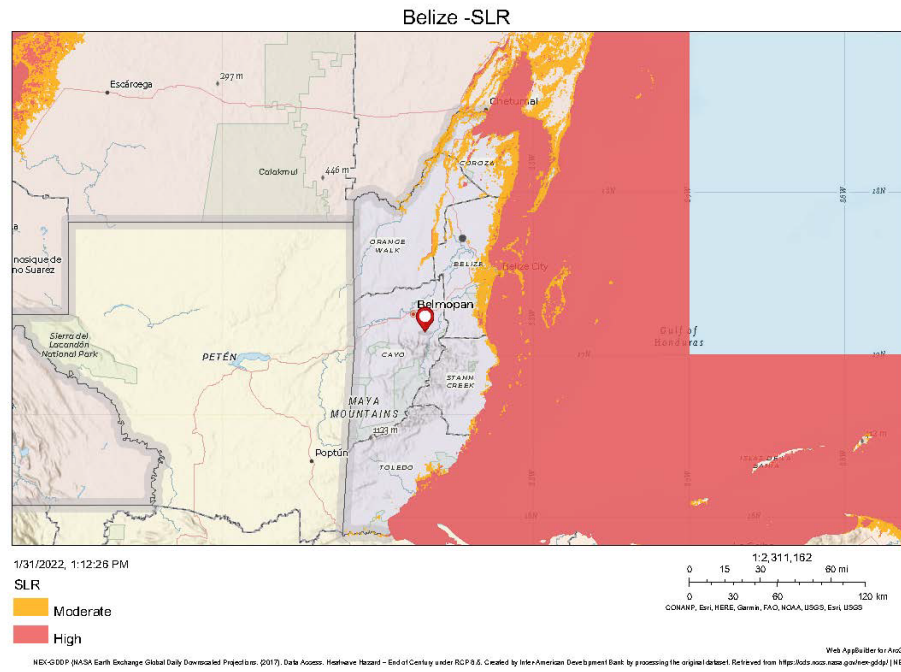
Belize-Protected Areas and Key Biodiversity Areas (KBA) Map

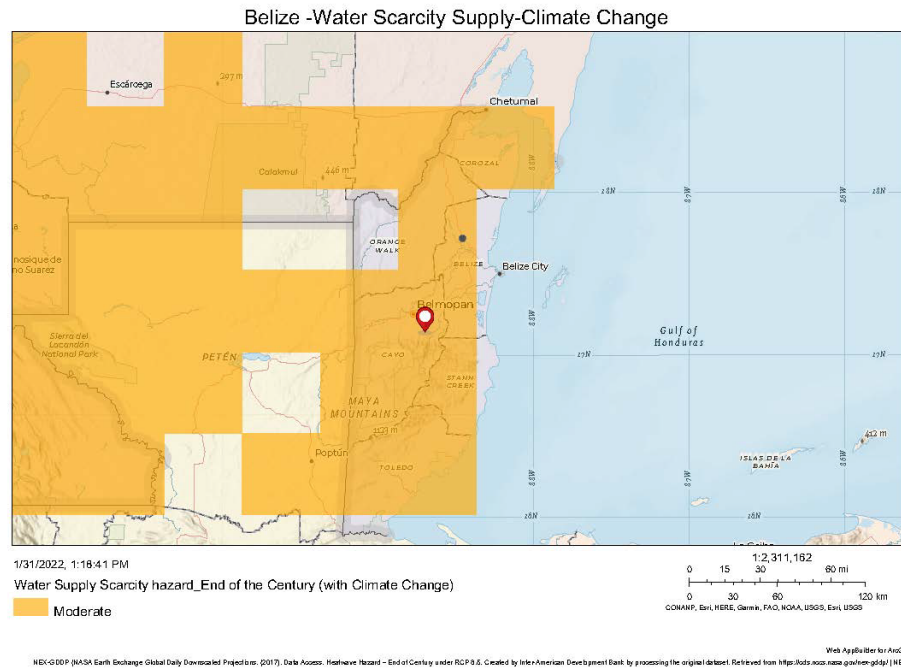
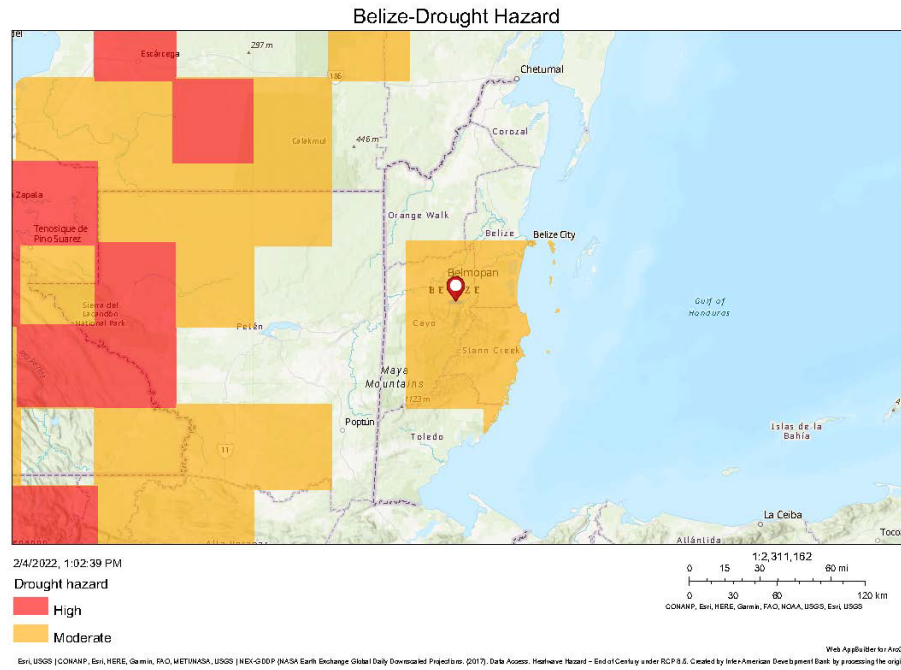


Belize- Afro descendants and Indigenous People Map

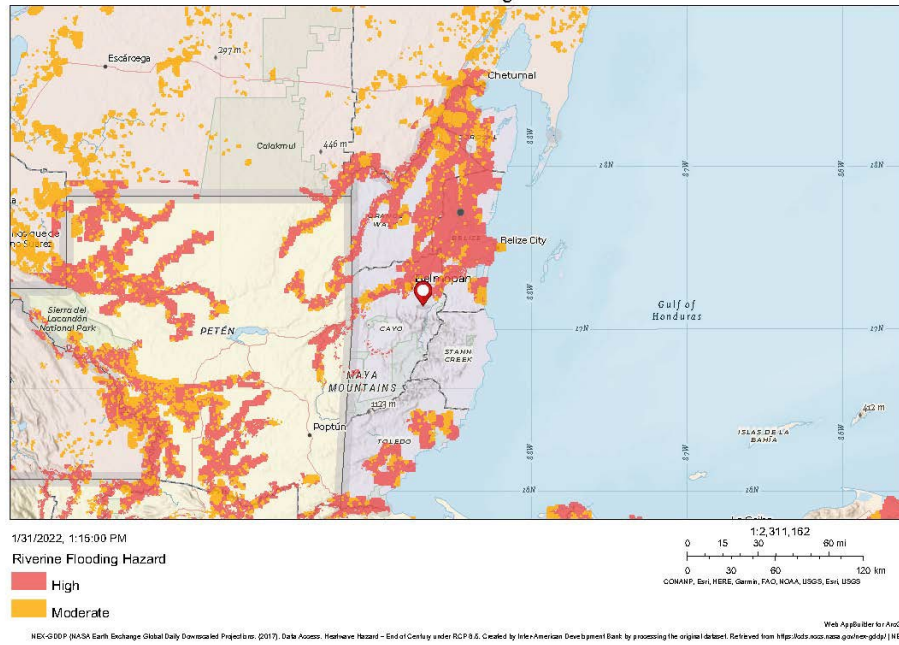


Belize- Natural Disaster and Climate Change Hazards Maps

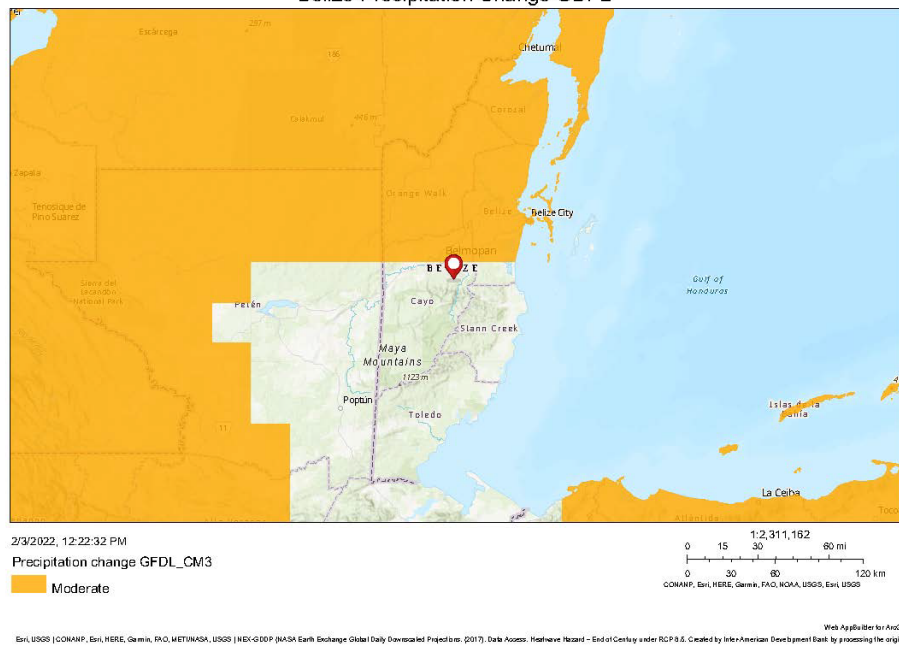




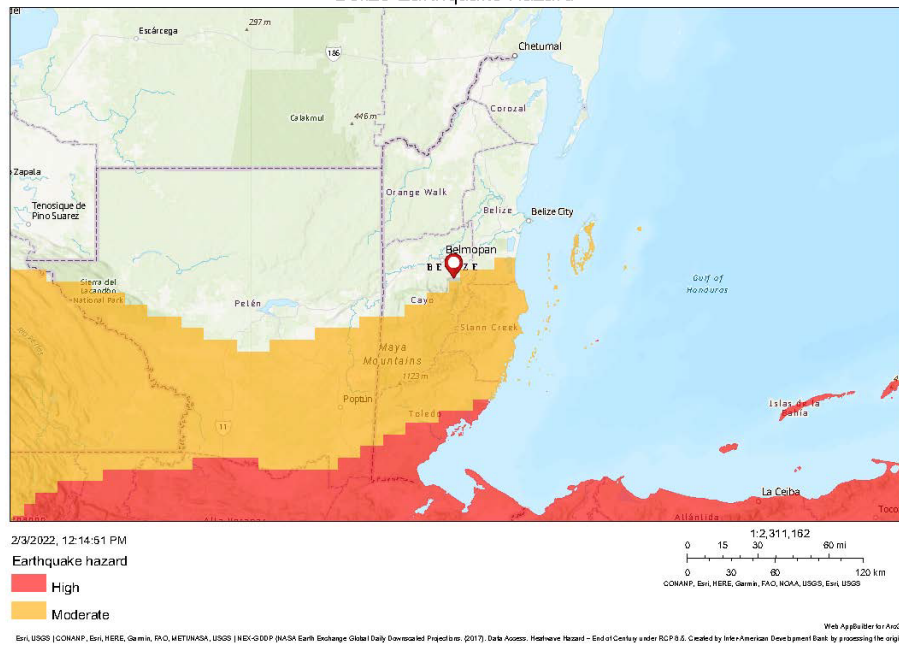
Belize -River Flooding Hazards



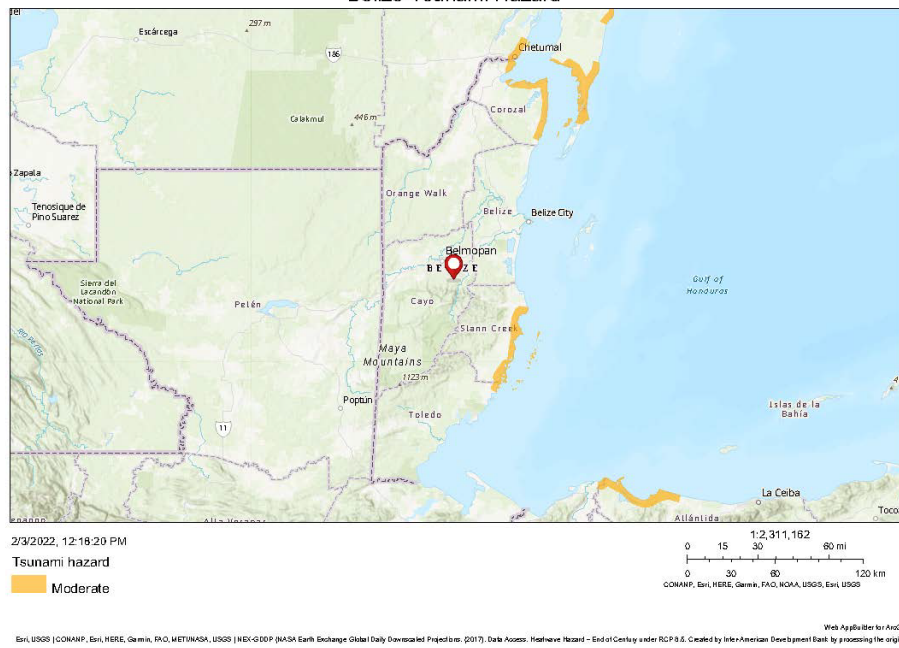
Belize-Precipitation Change GDFL



Belize-Earthquake Hazard



Belize-Tsunami Hazard



INDEX FOR COMPLETED AND PROPOSED SECTOR WORK

Description	Estimated Dates	References / Electronic Links
TECHNICAL		
Belize Climate-Smart Agriculture Profile + Recommended practices	2018	Completed
Climate-Smart Agriculture in Belize: Identifying Investment Priorities	2018	Completed
Sustainable agriculture development resilient to climate change through irrigation and drainage planning	2021	Completed though not public (prepared for World Bank loan)
Technical studies for the Climate Resilient and Sustainable Agriculture Project	2021	Completed though not public (prepared for World Bank loan)
Design of the Matching Grant Program to increase the resilience of the Tourism Micro-, Small- and Medium-Sized Enterprises - Identification and Analysis of Market Failures (3566/OC-BL) (US\$15.5M) (May 2020)	2021	Completed
Baseline study in the agricultural sector / Orange Walk, Belize, Cayo, Stann Creek and Toledo Districts	2021	Completed though not public (prepared for IFAD loan)
Technical assessment and design of Components 1 and 2	June 2022	
GENERAL		
Environmental and Social Assessments	June 2022	
Country technical note on indigenous peoples' issues – Belize	2017	Completed
Gender, Youth and Diversity gap assessment and management plan	June 2022	
Monitoring and Impact Evaluation Plan	June 2022	
Institutional analysis PACI	Abril 2022	
Support Consultancy to Evaluate and Propose Improvements in the Execution of Projects in Belize	2021	Completed
Management tools	June 2022	
Ex ante economic assessment	June 2022	
Project management tools (PEP-AOP, Procurement Plan, Budget per Output, Risks Matrix and Mitigation Plan, Program Operating Manual)	June 2022	
Consultoría de sistematización de lecciones aprendidas operativas de iniciativas de incentivos al fortalecimiento de capacidades y a la innovación agropecuaria en Latino América y el Caribe	2021	Completed though not public (final draft, under final review)

CONFIDENTIAL

¹ The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.