

TC Document

I. Basic Information for TC

▪ Country/Region:	Belize/CID
▪ TC Name:	Design and Preparation of the Sustainable Development Plan for the Caracol Region
▪ TC Number:	BL-T1088
▪ Team Leader/Members:	Co-Team Leaders: Michele Lemay (CSD/RND) and Christopher Persaud (INE/TSP). Members: Melanie Argimon (CSD/RND); Elizabeth Ayala, Jane Chow, Peggyann Robateau Alexis Bryant, (CID/CBL); Sergio Deambrosi (INE/TSP); Ignacio Barragan (LEG/SGO); John Primo, Brodrick Raylando Watson (VPC/FMP); and Lisa Restrepo (CSD/RND)
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination	Operational Support
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	BL-L1022 Caracol Sustainable Development Program
▪ Date of TC Abstract authorization:	June 13, 2017
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	Community members of the Caracol Region in Belize
▪ Executing Agency and contact name (Organization or entity responsible for executing the TC Program):	CSD/RND, Michele Lemay
▪ Donors providing funding:	Ordinary Capital Strategic Development Program for Sustainability (SUS)
▪ IDB Funding Requested:	\$700,000
▪ Local counterpart funding, if any:	\$0.00
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	October 2017
▪ Types of consultants:	Firms and individuals
▪ Prepared by Unit:	CSD/RND
▪ Unit of Disbursement Responsibility:	CID/CBL
▪ TC Included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Environmental sustainability

II. Description of the Associated Loan

- 2.1 With its pristine natural attractions as well as important timber, mineral and water resources, the Caracol Region represents the most extensive undeveloped land area in Belize. While agriculture in adjacent areas and timber production in the reserves represent major economic activities, the Caracol Region's main potential value lies in nature-based tourism. With less than 20,000 visitors reaching the Caracol

archaeological site each year, providing better access to nature and cultural tourism sites has become a priority. Since 1996, the Bank has worked closely with the Government of Belize (GoBL) to develop the tourism sector, supporting national priorities for sustainable tourism development and preserving cultural heritage. In this context, the ongoing Sustainable Tourism Program II (STP II/ BL-L1020) aims to increase the tourism sector's contribution to national sustainable and resilient socioeconomic development in destinations prioritized in the National Sustainable Tourism Master Plan (NSTMP) (MTCA, 2013)¹ including the Caracol Region as an emerging tourism destination for future development. STP II includes several infrastructure investments aimed at increasing tourism expenditures in the area. In addition to the direct impacts associated with increased inflows of tourists to popular visitation sites along the road corridor, STP II is expected to bring about indirect impacts including resort development in the Caracol Region's buffer zones (Herrera, 2015).

- 2.2 The poor condition of the Caracol road has slowed down the region's socio-economic development hampering access to tourism assets and renewable resources and increasing the vulnerability and permeability of the region to illegal activities and management issues that are a challenge for enforcement such as illegal logging and mining, fire and pest management, wildlife poaching and related issues.² Recognizing the potential contribution of the Caracol Region to the national economy and the need to balance land and natural resource use with environmental protection, GoBL requested support from the Bank to develop a Sustainable Development Program for the Caracol Region (BL-L1022) to support the sustainable economic development of the region by: (i) upgrading the condition of the Caracol road thereby improving logistical access to the area; (ii) improving local livelihoods through sustainable use of local natural resources and maintenance of the ecosystem services upon which economic development depends; and (iii) strengthening the national capacity to manage the improved assets and implement the sustainable development plan for the region. Promoting the sustainable development of the region is critical as the Caracol road lies within an area of Mayan forest corridor, all under some form of national protection (incl. forest reserve, national park, archeological reserve). In this sense, the Bank's additionality will go beyond rehabilitation of the road itself, but in assisting the GoBL in identifying the necessary arrangements to safeguard the biodiversity and the cultural aspects in the area. A Design and Feasibility Study is underway for the road rehabilitation works with results expected in the first quarter of 2018. An Environmental and Social Assessment has produced a baseline review and completion depends on the availability of results from the Design and Feasibility Study. Board approval of BL-L1022 is tentatively set for the third quarter of 2018. The Program in preparation will consist of three components: **(1) Caracol Road Upgrade** to support the rehabilitation of 14 kilometers of The Caracol Road. This component will finance the upgrading of the Caracol road from Georgeville to Junction K to meet international geometric and engineering standards, providing resilience against flooding and other climate change effects; **(2) Sustainable Livelihoods** to support local livelihoods through sustainable use of natural resources to ensure that the road upgrade results in full range of sustainable economic development opportunities for local communities;

¹ Belize's Growth and Sustainable Development Strategy (2016-2019) also calls for prioritizing the integration of alternative, sustainable livelihood programs into protected areas situated adjacent to low-income communities.

² In 2011 the illegal harvest from the Chiquibul Forest was estimated in around US\$15 million.

and **(3) Institutional Strengthening** to finance strengthening of relevant agencies in the environmental and social safeguards application, the implementation of the sustainable development plan and in building governance framework for its implementation.

- 2.3 The proposed Technical Cooperation (TC) is designed to inform the preparation of BL-L1022 by providing information on multi-sectoral economic opportunities that could be financed by Component 2 of the loan. It will also support the preparation of the comprehensive sustainable development plan to build consensus on how the region should be developed after the works to be financed by BL-L1020 and BL-L1022 and have been completed.

III. Objectives and Justification of the TC

- 3.1 **Objectives.** The objective is to design a Sustainable Development Plan for the Caracol Region that maintains the long-term contribution of the region to the national economy and balances land and natural resource use with environmental protection and local livelihoods. Working within a stakeholder engagement process to map and value the suite of benefits that ecosystems provide to people both now and under alternative future development scenarios, the Plan will be developed to prepare local populations for the changes expected with the rehabilitation of the Caracol Road (BL-L1022), tourism infrastructure development (BL-L1020) and other land use changes. More specifically, the objective is to prepare a sustainable development plan for the Caracol Region that: (i) builds consensus on a preferred future development scenario which can maintain priority ecosystem services; (ii) provides for local livelihoods and sustainable investments in target economic sectors; and (iii) minimizes the indirect environmental and social risks and impacts associated with the rehabilitation of the Caracol Road. Meaningful participation of local and national stakeholders cross-cuts all objectives.
- 3.2 **Justification.** Extending over 219,561 ha, the Caracol represents the most extensive undeveloped land area in Belize. Most of this land is covered by protected areas, including forest and archaeological reserves. The Caracol Archaeological Reserve, the largest known Mayan archaeological complex in Belize, along with the Mountain Pine Ridge and the Chiquibul Forest Reserves and the Chiquibul National Park, are part of a trinational bioregion forming the largest remaining contiguous block of tropical broadleaf forest north of the Amazon. The Maya Mountain Massif, where the Caracol Region is located, has been described as Belize's storehouse for biodiversity with over 700 species of fauna and over 660 known species of flora (ERI, 2015).
- 3.3 Investments in recreational facilities at select tourism sites (BL-L1020) and the rehabilitation of the road (BL-L1022) will bring in more visitors, much greater inflows of people and potentially contribute to rapid land use change within and in the vicinity of the region that could lead to significant losses in biodiversity and ecosystem services. Depending on the development path chosen, there could be significant trade-offs in natural capital that could threaten the biodiversity and ecosystem services upon which the wellbeing of approximately 5000 residents in the buffer zones as well as several urban centers depend. For example, the Belize river watershed which has its headwaters in the Caracol Region, is considered the country's most important watershed since it supplies water (and energy) to the majority of Belize's population. Given the highly pristine and undeveloped character of the Caracol Region, there is a need to analyze alternative development scenarios, assess natural capital trade-offs

and prepare a sustainable development plan that maintains the long-term contribution of the region to the national economy and balances land and natural resource use with environmental protection and local livelihoods.

- 3.4 The plan must be actionable with investments that take into account the medium to long-term fiscal trajectory of the country and potential fiscal impacts. While the TC is not expected to influence the final infrastructure designs for BL-L1020 and BL-L1022, it can help determine a phased approach to completing the entire 94 km of the road (beyond Junction K) and developing the proposed tourism hub at Douglas D'Silva station in the Mountain Pine Ridge.
- 3.5 The work of this TC will complement the preparatory work for BL-L1022 in that it will provide a broadly endorsed future development scenario which can help determine indirect economic benefits and indirect environmental and social impacts of BL-L1022 as well as the rehabilitation of the entire road corridor, thereby enhancing the ex-ante economic analysis and the Environmental and Social Impact Assessment underway. For this reason, TC clearance is being requested in advance of the QRR and the financial resources would be needed by November 2017.
- 3.6 **Bank's strategy and alignment.** The TC is consistent with the Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008) and is strategically aligned with the development challenge(s) of "social exclusion and inequality", through the Country Development Results (CDR) (GN-2727-6) indicators: (i) "beneficiaries of improved management and sustainable use of natural capital" through the participatory endorsement of a future development scenario that mainstreams natural capital and (ii) "government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery" with the definition of an actionable development plan within a broad initiative to strengthen the national economic planning framework and support the design and initial implementation of the Region's governance structure. The program is also aligned with the cross cutting themes of climate change and environmental sustainability through the aforementioned indicators. The program is also consistent with the IDB Country Strategy with Belize 2013-2017 (GN-2746) which identified tourism as one of four priority areas for support, and environmental sustainability and gender aspects as cross-cutting issues. Additionally, the program is also aligned with the Environment and Biodiversity Sector Framework (GN-2827-3) and the Tourism Sector Framework (GN-2779-3). The TC is also aligned with the OC-SDP Sustainability Results Framework (GN-2819-1) by contributing to the outcome "government capacity in the areas of climate change, natural disasters and natural resources strengthened."

IV. Description of Activities/Components and Budget

- 4.1 **Component 1. Data collection on priority ecosystem services and socio-economic conditions (US\$130,000).** This component is aimed at assembling the best available information to: (i) quantify stocks and flows of the Region's key environmental goods and ecosystem services; and (ii) document socio-economic conditions of local residents and other resource users. This information will serve as the basis for the development scenarios and environmental and ecosystem service trade-off analysis which will inform the design of the Sustainable Development Plan. Specific activities include: (i) Multi-stakeholder scoping of policy and development issues under consideration; (ii) development of georeferenced data base of terrestrial

and aquatic ecosystem services, including satellite-derived data; (iii) survey of socio-economic conditions as the economic baseline for the plan; and (iv) participatory selection of ecosystem services for which modelling tools are readily available and which are most relevant to the Caracol Region (i.e., timber production, cultural services, water provision). The output will be an ecosystem services and socio-economic baseline for scenario construction and eventual monitoring of the plan's results.

- 4.2 **Component 2. Design and analysis of alternative future development scenarios (US\$160,000).** This component will support the assessment of development alternatives and their natural capital trade-offs to foster consensus through a highly participatory process involving local residents and other key national stakeholders. Specific activities include: (i) compilation of relevant national sector policies (forests, fisheries, water, mineral resources and, energy and emissions) and major local development proposals; (ii) participatory mapping of current land and resource use; (iii) formulation of future development scenarios considering alternative livelihoods (agroforestry, ecotourism, Non-Timber Forest Products), potential economic sectors (energy, mining) and basic services including connectivity; (iv) natural capital trade-off analysis for at least two development scenarios using readily available spatial modelling tools (Invest); and (v) results reporting, ranking and selection of the preferred development scenario through a stakeholder-driven process, the main output of this component.
- 4.3 **Component 3. Regional Strategic Environmental and Social Assessment (US\$150,000).** This component aims to minimize and mitigate the direct, indirect, and cumulative environmental and social impacts, as well as the risks and opportunities of the different development alternatives assessed. It includes: (i) an assessment of the positive and negative environmental and social impacts, as well as risks and opportunities of the preferred development scenario for the Caracol Region; (ii) a socio-cultural analysis; (iii) gender baseline study; and (iv) an action plan with a sequence of actions to address systematically and strategically environmental and social issues and priority actions for adequate monitoring and follow up, which will be incorporated into the eventual development plan for the region.
- 4.4 **Component 4: Regional Stakeholder Engagement Strategy (US\$60,000).** This will entail the development and implementation of a series of outreach and communications activities to engage government and potentially affected parties in the identification and analysis of strategic priorities, issues, actions, and development alternatives. The strategy will be adapted to the socio-cultural context of the Caracol region and will accompany all the activities under the TC. Activities include: (i) strategy development in support of all other components; (ii) community meetings and workshops; and (iii) production of engagement materials.
- 4.5 **Component 5. Sustainable Development Plan and Investment Designs (US\$200,000).** This activity will entail the preparation of the plan and an accompanying multi-sectoral investment package for the preferred future development scenario to be validated by a representative cross-section of stakeholders engaged in a transparent consultation process. As a minimum, the Plan will include: (i) policy changes; (ii) guidelines for ecosystem-based development that support economic diversification, ensure the continued preservation and support effective management of protected areas and function of ecosystem services; (iii) site specific management

actions; (iv) investment designs including financing estimates as well as potential sources of financing that minimize the fiscal burden of the country; (v) devise a phased approach to completing the entire 94 km of the road (beyond Junction K); (vi) land zoning plan; and (vii) appropriate maps, charts, and supporting text to support the recommendations made. The plan will be actionable with clear steps for each activity and timelines laid out for feasible initiative, and include an implementation strategy for each investment indicating lead responsibility (public and/or private) for achieving results. In addition to preparation of the plan and investment designs, activities include the consultation process and support for the design and initial implementation of the Region's governance structure.

Indicative Budget

Activity/Component	Description	IDB/Fund Funding	Total Funding
Component 1. Data collection on priority ecosystem services	<ul style="list-style-type: none"> • Policy and issue scoping • Georeferenced data base • Socio-economic survey 	15,000 100,000 15,000	130,000
Component 2. Design and analysis future alternative development scenarios	<ul style="list-style-type: none"> • Modelling of trade offs • Roundtable for selection of preferred scenario 	140,000 20,000	160,000
Component 3. Regional Strategic Environmental and Social Assessment	<ul style="list-style-type: none"> • Stakeholder mapping • Strategy development and action plan • Gender baseline study • Consultation meetings 	20,000 80,000 20,000 30,000	150,000
Component 4. Regional Stakeholder Engagement Strategy	<ul style="list-style-type: none"> • Development of strategy • Workshops for selection of priority ecosystem services • Workshops for participatory mapping of uses and scenarios 	15,000 20,000 25,000	60,000
Component 5. Preparation of Sustainable Development Plan and investments	<ul style="list-style-type: none"> • Plan preparation • Investment designs • Consensus building workshops • Design of governance mechanism 	50,000 50,000 20,000 80,000	200,000
TOTAL			700,000

V. Executing Agency and Execution Structure

- 5.1 **Executing Agency.** The Executing Agency for this TC will be the Bank because the studies to be financed involve the procurement of highly specialized services and will need to involve several government agencies as beneficiaries, including: the Ministry of Economic Development and Petroleum, Trade, Investment and Commerce, the Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development and Immigration (MAFFSDI); the Department of Public-Private Dialogue (DPPD) and the Ministry of Finance and Natural Resources. . The Bank will execute in coordination with these beneficiaries. This execution by the Bank of an operational support TC is based on the annex 10 of OP-619-1 for technical cooperation products (GN-2629-1) as justified by the limitations in technical, operational and institutional

capacity of the EA; that compliance with internal requirements will delay the results of the TC which are required as operational inputs for BL-L1022; and required independence in results including the Regional Strategic Environmental and Social Assessment. In addition, the Bank has demonstrated expertise in the relevant technical area based on recent experience in The Bahamas (BH-T1040) and is able to conduct the selection and hiring of quality consulting services. All the consultancies will include a component to strengthen the capacities of MED.

- 5.2 **Execution Structure.** The Bank, through CSD/RND and CID/CBL, will be responsible for the administration of resources. CSD/RND will be responsible for the administration of resources. The Bank will carry out the procurement in accordance with the Policies for the Procurement of Works and Goods financed by the IDB (GN-2349-9), guidelines set out in AM-650 and the Policy for the Selection and Contracting of Consulting Firms for Bank-executed Operational Work (GN-2765-1) and related Operational Guidelines (OP-1155-4) which went into effect on January 1, 2017.
- 5.3 The supervision will be carried out by CSD/RND in collaboration with INE/TSP and COF/CBL. CSD/RND is in the process of contracting a permanent consultant for Belize with experience in project execution that will be responsible for the supervision of the TC. Additionally, CSD/RND currently supervises its portfolio with frequent missions and tele/video conferences as is required to supervise the projects and this approach will continue with the new TC. The supervision activities will be financed with the transactional resources for the supervision of BL-L1022.

VI. Major issues

- 6.1 There is a risk of lack of technical capacity among the national and local level stakeholders as it relates to data collection and modelling activities for Components 1 and 2. This risk is mitigated by the Bank's execution, which will advise on specific terms of reference, contribute to technical monitoring and supervision and review reports for timely execution. Regarding Components 3, 4 and 5 there is risk of delays in the review of products. CSD/RND's consultant in charge of the supervision of the TC will follow up with weekly meetings of the review process to avoid delays.

VII. Exceptions to Bank policy

- 7.1 There are no exceptions to Bank policy.

VIII. Environmental and Social Strategy

- 8.1 According to the Bank's Safeguards Screening Toolkit, this operation was classified as Category [B](#). This TC relates to the preparation of a loan that has been classified as Category B (BL-L1022). While there are no anticipated direct impacts and risks associated with the studies being prepared, there are long term indirect and cumulative impacts and risks associated with the development of an environmentally sensitive area and a region with a complex social setting.

Required Annexes:

- Annex I: [Request from the client \(Mission Aide Memoire\)](#)
- Annex II: [Results Matrix](#)
- Annex III: Terms of Reference ([1](#), [2](#), and [3](#))
- Annex IV: [Procurement Plan](#)

DESIGN AND PREPARATION OF SUSTAINABLE DEVELOPMENT PLAN FOR THE CARACOL REGION

BL-T1088

CERTIFICATION

I hereby certify that this operation was approved for financing under the **Ordinary Capital Strategic Development Program for Sustainability (SUS)** through a communication dated July 5, 2017 and signed by Felipe Caicedo (ORP/GCM). Also, I certify that resources from said fund are available for up to US\$700,000 in order to finance the activities described and budgeted in this document. This certification reserves resource for the referenced project for a period of six (6) calendar months counted from the date of eligibility from the funding source. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, represent a risk that will not be absorbed by the Fund.

BELIZE
CID General Manager's Programming Mission 2017
January 30-31, 2017
Aide Memoire

1. INTRODUCTION

- 1.1. An Inter-American Development Bank (IDB) mission visited Belize on January 30-31, 2017 to discuss the Bank's 2017 Country Program for Belize, as well as a preliminary program for 2018. The mission was led by Gina Montiel, General Manager of the IDB's Country Department for Central America, Mexico, Panama and the Dominican Republic, and included Cassandra T. Rogers, IDB Representative in Belize; Jose Manuel Ruiz, Chief of Operations CID/CBL; and Emily Morris, Country Economist for Belize CID/CID.
- 1.2. The Government of Belize was represented by Joseph Waight, Financial Secretary, Ministry of Finance and Natural Resources (MFNR); Yvonne S. Hyde, Chief Executive Officer, Economic Development and Petroleum, Ministry of Economic Development, Petroleum, Investment, Trade and Commerce; Yvette Alvarez, Senior Advisor, MFNR; and Elvira Mendez, Junior Counselor to the IDB for Belize. The mission included a meeting with the Prime Minister and Minister of Finance and Natural Resources, the Rt. Hon. Dean O. Barrow.

2. SUMMARY OF DISCUSSIONS AND AGREEMENTS

- 2.1. **Macroeconomic and fiscal context.** The mission enquired about the current macroeconomic and fiscal situation and prospects for 2017. With the economy having experienced recession in 2016, a large public debt and a high level of uncertainty about the fiscal position in the coming year, the Bank considers the current debt trajectory to be unsustainable. The Government informed the Bank that it is preparing a fiscal adjustment package that aims to return debt to a more sustainable path.
- 2.2. **Fiscal adjustment.** The mission asked for details about the Government's plans for fiscal adjustment. No estimates for fiscal results for FY2016/17 were available. The Government indicated that it was unable to disclose details of the planned adjustment measures before they are referred for parliamentary approval. However, the Government outlined the 'bottom line' in terms of the magnitude of the adjustment being contemplated: the measures are expected to improve the fiscal balance by 3 percent of GDP, with a 2 percent of GDP increase in government revenue and 1 percent of GDP reduction in spending. The Bank will review its debt sustainability analysis in the light of the details of the fiscal package, which will be announced in the March 2017 budget speech.
- 2.3. The Bank mission signaled its willingness to continue supporting the Government on tax reform and institutional strengthening and efforts to ease the problem of 'derisking' by supporting a National Risk Assessment and efforts to improve AML compliance.

- 2.4. **'Superbond' rescheduling.** The Government reported that, to make debt servicing more manageable, it was in negotiations with bondholders to reschedule Belize's 'Superbond'. The Government's initial offer, to cut the interest rate from 6.77 percent to 4 percent and postpone principal repayments, had not received a response at the time of the mission. Public debt has risen to around 90 percent of GDP as a result of compensation rulings for the Belize Electricity Limited (BEL) and the Belize Telecommunications Limited (BTL). Moreover, uncertainty about total liabilities remains, as the results of three large remaining claims are still pending, each worth around US\$25 million. Claimants have taken two of these cases to the US courts, where they succeeded in securing rulings in their favor that contradicted earlier rulings in the Belize Court of Appeal and Caribbean Court of Justice. In response, the Belize Government recently passed legislation blocking claims on the assets of the Central Bank.
- 2.5. **2017 Loan Program.** The Government confirmed its interest in two investment loan operations in climate vulnerability reduction and in transport, for a total of US\$28 million.
- (i) BL-L1028: Climate Vulnerability Reduction Program (US\$10 million). This operation is currently in the 2017 pipeline. An identification mission was in progress during the programming mission; and
 - (ii) BL-L1022: Sustainable Development of the Caracol Region (US\$18 million). The program is in advanced preparation.
- 2.6. The mission informed the authorities that the Bank's initial 2017 Ordinary Capital (OC) allocation for Belize is US\$10 million. Nonetheless, the Bank will proceed with the preparation of both operations in parallel to facilitate their approval should an increase in the allocation become feasible. The Bank will re-consider the allocation once it has reviewed the government's fiscal adjustment program, and assess project readiness throughout the year. With respect to the Climate Vulnerability Reduction Program, the Bank will seek grant financing under the 2017 TC program to prepare the program and support the final designs. In addition, the Bank will seek grant financing from the Green Climate Fund to support climate vulnerability reduction activities in Belize that can have greater scope and wider impact than that proposed for the loan.
- 2.7. **2018 Loan Program.** The Government expressed interest in a second phase of the CAPS program. The Bank informed the authorities that 2018 lending will be contingent on the Bank's review of the fiscal adjustment program and a reduction in debt vulnerability.
- 2.8. **TC Program.** The authorities reaffirmed their interest in a 2017 TC program that includes continued support in the trade and tax, transport, tourism, climate resilience and statistics sectors and in improving the efficiency of public expenditure. Table 1 outlines the preliminary TC program for 2017, which is indicative and subject to funding availability.

Table 1: Preliminary 2017 TC
(Indicative, subject to funding availability)

No.	Name	Amount (US\$)
BL-T1085	Improving Efficiency of Public Health Supply Chain Management	365,000
BL-T1087	Support for Repurposing Free Zones	250,000
BL-T1088	Design & Preparation of Sustainable Development Plan for the Caracol Complex	400,000
BL-T1090	Support for Climate Vulnerability Reduction Program	950,000
BL-T1092	Support the Design of a National Statistics System	250,000
BL-T1093	Support for the Implementation of Tax Reforms	300,000
	Total	2,515,000

- 2.9. **Execution Issues.** The mission congratulated the authorities on the achievement of eligibility of the Solid Waste Management Project II in January 2017 and the successful implementation of the Flood Mitigation Infrastructure Program of Belize City. The mission expressed its concerns regarding the slow pace of execution of the Sustainable Tourism Program II and the George Price Highway Rehabilitation Project (GPHR). The undisbursed balance on the active portfolio is currently US\$56.7 million, over 90% of the total amount of the operations approved during the 2013-2016 country strategy period.
- 2.10. The mission informed the authorities that the Bank has designated a new team of specialists to support the transport portfolio and that an administration mission will take place from January 30 to February 3 to review the planning and execution of the loan and technical cooperation operations comprising the transport portfolio. The preparation of a Comprehensive National Transportation Master Plan (CNTMP) that is being implemented by the Department of Public-Private Dialogue, Office of the Prime Minister, is underway. The mission noted that the large majority of the IDB Belize project portfolio was being implemented by the public works ministry and that this would increase assuming the approval of the 2017 program requested by the Government (see paragraph 2.5 above). In addition, GPHR is expected to produce the bulk of disbursements during the next four years. Therefore, improved efficiency in project execution on the part of the public works ministry is urgent and critical to avoid the risk of further deterioration of the portfolio's quality.
- 2.11. With regards to GPHR, the mission noted that the Bank and the European Union (EU) had agreed to the terms of the IDB-EU Management Agreement to accommodate the €5 million EU-CIF grant. It would now be necessary for the Implementing Agreement between the Government and the EU to be amended to ensure consistency with the Management Agreement. The IDB project team has prepared a modified loan document which is expected to be submitted to the IDB Board of Directors for approval in mid-March 2017. Accordingly, it is important that the amendment to the Implementing Agreement is signed shortly after. The critical path for the GPHR continues to be the land acquisition process, which must be completed before contracts can be awarded in August 2017. If the land acquisition is achieved by August, the Bank projects a US\$4.0 million disbursement by November.

2.12. The authorities committed to close monitoring of the GPHR and the CNTMP at the level of the respective project steering committees to avoid further delays in execution.

2.13. **Analytical program.**

- a. *Comparative analysis of port options for handling bulk exports.* A study of the limitations and development potential of Belize's ports was carried out in 2016, and is currently being reviewed by the Government. The final report will contribute to the preparation of the CNTMP.
- b. *Tax administration and reform.* The mission continues to offer support for improving the tax system. Initial support is proposed for the introduction of improved IT systems. Following the March 2017 budget speech, the Bank in consultation with the Ministry of Finance, will consider how best to support tax reforms.
- c. *Supply chain management in the health sector.* In collaboration with the Ministry of Health a Technical Cooperation proposal is in preparation, to identify measures to be taken to improve the efficiency of supply chain management, to cut costs and improve services.
- d. *Free Zones.* At the request of the Ministry of Trade, an IDB specialist has conducted an initial mission to determine the scope of a Technical Cooperation to examine the functioning (costs and benefits) of the Corozal Free Zone and explore how it might be 'repurposed' to retain employment whilst improving the wider economic benefits for the Corozal district, and reducing the risks associated with the zone.
- e. *National Risk Assessment.* The parties also agreed to Bank collaboration with the Financial Intelligence Unit to carry out a National Risk Assessment.
- f. *Support for improving the national statistical system.* In response to the authorities' request, the Bank is working with the Statistical Institute of Belize on the design and implementation of the National Statistical System (NSS). Following the application of the IDB's Tool for Assessment of National Statistical Capacity (TASC) and the first NSS Workshop in 2016, two further workshops and capacity building (in collaboration with the University of Belize) are being prepared for 2017, and a proposal of Technical Cooperation for the implementation of the NSS is being prepared.

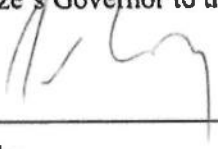
2.14. **Country Strategy.** The current strategy period, approved in December 2013, extends to November 2017 and with a one year transition period, applies to November 2018. The authorities expressed interest in an extension of the current Country Strategy to at least the end of 2020 (instead of the preparation of a new country strategy), given the need to align the country strategy with the election cycle and that the government development priorities had not changed. The extension would also provide additional time to allow the results of

the current strategy to be realized. Given that the next elections are constitutionally due in November 2020, it would be prudent to extend the country strategy period to June 2021, which will allow a new country strategy to be approved within six months of the assumption of office of the new administration.

2.15. 25th Anniversary. September 28, 2017 marks Belize's 25th anniversary as an IDB member country. It was agreed that the Bank will propose an agenda to celebrate this milestone, to include a high level-event attended by Senior Management of the Bank, for discussion with the authorities.

2.16. Relocation Study. A preliminary assessment on relocating the Country Office from Belize City to Belmopan was completed, and the Bank is finalizing the report.

2.17. The mission concluded with a meeting with the Rt. Hon. Dean O. Barrow, Prime Minister and Belize's Governor to the IDB.



Joseph Waight
Financial Secretary
Ministry of Finance and Natural Resources



Gina Montiel
General Manager CID
Inter-American Development Bank

Date of signature: March 7, 2017

Result Matrix

Outcomes

1 Preparation of a Sustainable Development Plan for the Caracol Region that maintains the long-term contribution of the region to the national economy and balances land and natural resource use with environmental protection and local livelihoods									
Indicators	Flags*	Measure	Baseline	Baseline Year	Means of verification		2018	EOP	
1.1 Beneficiaries of improved management and sustainable use of natural capital		Beneficiaries (#)	0.00	2017	Sustainable Development Plan with preferred Scenario prepared through a Participatory Process	P P(a) A	3,200.00	3,200.00	
2 Increased capacity to sustainably manage the natural capital of the Caracol Region									
Indicators	Flags*	Measure	Baseline	Baseline Year	Means of verification		2018	EOP	
2.1 Government agencies benefited by projects that strengthen technological and managerial tools to improve public service		Government agencies (#)	0.00	2017	Sustainable Development Plan with proposed Governance framework	P P(a) A	3,200.00	3.00	

Outputs: Annual Physical and Financial Progress

1 Data collection on priority ecosystem services and socio-economic conditions										Physical Progress			Financial Progress				
Outputs	Fund Indicator	Unit of Measure	Baseline	Baseline Year	Means of Verification	2017	2018	EOP	2017	2018	EOP	Theme	Flags				
1.1 Diagnostics and assessments completed	Other(SUS) Ecosystem services and socio-economic baseline for scenario construction and eventual monitoring of the plan's results	Diagnostics (#)		0	2017 Diagnostic Report	P	0	1	1	P	0	130000	130000	Biodiversity and Ecosystem Conservation			
						P(a)		0	0	P(a)			0				
						A				A							
2 Design and analysis of alternative future development scenarios										Physical Progress			Financial Progress				
Outputs	Fund Indicator	Unit of Measure	Baseline	Baseline Year	Means of Verification	2017	2018	EOP	2017	2018	EOP	Theme	Flags				
2.1 Diagnostics and assessments completed	Other(SUS) Assessment of development alternatives and their natural capital trade-offs	Diagnostics (#)		0	2017 Scenario Assessment Report	P	0	1	1	P	0	140000	140000	Biodiversity and Ecosystem Conservation			
						P(a)		0	0	P(a)			0				
						A				A							
2.2 Preferred development scenario selected through a stakeholder-driven process	Other(SUS)	Scenario (#)		0	2017 Consultation meetings held	P	0	1	1	P	0	20000	20000	Biodiversity and Ecosystem Conservation			
						P(a)		0	0	P(a)			0				
						A				A							
3 Regional Strategic Environmental and Social Assessment										Physical Progress			Financial Progress				
Outputs	Fund Indicator	Unit of Measure	Baseline	Baseline Year	Means of Verification	2017	2018	EOP	2017	2018	EOP	Theme	Flags				
3.1 Action plans designed	Other(SUS) Action plan with a sequence of actions to address systematically and strategically environmental and social issues and priority	Action Plans (#)		0	2017 Action Plan	P	0	1	1	P	0	100000	100000	Biodiversity and Ecosystem Conservation			
						P(a)		0	0	P(a)			0				
						A				A							
3.2 Diagnostics and assessments completed	Other(SUS) Regional Strategic Environmental and Social Assessment	Diagnostics (#)		0	2017 SESA Report	P	0	1	1	P	0	50000	50000	Biodiversity and Ecosystem Conservation			
						P(a)		0	0	P(a)			0				
						A				A							
4 Regional Stakeholder Engagement Strategy										Physical Progress			Financial Progress				
Outputs	Fund Indicator	Unit of Measure	Baseline	Baseline Year	Means of Verification	2017	2018	EOP	2017	2018	EOP	Theme	Flags				
4.1 Awareness raising campaigns designed/implemented	Other(SUS) Development and implementation of a series of outreach and communications activities to engage government and	Campaigns (#)		0	2017 Communication Strategy	P	0	1	1	P	0	15000	15000	Biodiversity and Ecosystem Conservation			
						P(a)		0	0	P(a)			0				
						A				A							
4.2 Participatory mechanisms for public investment decisions and/or service production or delivery implemented	Other(SUS) Regional Stakeholder Engagement strategy development in support of all other components	Participatory Mechanisms (#)		0	2017 Consultation Reports	P	0	1	1	P	0	45000	45000	Biodiversity and Ecosystem Conservation			
						P(a)		0	0	P(a)			0				
						A				A							
5 Sustainable Development Plan and Investment Designs										Physical Progress			Financial Progress				
Outputs	Fund Indicator	Unit of Measure	Baseline	Baseline Year	Means of Verification	2017	2018	EOP	2017	2018	EOP	Theme	Flags				
5.1 Investment master plans designed	Other(SUS) This activity will entail the preparation of the plan and an accompanying multi-sectoral investment package	Plans (#)		0	2017 Sustainable Development Plan	P	0	1	1	P	0	120000	120000	Biodiversity and Ecosystem Conservation			
						P(a)		0	0	P(a)			0				
						A				A							
5.2 Governance models designed/implemented	Other(SUS) Consultation process and support for the design and initial implementation of the Region's governance structure	Models (#)		0	2017 Sustainable Development Plan	P	0	1	1	P	0	80000	80000	Biodiversity and Ecosystem Conservation			
						P(a)		0	0	P(a)			0				
						A				A							

Other Cost

Total Cost	2017	2018	Total Cost
	P	\$700,000.00	\$700,000.00
	P(a)		
	A		

Standard Output Indicator

**CSD/RND
BELIZE
Sustainable Development Plan for The Caracol Region
(ATN/OC-xx-xx)**

**TERMS OF REFERENCE
Stakeholder Engagement and Outreach Activities**

I. BACKGROUND

- 1.1. The Caracol Region consists of four contiguous protected areas which can only be accessed by the Caracol road connecting this region to the main George Price Highway. The Caracol Archaeological Reserve, the largest known Mayan archaeological complex in Belize, along with the Mountain Pine Ridge and the Chiquibul Forest Reserves and the Chiquibul National Park, are part of a tri national bioregion forming the largest remaining contiguous block of tropical broadleaf forest north of the Amazon. The Maya Mountain Massif, where the Caracol Region is located, has been described as Belize's storehouse for biodiversity with over 700 species of fauna and 662 species of flora (ERI, 2015).
- 1.2. Agriculture in adjacent areas and forestry in the reserves are major economic activities, however the Caracol Region's main potential value lies in tourism. All productive activities depend on the ecosystem services provided by the protected areas. For example, the Belize river watershed which has its headwaters in the Caracol Region, is considered the country's most important watershed since it supplies water (and energy) to the majority of Belize's population.
- 1.3. The National Sustainable Tourism Master Plan (MTCA, 2013) prioritizes the Caracol Region as an emerging tourism destination for future development and the Bank-financed Sustainable Tourism Program II (STP II/BL-L1020) includes several infrastructure investments aimed at increasing tourism expenditures in the area. In addition to the direct impacts associated with increased inflows of tourists to popular visitation sites along the road corridor, STP II is expected to bring about indirect impacts including resort development in the Caracol Region's buffer zone (Herrera, 2015). Concurrent with the National Sustainable Tourism Master Plan, the Government of Belize has identified the Caracol Road as a priority for road improvement and a new Program (BL-L1022) is currently under preparation to that end.
- 1.4. These and other future investments could potentially contribute to rapid land use change within and in the vicinity of the Caracol Region that could lead to significant losses in biodiversity and ecosystem services. Depending on the development path chosen, there could be significant trade-offs in natural capital that could threaten the biodiversity and ecosystem services upon which future sustainable growth depends. Experience in similar contexts in relatively undeveloped frontier regions at the brink of development has shown that a participatory analysis of natural capital trade-offs can result in investment decisions that reconcile conservation and economic growth (Natural Capital Project, 2017). Given the highly pristine and undeveloped character of the Caracol Region, there is a need to analyze alternative development scenarios, assess natural capital trade-offs and prepare an ecosystem-based sustainable development plan that maintains the long-term contribution of the region to the national economy and balances land and natural resource use with environmental protection and local livelihoods.

- 1.5. More research in the potential vulnerabilities of the Caracol Region to these new developments is urgently needed as is the implementation of appropriate land and watershed use and management policies. An understanding of the value of the potential losses in ecosystem services associated with specific threats is required for policy and planning. The Caracol Region covers a land mass of approximately 219,561 ha and is dominated by forest cover, mainly submontane broad-leaved moist forest. Agriculture from trans-boundary incursions is limited to the Belize-Guatemala border in the Chiquibul National Park and the Caracol Archaeological Reserve.
- 1.6. There have been attempts to measure and map the economic value of the ecosystem services provided by the region (see Annex 1). Using estimated values calculated for other locations as indications of economic value (i.e., using 'benefits transfers'), one such study found that the habitats in the Caracol Region were thought to generate US\$260 million a year in net economic benefits, which if sustainable, would be worth US\$4.6 billion over the next 25 years. However, the same study recognizes the shortcomings in the estimates due to the short time-frame and lack of biophysical data.
- 1.7. In a Programming Mission held June 5-9th 2017, the Government of Belize and the IDB agreed to a TC operation entitled "Design and preparation of the Sustainable Development Plan for the Caracol Complex Region" (BL-T1088) with the following five components: (1) data collection on priority ecosystem services, (2) design and analysis of alternative future development scenarios, (3) Regional Strategic Environmental and Social Assessment, (4) Regional Stakeholder Engagement Strategy, (5) Sustainable Development Plan with investment designs. Specifically, the five components will finance:
 1. **Data collection on priority ecosystem services** aimed at assembling the best available information to quantify stocks and flows of the Caracol Region key environmental goods and ecosystem services. This information will serve as the basis for the development scenarios and environmental and ecosystem service trade-off analysis which will inform the design of the Sustainable Development Plan. Specific activities include: (i) multi-stakeholder scoping of policy and development issues under consideration; (ii) development of georeferenced data base of terrestrial and aquatic ecosystem services, including satellite-derived data; (iii) survey of socio-economic conditions as the economic baseline for the plan; and (iv) participatory selection of ecosystem services for which modelling tools are readily available and which are most relevant to the Caracol Region (i.e., timber production, cultural services, water provision). The output will be an ecosystem services and socio-economic baseline for scenario construction and eventual monitoring of the plan's results.
 2. **Design and analysis of alternative future development scenarios** – This component will support the assessment of development alternatives and their environmental and ecosystem service supply trade-offs to foster consensus through a highly participatory process involving nearby villages, the Tourism Management Committee created under STP II and other key stakeholders. Specific activities include: (i) compilation of relevant national sector policies (forests, fisheries, water, mineral resources and, energy and emissions) and major local development proposals; (ii) participatory mapping of current land and resource use; (iii) formulation of future development scenarios considering alternative livelihoods (agroforestry, ecotourism, Non-Timber Forest Products), potential economic sectors (energy, mining) and basic services including connectivity; (iv) natural capital trade-off analysis for at least two development scenarios using readily available spatial modelling tools (Invest); and (v) results reporting, ranking and selection of the preferred development scenario through a stakeholder-driven process, the main output of this component.

3. **Regional Strategic Environmental and Social Assessment.** This component aims to minimize and mitigate the direct, indirect, and cumulative environmental and social impacts, as well as the risks and opportunities of the different development alternatives assessed. It includes: (i) an assessment of the positive and negative environmental and social impacts, as well as risks and opportunities of the preferred development scenario for the Caracol Region; (ii) a socio-cultural analysis; (iii) an action plan with a sequence of actions to address systematically and strategically environmental and social issues and priority actions for adequate monitoring and follow up, which will be incorporated into the eventual development plan for the region
 4. **Regional Stakeholder Engagement Strategy:** This will entail the development and implementation of a series of outreach and communications activities to engage government and potentially affected parties in the identification and analysis of strategic priorities, issues, actions, and development alternatives. The strategy will be adapted to the socio-cultural context of the Caracol region and will accompany all the activities under the TC. Activities include: (i) strategy development in support of all other components; (ii) community meetings and workshops; (iii) production of engagement materials.
 5. **Sustainable Development Plan and investment designs** – This component will entail the preparation of an ecosystem-based Sustainable Development Plan (SDP) and an accompanying investment package for sustainable productive livelihoods resulting from the analysis of natural capital trade-offs of alternative future scenarios (Components 1 and 2) and as such balances the needs and expectations of a representative cross-section of stakeholders engaged in a transparent consultation process. As a minimum, the Plan will include: (i) policy changes; (ii) guidelines for ecosystem-based development that support economic diversification, ensure the continued preservation and support effective management of protected areas and function of ecosystem services; (iii) site specific management actions; (iv) investment designs including financing estimates as well as potential sources of financing that minimize the fiscal burden of the country; (v) devise a phased approach to completing the entire 94 km of the road (beyond Junction K) and (vi) appropriate maps, charts, and supporting text to support the recommendations made.
- 1.8. The IDB is seeking the services of a consulting firm to design, implement and facilitate public consultations and community engagement throughout the preparation of the Sustainable Development Plan for the Caracol Region (Component 1, 2, 3 and 5) as well as develop and execute the stakeholder engagement strategy envisaged under Component 4.

II. CONSULTANCY OBJECTIVES

- 2.1 The general objective of the consultancy is to support the outreach and stakeholder engagement activities of BL-T1088 with a unique strategy tailored to the local social and economic conditions of the Caracol Region.
- 2.2 The specific objectives of the consultancy are to:
 - a. Develop and implement an iterative communications strategy including facilitation of multiple public consultations and other methods of stakeholder engagement in order to ensure stakeholder participation and consensus on data collection, analysis of future development scenarios and development of a sustainable development plan with investment opportunities;
 - b. Organize meetings for consultations and validation (community meetings and workshops) as defined in communication strategy to support the preparation and validation of the Sustainable Development Plan.

- c. Outreach advisory services for the elaboration of the Sustainable Development Plan: The consultant will provide advisory support to the other consultancies under this project in reviewing lessons learned and results of public consultations held in previous phases of the project, including sharing data on local networks and contacts, stakeholder concerns and expectations as well as advice on using local communication channels to prepare the public consultations.
- 1.9. The Inter-American Development Bank has been requested by the Government to execute the studies to be financed by this operation. Close involvement will be required of multiple institutional stakeholders including: The Ministry of Economic Development and Petroleum, Trade, Investment and Commerce (MEDPTIC), the Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development and Immigration (MAFFSDI); the Department of Public-Private Dialogue (DPPD) and the Ministry of Finance and Natural Resources. The consulting firm will also be expected to coordinate closely with the consultants contracted to conduct the ecosystem services assessment, the development of the Sustainable Development Plan and the Regional Strategic Environmental and Social Assessment. The geographic focus for the consultations and engagement will be the Caracol Region.

III. MAIN ACTIVITIES

- 3.1 The consulting firm will carry out the following tasks:
- a. Develop an iterative communications strategy that is closely linked to the activities carried out by other consultancies under this operation. The communications strategy should present: stakeholder assessment, stakeholder engagement plan including participatory assessment methods and approaches, windows of opportunity for stakeholder engagement, non-technical synthesis products for outreach, relevant media and online outlets for dissemination, target audience, and plans for public consultations. The consulting team will be expected to propose and justify the most effective modalities for consultations (i.e., focus groups, town meetings, discussion groups, one-on-one interviews) based on local conditions and lessons learned¹.
 - b. Facilitate public consultations to select a sub-set of ecosystem services most relevant to the policy issue under consideration (Component 1);
 - c. Facilitate iterative public consultations to build broad stakeholder consensus on a preferred ecosystem-based development scenario for the Caracol Region, including selection of assessment criteria and presentation of modelling results and scenario rankings (Component 2);
 - d. Facilitate stakeholder participation in the development of Regional Strategic Environmental and Social Assessment (Component 3);
 - e. Conduct gender and age responsive stakeholder consultations;
 - f. Facilitate public consultations meetings for consultations to support the preparation and validation of the Sustainable Development Plan.

¹ For further information on methods for public participation see: International Association for Public Participation. 2014. Public Participation Toolbox; Slocum. 2003. Participatory Methods Toolkit: a practitioner's manual; European Union. 2002. Guidance on Public Participation in Relation to the Water Framework Directive; United Nations Economic Commission for Europe. 2014. The Aarhus Convention: An implementation guide; and United Nations Economic Commission for Europe. 2013. Guide to Public Participation under the Protocol on Water and Health

- g. Collaboration and coordination with the contractuels hired under the other Components to ensure timely and successful public consultations, integration and accuracy of technical components and comprehensive dissemination of results;
- h. Design a dissemination strategy for results produced through this TC.

IV. REPORTS / DELIVERABLES

- 4.1 The consulting firm will be responsible for submitting the following interim and final deliverables to the IDB:
 - a. Work plan, to be submitted two weeks after signature of the contract;
 - b. Schedule, proposed preliminary agenda and venue(s) of public consultations determined in collaboration with contractuels from Component 1, to be submitted one month after signature of the contract. A report of the results of the consultations (describing attendance, issues of concern, and agreements) will be submitted two weeks following the completion of the consultations for this Component
 - c. Schedule, proposed preliminary agenda and venue(s) of public consultations determined in collaboration with contractuels from Component 2, to be submitted two months after signature of the contract; A report of the results of the consultations (describing attendance, issues of concern, and agreements) will be submitted two weeks following the completion of the consultations for this Component
 - d. Schedule, proposed preliminary agenda and venue(s) of public consultations determined in collaboration with contractuels from Component 3, to be submitted three months after signature of the contract; A report of the results of the consultations (describing attendance, issues of concern, and agreements) will be submitted two weeks following the completion of the consultations for this Component
 - e. Schedule, proposed preliminary agenda and venue(s) of public consultations determined in collaboration with contractuels from Component 5, to be submitted four months after signature of the contract; A report of the results of the consultations (describing attendance, issues of concern, and agreements) will be submitted two weeks following the completion of the consultations for this Component
 - f. Dissemination strategy for results produced under Components 1-5, to be submitted 8 months after signature of contract.
- 4.2 The IDB will review all project outputs and deliverables in collaboration with MEDPTIC and other relevant Ministries where required. Final acceptance of deliverables will rest with the IDB.

V. PAYMENT SCHEDULE

- 5.1 The consultancy services will be contracted for a lump-sum and will be paid in the following manner:
 - 25% upon signature of contract
 - 25% upon delivery and acceptance of outputs a – c.
 - 25% upon delivery and acceptance of outputs d and e.
 - 25% upon delivery and acceptance of outputs f.

VI. QUALIFICATIONS

- 6.1 Level & Years of Professional Work Experience: Consulting firm or consortium with demonstrated experience and in-depth expertise in working with Belizean communities, previous experience in the Caracol region is strongly preferred. Consulting firm should also have in-depth expertise in multi-stakeholder facilitation, public consultation, communications, and specialized trainings.
- 6.2 Languages: The firm will be fluent in written and spoken English and Spanish. All reports will be submitted in English.
- 6.3 Areas of Expertise: Demonstrated experience related to (i) tourism, agriculture, forestry and natural resource management and policy, including applications of spatial tools; (ii) communications and public stakeholder engagement strategies and (iii) training and capacity building related to environmental planning, policy and ecosystem services. Previous experience with the Bank and Belize would be an asset.

VII. CHARACTERISTICS OF THE CONSULTANCY

- 7.1 Consultancy category and modality: Products and External Services Firm and Lump Sum.
- 7.2 Contract Duration: 8 months.
- 7.3 Place of work: Caracol Region, Belmopan and Belize City, Belize.
- 7.4 Coordination: Michele Lemay, Natural Resources Lead Specialist (michelel@iadb.org). Also the work of the consulting firm will be closely with the local counterpart for the project and the contractuels hired for Component 1,2,3 and 5.

Payment and Conditions: Compensation will be determined in accordance with Bank's policies and procedures. In addition, candidates must be citizens of an IDB member country.

Consanguinity: Pursuant to applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and the second degree of affinity, including spouse) working for the Bank as staff members or Complementary Workforce contractuels, will not be eligible to provide services for the Bank.

Diversity: The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDs status. We encourage women, Afro-descendants and persons of indigenous origins to apply.

**CSD/RND
BELIZE
Sustainable Development Plan for The Caracol Region
(ATN/OC-xx-xx)**

**TERMS OF REFERENCE
Regional Strategic Environmental and Social Assessment.**

I. BACKGROUND

- 1.1. The Caracol Region of western Belize consists of four contiguous protected areas which can only be accessed by the Caracol road connecting this region to the main George Price Highway. The Caracol Archaeological Reserve, the largest known Mayan archaeological complex in Belize, along with the Mountain Pine Ridge and the Chiquibul Forest Reserves and the Chiquibul National Park, are part of a tri-national bioregion forming the largest remaining contiguous block of tropical broadleaf forest north of the Amazon.¹ The Maya Mountain Massif, where the Caracol Region is located, has been described as Belize's storehouse for biodiversity with over 700 species of fauna and 662 species of flora².
- 1.2. Agriculture in adjacent areas and forestry in the reserves are major economic activities; however, the Caracol Region's main potential value lies in tourism. All productive activities depend on the ecosystem services provided by the protected areas. For example, the Belize river watershed has its headwaters in the Caracol Region and is considered the country's most important watershed since it supplies water (and energy) to the majority of Belize's population.
- 1.3. The National Sustainable Tourism Master Plan (MTCA, 2013) prioritizes the Caracol Region as an emerging tourism destination for future development and the Bank-financed Sustainable Tourism Program II (STP II/BL-L1020) includes several infrastructure investments aimed at increasing tourism expenditures in the area. In addition to the direct impacts associated with increased inflows of tourists to popular visitation sites along the road corridor, STP II is expected to bring about indirect impacts including resort development in the Caracol Region's buffer zone (Herrera, 2015). Concurrent with the National Sustainable Tourism Master Plan, the Government of Belize has identified the Caracol Road as a priority for road improvement and a new Program (BL-L1022) is currently under preparation to that end.
- 1.4. **Sustainable Development Program for the Caracol Region (BL-L1022).** The poor condition of the Caracol road has slowed down the region's socio-economic development hampering access to tourism assets and renewable resources and increasing the vulnerability and permeability of the region to illegal activities and management issues that are a challenge for enforcement such as illegal logging and mining, fire and pest management, wildlife poaching and related issues. Recognizing the potential contribution of the Caracol Region to the national economy and the need to balance land and natural resource use with environmental protection, the Government of Belize (GoBL) requested

¹ Cho P.P., Usher L., Hernandez O., Escalante A., Nabet J., Bol N., Garcia A., and Lopez G. Improving Sustainable Forest Management in Belize through research on above ground biomass and tree species growth using Permanent Plots. Stakeholder Presentation, 11 May 2011. San Ignacio, Belize.

² Environmental Research Institute, Mainstreaming biodiversity, ecosystem services and coastal resilience in tourism development, November 2015.

support from the Bank to develop a Sustainable Development Program for the Caracol Region (BL-L1022) to support the sustainable economic development of the region by: (i) upgrading the condition of the Caracol road thereby improving logistical access to the area; (ii) improving local livelihoods through sustainable use of local natural resources and maintenance of the ecosystem services upon which economic development depends; and (iii) strengthening the national capacity to manage the improved assets and implement the sustainable development plan for the region. Promoting the sustainable development of the region is critical as the Caracol road lies within an area of Mayan forest corridor, all under some form of national protection (incl. forest reserve, national park, archeological reserve). In this sense, the Bank's additionality will go beyond rehabilitation of the road itself, but in assisting the GoBL in identifying the necessary arrangements to safeguard the biodiversity and the cultural aspects in the area. A Design and Feasibility Study is underway for the road rehabilitation works with results expected in the first quarter of 2018. An Environmental and Social Assessment has produced a baseline review and completion depends on the availability of results from the Design and Feasibility Study. Board approval of BL-L1022 is tentatively set for the third quarter of 2018. The Program in preparation will consist of three components: (1) Caracol Road Upgrade to support the rehabilitation of 14 kilometers of the Caracol road. This component will finance the upgrading of the Caracol road from Georgeville to Junction K to meet international geometric and engineering standards, providing resilience against flooding and other climate change effects; (2) Sustainable Livelihoods to support local livelihoods through sustainable use of natural resources to ensure that the road upgrade results in full range of sustainable economic development opportunities for local communities; (3) Institutional Strengthening to finance strengthening of relevant agencies in the environmental and social safeguards application, the implementation of the sustainable development plan and in building governance framework for its implementation.

- 1.5. These and other future investments could potentially contribute to rapid land use change within and in the vicinity of the Caracol Region that could lead to significant losses in biodiversity and ecosystem services. Depending on the development path chosen, there could be significant trade-offs in natural capital that could threaten the biodiversity and ecosystem services upon which future sustainable growth depends. Experience in similar contexts in relatively undeveloped frontier regions at the brink of development has shown that a participatory analysis of natural capital trade-offs can result in investment decisions that reconcile conservation and economic growth (Natural Capital Project, 2017). Given the highly pristine and undeveloped character of the Caracol Region, there is a need to analyze alternative development scenarios, assess natural capital trade-offs and prepare an ecosystem-based sustainable development plan that maintains the long-term contribution of the region to the national economy and balances land and natural resource use with environmental protection and local livelihoods.
- 1.6. Investments in recreational facilities at select tourism sites (BL-T1020) and the rehabilitation of the road (BL-T1022) will bring in more visitors, much greater inflows of people and potentially contribute to rapid land use change within and in the vicinity of the region that could lead to significant losses in biodiversity and ecosystem services. More research in the potential vulnerabilities of the Caracol Region to these new developments is urgently needed as is the implementation of appropriate land and watershed use and management policies. An understanding of the value of the potential losses in ecosystem services associated with specific threats is required for policy development and planning. The Caracol Region covers a land mass of approximately 219,561 ha and is dominated by forest cover, mainly submontane broad-leaved moist forest. Agriculture from trans-boundary incursions is limited to the Belize-Guatemala border in the Chiquibul National Park and the Caracol Archaeological Reserve.

- 1.7. There have been attempts to measure and map the economic value of the ecosystem services provided by the region (see Annex 1). Using estimated values calculated for other locations as indications of economic value (i.e., using 'benefits transfers'), one such study found that the habitats in the Caracol Region were thought to generate US\$260 million a year in net economic benefits, which if sustainable, would be worth US\$4.6 billion over the next 25 years. However, the same study recognizes the shortcomings in the estimates due to the short time-frame and lack of biophysical data.
- 1.8. In a Programming Mission held June 5-9th 2017, the Government of Belize and the IDB agreed to a TC operation entitled "Design and preparation of the Sustainable Development Plan for the Caracol Complex Region" (BL-T1088) to support the preparation of the Sustainable Development Program for the Caracol Region (BL-L1022) with the following five components: (1) data collection on priority ecosystem services, (2) design and analysis of alternative future development scenarios, (3) Regional Strategic Environmental and Social Assessment, (4) Regional Stakeholder Engagement Strategy, and (5) Sustainable Development Plan with investment designs. Specifically, the five components will finance:
1. **Data collection on priority ecosystem services** aimed at assembling the best available information to quantify stocks and flows of the Caracol Region's key environmental goods and ecosystem services. This information will serve as the basis for the development scenarios and environmental and ecosystem service trade-off analysis which will inform the design of the Sustainable Development Plan.
 2. **Design and analysis of alternative future development scenarios** – This component will support the assessment of development alternatives and their environmental and ecosystem service supply trade-offs to foster consensus through a highly participatory process involving nearby villages, the Tourism Management Committee created under STP II, and other key stakeholders.
 3. **Regional Strategic Environmental and Social Assessment.** This component aims to minimize and mitigate the direct, indirect, and cumulative environmental and social impacts, as well as the risks and opportunities of the different development alternatives assessed. It includes: (i) an assessment of the positive and negative environmental and social impacts, as well as risks and opportunities of the preferred development scenario for the Caracol Region; (ii) a socio-cultural analysis; (iii) an action plan with a sequence of actions to address systematically and strategically environmental and social issues and priority actions for adequate monitoring and follow up, which will be incorporated into the eventual development plan for the region
 4. **Regional Stakeholder Engagement Strategy:** This will entail the development and implementation of a series of outreach and communications activities to engage government and potentially affected parties in the identification and analysis of strategic priorities, issues, actions, and development alternatives.
 5. **Sustainable Development Plan and investment designs** – This component will entail the preparation of an ecosystem-based Sustainable Development Plan (SDP) and an accompanying investment package for sustainable productive livelihoods resulting from the analysis of natural capital trade-offs of alternative future scenarios (Components 1 and 2) and as such balances the needs and expectations of a representative cross-section of stakeholders engaged in a transparent consultation process.
- 1.9. The IDB is seeking the services of a consulting firm to prepare the Regional Strategic Environmental and Social Assessment (SESA) of the Caracol Region (Component 3).

II. CONSULTANCY OBJECTIVES

- 2.1 The general objective of the consultancy is to prepare the SESA in a participatory manner to identify and recommend how to minimize and mitigate the direct, indirect, and cumulative environmental and social impacts of the BL-L1022, as well as the risks and opportunities of the different development alternatives assessed under the BL-T1088 (Component 1 and 2).
- 2.2 The specific objectives of the consultancy are to:
 - (i) Identify the positive
 - (ii) Assess the policy, legal and institutional framework and capacity and negative social and environmental impacts and the risks associated with the proposed Program and different development scenarios assessed under Component 2. to manage these issues, and
 - (iii) Propose a set of actionable recommendations by which these issues can be addressed at a policy level so as to enhance environmental sustainability and social equity in the Region.
 - (iv) Prepare the SESA via a participatory process through consultations with the main stakeholders from all key sectors with support from the consultant(s) hired to carry out activities under Component 4.
- 2.3 The Inter-American Development Bank has been requested by the GoBL to execute the studies to be financed by this operation. Close involvement will be required of multiple institutional stakeholders including: The Ministry of Economic Development and Petroleum, Trade, Investment and Commerce (MEDPTIC), the Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development and Immigration (MAFFSDI); the Department of Public-Private Dialogue (DPPD) and the Ministry of Finance and Natural Resources. The consulting firm will also be expected to coordinate closely with the consultants contracted to conduct the ecosystem services assessment, the development of the Sustainable Development Plan and the regional stakeholder engagement strategy. The geographic focus for the consultations and engagement will be the Caracol Region.

III. MAIN ACTIVITIES

- 3.1 The consulting firm will carry out the following tasks:
 - a. Perform a comprehensive social and environmental data gathering exercise using existing credible sources and review this data to establish a baseline, as well as to identify data gaps or weaknesses. To the extent possible, the consultant will address these gaps/weaknesses through field visits and interviews and meetings with stakeholders and custodians of such data.
 - b. Using appropriate methodologies³ describe and analyze the existing and potential key beneficial and adverse environmental and social issues related to the different scenarios, including an assessment of vulnerability to climate change.
 - c. Prepare a socio-cultural analysis on social, historical, cultural, and institutional conditions including how best to include specific stakeholders such as women and youth into the SESA during the situation analysis, selection of priorities and validation of results.

³ The consultant should refer to the IDB safeguard policies, and any relevant environmental or sectoral regulations.

- d. Institutional and legislative framework analysis including the existing and proposed institutions that may influence or be responsible for the implementation of the proposed scenario and the management of environmental and social impacts.
- e. An action plan with a sequence of actions to systematically and strategically address environmental and social issues and implement priority actions for adequate monitoring and follow up, which will be incorporated into the eventual development plan for the region. The action plan will propose concrete recommendations to address the technical, institutional, governance and policy gaps and capacity building needs identified. This will include specific investments, policy and institutional adjustments.
- f. Collaboration and coordination with the contractuels hired under the other Components to ensure timely and successful public consultations, integration and accuracy of technical components and comprehensive dissemination of results.

IV. REPORTS / DELIVERABLES

- 4.1 The consulting firm will be responsible for submitting the following interim and final deliverables to the IDB:
 - a. Work plan, to be submitted two weeks after signature of the contract;
 - b. Interim SESA Progress Report, to be submitted two months after signature of the contract;
 - c. Action plan, to submitted three months after signature of the contract.
 - d. Final SESA Report, to be submitted four months after signature of the contract.
- 4.2 The IDB will review all project outputs and deliverables in collaboration with MEDPTIC and other relevant Ministries where required. Final acceptance of deliverables will rest with the IDB.

V. PAYMENT SCHEDULE

- 5.1 The consultancy services will be contracted for a lump-sum and will be paid in the following manner:
 - 25% upon signature of contract
 - 25% upon delivery and acceptance of outputs a & b
 - 25% upon delivery and acceptance of outputs c
 - 25% upon delivery and acceptance of outputs d

VI. QUALIFICATIONS

- 6.1 Level & Years of Professional Work Experience: Consulting firm or consortium with demonstrated experience and with expertise in working with Belizean communities, previous experience in the Caracol region preferred as well as knowledge of Inter-American Development Bank safeguard policies and strategic decision making is strongly preferred. Consulting firm should also have in-depth expertise in strategic environmental and social assessments

- 6.2 Languages: The firm will be fluent in written and spoken English and Spanish. All reports will be submitted in English.
- 6.3 Areas of Expertise: Demonstrated experience related to (i) SESA/ ESIA; (ii) tourism, agriculture, forestry and natural resource management and policy, including applications of spatial tools; (iii) communications and public stakeholder engagement strategies and (iv) social assessment and land tenure issues.

VII. CHARACTERISTICS OF THE CONSULTANCY

- 7.1 Consultancy category and modality: Products and External Services Firm and Lump Sum.
- 7.2 Contract Duration: 4 months.
- 7.3 Place of work: Caracol Region, Belmopan and Belize City, Belize.
- 7.4 Coordination: Michele Lemay, Natural Resources Lead Specialist (michelel@iadb.org). Also the work of the consulting firm will be closely with the local counterpart for the project and the contractuels hired for Component 1,2,3 and 5.

Payment and Conditions: Compensation will be determined in accordance with Bank's policies and procedures. In addition, candidates must be citizens of an IDB member country.

Consanguinity: Pursuant to applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and the second degree of affinity, including spouse) working for the Bank as staff members or Complementary Workforce contractuels, will not be eligible to provide services for the Bank.

Diversity: The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDS status. We encourage women, Afro-descendants and persons of indigenous origins to apply.

CSD/RND

**Sustainable Development Plan for The Region
(ATN/OC-xx-xx)**

TERMS OF REFERENCE

I. BACKGROUND AND JUSTIFICATION

- 1.1. The Caracol Region consists of four contiguous protected areas which can only be accessed by the Caracol road connecting this region to the main George Price Highway. The Caracol Archaeological Reserve, the largest known Mayan archaeological complex in Belize, along with the Mountain Pine Ridge and the Chiquibul Forest Reserves and the Chiquibul National Park, are part of a tri national bioregion forming the largest remaining contiguous block of tropical broadleaf forest north of the Amazon. The Maya Mountain Massif, where the Caracol Region is located, has been described as Belize's storehouse for biodiversity with over 700 species of fauna and 662 species of flora (ERI, 2015).
- 1.2. Agriculture in adjacent areas and forestry in the reserves are major economic activities, however the Caracol Region's main potential value lies in tourism. All productive activities depend on the ecosystem services provided by the protected areas. For example, the Belize river watershed which has its headwaters in the Caracol Region, is considered the country's most important watershed since it supplies water (and energy) to the majority of Belize's population.
- 1.3. The National Sustainable Tourism Master Plan (MTCA, 2013) prioritizes the Caracol Region as an emerging tourism destination for future development and the Bank-financed Sustainable Tourism Program II (STP II/BL-L1020) includes several infrastructure investments aimed at increasing tourism expenditures in the area. In addition to the direct impacts associated with increased inflows of tourists to popular visitation sites along the road corridor, STP II is expected to bring about indirect impacts including resort development in the Caracol Region's buffer zone (Herrera, 2015). Concurrent with the National Sustainable Tourism Master Plan, the Government of Belize has identified the Caracol Road as a priority for road improvement and a new Program (BL-L1022) is currently under preparation to that end.
- 1.4. These and other future investments could potentially contribute to rapid land use change within and in the vicinity of the Caracol Region that could lead to significant losses in biodiversity and ecosystem services. Depending on the development path chosen, there could be significant trade-offs in natural capital that could threaten the biodiversity and ecosystem services upon which future sustainable growth depends. Experience in similar contexts in relatively undeveloped frontier regions at the brink of development has shown that a participatory analysis of natural capital trade-offs can result in investment decisions that reconcile conservation and economic growth (Natural Capital Project, 2017). Given the highly pristine and undeveloped character of the Caracol Region, there is a need to analyze alternative development scenarios, assess natural capital trade-offs and prepare an ecosystem-based sustainable development plan that maintains the long-term contribution

of the region to the national economy and balances land and natural resource use with environmental protection and local livelihoods.

- 1.5. More research in the potential vulnerabilities of the Caracol Region to these new developments is urgently needed as is the implementation of appropriate land and watershed use and management policies. An understanding of the value of the potential losses in ecosystem services associated with specific threats is required for policy and planning. The Caracol Region covers a land mass of approximately 219,561 ha and is dominated by forest cover, mainly submontane broad-leaved moist forest. Agriculture from trans-boundary incursions is limited to the Belize-Guatemala border in the Chiquibul National Park and the Caracol Archaeological Reserve.
- 1.6. There have been attempts to measure and map the economic value of the ecosystem services provided by the region (see Annex 1). Using estimated values calculated for other locations as indications of economic value (i.e., using 'benefits transfers'), one such study found that the habitats in the Caracol Region were thought to generate US\$260 million a year in net economic benefits, which if sustainable, would be worth US\$4.6 billion over the next 25 years. However, the same study recognizes the shortcomings in the estimates due to the short time-frame and lack of biophysical data.
- 1.7. In a Programming Mission held June 5-9th 2017, the Government of Belize and the IDB agreed to a TC operation entitled "Design and preparation of the Sustainable Development Plan for the Caracol Complex Region" (BL-T1088) with the following five components: (1) data collection on priority ecosystem services, (2) design and analysis of alternative future development scenarios, (3) Regional Strategic Environmental and Social Assessment, (4) Regional Stakeholder Engagement Strategy, (5) Sustainable Development Plan with investment designs. Specifically, the five components will finance:
 1. **Data collection on priority ecosystem services** aimed at assembling the best available information to quantify stocks and flows of the Caracol Region key environmental goods and ecosystem services. This information will serve as the basis for the development scenarios and environmental and ecosystem service trade-off analysis which will inform the design of the Sustainable Development Plan. Specific activities include: (i) multi-stakeholder scoping of policy and development issues under consideration; (ii) development of georeferenced data base of terrestrial and aquatic ecosystem services, including satellite-derived data; (iii) survey of socio-economic conditions as the economic baseline for the plan; and (iv) participatory selection of ecosystem services for which modelling tools are readily available and which are most relevant to the Caracol Region (i.e., timber production, cultural services, water provision). The output will be an ecosystem services and socio-economic baseline for scenario construction and eventual monitoring of the plan's results.
 2. **Design and analysis of alternative future development scenarios** – This component will support the assessment of development alternatives and their environmental and ecosystem service supply trade-offs to foster consensus through a highly participatory process involving nearby villages, the Tourism Management Committee created under STP II and other key stakeholders. Specific activities include: (i) compilation of relevant national sector policies (forests, fisheries, water, mineral resources and, energy and emissions) and major local development proposals; (ii) participatory mapping of current land and resource use; (iii) formulation of future development scenarios considering alternative livelihoods (agroforestry, ecotourism, Non-Timber Forest Products), potential economic sectors (energy,

- mining) and basic services including connectivity; (iv) natural capital trade-off analysis for at least two development scenarios using readily available spatial modelling tools (Invest); and (v) results reporting, ranking and selection of the preferred development scenario through a stakeholder-driven process, the main output of this component.
3. **Regional Strategic Environmental and Social Assessment.** This component aims to minimize and mitigate the direct, indirect, and cumulative environmental and social impacts, as well as the risks and opportunities of the different development alternatives assessed. It includes: (i) an assessment of the positive and negative environmental and social impacts, as well as risks and opportunities of the preferred development scenario for the Caracol Region; (ii) a socio-cultural analysis; (iii) an action plan with a sequence of actions to address systematically and strategically environmental and social issues and priority actions for adequate monitoring and follow up, which will be incorporated into the eventual development plan for the region
 4. **Regional Stakeholder Engagement Strategy:** This will entail the development and implementation of a series of outreach and communications activities to engage government and potentially affected parties in the identification and analysis of strategic priorities, issues, actions, and development alternatives. The strategy will be adapted to the socio-cultural context of the Caracol region and will accompany all the activities under the TC. Activities include: (i) strategy development in support of all other components; (ii) community meetings and workshops; (iii) production of engagement materials.
 5. **Sustainable Development Plan investment designs and proposed government framework** – This component will entail the preparation of an ecosystem-based Sustainable Development Plan (SDP) and an accompanying investment package for sustainable productive livelihoods resulting from the analysis of natural capital trade-offs of alternative future scenarios (Components 1 and 2) and as such balances the needs and expectations of a representative cross-section of stakeholders engaged in a transparent consultation process. As a minimum, the Plan will include: (i) policy changes; (ii) guidelines for ecosystem-based development that support economic diversification, ensure the continued preservation and support effective management of protected areas and function of ecosystem services; (iii) site specific management actions; (iv) investment designs including financing estimates as well as potential sources of financing that minimize the fiscal burden of the country; (v) devise a phased approach to completing the entire 94 km of the road (beyond Junction K); (vi) appropriate maps, charts, and supporting text to support the recommendations made and (vii) design of the Region's governance structure for the implementation of the Plan.
- 1.8. The IDB in consultation with GOB is seeking the services of a consulting firm to conduct an environmental and ecosystem service assessment for the Caracol Region and evaluate the ecosystem service trade-offs involved in alternative development scenarios being considered by the Belizean Government, to develop an ecosystem-based SDP with cross-sectoral investment opportunities including sustainable productive activities relevant for the local communities living in and around the area of influence. The Sustainable Development Plan will guide the region's development, taking the value of the Caracol Region natural capital into consideration during the planning and investment decision making process. The plan will be developed in consultation with multiple stakeholders in order to ensure broad stakeholder endorsement of the final product.
- 1.9. The specific objectives of the consultancy are to:

- a. Prepare a detailed, integrated Sustainable Development Plan for the Caracol Region, which (i) builds on a broadly endorsed long term (15-25 year) vision for sustainable development resulting from the analysis of natural capital trade-offs of alternative future scenarios (Components 1 and 2) and as such balances the needs and expectations of a representative cross-section of stakeholders engaged in a transparent consultation process; (ii) operationalizes a framework for adaptive management¹, taking into consideration existing policies and management plans such as those for the Caracol Region protected areas, potential cumulative impacts and risks from natural disasters and climate change, as well as social and economic values.
 - b. Identify financially sound future public and private investment opportunities in accordance with the preferred development scenario selected under Component 2 and the guidelines and vision outlined in the SDP. This should include, but is not limited to, investment opportunities for income generating activities (IGA) that promote sustainable use of natural resources and maintenance of ecosystem services to be implemented under the Project in preparation to promote the sustainable development of the Caracol Region.
 - c. Define governance framework to support the implementation of the Plan. This will entail an analysis of the existing governance framework for the region and include an analysis of the functions, responsibilities and level of authority of the different relevant agencies. Recommend measures to operationalize the proposed framework and a permanent coordination mechanism for the institutionalized framework.
- 1.10. An IDB mission that visited Belize from June 5-9, 2017, held meetings with the local communities living in the area of influence to discuss potential IGAs to promote sustainable livelihoods. Main recommendations included: (i) the need to address basic services (power, water purification, connectivity) to ensure communities take full advantage of the economic benefits associated with the upgrade of the road; (ii) the identification of key sectors: sustainable eco-agriculture (greenhouses, organic farming, seed banks, jams and honey), tourism (Airbnb, capacity building of guides for caving/archeological sites); Non Timber Forest Products (NTFP) and forestry (PES scheme, spices, medicinal plants) and creative industries (handcrafts); (iii) the need to address land tenure; (iv) the potential to work with local associations groups (farmers, women, youth) and (v) the need to address safety and security concerns for the developed road corridor.
- 1.11. The Inter-American Development Bank has been requested by the Government to execute the studies to be financed by this operation. Close involvement will be required of multiple institutional stakeholders including: the Ministry of Economic Development and Petroleum, Trade, Investment and Commerce (MEDPTIC), the Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development and Immigration (MAFFSDI); the Department of Public-Private Dialogue (DPPD) and the Ministry of Finance and Natural Resources. The consulting firm will also be expected to coordinate closely with the consultants contracted to conduct the ecosystem services assessment, the development of the Sustainable Development Plan and the Regional Strategic Environmental and Social Assessment. The geographic focus for the consultations and engagement will be the Caracol Region.
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1.12. Key features of the SDP:

- a. The SDP will encompass at least two planning scales: (i) a general scale encompassing the entire Caracol Region; and (ii) a detailed scale(s) encompassing the area of influence of the proposed program, with particular emphasis on the hamlets and local communities living adjacent to the Caracol Road (Annex 1) and the protected areas.
- b. Ownership of the SDP and the process of formulation must clearly rest with local authorities and communities.
- c. The SDP must be actionable with clear steps for each activity and timelines laid out for feasible initiatives. There should be an implementation strategy for each investment indicating lead responsibility (public and/or private) for achieving results. The SDP must be innovative and reflect international best practice in planning, including enabling the use of interactive technology.

II. MAIN ACTIVITIES

2.1 The consulting team will carry out the following tasks organized by the three components described above:

A. Data collection on priority ecosystem services

(i) Develop an outreach and communications strategy to accompany the data collection, the scenario development and the development of the SDP (Components 1,2,3), including public consultations to refine drafts of the SDP. The consulting team heading the development of the SDP will also serve as a resource in capacity building events on sustainable physical planning to be delivered to relevant stakeholders.

(ii) Carry out a multi-stakeholder scoping of policy and development issues under consideration for the Caracol Region. This activity will clearly and concretely articulate the relevant sector policies, plans (i.e., NSTMP and National Transportation Master Plan), sectoral and cross-sectoral issues, the information needs for scenario and environmental/ecosystem service trade-off analysis, the geographic scope of the master plan and the planning time horizon.

(ii) Develop an ecosystem-based Geographic Information System (GIS) of terrestrial and aquatic ecosystems, including from satellite-derived data. This activity involves the development of ecosystem service supply maps for Caracol. Data collection and organization on stocks and flows of environmental assets will build on previous ecosystem mapping of the Region as well as existing economic analyses of natural capital. Data will be drawn from readily available data sources, geospatial datasets and prior ecosystem service analyses conducted on the Caracol Region.

(iii) Map historical land cover and land use change (LCLUC) through satellite image analysis and supervised classification of an historical time series of images using Timelapse or similar application. This mapping will be consistent with the spatial units delineated in item (ii) above. The LCLUC will serve to inform future land cover/land use projections.

- (iv) Prioritize the ecosystem services most relevant to the policy issues and development alternatives under consideration and select a subset for monetary valuation through a stakeholder driven process.

B. Design and analysis of alternative future development scenarios

- (i) Compile relevant national sector policies (forests, fisheries, water, agriculture, tourism, mineral resources and, energy, etc.) and major local development proposals, considering the policy and development issues identified in Component 1(i);
- (ii) Participatory construction and mapping of at least 3 alternative future development scenarios. LCLUC maps consistent in format with those created above for each development scenario will be developed. The LCLUC maps will be constructed based on land use suitability, proxy variables on drivers of land use change and stakeholder/expert input.
- (v) A subset of ecosystem services will be valued in monetary terms through the implementation of a well-established methodology (i.e., choice modelling, Invest) to be agreed upon with the Government and the Bank. This study will generate estimates of value for marginal changes in various economic sectors and environmental attributes resulting from each development alternative².
- (iii) Environmental and ecosystem service supply trade-off analysis. Environmental and ecosystem service trade-off analysis will be undertaken on the basis of the LCLUC maps for each development scenario using a readily available spatial modelling tool; and
- (iv) Results reporting, ranking and selection of the development alternative through a stakeholder-driven process tailored to the local social and economic conditions.

C. Sustainable Development Plan and investment designs

- (i) Taking the preferred future development scenario selected as a result of the trade-off analysis of Component 2 as a starting point, develop a land use zoning classification scheme for discussion with the TAC and stakeholders focusing on relevant key economic sectors (forestry, agriculture, tourism). The classification scheme will be based on a combination of criteria that reflect the agreed upon development thematic framework including for example priority ecosystem services, livelihood economic activities and supporting infrastructure needs, land use potential and economic diversification needs, resilience to natural disasters and climate change. Prepare detailed definitions for each category of the classification scheme for land zoning.
- (ii) Prepare GIS maps at the appropriate scales applying the land zoning classification scheme to the Caracol Region planning area.
- (iii) Develop ecosystem-based development guidelines for the land zoning classification scheme.

² For an overview of choice modelling, see Pearce, D.W., Atkinson, G. and Mourato, S. (2006). Cost-Benefit Analysis and the Environment: Recent Developments. Paris: OECD.

(iv) Identify and propose complementary actions to the zoning scheme necessary to achieve the desired future development scenario including policy changes where necessary and management actions.

(v) Based on the above and the results of prior consultations, develop a list of future public and private investment opportunities aimed at supporting the implementation of the ecosystem-based SDP. Develop project data sheets for each investment opportunity according to a format to be agreed upon with the TAC and the Bank. As a minimum, each project data sheet should include information on justification including quantitative data produced under Components 1 and 2, objective, location, main activities for development, implementation strategy including institutional responsibility for execution, environmental and social considerations, and timeline.

(vi) Prepare the draft ecosystem-based SDP Plan, consolidating the land use zoning scheme, ecosystem-based development guidelines and investment program. The final format of the SDP should reflect best practice and be innovative, including the use of interactive e-technology for eventual online public dissemination and use.

(vii) Present the draft SDP to the TAC and stakeholders in public consultation event as required.

(viii) DELIVERABLES

The consultancy will be responsible for submitting the following interim and final deliverables to the IDB:

- i. Work plan, including community engagement and outreach strategy, to be submitted two weeks after signature of the contract;
- ii. Interim report on the data collection and mapping phase (tasks listed in A above) to be submitted two months after signature of the contract;
- iii. Interim report on alternative scenarios and trade-off analysis (tasks listed in B above) to be submitted four months after signature of the contract;
- iv. Draft of SDP with investment opportunities (tasks listed in C above) to be submitted six months after signature of the contract;
- v. Final draft of SDP and investment opportunities incorporating feedback from stakeholder consultations, to be submitted eight months after signature of the contract.

(ix) PAYMENT SCHEDULE

The consultancy services will be contracted for a lump-sum and will be paid in the following manner:

- 15% on delivery and acceptance of output (a)
- 20% on delivery and acceptance of output (b)
- 20% on delivery and acceptance of output (c)
- 20% on delivery and acceptance of output (d)
- 25% on delivery and acceptance of output (d)

(x) QUALIFICATIONS

Qualifications: Consulting firm or consortium with demonstrated experience and in-depth expertise in ecosystem-based physical or master planning, including aspects related to: (i) ecosystem services assessment; (ii) protected area management, (iii) natural sciences, (iv) rural development; (v) ecotourism; (vi) environmental economics, (vii) participatory planning and social sciences, (viii) agriculture; (ix) forestry and (x) disaster risk management and climate change adaptation. Previous experience working in projects financed by multi-lateral and bilateral organizations in Latin America is desirable. Experience with tropical forests and ecosystem services is also preferred.

Languages: Fluency in English and Spanish is required.

(xi) CHARACTERISTICS OF THE CONSULTANCY

Type of consultancy: Consulting firm.

Duration: Eight (8) months from the date of the signing of the contract.

Place of work: Caracol Region, Belmopan and Belize City, Belize.

Coordination: Michele Lemay (michelel@iadb.org), Natural Resources Lead Specialist.

Payment and Conditions: Compensation will be determined in accordance with Bank's policies and procedures. In addition, candidates must be citizens of an IDB member country.

Consanguinity: Pursuant to applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and the second degree of affinity, including spouse) working for the Bank as staff members or Complementary Workforce contractuels, will not be eligible to provide services for the Bank.

Diversity: The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDs status. We encourage women, Afro-descendants and persons of indigenous origins to apply.

Annex 1 – Mapping of Chiquibul MPR which includes the Caracol Region (Source: ERI, 2015)

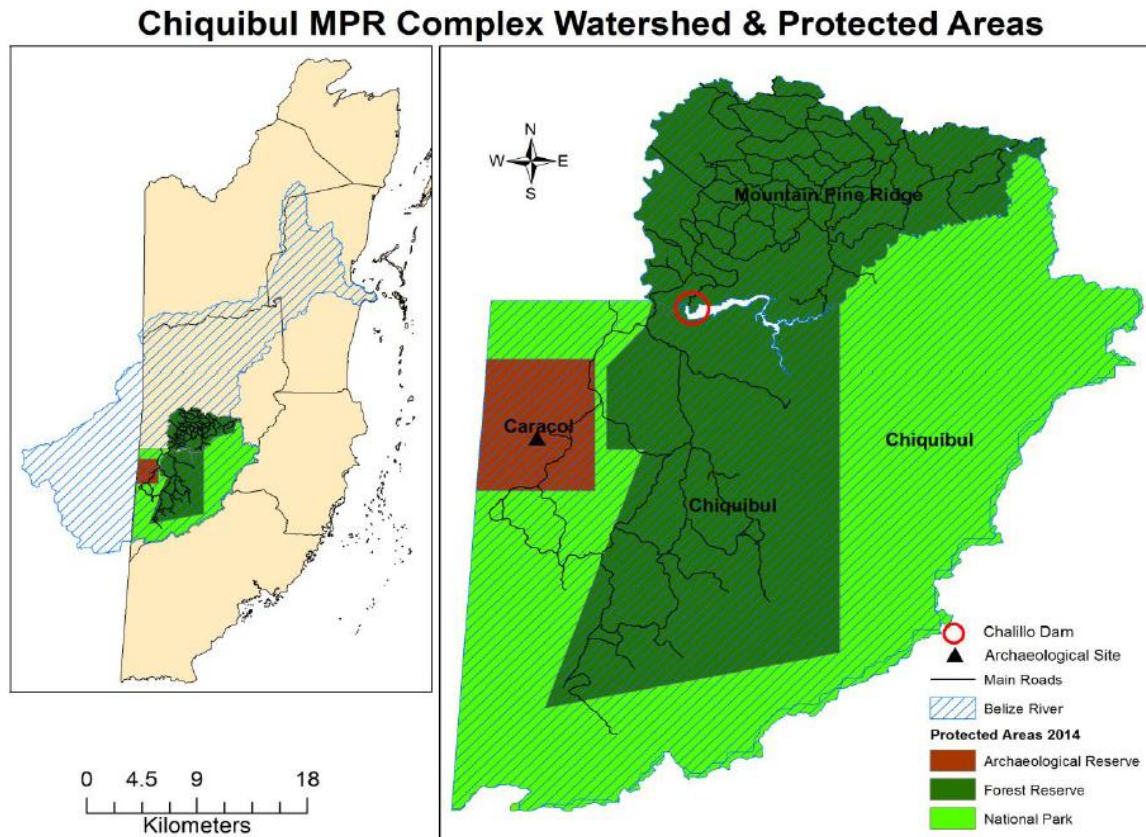


FIGURE 11: CHIQUIBUL-MPR COMPLEX WITHIN BELIZE AND BELIZE RIVER WATERSHED (LEFT) AND ITS PROTECTED AREAS (RIGHT)
 (MAP CREATED BY UB ERI USING THE FOLLOWING DATA LAYERS: WATERSHED – HYDROSHED, 2007; PROTECTED AREAS - NPAS 2014; ROADS – BERDS, 2011)

Chiquibul MPR Complex Land Cover

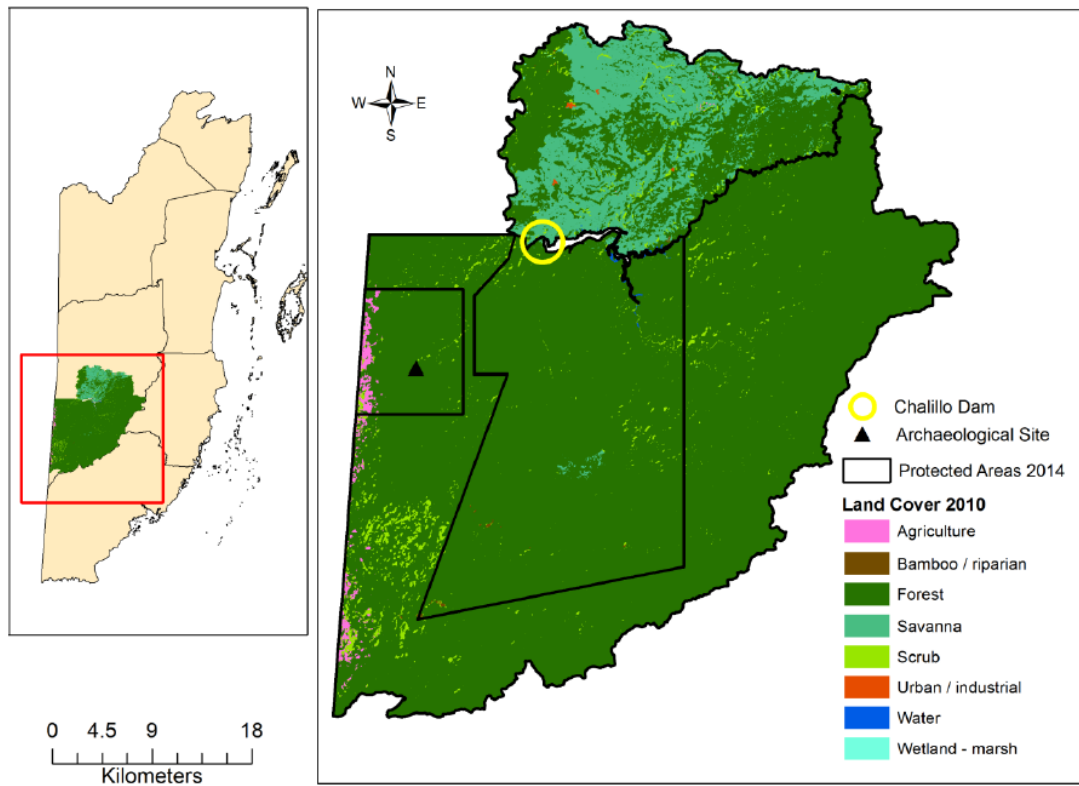


FIGURE 12: CHIQUIBUL-MPR COMPLEX LAND COVER OF PROTECTED AREAS (2010)
(MAP CREATED BY UB ERI USING THE FOLLOWING DATA LAYERS: LAND COVER - EMIL CHERRINGTON, 2010; PROTECTED AREAS -NPAS 2014)

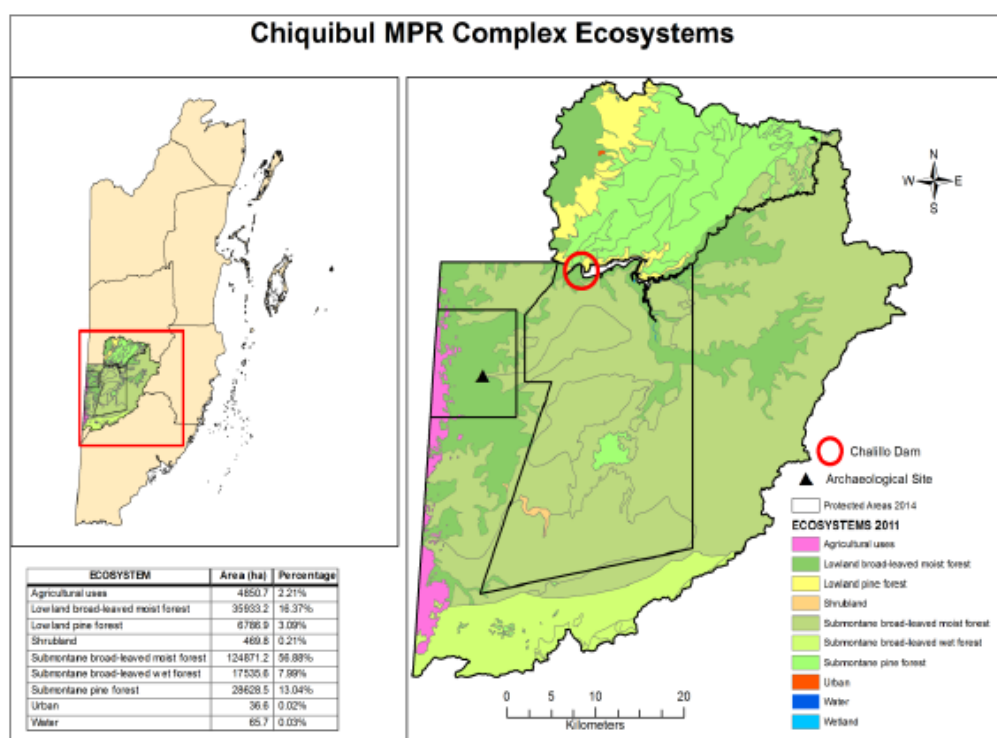


FIGURE 13: CHIQUIBUL-MPR COMPLEX ECOSYSTEMS (2011)
(MAP CREATED BY UB ERI USING THE FOLLOWING DATA LAYERS: ECOSYSTEMS - BERDS, 2011; PROTECTED AREAS – NPAS, 2014)

TABLE 9: CHIQUIBUL-MPR COMPLEX ECOSYSTEMS, CORRESPONDING SIZE AND PERCENTAGE TOTAL BASED ON 2011 DATA LAYER

Destination	Ecosystem	Area (ha)	Percentage
Chiquibul – MPR Complex	Agricultural uses	4,850.7	2.21 %
	Low land broad-leaved moist forest	35,933.2	16.37 %
	Low land pine forest	6,786.9	3.09 %
	Shrubland	469.8	0.21 %
	Submontane broad-leaved moist forest	124,871.2	56.88 %
	Submontane broad-leaved wet forest	17,535.6	7.99 %
	Submontane pine forest	28,628.5	13.04 %
	Urban	36.6	0.02 %
	Water	65.7	0.03 %

PROCUREMENT PLAN FOR BANK EXECUTED OPERATIONS														
Country: Belize							Executing Agency: IDB						UDR: CSD/RND	
Project number: BL-T1088					Title of Project: Design and Preparation of the Sustainable Development Plan for the Caracol Region									
Period covered by the Plan: [12 months]					Total Project Amount: \$ 700,000									
Component	Procurement Type (1) (2)	Service type (1) (2)	Description	Estimated contract cost (US\$)	Selection Method (2)	Type of Contract	Source of Financing and Percentage				Estimated date of the procurement notice	Estimated contract start date	Estimated contract length	Comments
							IDB/MIF		Other External Donor					
							Amount	%	Amount	%				
Component 1 , 2 & 5	A. Consulting services	Consulting Firm (GN-2765)	Development Scenarios, Environmental and Ecosystem Service Trade-off Analysis & Preparation of the Sustainable Development Plan.	\$ 490,000	SSS	Lump Sum	\$ 490,000	100%	\$ -	0%	1-Dec-17	15-Jan-18	8 month	
Component 3	A. Consulting services	Consulting Firm (GN-2765)	Regional Strategic Environmental and Social Assessment	\$ 150,000	SCS	Lump Sum	\$ 150,000	100%		0%	1-Dec-17	15-Jan-18	5 month	
Component 4	A. Consulting services	Consulting Firm (GN-2765)	Regional Stakeholder Engagement Strategy	\$ 60,000	SCS	Lump Sum	\$ 60,000	100%		0%	1-Dec-17	15-Jan-18	8 month	
										0%				
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										0%				
Prepared by:			TOTALS	\$ 700,000			\$ 700,000	100%	\$ -	0%				
(1) Grouping together of similar procurement is recommended, such as publications, travel, etc. If there are a number of similar individual contracts to be executed at different times, they can be grouped together under a single heading with an explanation in the comments column indicating the average individual amount and the period during which the contract would be executed. For example: an export promotion project that includes travel to participate in fairs would have an item called "airfare for fairs", an estimated total value od US\$5,000, and an explanation in the Comments column: "This is for approximately four different airfares to participate in fairs in the region in years X and X1".														
(2) (i) Individual consultants: ICQ: Individual Consultant Selection Based on Qualifications; SSS: Single Source Selection. Selection process to be done in accordance with AM-650.														
(2) (ii) Consulting firms: Per GN-2765-1, Consulting Firm selection methods for Bank-executed Operations are: Single Source Selection (SSS); Simplified Competitive Selection (<=250K); Fully Competitive (>250K); and Framework Agreement Task Order (FWTO). All Consulting Firm selection processes under this policy must use the electronic module in Convergence														
(2) (iii) Goods: Per GN-2765-1, par. A.2.2.c: "The procurement of goods and related services, except when such goods and related services are necessary to achieve the objectives of the Bank-executed Operational Work and are included in the consulting services contract and represent less than ten percent (10%) of the consulting services contract value."														