

## Technical Cooperation Document

### I. Basic Information for TC

▪ Country/Region:	BELIZE
▪ TC Name:	Development of the Blue Economy of Belize
▪ TC Number:	BL-T1145
▪ Team Leader/Members:	Alleng, Gerard P. (CSD/CCS) Team Leader; Dohnert De Lascurain, Sylvia Eva (IFD/CTI) Alternate Team Leader; Alleyne, June Julianna Cecilia (IFD/CTI); Blandin Andino, Lourdes Gabriela (CSD/CCS); Ceva Alvarez, Mariana Daniela (CSD/CCS); Flores Aguilar, Adrian (CSD/CCS); Gomez, Juan Carlos (CSD/CCS); Hori, Tsuneki (CSD/RND); Juan Francisco Martinez Cotrino (CSD/CCS); Lugo Moreno, Monica Bibiana (LEG/SGO); Sanchiz Vicente, Alex (IFD/CTI); Suarez Vazquez, Gines (CSD/RND); Wade, Henry Gilbert Jr.
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	09 Dec 2021
▪ Beneficiary:	Belize
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Compete Caribbean Partnership Facility(CCP)
▪ IDB Funding Requested:	US\$300,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	28 months disbursement period; 24 months execution period
▪ Required start date:	February 2022
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	CSD/CCS-Climate Change
▪ Unit of Disbursement Responsibility:	CID/CBL-Country Office Belize
▪ TC included in Country Strategy:	Yes
▪ TC included in CPD:	No
▪ Alignment to the Update to the Institutional Strategy 2020-2023:	Productivity and innovation; Institutional capacity and rule of law; Environmental sustainability; Gender equality

### II. Objective and Justification

- 2.1 Belize has recognized the need and potential of pivoting to a sustainable Blue Economy and has advanced the process from an institutional perspective, with the establishment of the Ministry of the Blue Economy and Civil Aviation (MBECA) in 2020. The mission of the new Ministry is “to increase the gross domestic product through a thriving Blue Economy development pathway that is harmonized, innovative and socially-just, supported by a robust, science-based management region of our aquatic resources and spaces to improve the livelihood of all Belizeans.” To achieve this mission, there is the need for a strong policy and institutional framework to guide the process and ensure a successful outcome. It will require the strengthening of institutional capacity, at the level of human resources, knowledge, and agencies, that

will help inspire and support innovation.<sup>1</sup> It will also require greater sensitization or communication concerning the benefits and scope of the Blue Economy and will involve outreach to a very broad stakeholder base.

- 2.2. Belize is a small open economy, that is heavily dependent on tourism and the production and export of commodities (IDB, 2021). Tourism accounts for about 37.2% of GDP (smallest GDP in Latin America - US\$1.9 billion in 2019) while agriculture accounts for about 10% of the GDP contribution. These two sectors are dependent on the extensive natural resource base of the country. They are also highly vulnerable to internal and external shocks, including those related to natural disasters and climate change. The COVID-19 pandemic has also highlighted the structural challenges of the sectors and the need for economic diversification. A pivot towards a Blue Economy offers opportunities for Belize to diversify its economy into new emerging ocean-based activities and sectors, generate employment and growth while ensuring the sustainable use of its ocean resources in the future and making its current ocean-based industries more resilient.<sup>2</sup> This is aligned with the Blue Economy vision statement for Belize in that “by the year 2030, is productive, resilient and vibrant, contributing substantially to the socio-economic well-being of the country and its people.”<sup>3</sup>
- 2.3 Belize has made significant advancement on the tools necessary for a successful Blue Economy, particularly in the area of Blue Financing. The recent Blue Bonds for Conservation effort<sup>4</sup> will facilitate debt conversion for ocean and marine conservation and will support the management of marine protected areas and conservation of marine resources. This follows similar efforts in countries like the Seychelles with the issuance of the world’s first [sovereign blue bond](#). Additionally, there is the Belize Marine Fund (BMF) —housed by the Mesoamerican Reef Fund (MAR Fund), which has been designed “to provide long-term financial sustainability for addressing high-priority marine resources management and conservation issues in Belize for greater impact throughout the Mesoamerican Reef Eco-region.”<sup>5</sup> A sustainable Blue Economy in Belize will be dependent on these types of efforts, together with programming that is closely linked to climate change resilience. The mitigation and adaption ecosystem services of a healthy ocean are being recognized as key components in helping countries address the impacts of climate change.<sup>6</sup> Belize recognizes this important connection and has incorporated elements of the Blue Economy into its upgraded [Nationally Determined Contribution](#) (NDC). Other tools and efforts will be needed like those of marine spatial planning, environmental accounting, government policies including tax incentives and cost benefit analyses, among others.<sup>7</sup>
- 2.4 The objective of this technical cooperation is to strengthen the policy and institutional framework for the development of the Blue Economy in Belize. It is expected that it will

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<sup>1</sup> World Bank and United Nations Department of Economic and Social Affairs. 2017. The Potential of the Blue Economy: Increasing Long-term Benefits of the Sustainable Use of Marine Resources for Small Island Developing States and Coastal Least Developed Countries. World Bank, Washington DC.

<sup>2</sup> Spalding, M. J., (2016). The New blue Economy: The Future of Sustainability. Journal of Ocean and Coastal Economics. Vol. 2: Iss. 2, Article 8

<sup>3</sup> Ministry of Blue Economy & Civil Aviation.

<sup>4</sup> <https://www.nature.org/en-us/newsroom/blue-bonds-belize-convert-thirty-percent-of-ocean-through-debt-conversion/>

<sup>5</sup> <https://marfund.org/en/belize-marine-fund/#WhatItIs>

<sup>6</sup> [https://oceanpanel.org/sites/default/files/2019-10/HLP\\_Report\\_Ocean\\_Solution\\_Climate\\_Change\\_final.pdf](https://oceanpanel.org/sites/default/files/2019-10/HLP_Report_Ocean_Solution_Climate_Change_final.pdf)

<sup>7</sup> Laing, S. (2020). Blue Economy and Blue Bonds: An overview of the concepts and pioneering case of Seychelles. Seychelles Research Journal. Vol. 2 (1).

provide a platform for economic recovery, given the focus of the [National Economic Recovery Strategy of Belize](#), in promoting new investments in key sectors of the economy (tourism, agriculture, fisheries etc.). The Ministry of the Blue Economy and Civil Aviation (MBECA) will be a key stakeholder in this project, but it will also involve other relevant stakeholders in the Blue Economy sector such as Ministry of Economic Development and Investment; Ministry of Sustainable Development, Climate Change and Disaster Risk Management; Ministry of Tourism and Diaspora Relations; Ministry of Agriculture, Food Security and Enterprise; Ministry of Education, Culture, Science and Technology; Belize National Climate Change Office; and the Belize Trade and Investment Development Service (BELTRAIDE).

- 2.5 The operation is consistent with the Second Update to the Institutional Strategy (AB-3190-2) and is aligned with the development challenge of *productivity and innovation* as it supports policies that will encourage technological development and foster innovation in the Blue Economy. The operation is expected to have a positive impact on the development of the blue economy-related private sector through a clearer policy framework —i.e., a roadmap and action plan, and better capacity of MBECA to support the growth of the sector. The operation is also aligned with the cross-cutting themes of: (i) *climate change* since the blue economy approach promoted by it ensures the environmental sustainability of coastal and marine ecosystems and provides means for a resilient and sustainable recovery from the coronavirus pandemic; (ii) *institutional capacity and rule of law*, as the capacity building efforts support improvements of human capital in the public sector; and (iii) *gender equality and diversity*, as the Blue Economy is an approach that pursues gender equality by integrating the interests of different genders into the sustainable use of ocean resources.
- 2.6 The TC is also consistent with the [Belize IDB Group Country Strategy Update 2020-2021](#) on climate change and disaster risk management. The operation is also aligned with the intervention areas of the Corporate Results Framework 2020-2023 (CRF) (GN2727-12), namely: (i) conservation and sustainable use of biodiversity and/or ecosystem services (including but not limited to the creation/management of marine and terrestrial protected areas); and (ii) support for new or improved environmental legislation and/or governance, including financial mechanisms and incentives targeted at promoting environmental sustainability.
- 2.7 This TC is also aligned with the Proposal for the establishment of the Compete Caribbean Partnership Facility (GN-2851), particularly with two thematic pillars: (i) productivity and innovation in firms; and (ii) enhancing the business and innovation climate. Regarding the former, the TC aims at supporting and scaling-up catalytic projects which are at the core of the Compete Caribbean Partnership Facility, that could have a significant demonstrative effect on existing or new sectors at the individual and collective level. Regarding the latter, it aims to create networks and share best practices and lessons learned.
- 2.8 The present operation is aligned with a regional TC that is being developed with Belize as a beneficiary to increase capacity to attract private sector investment into the Blue Economy as a means of generating employment, growth, economic diversification, and achievement of SDG targets. Through close coordination with the MBECA and BELTRAIDE, the planned results of this regional TC will complement the planned results of the present operation. This TC also complements the operation “*Improving Sustainable Production in the Belize Shrimp Cluster*” (ATN/CO-17144-BL), which focuses on sustainability of the Blue Economy activities of the cluster. Additionally, this

operation will be complimented with the project “*Unleashing New Avenues for Growth by Tackling Opportunities in the Blue Economy*” (ATN/OC-17047-RG), which aims at providing support to create policy actions that broaden and accelerate economic growth and inclusive development in the Caribbean by enhancing the economic potential of the Blue Economy under a sustainable growth framework. This operation is also expected to provide inputs into the IDB’s Blue Economy loan “*Promoting Sustainable Growth in the Blue Economy Program*” (BL-L1042) for Belize that is currently being prepared.

### **III. Description of Activities/Components and Budget**

- 3.1 **Component 1. Strengthening the policy and strategy framework for the development of the Belize Blue Economy (US\$100,000).** This component will finance consultant services for the development of a vision, policy framework, and workplan with a holistic and integrative approach for the Blue Economy sector in Belize. The activities of the component are: (i) a Blue Economy Policy and Institutional Framework Diagnostic Report, which will include a cross-sectoral diagnostic analysis and mapping of industries, key stakeholders and their roles and responsibilities, policies, legislation, strategies, spatial plans, and infrastructure and financial requirements related to the Blue Economy. The diagnostic report will include an assessment of the participation of women in the Blue Economy, which will be used to inform the development of the Blue Economy roadmap and action plan and the design of the capacity building and stakeholder sensitization programs; (ii) a benchmarking and gap analysis of the Blue Economy in Belize against that of global best practices; and (iii) Blue Economy Strategic Roadmap and Action Plan, which prioritizes key policy, regulatory and legislative actions, technological innovations and financial needs for filling the gaps identified.
- 3.2 **Component 2. Capacity building to advance the Blue Economy development in Belize (US\$125,000).** This component will finance consultant services to support an institutional capacity building program for the MBECA to improve its coordination and project execution capacities, implementation of the Blue Economy roadmap, and ability to support blue growth in Belize. This component will finance: (i) an institutional capacity assessment of the MBECA that is expected to assess areas such as governance, information and data, available budgetary, human and infrastructure resources, monitoring and evaluation capacities etc.; (ii) capacity building through workshops, online training modules, expert interventions etc., to improve the competence of MBECA staff and other national government agencies involved in the various sectors of the Blue Economy, in policy development, as well as project management and execution. The various activities will take into account gender inclusion so as to ensure that an adequate representation of women have access to and participate in the events; (iii) establishment of peer-to-peer exchanges with the government agencies from other Small Island Developing States that are leading Blue Economy development. It will be informative to interact with these states as some of them (e.g. Barbados and The Bahamas) are in an advanced state of development and implementation of policies and capacity building efforts related to the Blue Economy, which can provide useful guidelines and lessons learned to the programming in Belize; (iv) measure the contribution of the Blue Economy sector to the country’s GDP using national satellite accounts or marine economy satellite accounts methodology or similar methodology e.g. UNECA’s Blue Economy Valuation toolkit (BEVTK) or

national Blue Economy satellite accounts<sup>8, 9</sup>; and (v) the development of a monitoring, reporting and verification (MRV) system for the Blue Economy, with capacity building for the MBECA and other relevant line ministries and agencies (Including BELTRAIDE) in the utilization of the system.

- 3.3 **Component 3. Stakeholder Sensitization (US\$70,000).** This component will (i) finance the design and execution of a stakeholder sensitization program, including the development of a website for the Ministry, awareness-raising campaigns, workshops with key stakeholders for consultations, input and dissemination of findings and knowledge, and (ii) the design & launch of digital publications to disseminate the main findings of the TC regarding blue growth for Belize.
- 3.4 The project administration amount estimated at US\$5,000, will finance one individual consultant to carry out the final evaluation of the project.
- 3.5 The estimated total amount of this operation is US\$300,000, which will be financed with resources from the Compete Caribbean Partnership Facility (CCPF).

**Indicative Budget (US\$)**

<b>Activity/Component Description</b>	<b>IDB/Fund</b>	<b>Total</b>
Component 1. Strengthen policy and strategy to develop the Blue Economy	100,000	100,000
Component 2. Capacity building to advance Blue Economy development	125,000	125,000
Component 3. Stakeholder Sensitization	70,000	70,000
Final Evaluation	5,000	5,000
<b>Total</b>	<b>300,000</b>	<b>300,000</b>

#### **IV. Executing Agency and Execution Structure**

- 4.1 The IDB will execute this TC through the Climate Change Division (CSD/CCS) in coordination with Competitiveness and Innovation Division (IFD/CTI), the Compete Caribbean Partnership Facility (CCPF), approved under GN-2851, and the Belize Country Office. The Unit of Disbursement Responsibility (UDR) will be CID/CBL. All administrative, technical supervision, internal and external coordination, and quality review of the final products will be the responsibility of CSD/CCS. The Bank will hire the services of individual consultants, consulting firms, and various expert consulting institutions in accordance with its policies as follows: AM-650 for Individual consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature; and (c) GN-2303-28 for logistics and other related services. The execution period is expected to be 24 months, and the disbursement period is 28 months.
- 4.2 The need for executing of the TC by the Bank is a function of its ability to coordinate and motivate action across diverse stakeholders at both the national and regional levels, which will be needed for the operation as it is cross-sectoral. Additionally, the Bank within the context of the Blue Economy possesses the technical expertise needed to ensure timely and effective execution of the operation. Furthermore, the MBECA faces the usual challenges of any new institution, which in this particular case exists in addition to the mandate of moving forward all matters related to the blue economy. Therefore, the assistance the Bank will offer as the executing agency is

<sup>8</sup> Fenichel, E.P et al, 2020. National Accounting for the Ocean and Ocean Economy. Washington, DC: World Resources Institute; 42 pp.

<sup>9</sup> Ram, J. et al, 2019. Measuring the Blue Economy: The system of national accounts and use of Blue Economy Satellite Accounts. CDB Working Paper No. 2019/02

crucial for the successful implementation of the TC's components and the delivery of its proposed products. A letter from the Ministry of Finance, Economic Development and Investment requesting that the IDB acts as the executing agency has been included in the Annexes (Request from Client).

## **V. Major Issues**

- 5.1 A key risk to the development of the Roadmap for the Blue Economy is the availability of relevant data pertaining to the various pillars of the concept. To mitigate this risk, the involvement of all key ministries will be required to gain access to data and useful information.
- 5.2 There is a risk regarding the need for a high level of participation by various stakeholders in the development of the roadmap and subsequent activities, which would help increase ownership and buy-in for the roadmap and increase support for its implementation. The restrictions of the pandemic can reduce the level of engagement and dialogue between the technical experts and local stakeholders. To mitigate this risk, it is crucial to ensure that key stakeholders can engage digitally. Also, having a structured engagement and communications plan, with tailored messages and multiple opportunities to allow stakeholders at various levels (e.g., grassroots to senior public and private sector stakeholders) should be prioritized.
- 5.3 There is a risk associated with the COVID-19 pandemic regarding the implementation of the project, including coordination of activities, field visits, and in-person training. To mitigate this risk, the use of virtual field visits, virtual training platforms and virtual engagements will be utilized for all components of the program.

## **VI. Exceptions to Bank Policy**

- 6.1 No exceptions to Bank policy were identified for this operation.

## **VII. Environmental and Social Strategy**

- 7.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

### **Required Annexes**

[Request from the Client - BL-T1145](#)

[Results Matrix - BL-T1145](#)

[Terms of Reference - BL-T1145](#)

[Procurement Plan - BL-T1145](#)