

**GOVERNMENT OF BELIZE  
MINISTRY OF FINANCE  
SUPPORT TO SAFETY NETS FOR  
VULNERABLE POPULATIONS  
AFFECTED BY CORONAVIRUS IN  
BELIZE PROJECT**

*Project Report for Period Ended March 31,  
2021 and Independent Assurance Report*

**GOVERNMENT OF BELIZE**  
**MINISTRY OF FINANCE**  
**SUPPORT TO SAFETY NETS FOR VULNERABLE POPULATIONS AFFECTED BY**  
**CORONAVIRUS IN BELIZE PROJECT, LOAN CONTRACT NO. 5056/OC-BL**

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**GOVERNMENT OF BELIZE  
MINISTRY OF FINANCE  
SUPPORT TO SAFETY NETS FOR VULNERABLE POPULATIONS AFFECTED BY  
CORONAVIRUS IN BELIZE PROJECT, LOAN CONTRACT NO. 5056/OC-BL**

**BACKGROUND  
FOR THE PERIOD ENDED MARCH 31, 2021**

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**1. BACKGROUND**

The Government of Belize (GOB) launched the COVID-19 Unemployment Relief Program (URP) on April 1, 2020 which helped to offset the loss of income due to the economic crisis caused by the pandemic and protect the levels of consumption of the vulnerable population in Belize.

To provide support to the URP, the Inter-American Development Bank and the GOB signed a loan agreement for BL-L1034, the Support to Safety Nets for Vulnerable Populations affected by Coronavirus in Belize Project. The overall objective of the Project, BL-L1034 is to contribute to ensuring minimum levels of quality of life for vulnerable persons amid the crisis caused by COVID-19. The specific objective is to support minimum income levels for those affected by the coronavirus in the immediate period.

Below is a breakdown of the estimated cost of the BL-L1034:

<b>COMPONENTS</b>	<b>TOTALS</b>
Component 1. Protection for the vulnerable population not on the rosters of transfer programs, working in the informal sector.	US \$ 4,162,500
Component 2. Protection for the vulnerable population not on the rosters of transfer programs, who worked in the formal sector.	US \$ 7,730,100
Administration or other contingencies (evaluation and auditing).	US \$ 107,400
<b>Total cost</b>	<b>US \$ 12,000,000</b>

**Project Components**

The resources allocated to the Project financed the following components:

**Component 1: Protection for the vulnerable population not on the rosters of transfer programs, working in the informal sector.** This component financed cash transfers of the URP to individuals who were formerly unemployed or informally employed. These individuals initially received a bi-monthly cash transfer of US\$75, for a period of 12 weeks (six transfers, for a total amount of US\$450 per person). Applications were received online, through a specifically [designed portal](#), and processed by the Central Information Technology Office (CITO). Applications were also cross-checked against data from the SSB and the MHDSTPA, to exclude reception of pensions or other Government transfer. Payments were through a mix of bank accounts (for beneficiaries who have one) and prepaid cards issued by Heritage Bank Ltd. (for unbanked beneficiaries) in order to avoid crowds.

**Component 2: Protection for the vulnerable population not on the rosters of transfer programs, who worked in the formal sector.** This component financed cash transfers of the URP to Individuals who were previously formally employed. The application, the amount of the transfer, and the payment process replicate those described in the previous Component. For this component, the application review process also included the verification of formal employment, against the SSB database and through calls to former employers.

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**BACKGROUND**

**FOR THE PERIOD ENDED MARCH 31, 2021**

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**1. BACKGROUND (CONTINUED)**

**Executing Agency and Project Executing Unit**

The Ministry of Human Development, Social Transformation and Poverty Allevation (MHDSTPA) is responsible for the sound execution of the Project in accordance with the IDB Loan Agreement. The Project was implemented through the MHDSTPA and Ministry of Finance (MOF).

The MHDSTPA is the national authority responsible for the development of people in Belize, enabling them to realize their full potential and play a meaningful role in their communities.

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**OBJECTIVE AND SCOPE  
FOR THE PERIOD ENDED MARCH 31, 2021**

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The terms of reference (TOR) for contracting an audit firm to conduct a reasonable assurance engagement of the project are described below:

**1. OBJECTIVE**

Perform an assurance engagement which allows the Auditor to express a conclusion, with a reasonable level of assurance on the compliance of payments made to beneficiaries of URP with resources of BL-L1034 in accordance with the terms of the loan contract and criteria, described in Appendix I of this document.

**Criteria for evaluating the subject of the review**

The criteria to be followed for the evaluation of the payments made are indicated in the signed Loan Contract, the approved Loan Proposal and Operations Manual. Such criteria are described in **Appendix I** of this document.

**2. SCOPE**

The scope of our procedures included:

- a. Obtain reasonable assurance as to whether GOB has complied in all material aspects with terms agreed for processing payments under the URP based on the criteria described in Appendix I of this document;
- b. Understanding the Project, BL-L1034 and the environment in which the GOB implemented the project and the URP payments;
- c. Perform procedures that are directly related to the identified risks;
- d. A review of the supporting documentation and controls related to the activities and investments financed, procurement of goods and contracting of works and consulting services.

## INDEPENDENT ASSURANCE REPORT

**To:** Mr. Joseph Waight  
**Position:** Financial Secretary

**Contracting Institutions** Government of Belize, Ministry of Finance  
Inter-American Development Bank

**Project:** Support to Safety Nets for Vulnerable Populations Affected by Coronavirus in Belize Project

We have been contracted to perform a reasonable assurance engagement on the compliance of payments made to beneficiaries of the Unemployment Relief Program of the Support to Safety Nets for Vulnerable Populations affected by Coronavirus in Belize Project, financed by loan proceeds of the IDB No. 5056/OC-BL (henceforth the Project). The Project was contracted to be executed by the Ministry of Human Development, Social Transformation and Poverty Alleviation, however this was ultimately done by the Ministry of Finance (henceforth the Management) and presented to the Inter-American Development Bank (henceforth the IDB), for the period July 13, 2020 to March 31, 2021, based on the criteria described in Appendix I accompanying this report.

### **Responsibility of the Management for the compliance of payments made to beneficiaries of Unemployment Relief Program**

The Project Management is responsible for the process of payments made to beneficiaries of the Unemployment Relief Program in accordance with the criteria presented in Appendix I accompanying this report. This responsibility includes: the design, implementation and maintenance of the relevant internal controls for the payments made to beneficiaries of the Unemployment Relief Program, the use of an appropriate basis for preparation; and the making of reasonable estimates under the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the compliance of the Project Management with the criteria described in Appendix I, during the process of the making payments to beneficiaries of the Unemployment Relief Program, based on the work we have performed. Our work has been performed in accordance with the International Standard on Assurance Engagements 3000. This standard requires that we comply with ethical standards, of independence, control and quality and that we plan and perform the assurance engagement to obtain a reasonable assurance on whether, process of the making payments to beneficiaries of the Unemployment Relief Program, during the period between the July 13, 2020 to March 31, 2021, has been in compliance with all material respects described in Appendix I, attached.

**hlb.bz**

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A reasonable assurance engagement involves the implementation of procedures to obtain sufficient and appropriate evidence to determine if the process of the process of the making payments to beneficiaries of the Unemployment Relief Program has been carried out in accordance with the criteria described in Appendix I, attached. The procedures selected depend on the auditor's professional judgment and include the risk-assessment of material non-compliance in the preparation process of information contained in Appendix I with respect to the criteria described in Appendix I, attached. As part of the scope of our work, we applied, among others, the following procedures:

- a. Obtain an understanding of the Project, and the environment in which the GOB implemented the project and the URP payments.
- b. Perform a review of the design and effectiveness of the internal control, associated with URP payments under Loan 5056/OC-BL.
- c. Gather sufficient appropriate evidence surrounding URP payments under Loan 5056/OC-BL.
- d. Obtaining a letter of representation from the Project Management in which certain information provided during the review is confirmed to us.

### **Conclusion**

In our opinion, the Program Management has complied, in all material respects, with the criteria described in Appendix I, for the URP payments made under Loan 5056/OC-BL, for the period between July 13, 2020 and March 31, 2021.

### **Restriction of use and distribution**

The criteria described in Appendix I, have been established by the Government of Belize, Ministry of Finance and the Inter-American Development Bank solely for the assessment of the preparation of this report, and its submission to the Inter-American Development Bank; such criteria may not be suitable for other purposes.

Our report is intended solely and exclusively for the use of Government of Belize, Ministry of Finance and for submission to the Inter-American Development Bank for the above-mentioned purposes and may not be distributed or used by other parties.

*HLB, Belize, LLP*

**Chartered Accountants  
Belize City, Belize  
December 2, 2021**

**CRITERIA ESTABLISHED FOR URP PAYMENTS MADE WITH RESOURCES OF BL-L1034**

The management of the Project must ensure compliance with the criteria established for the payments made to beneficiaries of Unemployment Relief Program (URP) with resources of BL-L1034. These criteria will be submitted for evaluation by the external auditor, within the framework of the International Standard on Assurance Engagement 3000. This evaluation will serve as a submission to the Inter-American Development Bank, for the compliance with Section 5.02 of the Special Conditions of Loan Contract of BL-L1034, the Support to Safety Nets for Vulnerable Populations affected by Coronavirus in Belize Project.

The criteria established includes and are related to the following documents and areas:

1. The systems and procedures established for executing the COVID-19 URP functioned effectively and the selection process of beneficiaries was done in accordance with the approved process established by the GOB and IDB as documented in the loan documents and Operations Manual, including that:
  - The URP benefitted only individuals who were unemployed or lost their formal or informal job or business income as a consequence of the COVID-19 crisis and were not included in the rosters of pre-existing social protection programs. Beneficiaries received cash benefits through bank accounts or prepaid bank cards for unbanked beneficiaries. The cash benefits are initially slated for a duration of 12 weeks, with a bi-monthly value of US\$ 75 per person.
  - Beneficiaries were classified as:
    - Formerly formally employed:
      - (i) those with recent SSB contributions and whose employers confirmed they lost their job;
      - (ii) those who were registered with the BTB or the Fisheries Department (e.g., licensed tour guides or licensed fishers, as well as licensed self-employed and microbusinesses that supply services to hotels and tour operators)
    - Formerly informally employed.
    - Formerly unemployed.
  - Further information on beneficiaries could also be sourced from the URP Portal, including:
    - Gender
    - Age
    - District
    - Sector (last previous employment)
  - Applications were submitted with the following procedure:
    - Applications can be submitted online to the URP's portal or via paper format to Social Security Board's offices countrywide.
    - Receipt of applications were confirmed via SMS.
    - Applicants consented to exchange of information between Government Ministries, Government agencies, including banks or credit unions, for verification and compliance purposes.
  - The verification process was automated as best as possible by CITO. The portal filters applications according to eligibility and exclusion criteria to avoid duplication of benefits. Applicants who received SSB/GOB benefits were placed on an exclusion list for further



review by the Economic Oversight Team (EOT).

Excluded Persons of the URP were as follows:

Persons who are not Belizean nationals.

Persons laid off in March 2020 by the Belize Tourism Board.

Persons under 18 years of age.

Persons receiving benefits from other Government or SSB (e.g., pensions, disability benefits, or other cash transfers such as the BOOST).

Persons formally employed.

- Central Information Technology Office (CITO) applied the following automated process:  
Verification with SSB's database to ascertain applicants' social security number, date of birth, nationality, employment history (i.e. recent SSB contributions), and reception of SSB pensions/disability payments.  
Verification with GOB's Pensioners database to exclude reception of pensioners.  
Verification with MHDSTPA's BOOST dataset to exclude reception of other types of Government transfers.  
Verification with the BTB dataset to exclude reception of other types of Government transfers.
- EOT applied the following manual process:  
Verification with data from the Fisheries Department to exclude reception of other types of Government transfers.  
Verification of information on applications forms via telephone to former employers and applicants by a team of senior public officers under the supervision of the EOT. One of the senior public officers was required to be bi-lingual (English/Spanish) in the event former employers or applicants could only speak Spanish.  
Contacting applicants to provide corrections or clarifications when there are errors or inconsistencies with applications.

2. Compliance with established procedures for processing payments made to beneficiaries of URP with resources of BL-L1034, including that:

CITO exported all of the submitted records that were stored on the Portal to Excel files and submitted three lists to the EOT for review and approval:

(i) Exclusion list – a list of all applicants whose names appear in the SSB/GOB/BTB databases and also those persons under the age of 18 (denied applications).

(ii) Applications not excluded and not yet approved.

(iii) Approved Applications.

- EOT reviewed Lists from CITO (Excel files) using specified criteria.
- EOT then forwarded List of Approved Applicants to CITO for processing/tagging in the Portal.
- Authorized staff of the MOF accessed the Pay List via the Portal and deposits funds on a bi-monthly basis to SSB's Atlantic Bank Ltd.'s (ABL) account.
- SSB received payment instructions from MOF in the form of a Pay List.

- SSB processed payments utilizing SSB's internal payment advice via ABL to the Beneficiaries' financial institutions or to Heritage Bank Ltd. (HBL) for uploading of bank cards.
- SSB forwards List of Rejected Payments (i.e. accounts that were rejected by the respective financial institutions due to errors) to the EOT for further investigation.
- Conduct verification that on what Phases of the URP was funded under BL-L1034 and to what extent. Highlight in which phase there was a departure, if any.
- Conduct verification that the lists presented to the IDB under the Justification of the Advance of Funds correspond to the files kept by CITO (i.e. that the names in our disbursement lists also appear in the CITO files, and the values in our lists do not exceed those in CITO's).



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