

**DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK**

**BELIZE**

**LAND MANAGEMENT PROGRAM III**

**(BL-L1008)**

**LOAN PROPOSAL**

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Electronic Links
<b>REQUIRED</b>
1. Annual Operating Plan (POA) <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2142200">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2142200</a>
2. Monitoring & Evaluation Arrangements <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2138230">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2138230</a>
3. Complete Procurement Plan <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2138012">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2138012</a>
<b>OPTIONAL</b>
1. MNRE Final Report <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1901994">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1901994</a>
2. LMP Final Evaluation Report <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1902640">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1902640</a>
3. User Fee Strategy <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1956992">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1956992</a>
4. Economic and Financial Analysis <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2145206">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2145206</a>
5. Institutional Analysis <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2137070">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2137070</a>
6. PEP and Budget <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2142198">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2142198</a>
7. Project Completion Report 1322/OC-BL <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2147502">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2147502</a>

## **Abbreviations**

APO	Annual Plan of Operations
CEO	Chief Executive Officer
DLS	Department of Land and Survey
ESMR	Environmental and Social Management Report
ESS	Environmental and Social Strategy
IDB	Inter-American Development Bank
IRR	Internal Rate of Return
LIS	Land Information System
LMP	Land Management Program
MNRE	Ministry of Natural Resources and the Environment
NPV	Net Present Value
PIN	Parcel Identification Number
PMT	Project Management Team
POD	Proposal for Operation Development
POM	Program Operating Manual
RIMS	Registry Index Maps
SSF	Safeguard and Screening Form for Screening and Classification of Projects

**PROJECT SUMMARY**  
**BELIZE**  
**Land Management Program III**  
**(BL-L1008)**

Financial Terms and Conditions			
<b>Borrower:</b> Belize		<b>Amortization Period:</b>	25 years
<b>Executing Agency:</b> Ministry of Natural Resources and the Environment (MNRE)		<b>Grace Period:</b>	3.5 years
		<b>Disbursement Period:</b>	3.5 years
<b>Source</b>	<b>Amount</b>		
<b>IDB (OC)</b>	US\$2,500,000	<b>Inspection and Supervision Fee:</b>	*
		<b>Interest Rate:</b>	LIBOR-based
<b>Local</b>	US\$229,000	<b>Credit Fee:</b>	*
<b>Total</b>	US\$2,729,000	<b>Currency:</b>	Single currency facility in US dollars
Project at a Glance			
<p><b>Project objective/description:</b>  The objective of the Land Management Program III (LMP III) (BL-L1008) is to consolidate and expand land management services country-wide, thereby improving access to these services and their quality and efficiency. The Program consists of three components: (a) Expansion of the Parcel-Based Land Information System; (b) Improvement of Urban Land Information; and (c) Support for the Provision of Modern Land Management Services.</p>			
<p><b>Special contractual clauses:</b>  Conditions precedent to the first disbursement of the Financing: (a) Evidence of the appointment of the Program Coordinator and of the hiring of the Technical Advisor and the Financial/Administrative Specialist as part of the Project Management Team ¶ 3.2; Submission to the Bank of the Terms of Reference for the expansion of the parcel-based land information system to the three remaining sections of the Department of Land Survey (DLS) identified in paragraph 1.19. ¶ 3.7.  Special procurement condition: Sole source contracting for the expansion of the parcel-based information system due to continuation of services ¶ 3.7.  Special execution condition: Submission to the Bank of the final evaluation as part of the reporting requirements ¶ 3.10.</p>			
<b>Exceptions to Bank policies:</b> None			
<b>Project qualifies for:</b> SEQ[ ]    PTI[ ]    Sector[ ]    Geographic[ ]    Headcount [ ]			

(\*) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provision of the Bank's policy on lending rate methodology for ordinary capital loans. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

## **I. DESCRIPTION AND RESULTS MONITORING**

### **A. Background, problem addressed, justification**

#### **1. Context for land management in Belize**

- 1.1 Belize encompasses a total land area of 22,960 km<sup>2</sup> of which 5% is distributed over more than 1,060 islands. Privately held lands represent 54% (approximately 12,400 km<sup>2</sup>) of the total national territory with over 10,000 km<sup>2</sup> distributed in rural parcels greater than 0.4 km<sup>2</sup> (40 ha). While small private urban parcels represent less than 0.1% of the total national territory they account for most of the land transactions. Public lands account for 46% (approximately 10,560 km<sup>2</sup>) of the total land surface of Belize. These public lands are further divided into: (a) protected areas and forest reserves which represent over 30% of the total national territory; and (b) other 'national lands' (16% of the total national territory) which are either already allocated under a government lease or un-leased public land. It is estimated that there are between 200,000 to 225,000 land parcels (100,000 in rural areas) that can eventually form part of the national cadastre and contribute to a dynamic investment market.
- 1.2 The Ministry of Natural Resources and the Environment (MNRE) is responsible for the management of renewable and non-renewable natural resources, including land, and the regulation of the environment in order to foster the sustainable development of Belize. Within the MNRE, the Department of Land and Survey (DLS) oversees the registration of land rights, land valuation for the purpose of determining rent and taxes rates, the allocation of public lands by lease or sale to private ownership, mapping and the management of land information. The DLS is organized into seven sections and six District Offices.

#### **2. Recent developments in land management in Belize**

- 1.3 Over the last decade, the MNRE has embarked on a major process of modernization of its land management services as a means to promote investment in key economic sectors such as agriculture through secured property rights. This has been undertaken with a view of addressing the main problem of tenuous land security associated with the use of two separate ownership registration systems with only one of them (pursuant to the Registered Land Act) providing for effective management of land records and more secure property title associated with a unique identifier for all registered parcels. Other issues that needed to be addressed were the inefficiencies and backlogs created by the reliance on physical folios which relied on time consuming manual searches, rendering difficult the linking of property ownership, value and parcel location.

- 1.4 Building on the gains made with an earlier Bank-financed project (LMP I 1017/OC-BL), the Land Management Program (LMP II – 1322/OC-BL)<sup>1</sup> was designed to support the conversion of a significant portion of the country towards a single Land Registry in both rural and urban areas, with pilot activities in the latter. This was to be accompanied by the development of a capacity to resolve more complex land management functions such as land valuation, land use planning and national land policy. A key concept of the strategy was to sequence investments and activities in step with an institutional strengthening process that would ensure that the changes brought about by the LMP were well absorbed by the MNRE, the executing agency for the Program.
- 1.5 Loan 1322/OC-BL achieved its main objectives as rural land holders of over 16,000 parcels in Corozal, Orange Walk and Belize Districts received secure titles for land they occupied. An additional 7,000 rural parcels were surveyed and declared as registration sections (where it is mandatory to register land transactions). As a result of LMP II, all of the rural land in the Corozal and Orange Walk Districts is now managed under the provisions of the Registered Land Act. Land tenure for over 3,000 km<sup>2</sup> (13% of the total area of the country) was clarified and registered with another 550 km<sup>2</sup> declared. Activities in urban areas were somewhat less successful. Claims were received for 380 parcels in Belize City, rather than the original target of 500 parcels mapped and registered for the pilot urban adjudication. Activities for the declaration of compulsory registration sections for areas encompassing over 20,800 urban parcels in Belize City, Dangriga, San Ignacio/Santa Elena and Orange Walk were not completed as part of the project, due to poor performance by the contractor.
- 1.6 Loan 1322/OC-BL also financed improvements in services for processing land transactions through the deployment of a parcel-based land information system linking data in four of the seven sections of the Department of Land and Survey (Land Registry, Mapping and Surveys, Valuation, Land Information Center). This parcel-based land information system standardized land information in the four sections with a unique land-based Parcel Identification Number (PIN) enabling for the first time links between ownership information, parcel location and size, and value of the property. As a result of LMP II, the MNRE is effectively managing a digital cadastre for 50% of all land parcels in Belize. Likewise, the system: (a) has eliminated the need to maintain, store, move around physical folios containing property documents and the associated risks of losing or damaging them; (b) has reduced significantly the potential for fraud; (c) has enabled the MNRE to respond rapidly to the queries of property owners, attorneys, real estate agents and banks as to the status of their transactions; and (d) has resulted in improved quality assurance as transactions go through a specific and consistent set of automated work steps and queues. The installation of the land information system in four of the seven sections of the DLS has had a

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<sup>1</sup> Loans 1017/OC-BL and 1322/OC-BL are separate loans with distinct components and activities related to land management services that are referred to as LMP I and LMP II respectively by the Government to denote their sequential nature.

significant impact on their operations (see Table I-1) and, in particular, significantly increased the capacity to register land parcels, thus solving the problems with bottlenecks created with the mass adjudications programs in rural and urban areas.

<b>Table I - 1</b>			
<b>Efficiency gains resulting from LMP II</b>			
<b>DLS Section</b>	<b>Transaction type</b>	<b>Pre LIS<sup>2</sup></b>	<b>Post LIS</b>
Registry	Application for land certificate	80 days/transaction	39 days/transaction
Mapping and Survey	Mutation	50 days/transaction	28 days/transaction
Valuation	Property tax assessment	10 transactions/day	50 transactions/day

### 3. Challenges for the future

- 1.7 An [independent final evaluation of the Program](#) (LMP II) concluded that the improvements in land administration services resulting from Loan 1322/OC-BL are noteworthy but geographically restricted and of limited scope. While the framework for a parcel-based information system has been designed and tested, there is a need to extend it to all the sections of the Department of Land and Survey and to the six District Offices to ensure full coverage of the services. Three sections still need to be integrated within the system:
- a. **National estates**, which provides services for approximately 100,000 tenants who periodically want to upgrade their leasehold parcel to freehold, apply for or transfer leases, and make payments on leases. Out-of-district customers currently have to travel to the MNRE offices in Belmopan for these transactions as the District Offices do not have the communications capabilities to provide these services.
  - b. **Physical planning**, which currently processes approximately 30 subdivision applications each month, each representing multi-million dollar investments.
  - c. **Land revenue (cashiers)**, which charges fees, lease rents and property taxes (in rural areas) and collects between US\$5 to 7 million annually<sup>3</sup>, and is thus among the top revenue collectors for the Government.
- 1.8 These three sections still carry out transactions manually with physical files, causing significant delays and the risk of loss and/or damage of records. Land transactions are also exposed to ad-hoc procedures which lead to inconsistency, error and the possibility of fraudulent practices. The consequent lack of transparency, the inability to provide land management services from the District Offices, the lack of on-line access to track transactions, and the poor physical

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<sup>2</sup> Land Information System

<sup>3</sup> Revenues from the Land Registration Section only. MNRE 2009 statistics.



conditions of the offices where customers are received create inconveniences for property owners and tenants, reduce potential revenues and generally hurt the public credibility of the MNRE.

- 1.9 Means are also needed for accelerating the process of first registration in urban areas that have been declared as compulsory registration areas and extending compulsory registration to urban areas not previously covered by the LMP. These improvements are likely to increase revenues collected by the MNRE and, as such, can allow for continued investment in land administration.
- 1.10 The MNRE has recognized that a fundamental issue for ensuring the continued quality of land management services is the sustainability of the improvements introduced with LMP I and LMP II. While bringing the country under the Land Registry Act remains a national priority, strategic planning is needed to set medium-term priorities for urban and rural land adjudication, capacity building and to gradually implement the fees for services strategy in step with the improvements in service delivery.

#### **4. Lessons learned**

- 1.11 The [final evaluation of the LMP II](#), the accompanying [Project Completion Report](#) and the Bank's experience in financing land administration programs in the Region have highlighted several lessons learned that can be applied to the development of a medium to long-term strategy for the sector. Foremost among them are: (a) the outcome indicators must be verifiable (i.e., stated in terms of efficiency, access, quality of land management services) and directly related to the objectives of the Program which must be clearly stated. In the case of LMP II, the nature of the indicators themselves, in some instances, went beyond the project's scope particularly with regard to the improvement of land markets; (b) political commitment to clearly endorsed national land policies (such as the Land Registry Act in the case of Belize) is necessary for the successful modernization of land management services; (c) integration of the program's execution arrangements within the organizational structure and operations of the land authority contributes to sustainability in the medium-term; and (d) mass land adjudication programs can create backlogs at the Land Registry which must be resolved before further expanding adjudication activities. These and other lessons have been applied to the design of the proposed Program.

#### **5. Conceptualization and Program justification**

- 1.12 In order to fully realize the benefits to agriculture and rural areas of the modernization initiated with land management services under LMP II, the proposed Program will complete the shift from manual processing of land transactions and record keeping to streamlined, automated procedures through a parcel-based information system which: (a) improves transparency and greatly reduces the potential for error, fraud and loss of title documents; (b) provides ready access to reports and records; and (c) creates additional revenue streams as

a result of improved services and increased transactions. The intent is to consolidate the efficiency gains obtained with LMP II, thus preparing the Land Registry prior to the increased work load associated with mass land adjudication in the future. In addition, the three new Sections of the Department of Land and Survey targeted for modernization in the current Program (the LMP III) all perform functions that are critical for productive sectors (e.g., National Estates for small farm owners and Physical Planning for tourism developments) as well as revenue generation (Cashiers).

- 1.13 Expansion of land management services to the six District Offices and on-line public access to those services will also significantly reduce transaction costs for property owners, lease holders, banks, law firms and other users who will no longer have to travel to MNRE offices in Belmopan to check the status of transaction requests and to search records. Moreover, mass land adjudication is a key step toward property right clarification in the rural areas of Belize, a necessary condition to increase landholders' asset value and investment in agriculture. Agriculture accounted for 85% of total exported value over the last decade, and 24% of Gross Domestic Product in 2006.
- 1.14 There is also an urgent need to improve urban land information concurrent with the country-wide expansion of land management services. The nine major urban areas in Belize account for the greatest volume of land transactions annually (and therefore the most land-related fees). In addition, increased accuracy of data on urban land parcels and improvements greatly benefits tax valuation assessments and planning of public works. Combining the expansion of the parcel-based information system with the improvements in urban land information will result in measurable benefits in terms of access to, efficiency and quality of land management services and enhanced land revenues. At the end of the LMP III, the MNRE will have added 50,000 urban parcels to the digital cadastre, for a total of 158,000 parcels or 70% of all land parcels in the country.
- 1.15 The proposed Program is consistent with the IDB Country Strategy with Belize (GN-2520-2), specifically with its Country Development Objective 2: Creating the conditions for and restoring private sector led growth. The Strategy calls for the consolidation and improvement of land management services as one of the strategic objectives necessary for creating the conditions for growth in productive sectors such as tourism and agriculture. Expected results under this strategic objective are land tenure clarification in urban areas accounting for the majority of land transactions in the country and the expansion of the land information system nation-wide, both addressed by the proposed Program.

## **B. Objective, components and cost**

- 1.16 **Objective:** The objective of the Program (LMP III) (BL-L1008) is to consolidate and expand land management services country-wide, thereby improving access to these services and their quality and efficiency. This in turn will contribute to the goal of improving land security and a dynamic land market.

- 1.17 **Components:** The Program consists of the following three components: (a) Expansion of the Parcel-Based Land Information System; (b) Improvement of the Urban Land Information; and (c) Support for the Provision of Modern Land Management Services.
- 1.18 **Component 1: Expansion of the parcel-based Land Information System (US\$1.446 million).** With the resources of this component, the parcel-based land information system originally installed in three of the sections of the DLS will be expanded to be fully functioning in all sections of the Department and in all six District Offices, thereby considerably enhancing country-wide access to as well as the quality and efficiency of land management services. During a first phase of the modernization, the component will finance consulting services to consolidate the land information system modules put in-place under the LMP II (cadastre, registry, valuations, reporting, web services and administration) and to complete a thorough analysis of the document scanning, data digitization and information technology needs of the three new sections. Other activities to be financed in this first phase include: (a) 'cross-module' training of a core group of MNRE technicians to enable them become certified users of the land information system; and (b) on-site technical support to customize the existing modules so as to better address the system needs of the MNRE and improve the efficiency of the daily work flow.
- 1.19 Second, in the actual expansion phase, the component will finance the design and installation of the parcel-based land information system in the remaining sections of the DLS (National Estates including the District Offices, Cashiers and Physical Planning). Activities to be financed include: (a) data capture and conversion of approximately 1.5 million land and property documents, maps and taxation rolls; (b) an analysis of the business processes for National Estates, Cashier and Physical Planning services; (c) customization of the land information system software and programming of the new modules; (d) installation of computer equipment and software; (e) loading of the scanned and digitized data; and (f) preparation of manuals and training. This component will also finance the development of an on-line (web-based) Public Access Module which permits public users to access selected property information and land management services from either kiosks located at MNRE or from off-site locations.
- 1.20 **Component 2: Improvement of urban land information (US\$370,000).** The improvements foreseen by this component will facilitate land registration and property valuation in the nine major urban areas of the country. This will have the advantage of accelerating the process of bringing within the Land Registry those parcels which account for the majority of transactions in the country, thereby increasing potential land revenues. The component includes: (a) the improvement of information on urban land parcels as the basis for creating Registry Index Maps (RIMS) and populating the Land Registry with records for parcels in the four urban areas covered by the LMP II (Orange Walk Town, Belize City, San Ignacio/Santa Elena, Dangriga). The aim is to improve the RIMS and facilitate the first registration of urban parcels (estimate of 25,000 parcels) on an

incremental basis through property transactions; and (b) the acquisition of aerial photography and production of 1:1000 scale digital maps of San Pedro Town, Placencia, Corozal Town, Benque Viejo and Punta Gorda (estimate of 25,000 parcels). The digital maps of the urban areas will improve the accuracy of property valuations by allowing MNRE staff responsible for land valuation to easily and cost-effectively identify parcel improvements without visiting the parcel. The digital maps would also be made available for physical planning, civil engineering (public works) and disaster risk management.

- 1.21 **Component 3: Support for the provision of modern land management services (US\$693,000).** This component consists of two activities: (a) physical infrastructure improvements; and (b) strategic planning for national coverage of the Program and policy support for sustainability of land services. The first activity will finance remodeling and physical improvements to the new MNRE building facilities that will house the improved and expanded parcel-based information system and convert them for use as government offices with areas specifically suited for archiving physical property records and providing services to the public. This also includes the purchase of furniture, air conditioning and electric generators, upgrading of information technology infrastructure including electrical wiring and network cabling and upgrading of network capacity.
- 1.22 While the first activity is designed to support the physical requirements of the modernization of land management services, the second activity addresses strategic issues and long-term planning for improving land tenure throughout the country, establishing future priorities for rural and urban adjudication, and ensuring the sustainability of land management services. Consultants will assist MNRE in preparing both a Strategic Plan and Multi-year Investment Plan for improving land tenure and continuing the modernization of land management services on a national basis using a medium-term programmatic approach whereby investments can be made in sequential phases and considered for future financing, as well as developing and implementing an updated User Fee Policy for the land services provided by the Ministry.
- 1.23 **Cost:** The total cost of this Program is estimated in an amount equivalent to US\$2.729 million. The Bank will finance US\$2.5 million with resources of the Single Currency Facility of its Ordinary Capital and Belize will finance US\$229,000 as counterpart contribution. The following table summarizes costs by component and source of funding:

<b>Table I – 2 Budget</b>				
<b>Category</b>	<b>IDB/OC</b>	<b>Local</b>	<b>Total</b>	<b>%</b>
<b>1. Administration and supervision*</b>	<b>155,000</b>	<b>0</b>	<b>155,000</b>	<b>5.7</b>
<b>2. Direct Costs</b>	<b>2,280,000</b>	<b>229,000</b>	<b>2,509,000</b>	<b>91.9</b>
2.1 Consolidation and expansion of the parcel-based land information system	1,417,000	29,000	1,446,000	53.0
2.2 Improving urban land information to facilitate land registration and property valuation	370,000	0	370,000	13.5
2.3 Supporting the provision of land management services and strategic planning	493,000	200,000	693,000	25.4
<b>3. Audit/evaluations</b>	<b>65,000</b>	<b>0</b>	<b>65,000</b>	<b>2.4</b>
<b>Total</b>	<b>2,500,000</b>	<b>229,000</b>	<b>2,729,000</b>	<b>100</b>
<b>Percentage by source of financing</b>	<b>92</b>	<b>8</b>	<b>100</b>	

\*Includes Financial/Administrative Specialist, Technical Advisor and short- term consultants.

### C. Key results indicators

- 1.24 The key indicators selected for the Program are presented below with the complete set of indicators included in the Results Framework (Annex II).

<b>Table I-3 Key Indicators</b>	
<b>Key indicators</b>	<b>Reason for selecting indicator</b>
Average time in days to register property transactions in the Land Registry	Measures the efficiency gains expected from the expansion of the parcel-based information system in providing improved land management services to the general public.
Average time in days to add parcels or complete parcel mutations in the Survey and Mapping Section	Measures increased accuracy of land management services.
Percentage of out-of-district customer transactions for National Estates conducted at District Offices	Measures the impact of the expansion of the parcel-based information system on improved accessibility of land management services for property owners residing outside Belmopan.
Increase (percentage) in annual revenues generated from MNRE land fees and taxes	Measures improved financial sustainability of land management services.

### D. Viability

#### 1. Financial and economic viability analysis

- 1.25 Land management programs generate a series of economic and social benefits for the country. Not only does asset value of landholders increase through land prices increases, but also investment and productivity, particularly in the agricultural sector. These benefits arise from the fact that modern land management systems

increase tenure security by easing registration of land transactions as user costs are reduced and transparency is increased. Transaction costs include those incurred by financial institutions and potential buyers, which can use the system to verify property rights, but also to process the transaction.

- 1.26 The government also benefits from a more robust and reliable system, because transactions generate revenue to provide financial sustainability to the proposed investments. By using historical data and reports from the land information system, a revenue flow was calculated for a period of 20 years ([see Economic and Financial Analysis](#)). This revenue comes from registration fees and fees for the transfer of private lands. The MNRE has a wider range of fees (for other services related to land management) but only fees for private land transfers have been considered because they are the most important in terms of number of transactions carried out and revenues collected. The revenue flow was then compared with the cost flow from the investment which will be financed with the resources of the LMP-III Loan and the corresponding annual operational costs. The results show that if the number of transactions increases by 6%, the project will pay back the investment. It is important to note that a 6% increase in the number of transactions, represents only 171 transactions per year, a conservative estimate of the increase in transactions expected as a result of LMP III. This cash flow analysis does not take into consideration economic benefits such as increases in productive investment or value change to land.
- 1.27 Finally, operational costs represent only 5.5% of the total budget of the DLS and 3.4% of the MNRE. Operational costs include maintenance of software, equipment and incremental personnel. It is not expected that these costs will represent a burden for the MNRE and will be more than compensated with the increase in revenues.

## II. FINANCING STRUCTURE AND MAIN RISKS

### A. Financing instruments

- 2.1 The Revolving Fund for this operation will amount to 5% of the Financing. The disbursement period of the Program is 42 months from the date of entry into force of the Loan Contract.

Table II – 1 Disbursements				
Source	Year 1	Year 2	Year 3	Total
IDB (OC)	750,000	1,200,000	550,000	2,500,000
GBL	200,000	29,000		229,000
Total	950,000	1,229,000	550,000	2,729,000

- 2.2 The Bank will recognize expenditures incurred by the Borrower in connection with the Program between September 1st, 2009 and the date of approval of the Loan by the Board of Executive Directors as follows: (a) up to US\$229,000 chargeable to the local counterpart relating to infrastructure improvements and

training; and (b) up to US\$125,000 chargeable to the Financing relating to the expansion of the parcel-based information system.

## **B. Environmental and social safeguard risks**

- 2.3 The Environmental and Social Strategy (ESS) for the Program was presented to the IDB Environmental and Social Review in April 2009 (session ESR 20-09). The ESS presented the Program as a Category B in accordance with the IDB Environment and Safeguards Compliance Policy. The “B” classification was attributed to the inclusion of land adjudication activities which have since been eliminated from the design. In addition, the authorities have informed the Bank that, regarding the Maya communal land issue<sup>4</sup>, the matter was still before the courts; that no official ruling has yet been handed down and, as such, that it would not be a matter that could be addressed by the Program.
- 2.4 The resulting Program encompasses software development for the parcel-based information system, the acquisition of computer equipment, training and technical assistance, and the refurbishment of two existing buildings (rewiring, telecommunications, air conditioning, furniture). As such, it is not expected to result in any significant negative direct, indirect or cumulative social or environmental impacts. The Program Operating Manual to be updated by the Executing Agency will require that measures be taken to minimize the carbon footprint of the refurbished buildings. Therefore, the Program has been reclassified as a Category C.
- 2.5 The Program is expected to result in positive social impacts particularly in that it will significantly improve the access to efficient land management services of rural and urban residents living outside Belmopan.

## **C. Fiduciary risk**

- 2.6 The institutional assessment of the MNRE utilized a basic SECI methodology complemented by interviews with Government officials ([see Institutional Analysis of MNRE](#)).<sup>5</sup> The results revealed medium development and moderate risks in most of the eight categories of assessment: Planning System; Organizational Management; Personnel Management; Goods and Services Management; Financial Management; Internal Controls; and External Controls. The institution had medium development in organizational, personnel and financial management and was weakest in the areas of planning and internal controls. Other factors coming into play are: (a) the previous loans (LMP I and II), financed activities to support the institutional strengthening of the MNRE, including the development of an internal procedures manual, administrative

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<sup>4</sup> The issue relates to the formal recognition of the existence of collective rights of Mayan communities over lands in Southern Belize.

<sup>5</sup> The SECI analysis was conducted for BL-L1006 in 2008.

training and an analysis of its fees for services structure; (b) the principal Department to benefit from the institutional strengthening activities to be financed under this Program (the DLS) has a well-established structure with functions clearly defined for each of the sections and positions; (c) the parcel-based land information system enables an automated monitoring of transactions made by the Department and, as such, results in more transparent operations; and (d) the land information system also generates productivity statistics and reports which will permit closer control on the part of MNRE senior management.

- 2.7 The MNRE has experience managing projects with international financing, including Bank-funded programs. To mitigate the risk of delays associated with the relative lack of experience with the Bank's procurement policies, assistance will be provided to the MNRE with procurement procedures during at least the first year of program implementation. The appointment of the members of a Project Management Team with both fiduciary and technical capacity will ensure that these risks do not cause untimely delays in execution.

**D. Other key issues and risks**

- 2.8 The principal risks associated with the Program are identified in the table below along with measures to manage those risks:

<b>Table II – 2</b>	
<b>Risks</b>	
<i><b>Risks</b></i>	<i><b>Risks Management Actions</b></i>
1. Lack of sustainability in the upgrade of land management services and facilities	Inclusion of a strategic and investment plan for the medium-term development of land management services including implementation of an improved user fee strategy and introduction of a public on-line access module to create increased revenue stream for MNRE.
2. Vulnerability of upgraded infrastructure and system to natural disasters (hurricanes and floods).	MNRE new building facilities and system back-up specifications are designed to be weather-proof.

**III. IMPLEMENTATION AND MANAGEMENT PLAN**

**A. Summary implementation arrangements**

**1. Borrower and Executing Agency**

- 3.1 The Borrower will be Belize and the Executing Agency will be the Ministry of Natural Resources and the Environment (MNRE).
- 3.2 The MNRE, through its Chief Executive Officer (CEO), will be responsible for the appointment of a Program Coordinator within its organizational structure who will assist the CEO in coordinating day-to-day project-related activities and communications within the DLS and other Sections of the Ministry participating



in the Program and liaison with the Bank. The Program Coordinator will be supported by a Project Management Team (PMT) consisting of: (a) a Technical Advisor to assist with monitoring project objectives and indicators, reporting, advising on technical activities and providing guidance on operational aspects of the project including procurement for technical services, preparing technical specifications and reviewing/evaluating technical proposals; and (b) a Financial/Administrative Specialist to assist with maintaining accounting and financial controls as well as appropriate documentation for verification by the Bank and the external auditing firm. The PMT will also be supported, as needed, by short-term specialized consultants to address technical, operational and monitoring aspects of Project execution. **Evidence of the appointment of the Program Coordinator and of the hiring of the Technical Advisor and of the Financial/Administrative Specialist to be part of the PMT will be a condition precedent to first disbursement of the Financing.**

- 3.3 The PMT will have the following responsibilities during program implementation: (a) prepare and obtain Bank approval for all bidding documents required to hire consulting firms, for the acquisition of goods and the construction of works; (b) carry out, control and register all administrative and accounting procedures needed; (c) coordinate the bidding processes according to the Bank's procurement policies and the national procurement legislation; (d) monitor contracts; (e) maintain adequate accounting and financial controls as well as appropriate support documentation filing systems for verification by the Bank and the external auditing firm; (f) prepare and submit to the Bank disbursement requests and corresponding justification of expenses; (g) prepare and submit to the Bank semiannual reports on the revolving fund, program execution including annual updates of the Annual Plan of Operations (APO), audited financial reports, and other financial reports as required by the Bank; (h) record and control the results of the Program through the agreed indicators; and (i) address and resolve contractor claims and address related contract adjustments. In addition, the PMT will maintain separate files for the operations of the Program, and allow for financial and accounting monitoring of the Bank resources, and the local counterpart, in accordance with Bank requirements.

## **2. Program Operating Manual (POM)**

- 3.4 A POM was prepared and used for LMP II to guide execution, setting out the responsibilities, norms and procedures for programming activities, preparing APOs, procurement as well as record-keeping and reporting and monitoring and evaluation. MNRE will update this POM for the purposes of execution of this Program.

## **3. Maintenance**

- 3.5 The MNRE will submit annual reports on the status of the works and equipment included in the Program and annual maintenance plans for the corresponding year,

as of the date of completion of the first work under the Program and up to three years following completion of the last work under the Program.

## **B. Procurement**

- 3.6 Procurement of contracts to be financed with resources of the financing will be carried-out in accordance with the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (GN-2349-7); and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-7) both of July 2006.
- 3.7 At the request of the Government, Stewart Global Solutions will be contracted to provide the services for the expansion of the parcel-based land information system to three remaining sections of the DLS. Stewart Global Solutions was the consulting firm contracted to design and undertake the installation of the land information system to the first four sections of DLS during LMP II which has been successfully completed. The justification for the sole source contracting is as follows: (a) the expansion of the land information system to the three remaining sections of the DLS represents a natural continuation of the design and installation of the land information system carried out by Stewart Global Solutions during LMP II; (b) the initial assignment was awarded on a competitive basis; (c) the sole source contracting will ensure continuity in the technical approach provided for the installation of the parcel-based information system. Now that the majority of registry, valuation and cadastral processes are performed using the land information system (and no longer in manual form), the system must be expanded to the remaining DLS sections using the same specifications and a technological platform that must be completely compatible with the installation in the other sections to enable the full integration of all land management functions and the achievement of the quality, accessibility and efficiency gains sought by the project; (d) Stewart Global Solutions has acquired considerable experience during LMP II regarding the specific needs and highly specialized requirements for the administration of land management services by the MNRE in Belize; (e) continued professional liability; and (f) satisfactory performance was exhibited by Global Stewart Solutions in the provision of services for the installation of the parcel-based information system during LMP II. Owing to the services provided by Stewart Global Solutions during LMP II, the Land Registry, Valuations and Cadastre Sections have now completed the shift from manual processing of transactions to digital folio management. **Submission to the Bank of the Terms of Reference for the expansion of the parcel-based land information system to the three remaining sections of the Department of Land and Survey (DLS) identified in paragraph 1.19 will be a condition precedent to the first disbursement of the Financing.**

## **C. Monitoring and evaluation**

- 3.8 **Monitoring.** The MNRE will monitor and evaluate compliance against the periodic targets for outcomes and outputs established in the Results Framework

(Annex II). The land information system includes a reporting module that will be used to track automatically the achievement of the outcome indicators and monitoring the impact of the project. Standard reports for registry, cadastre and valuation processes, valuation summaries, land revenue generation and existing work queues can be generated on a set periodic schedule linked to the submission of reports to the Bank and as needed.

- 3.9 The MNRE will prepare a monitoring report on the progress and results of program activities and submit it to the Bank no later than 30 days before the conclusion of every calendar semester. The reports will focus on the output indicators and progress against the outcomes presented in the Results Framework, and will analyze any problems encountered in execution as well as present the corresponding mitigating measures to be adopted. The report for the second half of each year will also include the APO for the following calendar year, with a disbursement forecast and an updated procurement plan. Any adjustments to the Program emerging from discussion of these reports will be agreed with the Bank in the course of semiannual meetings with MNRE.
- 3.10 **Evaluation.** The borrower will hire a consultant to conduct a final evaluation in accordance with Terms of Reference previously approved by the Bank. The final evaluation will be submitted to the Bank after 90% of the resources of the Financing have been committed but prior to final disbursement. This final evaluation will assess: (a) degree of attainment of targets as set out in the Results Framework and reasons for any variances; (b) effectiveness of the organization and arrangements established for program execution, including the integrated monitoring system; (c) sustainability of the activities funded under the program; and (d) lessons learned that could be applied to future projects in this sector. The results of this final evaluation will be made available through the MNRE's website and used for the program completion report to be prepared by the Bank. Once approved by the Bank, the monitoring and evaluation reports will be posted on the MNRE's website and, together with supporting documentation and statistical data, will be kept available for any ex-post evaluations that the government or the Bank might decide to perform after completion of the Program. **The submission to the Bank of the final evaluation as part of the reporting requirements is a special condition for execution.**

## **ANNEX I**

### **Confidential Information**

**BELIZE**  
**Land Management Program III**  
**(BL-L1008)**  
**ANNEX II**  
**Results Framework**  
**Matrix of Indicators**

<b>Project Objective</b>	The objective of the Land Management Program III (LMP III) (BL-L1008) is to consolidate and expand land management services country-wide, thereby improving access to these services and their quality and efficiency.
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Outcome Indicators	Base (2008)	Year 1	Year 2	Year 3	-	Target	Observations
1. Average time in days to register property transaction in Land Registry	39 work days				-	10 work days	<i>Baseline verified during analysis mission</i>
2. Average time in days to add parcel or complete parcel mutation in the Survey & Mapping Section	28 work days				-	10 work days	<i>Baseline verified during analysis mission</i>
3. Percentage of out-of-district customer transactions for National Estates conducted at District Offices	0%					80%	
4. Increase (percentage) in annual revenue generated from MNRE land fees and taxes	2008 Revenues (as reported by Land Folio for Registration Section): 10,986,909 BZ					20% increase	<i>Baseline from MNRE 2008 statistics</i>

<b>Component 1. Expansion of the Parcel-based Land Information System</b>							
	Base	Year 1	Year 2	Year 3	-	Target	Observations
1. Land Folio system modules functioning in MNRE	3	0	4	0		7	<i>Target includes National Estates, Cashier, District Offices, Physical Planning and Public Access Modules.</i>
2. Number of district offices with national state and cashier system module functioning	0	2	4	0		6	
3. Percentage of tax rolls that are digitized	0	20	40	60		60%	
4. Cross-module' certified users of Land Folio	0	6	6	0		12	
<b>Results: Component 1</b>							
1. Average time in days to register property transaction in Land Registry	39 work days		20 work days	10 work days		10 work days	<i>Efficiency gains should accrue as new modules and district offices are integrated into the system</i>

2. Increase (percentage) in annual revenues generated from MNRE land fees and taxes	2008 Revenues (as reported by Land Folio for Registration Section): 10,986,909 BZ	0%	10%	20%		20%	
<b>Component 2. Improving Urban Land Information to Facilitate Land Registration and Property Valuation</b>							
	<b>Base</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>-</b>	<b>Target</b>	<b>Observations</b>
1. Number of towns with photography and digital mapping	0	0	5	0	-	5	Towns are San Pedro Town, Placencia, Corozal Town, Benque Viejo and Punta Gorda
2. Data of urban parcels for LMP II Towns entered into cadastre module	0	5,000	20,000	-	-	25,000	
<b>Intermediate outcome</b>							
1. Registry Index Maps of urban areas created	0	80	330			410	
<b>Component 3. Supporting the Provision of Modern Land Management Services</b>							
	<b>Base</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>-</b>	<b>Target</b>	<b>Observations</b>
1. Percentage completion of refurbishment and upgrading to receive new system	0	70%	100%	100%	-	100%	Includes district offices.
3. Strategic Plan and Multi-year Investment Plan for improving land tenure and modernization of land management services nationwide (includes the user fee policy)	0	0	0	1		1	
<b>Intermediate Result</b>							
1. Percentage of clients receiving services through the new system	0	50%	70%	100%	-	100%	Includes district offices.
<b>Results: Component III</b>							
3. Percentage of out-of-district customer transactions for National Estates conducted at District Offices	0%	30%	60%	80%		80%	

**ANNEX III**  
**Summary Procurement Plan**

**General Information**

**Country:** *Belize*

**Borrower:** *Belize*

**Executor:** *Ministry of Natural Resources and the Environment*

**Name of the project:** *Land Management Program III*

**Project number and loan number:** *BL-L1008*

**Brief description of objectives and components of the Project:** *The objective of the Land Management Program III (LMP III) (BL-L1008) is to consolidate and expand land management services country-wide, thereby improving access to these services and their quality and efficiency. This in turn will contribute to the goal of improving land security and a dynamic land market. The Program consists of the following three components: (a) Expansion of the Parcel-Based Land Information System; (b) Improving Urban Land Information to Facilitate Land Registration and Property Valuation; and (c) Supporting the Provision of Modern Land Management Services.*

**Date of approval by the Executive Board:** *Pending*

**Date of signature of the loan contract:** *Pending*

**Estimated date for the last disbursement:** *January, 2013*

**Address and contact information of the Executing Agency in charge of the Procurement Plan:**

*Ministry of Natural Resources and the Environment*

*Market Square, Belmopan City, Belize*

*Phone: 501-822-2630 FAX: 501-822-2333*

*[www.mnrei.gov.bz](http://www.mnrei.gov.bz)*

**PROCUREMENT TABLE**  
**LAND MANAGEMENT PROJECT III (LMP III)**  
**(BL-L1008)**

Description of the contract and estimated cost of procurement	Procurement method <sup>1</sup>	Review (prior or post)	Source of financing and percentage		Prequalification (Yes/No)	Estimated dates		Status (pending, in process, awarded, cancelled)	Comments
			IDB %	Local/other %		Publication of specific procurement notice	Completion of contract		
<b><u>1. Goods</u></b>									
<ul style="list-style-type: none"> <li>Back-up electrical generators for MNRE Building A and B Estimated cost (US\$50,000)</li> </ul>	PC	Prior	100	0	No	January/2010	May/2010	Pending	
<ul style="list-style-type: none"> <li>Upgrade of Internet service (bandwidth) for MNRE (connection, equipment, set and cost of service for 36 months) Estimated cost (US\$75,000)</li> </ul>	DC	Prior	100	0	0	January/2010	March/2010	Pending	Service upgrade will need to purchased from Belize telecommunications provider
<b><u>2. Consulting Services</u></b>									
<ul style="list-style-type: none"> <li>Consolidation and preparation for expansion of parcel-based information system Estimated cost (US\$ 123,500)</li> </ul>	SSS	Prior	100	0	Yes	Oct/2009	Dec/2009	Pending	Continuation of specialized technical services from Stewart Global Solutions
<ul style="list-style-type: none"> <li>Expansion of the Parcel-based Land Information System for National Estates, District Offices, Cashier Section and</li> </ul>	SSS	Prior	100	0	Yes	January/2010	June 2011	Pending	Continuation of specialized technical services from Stewart Global Solutions

<sup>1</sup> **ICB:** International competitive bidding; **LIB:** limited international bidding; **NCB:** national competitive bidding; **PC:** price comparison; **DC:** direct contracting; **FA:** force account; **PSA:** Procurement through specialized agencies; **PAs:** Procurement agents; **IA:** Inspection agents; **PLFI:** Procurement in loans to financial intermediaries; **BOO/BOT/BOOT:** Build, own, operate/build, operate, transfer/build, own, operate, transfer; **PBP:** Performance-based procurement; **PLGB:** Procurement under loans guaranteed by the Bank; **PCP:** Community participation procurement; **QCBS:** Quality- and cost-based selection **QBS:** Quality-based selection **FBS:** Selection under a fixed budget; **LCS:** Least-cost selection; **CQS:** Selection based on the consultants' qualifications; **SSS:** Single-source selection.



Description of the contract and estimated cost of procurement	Procurement method <sup>1</sup>	Review (prior or post)	Source of financing and percentage		Prequalification (Yes/No)	Estimated dates		Status (pending, in process, awarded, cancelled)	Comments
			IDB %	Local/other %		Publication of specific procurement notice	Completion of contract		
Physical Planning (including provision of technical services, equipment and software) Estimated cost (US\$1,338,500)									
<ul style="list-style-type: none"> <li>○ Consultant to serve as Technical/Operational Advisor to the Office of the Commissioner of Lands and Surveys Estimated cost (US\$45,000)</li> </ul>	CQS	Prior	100	0	No	January/2010	December/2013	Pending	
<ul style="list-style-type: none"> <li>○ Consultant to serve as Financial and Administrative Specialist to the Office of the Commissioner of Lands and Surveys Estimated cost (US\$60,000)</li> </ul>	CQS	Prior	100	0	No	January/2010	December/2013	Pending	
<ul style="list-style-type: none"> <li>○ Various specialized short-term technical consultants as needed to support Project execution Estimated cost (US\$45,000)</li> </ul>	CQS	Prior	100	0	No	January/2010	December/2013	Pending	
<ul style="list-style-type: none"> <li>○ Short-term Consultant for the preparation of Strategic Plan and Multi-year Investment Plan (including User Fee Strategy) for land tenure security and continued modernization of land management and administration services Estimated cost (US\$35,000)</li> </ul>	CQS	Prior	100	0	No	January/2011	September/2011	Pending	
<b>3. Civil works</b>									
<ul style="list-style-type: none"> <li>○ Upgrade of information technology infrastructure (electrical wiring, network cabling, etc.) at MNRE</li> </ul>	NCB	Post	100	0	No	May/2009	March/2010	In Process	Current Government of Belize Procurement in process of selection in accordance with

Description of the contract and estimated cost of procurement	Procurement method <sup>1</sup>	Review (prior or post)	Source of financing and percentage		Prequalification (Yes/No)	Estimated dates		Status (pending, in process, awarded, cancelled)	Comments
			IDB %	Local/other %		Publication of specific procurement notice	Completion of contract		
Building A Estimated cost (US\$148,000)  ○ Remodeling of Building A and B (installation of second level and stairs, structural strengthening of upper floor, installation of information kiosks, service counters, cashier stations, fixed seating, office cubicles, air conditioning etc.) Estimated cost (US\$390,000)	NCB	Prior	49	51	No	January/2010	May/2010	Pending	national procedures
<b>4. Services other than consultancies</b> ○ Large scale aerial photography and mapping of five towns and development of accurate parcel data base for 25,000 parcels Estimated cost (US\$375,000)	ICB	Prior	100	0	Yes	July/2010	August/2011	Pending	

1 If several similar contracts were being considered in different areas or periods of time, they can be aggregated under one process with an explanation in the comments column indicating the individual value of each contract.

2 Goods and Works: ICB: International competitive bidding; LIB: limited international bidding; NCB: national competitive bidding; PC: price comparison; DC: direct contracting; FA: force account; PSA: Procurement through Specialized Agencies; PA: Procurement Agents; IA: Inspection Agents; PLFI: Procurement in Loans to Financial Intermediaries; BOO/BOT/BOOT: Build, Own, Operate/Build, Operate, Transfer/Build, Own, Operate, Transfer; PBP: Performance-Based Procurement; PLGB: Procurement under Loans Guaranteed by the Bank; PCP: Community participation procurement. Consulting Firms: QCBS: Quality- and Cost-Based Selection QBS: Quality-Based Selection FBS: Selection under a Fixed Budget; LCS: Least-Cost Selection; CQS: Selection based on the Consultants' Qualifications; SSS: Single-Source Selection. Individual Consultants: NICQ: National Individual Consultant selection based on Qualifications; IICQ: International Individual Consultant selection based on Qualifications

3 It only applies to the new Policies for Works and goods. In the case of old policies, it also applies to consultancies.

4 The column "status" can be used to indicate retroactive procurement and updates to the procurement plan.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-\_\_\_/09

Belize. Loan \_\_\_\_/OC-BL to Belize  
Land Management Program III

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with Belize, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a land management program III. Such financing will be for the amount of up to US\$2,500,000, from the resources of the Single Currency Facility of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on \_\_ \_\_\_\_\_ 2009)

LEG/SGO/CID/IDBDOCS#2164454  
BL-L1008