

TECHNICAL COOPERATION PROFILE

I. BASIC PROJECT DATA

Country:	Belize
Program Name/Number:	Domestic Airstrips/BL-T1026
Team Leader/Members:	Leader: Néstor Roa (INE/TSP); other members: Jean-Paul Velez and Giovanna Mahfouz (INE/TSP); and Cristina Landázury (LEG/SGO).
Date of Request:	December 12, 2008.
Beneficiary:	Belize
Executing Agency:	Belize Airport Authority – The Bank will hire the consultant services required for the Project (see 5.1)
Financing plan:	IDB (FGE): € 36,900 Equivalent US\$ 47,206
Technical and Basic Responsibility:	INE/TSP
Tentative Dates:	Approval: March 2009.

II. BACKGROUND

A. Domestic airstrips as a priority

- 2.1 The improvement of domestic airstrips in Belize is a priority for the tourism subsector and the overall economic development of the country. Tourism is one of the main engines of growth in the Belizean economy and the principal source of foreign exchange. The sector generated US\$290 million in visitor expenditures in 2007, thus accounting for 71% of total services exports and corresponding to 22.4% of GDP.¹ As such, tourism is the largest sector of the economy and an important source of employment².
- 2.2 Over the years Belize has become a major attraction for cruise and overnight tourism³. A unique country geographically and culturally, Belize's unspoiled virgin forest and historical cultural sites along with the fact that it is the only

¹ Source: Central Bank of Belize

² Over 25% of the employed labor force are estimated to be related to or driven by the sector.

³ A total of 251,000 overnight visitors were recorded in 2007, approximately 29% of all arrivals. Cruise passenger arrivals grew from 14,183 in 1998 to 624,000 in 2007 or approximately 71% of all tourist arrivals.

English speaking country in Central America and fairly close to the USA have made of Belize a destination highly regarded by tourists.

- 2.3 Increasing expenditures by the overnight segment by offering a more diversified yet sustainable product is now recognized as a cost effective manner of ensuring that the tourism sector contributes to local economic development. Recent experience with the popularity of adventure and other specialty tours (e.g., cave tubing) suggests that there are untapped opportunities that could help diversify the tourism product, raise occupancy rates, and consolidate the overnight segment without jeopardizing the country's branding. To do so however, the sector must overcome basic constraints including limited access. Transport infrastructures in general and domestic airports in particular are needed to connect land and marine corridors that link both popular and emerging destinations.⁴ This is viewed as an important factor given that the competitiveness of Belize's tourism product depends in large part on exploration, adventure and experiencing the authentic culture and history of the country.
- 2.4 The need therefore arises for the drastic revamping of all major municipal airstrips in an effort to be able to capitalize from and service any growth in tourism. This fact is even more emphasized in light of the implementation of the strategic plans of the Ministry of Tourism to further grow tourism in Belize. Increased accessibility by air will allow cruise tourist quick access to more of what Belize have to offer, and by extension impact on a larger local public.

B. Airport Institutional

- 2.5 The two organs responsible for the Aviation sector are: (a) the Belize Airports Authority (BAA), which regulates airports in the country including The International Airport, which since 2004 has been managed under a concession contract with Belize Airport Concession Company Limited. This company will operate and manage the PGIA until 2034; and (b) the Civil Aviation Department (DCA), which acts as a regulatory body while operating the government-owned airstrips and staffing the control tower at the international airport. The aerial navigation services provided by the DCA relate to the immediate area of the International Airport. Regional aerial navigation and air traffic control services are provided by COCESNA (Corporación Centro Americana de Servicios de Navegación Aérea).
- 2.6 International air traffic is handled through the PGIA located 16 km from Belize City, with flights to and from Miami, Houston, New Orleans, Atlanta, Los Angeles and cities in neighboring countries. It is the only airport capable of accepting jet airplanes. It can accommodate airplanes up to the Boeing 767, and easily takes the Boeing 727 and 737 that are deployed on most of the region's services. Domestic air transport plays a limited role, albeit of some importance for tourist traffic to the cays, especially San Pedro, Dangriga and Placencia. Besides the Municipal Airport at Belize City, some paved and unpaved airstrips exist

⁴ Transport Sector Policy Note; Belize Exporting for Growth: Trade Sector Policy Note, October 2007.

throughout the country (in Corozal, Orange Walk, Dangriga, Punta Gorda, Belmopan, San Pedro, Caye Caulker, Augustine Pine Ridge and Belize City). The airstrips at district capitals are government owned and operated by the BAA inclusive of Belize Municipal and San Pedro. In general, the domestic airstrips suffer from failure to meet ICAO safety requirements and are being encroached by housing and agriculture.

III. OBJECTIVE AND DESCRIPTION

A. Objective

- 3.1 The objective of this technical cooperation project is the contracting and execution a consultancy study to review and make recommendations on the existing medium and long term plans for the development of municipal airports in Belize and recommend the strategy to finance the investments and operating cost of these facilities.

B. Description

- 3.2 The study is geared toward establishing the medium and long term investments required by the municipal airports. The analysis will allow to determine the financial and economic feasibility of the investment program. The consultant will also provide specific recommendations on the best strategies available to manage the airports and their investment programs, finance, operate and maintain the facilities, taking into account the current revenue stream of the overall airport system.
- 3.3 The main activities of the consultancy are: (i) diagnostic on current condition of facilities; (ii) traffic forecast; (iii) capacity analysis; (iv) operational and expansion requirement analysis; (v) analysis of the existing investment plan; and (vi) conceptualization of the financing plan.

IV. JUSTIFICATION

- 4.1 Importance of domestic airstrips for the future development of the tourism sector in Belize is the main project justification. The consultancy to be financed will enable the authorities to make the optimal decisions to undertake the required investments in this sector.
- 4.2 The operation is also aligned with the objectives of the new country strategy of the Bank with Belize, which is expected to be approved in the first quarter of 2009. One of the objectives of the strategy, is to support the sustainable development of the tourism sector which is the major revenue generator for the country. Recently, the Bank approved a sustainable tourism project for Belize that among other things will enhance the main tourism destinations of the country. In this context, the strategy also proposes strengthening the environmental and tourism infrastructure.

- 4.3 Municipal airstrips are the main transport mode to reach the tourism destinations and they need to be prepared to support the additional demand. On the other hand, the country has a reduced debt absorption capacity and for that reason, Bank's strategy is to utilize, as much as possible, technical cooperation resources and private sector financing. In summary, this project is the key to evaluate different alternatives of Bank participation in the expansion of domestic airports, supports a major objective of the Bank's strategy in Belize and is a priority for the government.

V. EXECUTION

- 5.1 The Executing Agency will be BAA. In accordance with the Donor's disposition, the Bank will hire the consultant services required for the Project. As established in the protocol signed between Spain and the Bank on March 18 2001, 50% of the program funds must apply to contracting Spanish consultants. The other 50% can be applied toward the payment of consultants from countries that are Bank members. All contracting will follow Bank policies for the selection and contracting of consultants (GN-2350). The project will be executed in seven months and disbursed in nine months.

A. Cost and financing.

- 5.2 The total cost of the Bank's contribution will be 36,900 Euros (US\$47,206), drawn from the General Cooperation Fund of Spain – Technical Cooperation Program (FGE). The estimated budget is presented in the following table.

ITEM		Unit	Unit Cost	Quantity	FGE
Consultant Fees	International Consultants	days	€ 430	70	€ 30.095
Plane Tickets	Two international trips to - Belize City	Number	€ 2.010	2	€ 4.020
	Domestic Trip	Number	€ 59	5	€ 295
Travel Expenses	Per Diem Belize	days	€ 166	15	€ 2.490
TOTAL EUROS					€ 36.900
TOTAL US\$					47.206

Exchange rate US \$1: 1.2793 Euros⁵

⁵ For budgeting purposes the estimate is based on the exchange rate for February 12, 2009 as reported by the Finance Department Intranet site.

B. Responsibility in the Bank

5.3 **Technical Responsibility:** Néstor Roa (INE/TSP), Tel: +1 202 623-1829, fax +1 202-623-1953 (Team Leader).

5.4 Responsibility for Disbursements: INE/TSP.

VI. ENVIRONMENTAL AND SOCIAL STRATEGY

6.1 The studies to be financed by the technical cooperation will produce an investment plan and a financial strategy. The Project will be limited to consultancy services and will not create negative social or environmental impacts. The project has been classified as category C.

VII. RECOMMENDATION:

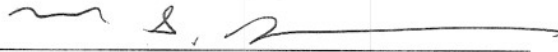
7.1 Néstor Roa (INE/TSP), designated team leader for the project of the reference, recommends the approval of this operation and the use of resources from the General Cooperation Fund of Spain (FGE) totaling up to 36,900 Euros in order to finance the corresponding project.

VIII. CERTIFICATION:

8.1 I hereby certify that this operation was approved for financing under the Spanish Framework General Cooperation Fund (FGE) through a delegation of authority from the Ministry of Finance of Spain to the Bank dated on November 3, 2008. Also, I certify that resources from the Spanish Framework General Cooperation Fund (FGE) are available for up to €36,900 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of twelve (12) calendar months counted from the date of signature below. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted.

8.2 The commitment and disbursement of these resources shall be made only by the Bank in Euros. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the

implementation of this Technical Cooperation Profile. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.



Marguerite S. Berger
Jefe

Unidad de Gestión de Donaciones y Cofinanciamiento
VPC/GCM

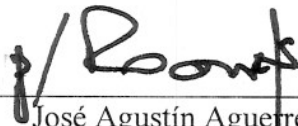
3/26/09

CA

Fecha

IX. APPROVAL

Aprobado:



José Agustín Aguerre, Jefe
INE/TSP

Fecha:

26/11/09

**GOVERNMENT OF BELIZE*****Ministry of Economic Development,
Commerce and Industry, and Consumer Protection***

**Fax: (501)822-3673
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Your Ref.:
Our Ref.: IA/IB/1/6/2009(41)**

**P.O. Box 42
Sir Edney Cain Building
Belmopan City
Belize, Central America**

March 18, 2009

Ms Caroline Clarke
Country Representative
Inter-American Development Bank
1024 Newtown Barracks
Belize City

Dear Ms Clarke

Re: Request for a Non-reimbursable Technical Cooperation – Municipal Airstrips Development

Further to discussions held between relevant authorities and the Bank on the above-captioned subject, the Government of Belize would like to formally request non-reimbursable technical support for the development of its municipal airstrips.

The main objective of the TC is to prepare an investment strategy that will guide the long term development and management of the network of airstrips located in Belize.

We look forward to hearing from you at your earliest convenience.

Yours sincerely

MINISTRY OF ECONOMIC DEVELOPMENT

A handwritten signature in black ink, appearing to read "Duane Belisle".

Duane Belisle
(for) Chief Executive Officer

Cc Mr Joseph Waight, Financial Secretary, Ministry of Finance
Ms. Yvette Alvarez, Senior Adviser, Ministry of Finance
Mr. Michael Singh, Chief Executive Officer, Ministry of Tourism
Mr. Kenworth Tillett, General Manager, Belize Airports Authority

BELICE (BL-T1026)
DOMESTIC AIRSTRIPS

SAFEGUARD SCREENING FORM

This Report provides a summary of the project classification process and is consistent with Safeguard Screening Form requirements. The printed Report should be attached as an annex to the Project Concept Document (or equivalent) (together with the Safeguard Policy Filter Report) and sent to ESR.

1. Save as a Word document. 2. Enter additional information in the spaces provided, where applicable. 3. Save new changes

PROJECT DETAILS	IDB Sector	Transportation and Communication
	Project Type	Technical Cooperation
	Additional Operation Details	
	Country	Belize
	Project Status	New Operation
	Investment Checklist	Infrastructure Aviation
	Team Leader	Néstor Roa (INE/TSP)
	Project Title	Domestic Airstrips
	Project Number	BL-T1026
	Safeguard Specialist(s)	<i>To be completed by assessor</i>
	Assessment Date	2009-02-13
	Assessment Number	2009-02131430-2
	Additional Comments	

PROJECT CLASSIFICATION SUMMARY	Project Category: C	Override Rating:	Override Justification:
			Comments:
	Conditions/Recommendations	<ul style="list-style-type: none"> • Normally no environmental impact assessment studies or consultations are required for Category "C" operations. • Some Category "C" operations may require specific safeguard/monitoring requirements (Policy Directive B.3). These operations will establish safeguard/monitoring requirements for environmental and other risks (social, disaster, cultural, H&S etc.) • The Project Team must send to ESR the PP or PCD (or similar) containing the E&S Strategy (the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3) plus the Safeguard Policy Filter and Screening Form Reports. <p style="text-align: right;"><i>Policy Directives can be accessed from the Resources tab on the Toolkit home page.</i></p>	

SUMMARY OF IMPACTS/RISKS AND POTENTIAL SOLUTIONS	Identified Impacts/Risks	Potential Solutions
	No issues identified	

ASSESSOR DETAILS	Name of person who completed screening: Néstor Roa	Date: February 13, 2009
	Comments:	

**BELICE (BL-T1026)
DOMESTIC AIRSTRIPS**

SAFEGUARD POLICY FILTER REPORT

This Report provides guidance for project teams on safeguard policy triggers and should be attached as an annex to the Project Concept Document (or equivalent) together with the Safeguard Screening Form, and sent to ESR.

1. Save as a Word document. 2. Enter additional information in the spaces provided, where applicable. 3. Save new changes

PROJECT DETAILS	IDB Sector	Transportation and Communication
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	Team Leader	Nestor Roa
	Project Title	Domestic Airstrips
	Project Number	BL-T1026
	Safeguard Specialist(s)	<i>To be completed by assessor</i>
	Assessment Date	2009-02-13
	Assessment Number	2009-02130810-2
	Additional Comments	

SAFEGUARD POLICY FILTER RESULTS	Project Type	Technical Cooperation	
	Safeguard Policy Items Identified (Yes)	No issues identified	
	Potential Safeguard Policy Items (?)	No potential issues identified	
	Recommended Action	Operation has not triggered any Policy Directives. Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PCD (or equivalent) and Safeguard Screening Form to ESR.	
	Additional Comments	<i>Policy Directives can be accessed from the Resources tab on the Toolkit home page.</i>	

ASSESSOR DETAILS	Name of person who completed screening:	Néstor Roa
	Title	Infrastructure specialist
	Date	2009-02-13