

TC Document

I. Basic Information for TC

▪ Country/Region:	BELIZE
▪ TC Name:	Support for Ambergris Caye Sustainable Development
▪ TC Number:	BL-T1150
▪ Team Leader/Members:	Soulier Faure, Martin Nicolas (CSD/HUD) Team Leader; Alleng, Gerard P. (CSD/CCS); Garcia, Ana Cristina (CSD/HUD); Palacios, Anabella (CSD/CCS); Avila, Dianela (CSD/HUD); Balani, Hero Ranjit (CID/CBL); Bryant, Alexis (CID/CBL); Catacoli, Ruth (VPS/ESG); Lugo Moreno, Monica (LEG/SGO); Lunstedt, Christian (VPC/FMP); Villota, Maria (CSD/HUD); Samayoa, Jorge (CSD/CCS); Perez, Silvia (CSD/HUD); Del Castillo, Sofia (CSD/HUD); Sturzenegger, German (INE/WSA); Watson, Brodrick Raylando (VPC/FMP)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	
▪ Date of TC Abstract authorization:	02 May 2022.
▪ Beneficiary:	Belize
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	NDC Pipeline Accelerator Multidonor Trust Fund(ACL); OC SDP Window 2 - Sustainability(W2A)
▪ IDB Funding Requested:	NDC Pipeline Accelerator Multidonor Trust Fund (ACL): US\$200,000.00 OC SDP Window 2 - Sustainability (W2A): US\$300,000.00 Total: US\$500,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	August 2022
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	CSD/HUD-Housing & Urban Development
▪ Unit of Disbursement Responsibility:	CSD/HUD-Housing & Urban Development
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Second Update to the Institutional Strategy 2020-2023:	Diversity; Environmental sustainability; Gender equality; Institutional capacity and rule of law; Productivity and innovation.

II. Objectives and Justification of the TC

- 2.1 **Objective.** The objective of the Technical Cooperation (CT) is to support the sustainable development of Ambergris Caye through building a Sustainable Master Plan focused on the island's Northern area, elaborating prioritized project proposals, and implementing capacity-building activities.
- 2.2 **Justification.** Ambergris Caye is the largest island in Belize. Located northeast of the country's mainland, it is bounded by the Belize Barrier Reef and the Caribbean Sea to the east and Bacalar Chico Canal, which separates Belize and Mexico to the North. It is about 40 kilometers long from north to south and about 1.6 kilometers wide.

Ambergris Caye is home to the Bacalar Chico National Park and Marine Reserve (World Heritage Site) and the Hol Chan Marine Reserve. San Pedro Town, located in the southern part of the island, is the largest settlement on Ambergris. By mid-2021, San Pedro had 22,755 inhabitants, doubling its population since the last census (2010).¹ Ambergris Caye is located approximately 15 minutes by air from mainland Belize. It is estimated that 65% of the employed population on the island is directly engaged in tourism activity, 10% in the fishing industry, 15% in the construction sector, and 10% in residential services.²

- 2.3 San Pedro belongs to the Belize District, which has a 45% poverty rate. Belizean women have a significantly higher unemployment rate than men (14-18% and 5-6%, respectively, depending on the education level), and they are paid less for the same work: the gender gap can reach 28% for lower education levels.³ The indigenous peoples of Belize (i.e., Kekchi, Mopan, Yucatec Maya, and Garifuna) represent 18% of the country's population.⁴ In urban settings, indigenous households tend to live in more insecure, unsanitary conditions and are more prone to natural disasters than other urban residents. The Maya and Garifuna populations, which represent almost 9% of the people in the District of Belize,⁵ are the most affected by poverty, with rates of 77% and 52%, respectively.⁶ Regarding access to essential services, only 40% of indigenous' households have electricity (87% in non-indigenous families).⁷ According to the 2010 Census, national unemployment for indigenous peoples stood at 23.1%. The highest unemployment rate is among indigenous women, at 33.3%, compared to 13.1% unemployment among indigenous men (IFAD 2017).
- 2.4 While development takes place in the interest of promoting productive tourism activities, there is a failure to recognize the primary objectives of long-term development planning, such as future infrastructure expansion and the protection of the natural resources of the coastal zone in the face of climate change impacts such as flooding and sea level rise, among others.⁸ Also, accelerated demographic growth, increasing foreign investments related to tourism and condominium development for people in the high-income end, and a lack of a clear and comprehensive planning and zoning framework is rising land prices and putting high pressure on housing for the low-income bracket (CZMAI 2009). Thus, the island presents a variety of development challenges, such as: (i) services and related sustainable infrastructure needs (mobility, water supply, drainage, sewerage, wastewater treatment, electricity, solid waste management, social housing, public spaces); (ii) shortage of adequate critical infrastructure (port, airport, roads, coastal protection); (iii) high vulnerability to climate

¹ Statistical Institute of Belize (2021): Postcensal estimates by administrative areas and sex, 2010-2021.

² The Coastal Zone Management Authority & Institute (CZMAI) 2009: Revised Master Development Plan for Ambergris Caye.

³ Näslund-Hadley, E., Navarro-Palau, P., Prada M., 2020. Skills to Shape the Future: Employability in Belize. Education Division, Social Sector. Technical Note No IDB-TN01837.

⁴ Government of Belize. 2020. Press release: Minister of Indigenous Peoples' Affairs Meets with Maya Leadership.

⁵ UNFPA: Belize Population and Housing Census 2010 - Country Report.

⁶ Statistical Institute of Belize (2021): Poverty Study 2018/2019.

⁷ IFAD. 2017. Belize: Country technical note on indigenous peoples' issues.

⁸ Ministry of Infrastructure Development and Housing, 2022. Sustainable Infrastructure Development Project Profile.

change⁹ and degradation of natural heritage; and (iv) economic, financial, and social needs.

- 2.5 These challenges are visible since: (i) the island presents poor road conditions, inefficient public transport, and inadequate bicycle infrastructure; (ii) improvements in water quality and energy efficiency of the osmosis plant are needed; (iii) wastewater collection is deficient and its treatment is effected by lagoons and disposal to the surrounding mangrove wetland; (iv) the island needs to minimize the generation and transportation of solid waste to the mainland, and increase recycling and reuse;¹⁰ (v) local airport is located in the center of the town, only a few meters away from the primary school and other nearby businesses and residential areas; and (vi) unchecked coastal development, pressures from tourism, warming seas, fiercer storms, increased flooding risks, saltwater intrusion, and coastal erosion leads to reefs and mangroves deterioration and threatens properties values, tourism and fishing activities ¹¹ (CZMAI, 2009).
- 2.6 Consequently, the Prime Minister has appointed a “Task Force” to foster Ambergris Caye's development. Members include Ministers, San Pedro's Mayor, and representatives from the private sector. The Task Force asked for IDB's support to recommend a sustainable development strategy for North Ambergris Caye, considering challenges across the Island. The strategy must weight the convenience of promoting new critical sustainable infrastructure (i.e., international airport, road connection to Yucatan Peninsula) and estimate associated demographic growth and the Island's carrying capacity to propose the action plan required for achieving sustainable development in the short, medium and long term.
- 2.7 **Strategic Alignment.** This TC is consistent with the Second Update of the Institutional Strategy 2020-2023 (AB-3190-2) under the development challenges of (i) Productivity and Innovation by promoting planning and implementing activities with digital tools and innovative approaches. Also, this operation aligns with the cross-cutting issues of: (i) Institutional Capacity and the Rule of Law by supporting the government and strengthening local capacities for planning sustainable development; (ii) Climate Change and Environmental Sustainability by assessing the vulnerability of this island to natural disasters and climate change and promoting sustainable infrastructure activities as natural areas preservation, conservancy of natural heritage and blue economy analysis; and (iii) Gender Equality and Diversity, as the Master Plan will include gender and diversity perspective and the pilot projects and workshops will include a gender approach and will prioritize attending the needs of indigenous people.
- 2.8 This TC is aligned with the Country Strategy with Belize 2022-2025 (GN-3086) to improve the efficiency and quality of public spending by strengthening the government's capacity for sustainable planning. This TC is consistent with the IDB 2025 Vision's commitment to creating capabilities to embrace digital technologies and foster innovation ("Digital Economy" pillar). Also, studies and pilot projects related to climate resilience align with the Vision's focus on promoting climate-resilient development ("Climate Change Action" pillar). Lastly, the master plan will contribute

⁹ Belize is highly vulnerable to natural disasters and climate change, suffering the constant threat of hurricanes, flooding, sea level rise, coastal erosion, coral bleaching, and droughts (Country Strategy 2022-2025).

¹⁰ IDB, TC document BL-T1105 “Innovation in the Solid Waste Management Sector in Belize” 2019.

¹¹ Losses from natural disasters average more than 1% of GDP per year and rising temperatures in the coming decades pose a severe risk to Belize's growth (Country Strategy 2022-2025).

to the Vision's medium-term goals of reactivating the productive sector and strengthening local institutions.

- 2.9 The activities of this TC are eligible for classification as climate finance of the MDBs Joint Methodology for Tracking Climate Change Finance, contributing to adaptation and mitigation. Recognizing that Belize, and particularly Ambergris Caye, is highly vulnerable to climate change, this TC plans to: (i) conduct studies to understand the climate change vulnerability context of Ambergris Caye; (ii) support the inclusion of actions and strategies to reduce climate vulnerability in the Sustainable Master Plan and promote in this way a resilient development; and (iii) strengthen the capacities for sustainable planning in the context of climate change. Vulnerability to Climate Change will be analyzed, considering gender and indigenous people's perspective. In addition, the TC plans to estimate Greenhouse Gas (GHG) emissions for Ambergris Caye, a relevant tool to prioritize mitigation actions in the most emitting sectors and to support low-carbon planning.
- 2.10 This TC is aligned with the NDC Pipeline Accelerator Multi-Donor Trust Fund (ACL) since it meets the four eligibility criteria established in document GN-2890: (i) it will support the preparation of a pipeline of sustainable projects for implementing the Sustainable Master Plan; (ii) it is directly linked to the country's NDC, and the Government of Belize submitted a letter asking for IDB's support in developing a sustainable strategy for North Ambergris Caye; (iii) it supports the mobilization of private and public capital towards sustainable projects by the development of pre-investment studies of two priority projects and the inclusion of a financial plan with specific funding strategies as PPPs opportunities; and (iv) it makes a tangible and measurable contribution to both adaptation and mitigation objectives by mainstreaming climate change issues within the Sustainable Master Plan to promote a resilient and low carbon development of the island. This TC supports Belize's latest NDC ¹² targets, mainly: (i) mitigation goal by promoting the Island's low-carbon development and strengthening natural areas management; (ii) increase resilience to climate impacts for coastal communities and habitats by managing further development of the coastline to reverse net coastal habitat and land loss by 2025; (iii) protect communities from damage caused by flooding and sea level rise through the implementation of the Land Use Policy and supporting green and grey infrastructure; and (iv) support institutional capacity for preventive measures, planning, preparedness and management of disasters relating to climate change, especially for droughts and floods in areas prone to extreme weather events. Finally, the development of the Sustainable Master Plan, the two prioritized pre-investment studies and the pilot and related workshops also align with the following prioritized areas of the OC SDP Window 2 Fund, Sustainability (W2A): (i) climate change and environmental sustainability; (ii) resilient and sustainable infrastructure; (iii) effective, efficient and transparent institutions; and (iv) inclusive social development (including gender and diversity).¹³
- 2.11 **Relationship to Programs Under Preparation or Execution.** To maximize synergies and avoid duplications, strong coordination will be established with other IDB operations, including several operations related to Blue Economy: (i) (BL-L1042, US\$7,000,000; BL-T1149, US\$850,000; and BL-T1145; US\$300,000); (ii) "Innovation in the Solid Waste Management Sector in Belize (BL-T1105; US\$500,000)"; (iii) "Sustainable Tourism Program II (BL-L1020)", particularly with actions

¹² [BELIZE Updated Nationally Determined Contribution](#), Submitted in August 2021.

¹³ Document GN-2819-14

implemented under specific objective II: “promoting disaster and climate resilience and environmental sustainability in the tourism destinations”; and (iv) “Water Disinfection Program for Belize (BL-L1043; US\$15,000,000)”. To complement this effort, the Government is also interested in asking for assistance from the Investment Climate Reform Facility¹⁴ (ICR) for up to US\$100,000.

III. Description of Activities/Components and Budget

- 3.1 This TC has the following two components, designed to address the challenges identified in sections 2.2 – 2.5:
- 3.2 **Component 1. Sustainable Master Plan and Pre-Investment Studies (US\$450,000).** This component will finance the development of a Sustainable Master Plan for Ambergris Caye, focusing on the island’s northern area. Activities will aim to build a shared vision for the development of North Ambergris Caye, specifying sustainable development strategies, vital prioritized projects, and activities to implement across the Island in the short, medium, and long term. Activities will include the identification of challenges and actions proposals for (i) environmental aspects (such as natural areas preservation, natural disaster, and climate risk assessment, potential adaptation and risk management actions, blue economy, and reef preservation); (ii) territorial-urban and social aspects, including historical and prospected urban footprint growth and land use, and essential, urban and social services infrastructure needs; and (iii) economic and financial aspects, including the proposal of specific funding strategies as PPPs opportunities, green financing sources, and bilateral, multilateral and concessional climate financing. Each action proposal included in the Master Plan will be evaluated by a gender and diversity specialist to include specific considerations to contribute to close the existing gaps in gender and diversity.¹⁵ At least 30% of the actions included in the final document must contribute to socioeconomic empowerment and inclusion of women and indigenous peoples. A zoning plan to facilitate the future implementation of the Master Plan will be proposed.
- 3.3 The prioritization of projects to implement will be determined by the current and future carrying capacity. This capacity will be estimated as the result of the prospective analysis of population growth and future infrastructure needs, depending on the decisions made regarding implementing critical structuring infrastructures. The projects will be prioritized to respond to the main challenges identified in the assessment, including climate change risks and avoiding the saturation levels that both put natural systems at risk and disturb the resident’s and tourists’ quality of life and enjoyment. Two project proposals will be developed for pre-feasibility studies under this component. These projects will be prioritized in coordination with the Task Force and include climate change considerations.¹⁶ Examples of prioritized projects include: (i) energy efficiency projects; (ii) resilient social housing projects with a focus on gender; (iii) electric mobility; and (iv) recovery of beaches; among others.
- 3.4 **Component 2. Pilot Implementation and Capacity Building (US\$50,000).** This component will finance the design and implementation of a pilot project and workshops

¹⁴ [ICR Governance structure information.](#)

¹⁵ i.e.: If a social housing program is proposed, considerations as women titling, friendly infrastructure for people with disabilities, or priority for vulnerable population should be evaluated and proposed in coordination with the Task Force.

¹⁶ Pre-investment studies will be financed with the resources of the NDC Pipeline Accelerator Multi-Donor Trust Fund (ACL).

with a gender and diversity perspective.¹⁷ A specific seminar for women and indigenous peoples will also be carried out.¹⁸ These pilots and associated workshops will focus on innovative approaches for sustainable planning, natural disasters, climate risk management, or natural conservancies and natural based solutions. Some of the topics that could be covered through these pilots and capacity-building activities are: (i) digital tools for urban footprint planning; (ii) or behavioral analysis for educational campaigns on natural risks (i.e., hurricanes), natural heritage preservation (i.e., coral reefs), or vulnerable population integration;¹⁹ (iii) or energy efficiency (i.e., housing level); or (iv) circular or blue economy for women's and indigenous peoples' economic empowerment. Lessons learned from the pilot's implementation will contribute to Master Plan elaboration.

- 3.5 **Indicative Budget.** The TC budget is US\$500,000.00, which will be financed by the OC SDP Window 2 - Sustainability (W2A) (US\$300,000.00) and the NDC Pipeline Accelerator Multi-Donor Trust Fund (ACL) (US\$200,000).

Component	Activity	W2A	ACL	Total Funding
Component 1. Sustainable Master Plan and Pre-Investment Studies	This component will finance the development of a Sustainable Master Plan for Ambergris Caye, focusing on the island's northern area. Activities will aim to build a shared vision for the development of North Ambergris Caye, specifying sustainable development strategies, vital prioritized infrastructure projects, and activities to implement across the Island in the short, medium, and long term. Additionally, two prioritized preinvestment studies will be developed.	\$250,000	\$200,000	\$450,000
Component 2. Pilot Implementation and Capacity Building	This component will finance the design and implementation of a pilot project and workshops with a gender and diversity perspective.	\$50,000	\$0	\$50,000
Total		\$300,000	\$200,000	\$500,000

- 3.6 **Expected Results, Outputs, and Procurement Plan.** The expected result of this TC is to have the Task Force strengthened to promote the sustainable development of Ambergris Caye. The expected outputs of this TC are: (i) 1 Sustainable Master Plan developed and two pre-feasibility studies elaborated (Component 1); and (ii) 1 pilot and two workshops implemented (Component 2). Products will be developed through three procurement processes: (i) firm competitive selection for Master Plan studies

¹⁷ Such as a pilot project to foster women and indigenous peoples' activities related to blue or circular economy, or a workshop specifically design to understand women and indigenous peoples' behavior during the occurrence of a natural disaster, in order to incorporate specific recommendations in an educational campaign, among other considerations.

¹⁸ In general, at least 65% of the workshops' total attendance must be women or indigenous people.

¹⁹ To understand how and why people behave the way they do will help to include in pilot projects, workshops or educational campaigns specific components aimed to modify counterproductive behaviors.

and proposals (multisectoral diagnosis, GHG emissions, natural disaster, and climate risk assessment and vulnerability analysis, carrying capacity estimation, prioritized proposals for the short, medium, and long term with gender and diversity perspective, incorporation of lessons learned from Component 2, 2 pre-feasibility projects proposals and funding strategies developed); (ii) individual consultancy to support coordination and Master Plan final elaboration; and (iii) individual consultancy for pilots and workshops design and implementation.

- 3.7 **Disbursement and Execution Period:** The TC resources will be disbursed and executed within 24 months from the date of effectiveness of the TC agreement.
- 3.8 **Arrangements for Supervision.** The monitoring and supervision of the TC will be carried out by the Bank, specifically by the Team Leader (Martin Soulier Faure; CSD/HUD) in collaboration with Country Office in Belize (CID/CBL) and team members from other sectoral divisions. Products will be developed under Bank guidance, in coordination with local and national stakeholders. A focal point designed by the Task Force will validate each intermediate and final product.

IV. Executing Agency and Execution Structure

- 4.1 At the request of the Government of Belize, the IDB will execute this TC through the technical supervision of the Housing and Urban Development Division (CSD/HUD) in coordination with the Belize Country Office. The Unit of Disbursement Responsibility (UDR) will be CSD/HUD. All administrative, internal, and external coordination and quality reviews of the final products will be the responsibility of CSD/HUD.
- 4.2 The activities to be executed under this operation have been included in Annex IV – Procurement Plan and will be carried out by the Bank's established procurement policies, namely: (a) hiring of individual consultants, as established in the regulation AM-650, (b) hiring of consulting firms for services of an intellectual nature according to the Bank Policy for the Selection and Contracting of Consulting Firms for Bank-executed Operational Work (GN-2765-4) and its associated operational guideline (OP-1155-4), and (c) hiring of logistics services and other expenses related to non-consulting services, according to the Corporate Procurement Policy (GN-2303-28).
- 4.3 The Country kindly requested the Bank's assistance in implementing the resources. A letter from the Ministry of Finance, Economic Development and Investment requesting that the IDB acts as the executing agency has been included in the Annexes (Request from Client). The need for implementing the resources through the Bank is a function of: (i) its independence and, consequently, ability to coordinate and motivate action and participation across diverse stakeholders at both the international and local levels; and (ii) its technical and operational expertise, based on its experience developing similar products in more than 80 cities through the Emerging and Sustainable Cities Initiative (ESCI) and other urban operations.²⁰ These conditions are needed to ensure timely and effective execution of the activities.

V. Major Issues

- 5.1 A significant risk to achieving this TC's objectives and expected results is the Task Force's inadequate empowerment with the developed master plan. Activities will be closely coordinated with Task Force's designated focal point to mitigate this risk. Also, each intermediate and the final product will have Task Force validation. A correlated

²⁰ Recently, the Bank has developed a sustainable master plan for Easter Island / Rapa Nui under the CH R1007: ["The investment agenda for the sustainable development of Rapa Nui"](#).

risk is the lack of implementation of the master plan. Two project concept proposals or planning instruments will be developed, and a financial structuring proposal to mitigate it.

- 5.2 The Master Plan's final elaboration will result from the comprehensive integration of different and diverse multisectoral studies and analysis, funded by this TC or other possible sources such as the Bank's operations or the mentioned ICR. A risk of timing and coordination was identified. To mitigate it, the team plans to integrate as many of these analyses as possible in a single consulting firm process, considering the limitations of expertise. It is also expected to hire an individual consultant to support coordination efforts and final Plan elaboration.
- 5.3 A risk identified in the development of studies is the availability of relevant data. To mitigate this risk, the government's involvement will be required to access preliminary data from the 2022 census. There is also a risk regarding the participation of key stakeholders in the development of the activities, which would help increase ownership and implementation feasibility. To mitigate this risk, the Bank and the Government should work jointly in the close supervision of consultancies and the definition of pilot projects, helping coordinate stakeholders' physical or virtual participation and ensuring alignment with national and local priorities. Finally, there is a risk associated with the COVID-19 pandemic regarding the coordination of activities, field visits, and in-person training. To mitigate this risk, digital tools for remote work will be utilized in the case needed.

VI. Exceptions to Bank policy

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

VII. Environmental and Social Strategy

- 7.1 This TC will finance feasibility and pre-feasibility studies of investment projects with associated environmental and social studies, whose terms of reference and deliverables will be consistent with the applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client - BL-T1150](#)

[Results Matrix - BL-T1150](#)

[Terms of Reference - BL-T1150](#)

[Procurement Plan - BL-T1150](#)