

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	BELIZE/CID - Isthmus & DR
▪ TC Name:	Support to Economic Recovery through Trade and Investment in Belize
▪ TC Number:	BL-T1139
▪ Team Leader/Members:	UMANA, MARIO ALBERTO (INT/TIN) Team Leader; LANDAZURI-LEVEY, MARIA C. (LEG/SGO); ESTEVES, YASMIN (INT/INT); QUEILA DELGADO (INT/TIN); VASCO HENAO, OSCAR DARIO (INT/TIN); ROSPIDE, MARIA DE LA PAZ (INT/TIN); BALANI, HERO RANJIT (CID/CBL); DORANTES GOMEZ, ANGELA CARMELIA (INT/INT)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	23 Jun 2021
▪ Beneficiary:	Belize
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$150,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INT/TIN - Trade & Investment
▪ Unit of Disbursement Responsibility:	INT/INT - Integration and Trade Sector
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Economic integration

### II. Objective and Justification

- 2.1 The objective of this Technical Cooperation is to support the improvement of the Foreign Direct Investment ecosystem in Belize as a means to generate employment, growth, and diversify the economy.
- 2.2 The pandemic has heavily impacted the touristic sector in Belize with a 72% decline in arrivals in 2020. Tourism is a key sector representing 60% of foreign exchange earnings and 40% of GDP. Belize had a historic low 9% unemployment in 2019, increasing to 23,7% by the end of 2020. The actual macroeconomic situation of Belize underlines the need for improving the engines of growth, including achieving higher flows of Foreign Direct Investment. Some of the main factors that undermine private investments in the country are: i) the procedures and delays for starting a business, ii) crime and corruption and iii) scarcity of technical-vocational training. Higher flows of FDI could help to break coordination failures by crowding in additional private investment in under-invested sectors or regions with economic potential.
- 2.3 The implementation of a Single Window for Investment can contribute to this goal, through accelerating time response and transparency on the processes of setting up a business and investments. Working directly with investors companies in focus training schemes (Upskilling) through Belize's IPA can also have a faster and more direct impact in creating local employment and encouraging new investments.

- 2.4 The current administration has set up targets to improve and reintroduce private sector investment in Belize as a partner and driver to untap Belize's economy potential. They have also identified the need to fast track private sector investments, including requiring regulatory authorities and departments to review and determine applications in real-time. They also have recently approved the National E-Government Policy and Strategy reform. The National Policy Investment Strategy is currently under review.

### III. Description of Activities and Outputs

- 3.1 **Component I: Analysis of the policy framework for trade and investment in Belize.** It will finance an analysis and mapping of current legislation, proposals in discussion and drafts related to investment and trade in Belize
- 3.2 **Component II: Design the Single Investment Window (SIW) for key FDI sectors .** It will finance: (i) an analysis of institutional framework and selection of sectors (at least 2) for the preliminary work with SIW; (ii) mapping of processes, procedures, institutions involved, and their degree of digitalization; (iii) preliminary proposal of simplification/rationalization of processes; within this subcomponent, there will be proposed the incorporation of gender indicators; and (iv) dissemination of results to key players

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Analysis of the policy framework for trade and investment in Belize	US\$12,000.00	US\$0.00	US\$12,000.00
Design the Single Investment Window (SIW) for key FDI sectors	US\$138,000.00	US\$0.00	US\$138,000.00
<b>Total</b>	<b>US\$150,000.00</b>	<b>US\$0.00</b>	<b>US\$150,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 The Interamerican Development Bank will execute this TC through Trade and Investment Division (INT/TIN) in coordination with the Belize Country Office. Project output indicators will be monitored very closely.
- 5.2 The Bank will execute this TC due to the following reasons: (i) previous experience and knowledge on the part of the IDB in implementing project(s) similar to this proposed operation; and (ii) weak institutional capacity of the beneficiary institutions in Belize. These justifications are aligned with that foresight in Annex 10 of Operational Guidelines for Technical Cooperation Products GN-2629-1.
- 5.3 The execution and disbursement period will be 36 months and the UDR will be the Integration and Trade Sector (INT/INT). All activities to be executed under this TC will be contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of

### VI. Project Risks and Issues

- 6.1 The Covid-19 crisis has greatly increased the urgency for digital transformation as a requirement to avoid physical contact. However, the lack of integrated systems within the Government, as well as issues with data sharing, could create challenges for a full virtual SIW. The digital readiness of the institutions involved will be assessed, and a

mixed solution (part virtual and part physical) could be proposed, if needed to counter this risk.

## **VII. Environmental and Social Classification**

7.1 The ESG classification for this operation is "C".