

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BELIZE

BELIZE RAIL INTEGRATION WITH CENTRAL AMERICA

(BL-T1204)

PROJECT DOCUMENT

This document was prepared by the project team consisting of: Team Leader: Cortes Forero, Rene Alejandro (INE/TSP); Alternate Team Leader: Crotte Alvarado, Amado (INE/TSP); Attorney: De Dobrzynski, Esteban (LEG/SGO); Team Members: Ferro Briceno Paula Vanessa (INE/TSP); Garcia Iturri Gallego Lucia (INE/TSP); Gilles, Aurelie Flavy (CID/CID); Hernandez, Gabriel Antonio (VPS/ESG); Langstroth, Robert Peter (VPS/ESG); Persaud, Christopher (INE/TSP); Poveda, Rafael Antonio (INE/TSP); Ramirez Pimiento German Daniel (INE/TSP).

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PROJECT SUMMARY

Operation Type:	Technical Cooperation
Sector:	TRANSPORT
Subsector:	RAILWAYS
TC Taxonomy:	Client Support
Project Number under the Operational Support Taxonomy:	N/A
Technical Responsible Unit:	INE/TSP-Transport
Unit with Disbursement Responsibility (UDR):	INE/TSP-Transport
Executing Agency:	Inter-American Development Bank

PROJECT OBJECTIVE

To promote greater quality, efficiency, and decarbonization of transportation services in Belize through analytical and institutional support for the potential development of an integrated rail system connecting Belize with Guatemala and Mexico.

FINANCIAL INFORMATION

Financing Type	Fund	Amount in US\$
TCN - Nonreimbursable	P3D - OC SDP Pillar 3 - Sustainable, Resilient, and Inclusive Infrastructure	200,000
Total IDB Financing		200,000
Counterpart Financing		0
Total Project Budget		200,000
Donors:	N/A	
Disbursement Period:	36 months	
Execution Period:	36 months	

ADDITIONAL FINANCIAL INFORMATION

N/A

I. JUSTIFICATION AND OBJECTIVE

- 1.1 **Diagnostic.** Belize's transport system faces structural challenges that limit a more inclusive, competitive, and sustainable economy. Heavy reliance on road transport, limited multimodal integration, growing congestion around port areas, and vulnerability to climate change constrain mobility, logistics efficiency, and access to economic opportunities. These challenges are compounded by limited institutional capacity, regulatory gaps, and financing constraints, as well as the increase in extreme weather events in the country and rising emissions from the transport sector. In this context, rail transport presents an opportunity to improve regional connectivity, enhance transport efficiency, reduce greenhouse gas emissions, and strengthen Belize's integration into regional logistics and tourism networks.
- 1.2 **Gender and Diversity.** According to the Global Gender Gap Index 2025¹, Belize scores 0.702, ranking last in the region and 89th out of 148 countries. The share of people with disabilities is currently estimated at around 9% and is expected to rise to approximately 15% by 2050². To address this, this TC will integrate a gender and disability lens into the demand analysis, identifying travel patterns of women, caregivers, and People with Disabilities (PwD). In addition, it will conduct a diagnostic of institutional capacities related to gender equality, prevention of trafficking, gender-based violence, and the inclusion of PwD.
- 1.3 **Request.** In October 2025, the Government of Belize (GoB) formally requested the Bank's support in providing technical assistance to conduct a study to assess the feasibility of establishing a Belize segment of the Tren Maya project. Specifically, the GoB expressed its interest in exploring the viability of a route that runs from Belize's northern border with Mexico, to the western border with Guatemala, with an in-country stop at Port of Belize City (see Annex I). Preliminary discussions indicate significant capital investment requirements, as well as substantial annual operating costs, likely requiring long-term public support. The absence of comparable cross-border rail operations in the region underscores the need for rigorous analysis of demand projections, cost-sharing arrangements, governance models, and regulatory and migration frameworks. Thus, this TC responds to its interest in exploring sustainable transport alternatives and strengthening its transport and logistics system, while also supporting regional integration objectives.
- 1.4 **Objective.** The objective of this TC is to promote greater quality, efficiency, and decarbonization of transportation services in Belize through analytical and institutional support for the potential development of an integrated rail system connecting Belize with Guatemala and Mexico. Thus, the TC will support the preparation of a comprehensive feasibility study to assess the establishment of the Belizean segment of the Tren Maya project. The study will evaluate the technical, financial, economic, environmental, social, and institutional viability of the proposed rail corridor. The analysis will adopt a multimodal and market-oriented

¹ [World Economic Forum, 2025.](#)

² [World Bank 2023.](#)

approach, with a dual focus on passenger and freight rail services, including the evaluation of current and projected demand, logistics flows, and trade facilitation opportunities.

- 1.5 **Complementarity.** This TC is aligned with #PlanBelize Medium-Term Development Strategy 2022–2026 as it will advance key national development priorities as poverty reduction, economic growth and transformation, and trade deficit reduction, by increasing tourism, trade, investment, and development.
- 1.6 This TC complements ongoing and recent analytical and investment efforts supported by the IDB in Belize’s transport sector. The Bank recently developed the Belize Comprehensive National Transportation Master Plan (CNTMP), which identified a portfolio of priority investments to improve connectivity, resilience, and efficiency across transport modes, including road infrastructure, public transport, aviation, and maritime systems. Building on this, the Bank is currently advancing key initiatives such as the Development of the Belize Aviation Sector consultancy, which assesses sector gaps and proposes actions to meet international standards and reach safer conditions. In parallel, analytical work is underway to better understand cargo, freight and logistic dynamics in the country and identify potential interventions to address structural challenges, including heavy reliance on road transport, congestion in key corridors, vulnerability to climate change, and limited multimodal integration.
- 1.7 In this context, the proposed TC supports the transition toward a more integrated and efficient transport system by strengthening intermodal connectivity between key hubs, including ports, airports, and urban centers. This is critical to enhancing competitiveness, reducing logistics costs, and supporting sustainable tourism growth, one of Belize’s main economic drivers. By assessing potential integration with regional initiatives such as Mexico’s Tren Maya and connectivity with Guatemala, the TC contributes to advancing integration and positioning Belize within broader transport and tourism networks.
- 1.8 **Strategic Alignment.** This TC aligns with the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631), with its core objective of bolstering sustainable growth, as it promotes investments in infrastructure and enhancements in regional integration. Additionally, it is aligned with the Bank’s focus areas on (i) sustainable, resilient, and inclusive infrastructure; (ii) productive development and innovation through the private sector; and (iii) regional integration. The TC is also aligned with the IDB Country Strategy with Belize 2026-2030 (GN-3320), with the pillar "Boosting Private Sector Competitiveness" and its objective "Support sustainable economic activities, safeguarding strategic natural endowments", since it will enhance productivity in tourism by promoting investments in resilient infrastructure. It also aligns with the Strategic Program for Development financed with Ordinary Capital (OC SDP) – Pillar 3 – Sustainable, Resilient, and Inclusive Infrastructure (P3D) (GN-2819-25), as it supports knowledge generation needed to promote the development of sustainable and inclusive transport infrastructure. Finally, it aligns with the Transportation Sector Framework Document (GN-2740-12), specifically with the Line of action 1: Promote efficient, inclusive, sustainable, and quality mobility for urban and interurban passengers; Line of action 2: Improve logistics performance in LAC,

promoting the development of efficient, sustainable logistics services; and Line of action 3: Strengthen sector institutions and regulations.

II. COMPONENTS

- 2.1 **Component I. Policy Framework and Road Map (US30,000).** This component will finance a Consultancy with the objective of: (i) assessing the readiness of Belize's transport governance framework for passenger and freight rail development; and (ii) developing policy and regulatory recommendations to facilitate rail and multimodal and logistics integration at strategic transport hubs with a multimodal, sustainable, gender-responsive, inclusive and resilient approach.
- 2.2 Given the absence of rail transport in Belize and limited experience with multimodal and international rail operations in the region, this component will lay the groundwork for coherent policies, regulations, and institutional arrangements aligned with international good practices. Outputs: A diagnostic report of existing conditions regarding rail transport and freight logistics in Belize; A set of policy and regulatory recommendations to support rail, freight, and multimodal development, including cross-border operations
- 2.3 **Component II. Feasibility Study for International Railway Connection and Multimodal Development (US160,000).** This component will finance three (3) consultancies aiming at: (i) developing a comprehensive pre-feasibility assessing the technical, economic, financial, environmental, social, and institutional viability of a railway connection between Mexico (Tren Maya), Belize, and Guatemala, with a sustainable, inclusive, and resilient scope; as well as an analysis of technical and operational feasibility of integrating multiple modes at strategic nodes, including land, maritime, fluvial and air transport services, with particular attention to freight logistics, efficiency, trade flow, and intermodal connectivity; (ii) developing a demand analysis, financing and tariff options for a multimodal transport system for passenger and freight with a diversity and gender-responsive approach; and (iii) developing an assessment of institutional, governance and regulatory frameworks integrating gender equity and diversity.
- 2.4 This component will support the preparation of a comprehensive feasibility study to assess the technical, economic, financial, environmental, social, and institutional viability of a rail connection between Mexico's Tren Maya and Belize, with onward connectivity to Guatemala. The study will adopt a dual focus on passenger and freight rail services, including analysis of current and projected demand, freight and logistics flows, and trade facilitation opportunities. It will also assess options for multimodal integration and future expansion, with particular emphasis on port-rail connectivity, border logistics, and intermodal freight hubs. Outputs: Pre-feasibility studies; Demand analysis and financing and tariff options; Assessment of institutional, governance, and regulatory frameworks.
- 2.5 **Component III. Dissemination and Knowledge (US10,000).** This component will finance a consultancy to support knowledge-sharing and dissemination activities to ensure that the analytical outputs of the TC inform policy dialogue, institutional learning, and stakeholder engagement in Belize and at the regional level. Activities will focus on sharing findings, lessons learned, and international experience related to rail and multimodal transport development and cross-border operations. Outputs: Knowledge-sharing events; Dissemination materials.

- 2.6 **Expected Results.** This TC is expected to deliver (i) a strengthened policy, regulatory and institutional framework to guide rail development in Belize, including a roadmap for national and cross-border implementation and mechanisms to support multimodal integration; (ii) a comprehensive feasibility assessment of a potential railway connection linking Mexico’s Tren Maya, Belize and Guatemala, covering technical, economic, financial, environmental, social and institutional dimensions, as well as opportunities for future expansion and multimodal integration; and (iii) enhanced regional coordination, stakeholder engagement, and knowledge sharing to support informed decision-making and alignment with international good practices in cross-border and multimodal rail systems. The initiative will generate decision-ready analytical inputs to inform government policy, regulatory development, and investment planning, while strengthening institutional capacity and promoting a more integrated, sustainable, and resilient transport system in Belize.
- 2.7 **Beneficiaries.** The beneficiaries will be the inhabitants of Belize, who will benefit from strengthened transport governance and improved strategic planning for sustainable and regionally integrated transport systems. Additionally, the project could benefit residents of border areas in Mexico and Guatemala who frequently cross into Belize, as well as tourists traveling among the three countries.

III. BUDGET

- 3.1 **Budget.** The indicative budget of the TC will be US\$200,000.00, which will be entirely financed by the OC SDP Pillar 3 Sustainable, Resilient, and Inclusive Infrastructure (P3D). There will be no counterpart.

Budget in US\$		
Components	P3D (IDB)	Total
Component I. Policy Framework and Road Map	US\$30,000	US\$30,000
Component II. Feasibility Study for International Railway Connection and Multimodal Development	US\$160,000	US\$160,000
Component III. Dissemination and Knowledge	US\$10,000	US\$10,000
Total	US\$200,000	US\$200,000

IV. EXECUTION STRUCTURE

- 4.1 **The IDB as Executing Agency.** The TC will be executed by the Inter-American Development Bank (IDB), based on a request by the beneficiaries, in accordance with the Bank’s Technical Cooperation Policy (GN-2470-2) and the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4), through the Transport Division in the Infrastructure and Energy Sector

- (INE/TSP). The UDR will be in CID/CBL for the management of the related contracts.
- 4.2 The Bank will work in close collaboration with the main beneficiaries of the TC, the GoB, in the execution of the TC and in identifying support needs. INE/TSP will oversee the preparation and publication of requests for expressions of interest, the preparation of shortlists, the preparation and distribution of requests for proposals, the evaluation and selection of consultants according to the criteria established in the requests for proposals, and the negotiation of the respective contracts.
- 4.3 **Institutional Capacity.** The execution of the Technical Cooperation (TC) by the Transport Division of the Infrastructure and Energy Department (INE/TSP) is justified for the following reasons: (i) INE/TSP has the specialized knowledge to provide assistance on matters of interest related to this TC, with the capacity to bring experience and lessons learned from across the region for the development of the products to be prepared; and (ii) as an external agent, the Bank plays a role that facilitates mediation and the participation of different organizations and stakeholders involved.
- 4.4 The Bank's execution is justified by the counterparts' technical and operational limitations to carry out the TC activities within the required timeframe. In addition, INE/TSP has specialized knowledge in providing technical assistance on topics of interest related to the subject matter of this TC, and it is recognized for its leadership in sustainable, climate resilient, and inclusive transport. Lastly, previous experience with railway infrastructure projects in LAC, as well as infrastructure projects in Belize provide context-specific knowledge valuable for the TC.
- 4.5 Given that the Transportation Division (INE/TSP) has specialized knowledge in providing technical assistance on topics of interest related to the subject matter of this TC, the GoB proposes that the Bank, through the INE/TSP, be the executing agency, facilitating the mediation and participation of the different organizations and actors involved.
- 4.6 **Procurement.** All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan (Annex IV) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines.
- 4.7 **Execution and Disbursement Period.** The execution and disbursement period is 36 months.
- 4.8 **Monitoring, Reporting, and Supervision.** There will be monthly meetings with each individual or corporate consultant (as outlined in the procurement plan) to assess the evolution of each consultancy, identify problems or potential risks, provide feedback, and ensure alignment with the broader goals of the TC.

V. POTENTIAL RISKS

- 5.1 **Risks.** No major risks have been identified for the execution of this TC. Existing minor risks include: (i) Operational Risks: Operationally, delays in stakeholder consultations are a high-likelihood, medium-impact risk, particularly given the need for broad engagement across ministries and communities. To mitigate this, the project will employ hybrid engagement tools, combining virtual and in-person consultations, and prioritize early engagement with critical stakeholder groups. (ii) Knowledge transfer, as potential high turnover in administration constitutes a challenge. This is a risk common to every process of capacity building and knowledge transfer. To mitigate the risk, the team in coordination with beneficiaries will select staff with long-term stability in the institution (i.e., public servant status) and ensure to document each process (record workshops, elaborate completion reports, etc.).
- 5.2 **Intellectual Property.** Any knowledge products generated within the framework of this technical cooperation will be the property of the Bank and may be made available to the public under a creative commons license. However, upon request of the beneficiary, the intellectual property of said products may also be licensed and/or transferred to the beneficiary through specific agreements.

VI. ENVIRONMENTAL AND SOCIAL ASPECTS

- 7.1 This Technical Cooperation is intended to finance pre-feasibility or feasibility studies of specific investment projects and the environmental and social studies associated with them; therefore, the terms of reference and products of this TC will be consistent with the applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

REQUIRED ANNEXES:

- Annex I: Request from Client
- Annex II: Results Matrix
- Annex III: Terms of Reference
- Annex IV: Procurement Plan