



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 21-Sep-2020 | Report No: PIDC28311



BASIC INFORMATION

A. Basic Project Data

Country Belize	Project ID P172956	Parent Project ID (if any)	Project Name Belize Social Protection Inclusion Project (P172956)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Nov 09, 2020	Estimated Board Date Jan 29, 2021	Practice Area (Lead) Social Protection & Jobs
Financing Instrument Investment Project Financing	Borrower(s) Belize	Implementing Agency Ministry of Human Development, Social Transformation and Poverty Alleviation	

Proposed Development Objective(s)

The project development objective is to improve inclusion of poor and vulnerable in Belize's Social Protection system.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	25.00
Total Financing	25.00
of which IBRD/IDA	25.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	25.00
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Environmental and Social Risk Classification
Moderate

Concept Review Decision
Track II-The review did authorize the preparation to continue



Other Decision (as needed)

B. Introduction and Context

Country Context

- Belize's development challenges are similar to that of several of its Caribbean and Central American neighbors, including volatile growth, high poverty, and youth violence, particularly in urban centers.** GDP per capita was US\$4,885 in 2018.¹ GDP growth has been on a declining trend since 2000, when it was a high of 13.0 percent in 2000² until 2016, where it was -0.1 percent. While it rebounded to 2.1 percent in 2018, it declined in 2019 to estimated -2.0 percent in 2019. The COVID-19 pandemic threatens to further stymie GDP growth, with projections for GDP growth in 2020 at -17.3 percent.³
- Belize's economy is heavily reliant on climate-sensitive sectors for income and employment, but labor productivity is low.** Tourism accounted for 38.1 percent of GDP and 34.3 percent of employment in 2016, while Agriculture accounted for 13 percent of GDP and 10 percent of total employment. Employment grew faster than real GDP, and so labor productivity in Belize has been falling (in all sectors). Average labor productivity growth in Belize compares poorly with other countries over the period 1993-2017. Belize ranked 83rd of 101 countries for growth in agricultural labor productivity, 89th of 101 for industry, and 96th of 101 countries for services.⁴
- Belize has a youthful population and aging has not been as rapid as for other countries in the region.** Population estimates put the 2019 population at 408,487,⁵ with 35 percent of the population between the ages of 0-14, while 58 percent were between the ages of 15-64. The elderly population ages 65 and over has hovered around 6 percent for the last two decades according to national population estimates. The country's aging is not occurring as quickly as it has been for other Latin American and Caribbean (LAC) countries, where the share of elderly above age 65 for LAC is around 8.4 percent, while it was 8.7 percent for Caribbean small states in 2018 and has accelerated at a faster pace than for Belize.⁶ This has significant implications for the importance of human capital development in Belize's context.
- High female and youth unemployment warrant concern.** Unemployment stood at 10.4 percent in September 2019⁷ with higher rates among women (15.7 percent) than men (6.6 percent). While young women between ages 14 and 24 demonstrate higher secondary school completion rates (65 percent) compared to young men (56 percent), they are more likely to be unemployed compared to men, with unemployment rates of over 31.5 percent, compared to 13.9 percent for young men.
- Close to half of Belize's population was poor when poverty was last measured.** The national poverty rate stood at 41.3 percent in 2009 (approximately 136,640 individuals at the time). About 15.8 percent of individuals (52,185

¹ World Bank. Data accessed on September 14, 2020. Amount is in current US dollars.

² World Bank. Data accessed on September 15, 2020

³ World Bank. Macro Poverty Outlook for Latin America and the Caribbean: Belize (forthcoming, October 2020)

⁴ Merotto, Dino. 2019. Belize: Key Jobs Challenges (World Bank)

⁵ Statistical Institute of Belize. 2019. Postcensal population estimates 2010-2019.

⁶ World Bank

⁷ Statistical Institute of Belize. 2019. An increase from 7.6 percent in April 2019.



individuals) and 10.1 percent of households were extreme poor. Poverty in Belize has strong geographic dimensions, with the highest poverty prevalence in Toledo (60.4 percent) and Corozal (56.2 percent). Children and youth (ages 0-24) accounted for 54 percent of the poor. Despite the clear gender disparities in unemployment, there was little variation in poverty between males and females, at 42 percent and 40 percent respectively. Poverty data has not been updated since 2009.

6. **The COVID-19 pandemic has severely impacted economic growth and threatens to exacerbate unemployment and poverty in Belize.** After several months of minimal confirmed COVID-19 cases, Belize is currently experiencing a spike in cases, jumping from 56 confirmed cases on August 1, 2020 to 1,627 confirmed cases on September 20, 2020.⁸ The early management of case numbers included border closures, curfews, and other control measures to limit imported cases and community spread. The measures included closure of the international airport, severely impacting the tourist industry. The IMF noted that Belize is expected to experience a deep recession due to COVID-19, particularly as the pandemic closely followed economic recession resulting from drought and reduced tourist arrivals in the second half of 2019.⁹ By the second quarter of 2020, the economy had contracted by 23.3 percent and both imports and exports declined compared to the previous year.¹⁰ The resulting economic impacts will be particularly devastating for the poor who accounted for over 41 percent of the population in 2009; vulnerable groups such as the elderly, people with disabilities (PWDs) and women; those employed in critical sectors such as tourism (close to 30,000 in September 2019); the informal sector;¹¹ as well as the 19,849 persons who were already unemployed before the crisis.¹²

Sectoral and Institutional Context

7. **The Belize Government has a long record of implementing Social Protection (SP) programs to address human development constraints across the life cycle, but challenges to performance and impact persist.** Safety net programs include the flagship Building Opportunities for Our Social Transformation (BOOST) conditional cash transfer (CCT) program; a Non-Contributory Pension program; High School Subsidy; School Health and Nutrition Program and Food Pantry. On the labor side, Government implements several labor market programs and services including the Public Employment Service; Youth Apprenticeship Program; Belize Youth Challenge Program; Department of Youth Services, among others. The lead Ministry in the SP sector is the Ministry of Human Development, Social Transformation and Poverty Alleviation (MHDSTPA); while the Ministry Labour, Local Government and Rural Development (MLLGRD) leads implementation and oversight of labor market policy and programs. The Ministry of Education, Science & Technology, Culture, Youth and Sports (MOE) is also a critical stakeholder, responsible for education delivery and provision of education-related benefits and services. The Ministry of Health (MOH) and National Health Insurance (NHI) also provide health services and health-related benefits to the population. The country has a well-established Social Security Board (SSB) which has high registration compared to other Caribbean countries.

8. **Despite the strong record of implementing SP programs and services in Belize, there remain challenges to effective delivery and impact of SP.** For instance, given poverty data from the 2009 CPA, coverage of the safety net could be improved given current beneficiary caseload of the BOOST CCT. Indicative estimates from program administrative data also point to CCT spending below regional norms in Latin America and the Caribbean. Additionally, service delivery in the sector is further hampered by limited coordination and integration, and the absence of a central, integrated system for

⁸ Government of Belize Press Office. September 21, 2020.

⁹ International Monetary Fund, 2020. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#B>

¹⁰ Statistical Institute of Belize, 2020. <http://sib.org.bz/economy-contracts-23-3-in-the-second-quarter-consumer-prices-up-0-1-and-both-imports-and-domestic-exports-down-37-8-and-37-3-respectively-in-july-2020/>

¹¹ The September 2019 Labor Force Survey noted that 31% of the employed population was self-employed. A previous study estimated the informal sector in Belize to be over 45%. (Vulletin, 2008)

¹² Statistical Institute of Belize, September 2019. Labor Force Survey



an overarching view of support to households nor systems for coordinated delivery. The lack of updated poverty data also hinders informed policy and program decision-making to address these vulnerabilities and risks.

9. **The Government has been actively working to address the SP system challenges through various initiatives over the years.** Most pertinently, these include, *inter-alia*, exploring the introduction of a social protection floor; introducing measures such as BOOST Plus to facilitate the productive inclusion of poor families in Southside Belize; piloting projects to facilitate skills training and to address the multiple drivers of youth exclusion; introducing initiatives to facilitate the economic empowerment of women, and establishing a multi-sectoral Early Childhood Development Technical Working Group (ECD-TWG).

10. **Belize has responded to the COVID-19 crisis with a number of Social Protection and Jobs measures to smooth consumption, provide income support, and mitigate job loss and business closures.** Measures include a new Unemployment Relief Program (URP), which provides temporary income support to employed and self-employed who lost their jobs directly as a result of the COVID19 crisis and to a share of previously unemployed persons. A Micro, Small and Medium Enterprises (MSME) support program provides grants to micro enterprises; wage subsidies to promote employer retention; and small loans to support reopening of business and increased production. Government also rolled out a Food Assistance Program (FAP), which provides a basket of goods bi-monthly to households not receiving any social assistance and who have no employed household members. The World Bank has also supported the response through a Contingency Emergency Response Component (CERC) under an existing World Bank Climate Resilience Infrastructure Project (CRIP). The CERC-financed activities aim to smooth consumption among poor households impacted by the crisis and to facilitate recover in the Agriculture sector. The activities include a six-month temporary increase in benefits to existing BOOST beneficiaries and a further eight-month financing of regular BOOST benefits; and provision of a six-month Belize COVID-19 Cash Transfer (BCCAT) to poor households not in receipt of any other social assistance benefit and with vulnerable household members including children, PWDs, elderly, and pregnant women. The CERC supports the agriculture sector by providing cash transfers to small farmers and women involved in agriculture; funds to purchase of eligible agricultural inputs; provision of small agricultural equipment and protective equipment; and technical support.

Relationship to CPF

11. The Project is specifically aligned to the World Bank’s Country Partnership Framework (CPF) for Belize FY18-22, which has an overall goal to improve Belize’s economic resilience. In pursuing that objective, the CPF “envisages addressing the needs of the bottom 40 percent and most vulnerable population.”¹³ In particular, the operation will contribute to Focus Area 2 of the CPF, which aims to promote financial inclusion and social resilience. The project will improve overall social resilience by supporting appropriate coverage of the safety net for improved consumption smoothing among poor households and reducing their socioeconomic vulnerability. Furthermore, the project will support improved youth employability and at-risk youth inclusion, a specific objective of the CPF, by improving economic empowerment and productive inclusion of youth in poor households. Finally, the project will facilitate improved evidence-based decision making for improved socioeconomic resilience and development of SP delivery systems for improved inclusion of poor and vulnerable households.

C. Proposed Development Objective(s)

12. The project development objective is to improve inclusion of poor and vulnerable in Belize's Social Protection system.

¹³ World Bank, 2017. Country Partnership Strategy FY 2018-2022



Key Results (From PCN)

13. **PDO level:**

- Number of new BOOST beneficiaries
- Number of households with complete information in the social registry
- Number of successful job matches facilitated by BALMIS
- Completion rate for BOOST Plus beneficiaries enrolled in training

D. Concept Description

14. The Project aims to improve performance and impact of Belize's SP system by financing improved coverage of the social safety net and strengthening overall delivery systems and data for improved inclusion of poor and vulnerable households. At the same time, the project will complement improved coverage and inclusion, with activities to foster economic empowerment and productive inclusion of poor households and the capacity of Government agencies to monitor delivery and performance of the SP sector. The Project complements Government's COVID-19 SPJ response and is designed to segue from the emergency SP response financed by the CRIP CERC. The Project will support COVID-19 recovery through improved inclusion of the poor, and medium to long-term improvements in SP delivery and responsiveness.

15. The Project will include the following components:

- Component 1 – Improve Social Safety Net Coverage.** This component will finance improved safety net coverage among poor and vulnerable households as well as increase the provision of complementary services, training, and economic empowerment activities to an additional cohort of BOOST beneficiaries and in high poverty areas with low coverage. This component will therefore help ensure appropriate coverage of poor, particularly those previously excluded from the safety net, as well as facilitate improved economic inclusion of the poor.
- Component 2 – Strengthening SP Delivery Systems.** This component will strengthen delivery systems and evidence for improved inclusion of the poor and vulnerable in Belize's SP system. The activities to be supported include (i) Strengthening BOOST delivery mechanisms; (ii) Development of an integrated social protection registry; and (iii) Strengthening the Belize Active Labor Market Information System (BALMIS).
- Component 3 – Strengthening Economic Empowerment and Productive Inclusion Services.** This component will strengthen productive inclusion strategies primarily offered through BOOST Plus, including training and entrepreneurship support focused on improving employability and earning potential, particularly of women and youth. This component is seen as a necessary complement to the social safety net, to ensure to improve earning potential and economic inclusion of beneficiaries.
- Component 4 – Project Management, Capacity Building, and Technical Assistance.** This component will include support for overall project coordination, oversight, M&E, research and studies, and capacity building for ministries responsible for implementing project activities. In particular the component will support updating poverty data for Belize and capacity building for its regular update.



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	Yes

Summary of Screening of Environmental and Social Risks and Impacts

16. The project will not focus on any specific geographic area and will be implemented nationwide. It will target the poor and vulnerable households, particularly those previously excluded from BOOST CCT program as well as support the provision of BOOST Plus to provide complementary services to an additional cohort of BOOST beneficiaries and in high poverty areas. The Project will also strengthen productive inclusion strategies primarily offered through BOOST Plus, including training and entrepreneurship support focused on improving employability and earning potential of women and youth. No physical works are anticipated to be financed by the Project

17. The project environmental risk is likely to be low due to the nature of the project. It will not support any infrastructure work or procurement of any major item. The project activities will support improvement of the performance and impact of Belize’s Social Protection system by improving the coverage of the social safety net and strengthening overall delivery systems and data for improved inclusion of poor and vulnerable households. The project activities are not expected to have any adverse impact on human population and the environment.

18. The anticipated social risk of the project is moderate due to the scope of the project components. No social impacts will be present from physical works as there are no civil works planned for this project. As the project objective is to improve inclusion to social safety nets programs among poor and vulnerable households, the principal risks will be: 1) managing and meeting expectations of the population; 2) ensuring that the various stakeholders including the beneficiaries are consulted and their views incorporated into project design; 3) an additional risk is that specific groups like indigenous people (IPs), women, youth or other vulnerable populations are excluded from social safety net programs offered by the project. Given the national scope of this project the consultations and stakeholder engagement process will need to be robust in order to address these particular risks.

19. The project will require a specific social assessment to understand the vulnerable populations like IPs, women, and youth and their ability to access the benefits of the project. A Stakeholder Engagement Plan (SEP) will be prepared and consulted before appraisal in a manner that is accessible and culturally appropriate, considering measures to ensure that access and inclusion of any vulnerable and hard-to-reach groups during the Project. The project is national in scope so it is anticipated that the entire population of Belize will be impacted positively by this project. The stakeholder engagement process however will ensure that vulnerable groups are not excluded from project benefits by engaging a broad section of the population. A Labor Management Plan (LMP), including include a Grievance Redress Mechanism (GRM) for workers will also need to be prepared to determine roles and responsibilities and to ensure that World Bank guidelines are followed and to ensure the exclusion of child labor and forced labor.

20. By supporting the project, the Bank does not intend to make any judgment on the legal or other status of the territories concerned or to prejudice the final determination of the parties’ claims.



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APPROVAL

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