

## SUMMARY OF THE PROJECT IN DESIGN \* (\*)

### Catalyze Her Potential

|   |                |  |
|---|----------------|--|
| <b>PITCH ELIGIBILITY DATE</b>                                     |                | <b>COUNTRY(IES)</b>                      |
| 03/08/2024  |                | Belize                                   |
| <b>ALIGNED WITH COUNTRY STRATEGY?</b>                             |                |  |
| Yes   |                |  |
| <b>PARTNER(S)</b>   |                |  |
| NIME Belize - International Network of Women In Buisness          |                |  |
| <b>PRELIMINARY CLASSIFICATION ENVIRONMENTAL AND SOCIAL IMPACT</b> |                |  |
| N/A (**)  |                |  |
| <b>TOTAL BUDGET</b>   | <b>IDB Lab</b> | <b>LOCAL COUNTERPART AND COFINANCING</b> |
| US 800,000  | US 500,000     | US 300,000                               |
| <b>DESCRIPTION</b>  |                |  |

**The problem** Over the past decades, and before the Covid-19 pandemic hit, Belize had experienced low economic growth - 2.6% on average between 2002 and 2019. After a sharp contraction of 13.4% in 2020 and a robust recovery in 2021 and 2022, where it grew an impressive 17.9% and 8.7% respectively, the economy reverted to modest growth rates in 2023 (3% est.) and the forecast horizon (2.5%). This modest performance, insufficient to consolidate the social progress achieved in the last years when the unemployment rate reduced to a current 4%, is partly attributable to declining productivity. According to the Statistical Institute of Belize (SIB), the participation rate among females in the labour force (44.5 percent) remained relatively unchanged when compared to October 2022. Among women, the main reason for not participating in the workforce was due to personal and family responsibilities (46.8%). Vulnerable employment in Belize in 2021 was reported as 34.7% among women and 28.8 % among men.

Agriculture is an important economic sector in Belize (10% of GDP), but its productivity, measured as the Total Factor Productivity (TFP) has decreased at 3.4% per year on average since 2012, while labor productivity in other sectors is protracted. TFP measures how an economy combines its inputs - capital and labour – to produce value and captures the innovation and/or technology adoption of private sector firms and value creation in new products or processes.

Therefore, to drive robust and sustainable economic growth in Belize, it is crucial to adopt policies to unlock the potential of the private sector to contribute to growth and development, mainly in the segment of MSMEs, which constitutes more than 75% of the total firms in the country. MSMEs in Belize have characteristics that are not too different from other LAC countries: microenterprises are predominantly women-owned (87%), and their businesses face several constrains to grow, from access to finance to lack of business support and a fragmented ecosystem for innovation.

**The solution** This program aims at shifting stagnant growth trends by supporting MSMEs with high growth potential and dynamic entrepreneurship. The strategy includes accelerating and supporting high potential growth ventures at all stages in the business cycle from early and ideation stage to start-ups with high growth potential, to established Small and Medium-sized Enterprises (SMEs) that face challenges to innovate and growth as well as strengthening the entrepreneurs who are nearing export readiness.

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\*\*The IDB categorizes all projects into one of six E/S impact categories. Category A projects are those with the most significant and mostly permanent E/S impacts, category B those that cause mostly local and short-term impacts, and category C those with minimal or no negative impacts. A fourth category, FI-1 (high risk) Financial Intermediary (FI)'s portfolio includes exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, mostly irreversible or unprecedented, FI-2 (medium risk) FI's portfolio consists of business activities that have potential limited adverse environmental or social risks or impacts, FI-3 (low risk) FI's portfolio consists of financial exposure to business activities that predominantly have minimal or no adverse environmental and social impacts.

The proposed solution aims to utilize NIMES' regional network to enhance the entrepreneurial ecosystem of Belize. By leveraging from proven business development models, the project aims to assess the current ecosystem and design a framework that caters to entrepreneurs at different levels of business maturity. This framework will encompass both urban and rural areas of the country, ensuring that entrepreneurs from all parts of Belize have access to the resources they need to succeed. The project's success will depend on its ability to employ best practices and adapt them to the unique needs of Belize's entrepreneurial community.

**The beneficiaries** The project aims to benefit women entrepreneurs in Belize, with a special focus on supporting women-led businesses. The target area for the project includes all six districts of Belize, in both urban and rural areas. In rural areas NIME will be able to target areas such as but not limited to women in rural areas of, afro-descendants (such as but not limited to the Belize River Valley) and indigenous communities (such as but not limited to the Garifuna women's groups of the south, and Maya women groups in northern, western and southern Belize). The project will conduct a mapping of other groups led by or registering women in cooperatives, producer organizations, etc.

The beneficiaries under this agreement would include a total of three hundred (300) direct women entrepreneurs and one thousand (1000) indirect beneficiaries over a three-year period.

**The partner** NIME Belize-International Network of Women in Business is the executing agency which aims to break down barriers with a bold and forward-thinking approach. They are leaders, not just in their ventures, but in pioneering new ideas, resources, and connections that fuel effectiveness. One of NIME's key strengths lies in fostering collaboration and community. They actively promote spaces for participation within their network and beyond, forging alliances with other organizations to create a supportive ecosystem. This emphasis on collective empowerment extends to NIME's core values, where integrity, honesty, and recognizing each member's unique contribution are paramount. NIME goes beyond business success; they understand the broader impact women entrepreneurs can have. They raise awareness on social inclusion, women's rights, gender equality, and leadership skills, recognizing the role to play in peacebuilding and societal change while creating a safe and supportive environment, nurturing deep friendships and tackling issues women face today. This fosters personal growth and helps members mature into successful leaders, equipped with the skills, and plans to drive progress. Ultimately, NIME provides opportunities for professional and personal development, equipping women with the support and skills they need to thrive. NIME's unique combination of collaboration, empowerment, and social awareness makes NIME a valuable resource for women-owned businesses. They offer not just individual growth, but a united front for positive change, making NIME a driving force for a more equitable and prosperous future

**The IDB Lab's contribution** requested is a non-reimbursable Technical Cooperation of US\$300,000.

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