# **Technical Cooperation Document**

### I. Basic Information for TC

Country:	BELIZE		
<ul> <li>TC Name:</li> </ul>	Support to Trade and Investment Facilitation Program for Belize		
TC Number:	BL-T1187		
<ul> <li>Team Leader/Members:</li> </ul>	Delgado Ojeda Queila (PTI/TIN) Team Leader; Ocampo Sanchez, Fernando Jose (PTI/TIN) Alternate Team Leader; Vasco Henao Oscar Dario (PTI/PTI); Patricia Elena Pomenta Bastidas (ORP/GCM); Rivero, Ruthann Rachel (CID/CBL); Barragan Crespo, Enrique Ignacio (LEG/SGO); Watson, Brodrick Raylando (VPC/FMP); Fernandez- Duran Gortazar, Carla Cristina (ORP/EUR); Lunstedt Tapia, Christian (VPC/FMP); Umana, Mario Alberto (PTI/TIN); Esteves, Yasmin (PTI/INT)		
<ul> <li>Taxonomy:</li> </ul>	Operational Support		
Operation Supported by the TC:	BL-L1040.		
<ul> <li>Date of TC Abstract authorization:</li> </ul>	N/A .		
Beneficiary:	Belize		
Executing Agency and contact name:	Ministry Of Finance, Economic Development, And Investment		
<ul> <li>Donors providing funding:</li> </ul>	European Commission Amended and Restated Framework Agreement(ECR)		
<ul> <li>IDB Funding Requested<sup>1</sup>:</li> </ul>	US\$2,023,174.00		
<ul> <li>Local counterpart funding, if any:</li> </ul>	US\$0		
<ul> <li>Disbursement period (which includes Execution period):</li> </ul>	42 months		
<ul> <li>Required start date:</li> </ul>	January 2025		
<ul> <li>Types of consultants:</li> </ul>	Individual consultants and consulting firms		
Prepared by Unit:	PTI/TIN-Trade and Investment Division		
<ul> <li>Unit of Disbursement Responsibility:</li> </ul>	CID/CBL-Country Office Belize		
<ul> <li>TC included in Country Strategy (y/n):</li> </ul>	Yes		
<ul> <li>TC included in CPD (y/n):</li> </ul>	No		
<ul> <li>Alignment to the Update to the Institutional Strategy 2024-2030:</li> </ul>	Economic integration; Gender equality; Institutional capacity and rule of law		

### II. Description of the Associated Loan

2.1 On September 14, 2022 the Board of Executive Directors of the Inter-American Development Bank (IDB) approved the "Trade and Investment Facilitation Program for Belize" (BL-L1040, 5582/OC-BL). This US\$8 million IDB-financed loan program, led

<sup>&</sup>lt;sup>1</sup> The funding will be provided by the European Union through the European Commission as a Project Specific Grant (PSG) administered by the Bank. The amount of financing from the donor is EUR 2,000,000 (US\$2,023,174.00). The official source used for the exchange rate was <u>INFOREUR</u> on 8th of August 2024. The IDB will receive EUR 130,841 (US\$141,622) as administration fee.

by the Trade and Investment Division (INT/TIN) of the Integration and Trade Sector (INT/INT), is currently in the disbursement phase.

- 2.2 The general objective of the Program BL-L1040 is to promote Belize's foreign direct investment (FDI) and trade performance. The specific objectives are to: (i) improve investment facilitation through simplification, standardization, and automation of key investment procedures; (ii) improve the investment promotion tools and Small and Medium Enterprises (SMEs) internationalization through the strengthening of the trade and investment institutional apparatus; and (iii) improve trade facilitation through simplifying, standardizing, and automating key trade processes.
- 2.3 The program has been in execution for 20 months through a Central Executing Unit (CEU) with multiple activities currently under procurement, with the expectation of starting major substantial work in 2025, mainly in the development of a Single Investment Window and a Trade Single Window, while advancing with a linkages program to promote direct and indirect exports of SMEs and strengthening the institutional capacity on investment promotion. To date, the Client Relationship Management System (CRM) for The Belize Trade and Investment Development Service (BELTRAIDE) is operational, the consultancies on Global Digital services Policy and Design of the Suppliers Development Program are underway, and a knowledge exchange mission to Costa Rica was successfully completed. The procurement of consulting services to strengthen Beltraide's Investment Promotion Program and Implement of the Suppliers Development Program have been launched. Major procurements on the Investment and Trade Single Windows are to be launched in early 2025.

### III. Objectives and Justification of the Technical Cooperation (TC)

- 3.1 Objectives. The general objective of this TC is to promote Belize's trade integration. The specific objective is to expand the scope of Components 2 and 3 of the Program BL-L1040 by including: (i) the development of an Export Young Professional Program, (ii) the inclusion of two new modules in the Electronic Single Window (ESW) to further contribute in the automation, simplification and standardization of import-export process which will reduce cargo clearance time and costs; and (iii) the improvement of the regulatory framework and procedures for commercial and regional integration, through support to the implementation of Trade Agreements, Integrated Border Management studies; and capacity building to Belizean officials. These activities will support the strengthening of the Program BL-L1040 to achieve the objective of improving Belize's trade performance.
- 3.2 Beneficiaries. The ultimate beneficiary population of this TC includes: (i) 15 young Belizean professionals from embassies overseas and BELTRAIDE as an institution; (ii) local and international importers and exporters who are doing business with/ in or in Belize;<sup>2</sup> and (iii) public institutions including Belize Customs and Excise Department, the Ministry of Foreign Affairs, Foreign Trade and Immigration, and other regulatory agencies that are responsible for issuing permits, licenses, and certificates (OGAs such as the Ministry of Agriculture, Food Security and Enterprises, the Belize Police

<sup>&</sup>lt;sup>2</sup> According to the <u>Beneficiary Analysis</u> conducted for the Program BL-L1040, approximately 500 firms stand to benefit.

Department, Ministry of Health and Wellness).<sup>3</sup> These agencies are the main participants in the international trade processes.

- 3.3 Belize's trade performance has not reached the necessary levels to promote economic growth. Belize's pace of economic growth exceeded that of Latin American and Caribbean (LAC) economies in the 1980s, 1990s, and early 2000s. However, Belize's real GDP average growth slowed from 4.7% between 2000 and 2009 to only 2.3% between 2010 and 2019.<sup>4</sup> The pandemic had a sharp impact, with a degrowth of 13.7% and a repump in 2021 to 17.9%, to reaccommodate to 1.1% in 2023 and projected growth of 5.4% for 2024 and 2.5% for 2025, according to the IMF.<sup>5</sup> This sluggish growth is reflected in the external sector. Compared to other countries in the region, Belize has modest trade flows, with an average Exports to GDP ratio of 53% for the period 2016-2019, a sharp decline in 2020 to 37% and coming back to 52% in 2022.6 In 2021, trade growth was -6.17% compared to Guatemala at 11.02%, El Salvador at 13.37%, Honduras at 14.31%, Nicaragua at 15.11%, Jamaica at 3.12%, and world growth at 12.50%.<sup>7</sup> Trade in goods has been volatile in the last few years, with small net growth in 2023 (US\$488 million) compared to 2017 (US\$457 million).8 Small economies usually rely on their external sector for growth. The country has low international trade competitiveness. Belize faces long and cumbersome import and export processes that increase international trade costs. In addition, there are insufficient resources and technical capacity, including training of local talent,<sup>9</sup> to promote exports, market access and trade agreement negotiations in Belize, and its export basket comprises goods typically exported by countries with lower income levels.
- 3.4 Inefficiencies and delays exist in the trade processes. According to the World Bank's 2020 Doing Business Report, Belize ranked 114th out of 190 economies in the trading across borders (TAB) indicator, with 38 hours for export documentary compliance and 36 hours for imports. Additionally, before 2020, Belize's TAB score was 68.13, and there has been no change since 2015. Furthermore, according to the OECD Trade Facilitation Indicators (TFI), Belize's performance in all TFI areas in 2019 was below the average performance of both the upper middle-income countries to which it belonged and the lower middle-income countries to which it has been moved.<sup>10</sup> The suggested areas for improvement in document formalities included: (i) broadening the acceptance of non-original documents; (ii) reducing the number of documents required for import and export; and (iii) the time necessary to prepare such documents.<sup>11</sup> Notably, in a May 2019 survey conducted by UNCTAD for the preparation of the Trade Facilitation Roadmap, respondents indicated that the factors affecting time and cost for border and documentary compliances include: (i) too many

<sup>&</sup>lt;sup>3</sup> The Project team estimates that 18 public servants will benefit, based on the Program BL-L1040 activities interactions with agencies, with an average of 3 participants per agency.

<sup>&</sup>lt;sup>4</sup> Martin, L., Leslie, J., Ruiz-Ărranz, M., López-Ghio, R. & Vasquez, G. (2021, February) BIDEconomics, Belize: Developing a Sustainable, Resilient and Inclusive Belize 2021.

<sup>&</sup>lt;sup>5</sup> IMF Country Data.

<sup>&</sup>lt;sup>6</sup> World Bank, Data.

<sup>&</sup>lt;sup>7</sup> World Integrated Trade Solutions (WITS).

<sup>&</sup>lt;sup>8</sup> Central Bank of Belize.

<sup>&</sup>lt;sup>9</sup> The team made an internal assessment based on the difficulties of finding trained professionals in trade and investment through the leading government agencies of Belize involved in the project.

<sup>&</sup>lt;sup>10</sup> OECD Trade Facilitation Indicators.

<sup>&</sup>lt;sup>11</sup> The Belize Trade and Investment Development Service (BELTRAIDE) is the official Trade and Investment promotion agency of the country of Belize.

documents; (ii) repetitive and unproductive processes; (iii) delays in the procedures of agencies; and (iv) a lack of interconnectivity between customs and other agencies.

- 3.5 **Gender gaps in internationalization.** A trade barrier identified for gender gaps in internationalization is that Non-Tariff Measures (NTMs) are more burdensome for women-owned exporting businesses.<sup>12</sup> In preparation for trade negotiations, some countries have chosen to conduct or are required to undertake impact assessments of potential trade agreements. In some cases, a gender dimension is added to the analysis. In Belize, according to the WB Business Enterprise survey (2010), only 2.6% of companies with a female top manager exported directly at least 10% of their sales, while 22.3% of the companies with a male top manager did so. The average in Central America was 3.6% for companies with female top managers and 7.7% with males. Another interesting factor is that the Belizean companies led by women are small (26%) and medium (26%), without any leadership in large firms (0%), while in the region, the average in large firms is 8.2%.
- 3.6 **Low sophistication of local firms.** Belize has a small export basket of primary goods (such as sugar and bananas, representing 34% and 19% of goods exports between 2017 and 2019).<sup>13</sup> Firms lack the information and the capacity to participate in regional and global value chains (GVC). BELTRAIDE 's analysis of export-readiness bottlenecks<sup>14</sup> identified the following issues: (i) cost of certifications and other market access requirements; (ii) high cost of engaging in processing and value-added production; and (iii) accessing expertise and technical support. Also, in the analysis of investment barriers in Belize, the small size of local firms and the low sophistication of products and processes were identified as barriers. Several institutions have identified a lack of market intelligence (preferences and technical needs like food traceability or quality certifications) to support and promote exports in Belize. Export Belize, the division within BELTRAIDE that promotes exports, has only five export officers.
- 3.7 This TC, financed by the European Union (EU) will support strengthening the implementation of BL-L1040 Program and achieving the targeted outcome. On the one hand, the EU funding will support the further strengthening of Belize's export promotion strategy, complementing the Program's activities of Component 2, through an Export Young Professional Program aimed at boosting BELTRAIDE's impact on increasing exports and strengthening the local human capital. On the other hand, it will extend the services already planned under the IDB Program for the Electronic Single Window (C3) to include the deployment of two additional key modules and will add activities to improve the regulatory framework and procedures for commercial and regional integration through support to Trade Agreements implementation, Integrated Border Management measures studies and capacity building activities related to trade facilitation for Belizean officials. Given the current positive trade integration interests with Guatemala and Mexico, this intervention come in a timely fashion and is also reflected in the IDB's *America en el Centro* Initiative.
- 3.8 **Strategic Alignment.** The TC is consistent with the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631) and is aligned with the objective of: bolstering sustainable regional growth. It is also aligned with the operational focus

<sup>&</sup>lt;sup>12</sup> Women and Trade. The role of trade promoting gender equality. WB & WTO 2020.

<sup>&</sup>lt;sup>13</sup> Martin, L., Leslie, J., Ruiz-Arranz, M., López-Ghio, R. & Vasquez, G. Supra, footnote 2.

<sup>&</sup>lt;sup>14</sup> Exporters Survey undertook by BELTRAIDE for their internal use and shared with the project's team to assist the project's design.

areas of: (i) Institutional Capacity, Rule of Law, and Citizen Security; and (ii) Regional Integration by assisting the simplification and digitalization of processes, reducing the red tape for exports and supporting the increase of their Regional Value Chains (RVCs) and Global Value Chains (GVCs)' participation through export development and develop studies for integrated border management. This operation is aligned with America en el Centro initiative, specifically with Pillar I Productivity and Economic Integration, by facilitating cross-border trade and market access. This TC also aligns with the priority of trade facilitation defined in the Integration and Trade Sector Framework Document (GN-2715-11). Further alignment with IDB Group Country Strategy with Belize 2022-2025 (GN-3086), which identifies as a priority area: "Private sector productivity and sustainable growth, with a focus on MSMEs," more specifically "improving Belize's connectivity with regional and global markets, including export promotion, trade facilitation, through a Single Trade Window, trade agreements, and support services for exporting firms."

- 3.9 This TC is also aligned with Belize's Horizon 2030 National Development Framework, specifically with Pillar 3 Economic Resilience, activity 2 "Develop the Domestic Market as a Springboard for Exports, Produce Quality Goods and Services and Expand Exports." Additionally, this TC aligns with the Sustainable Development Goals (SDGs) nine (9) Industry, Innovation and Industry and seventeen (17) Partnerships for the Goals.
- 3.10 Lastly, the TC aligns with the European Commission Amended and Restated Framework Agreement (ECR). It strategically aligns with the Inclusive Digital Transformation Pillar of the EU-LAC Global Gateway Investment Agenda<sup>15</sup> by digitalizing trade processes to be included in the Electronic Single Window, and the Pillar of Human Resources by designing and implementing the Export Young Professional Program. The project will support the EU Global Gateway Investment Agenda for Belize,<sup>16</sup> which highlights the area of Trade and Economic Integration of Belize into the Northern Triangle, through the activities of Component 2.

### IV. Description of activities / Components and Budget<sup>17</sup>

- 4.1 The following activities will contribute to achieving the outcome related to increasing Belize's trade. They align with the vertical logic<sup>18</sup> proposed, linking export development and trade facilitation to the country's trade performance.
- 4.2 Component 1: Support Export Development (US\$649,440; €600,000). This component aims to boost exports and promote export development capabilities by designing and implementing an Export Young Professional Program to enhance further Belize's capabilities to increase exports and investments. The consultancy will design the program scheme, including developing of the curriculum to train young graduates in SMEs internationalization, trade agreements and export processes. The design will include a competitive selection process<sup>19</sup> and two phases (theoretical

<sup>&</sup>lt;sup>15</sup> EU Global Gateway Investment Agenda.

<sup>&</sup>lt;sup>16</sup> EU Belize.

<sup>&</sup>lt;sup>17</sup> The funding will be provided from the European Union through the European Commission as a Project Specific Grant (PSG) administered by the Bank. The amount of financing from the donor is EUR 2.000.000. The official source used for the exchange rate was INFOREUR on the 8th August 2024.

<sup>&</sup>lt;sup>18</sup> Link to Vertical Logic of BL-L1040.

<sup>&</sup>lt;sup>19</sup> Specific selection criteria will be defined during the program design consultancy tailored to Belize's unique context. These criteria will differentiate between minimum requirements and additional point-based factors.

training phase and a hands-on phase). The program will be coordinated by the Ministry of Foreign Affairs and Beltraide. The program will support gender equality by incorporating gender balance criteria for selecting participants.

- 4.3 Component 2: Trade facilitation (US\$1,373,737; €1,269,159). This component will contribute to reducing delays associated with administrative trade procedures by strengthening trade facilitation and contribute to further implementation of a trade Electronic Single Window (ESW), financed by the BL-L1040 Program and improving the regulatory framework and procedures for commercial and regional integration. The activities included in this component are: (i) the development of a Customs Declaration Module connected to ASYCUDA;<sup>20</sup> (ii) implement a Risk Management Module to improve security while reducing the percentage of physical inspections. This activity depends upon advances on the LCP module and BPR activities financed with the loan (BL-L1040 Program). These activities funded by the EU, add value to the current plan because they strengthen the ESW. (iii) support the implementation of Trade Agreements (including diagnostics on gender equality implications); (iv) develop studies for integrated border management, including analysis of future infrastructure needs, at major border crossings; and (v) change management and capacity building to Belizean officials. Examples of specific activity topics include awareness, team building, and socialization of benefits gained by adopting the tool
- 4.4 **Budget**. The European Union expects to commit €2,000,000 to this project, which is equivalent to US\$2,023,174, based on the exchange rate reference from the European Central Bank on 8th August 2024.<sup>21</sup> Final resources in US dollars will depend on the exchange rate of the date when the resources are received by the Bank and converted into US Dollars. If a significant adverse fluctuation in the exchange rate reduces the amount of US dollars in this budget and such amount cannot be covered by the contingency line, the project activities will be decreased appropriately and the budget will be adjusted accordingly by the project team.
- 4.5 The European Union will provide resources for this project through a Project Specific Grant (PSG). A PSG is administered by the Bank according to the "Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs)" (Document SC-114). As contemplated in these procedures, the commitment by the European Union will be established through a separate Contribution Agreement as established under the framework agreement. Under such agreement, the resources for this project will be administered by the Bank and the Bank will charge a non-refundable administration fee of 7% of the contribution, The 7% administration fee will be charged upon the Bank's contribution receipt.
- 4.6 The EU will provide the TC funds, represented by the European Commission Amended and Restated Framework Agreement (ECR). The following table provides further detail on the resource allocation for each component.

To ensure transparency, the selection criteria for each phase will be publicly accessible. Examples of criteria used in similar programs include educational qualifications, languages proficiency, nationality, and age limits.

<sup>&</sup>lt;sup>20</sup> The UNCTAD Automated System for Customs Data (ASYCUDA) is an integrated customs management system for international trade and transport operations in a modern automated environment.

<sup>&</sup>lt;sup>21</sup> Exchange rate: 1 EUR = US\$1.1117.

Activity/Component	Description -	TC Funds		Total Funding		
		€	US\$	US\$		
Component 1: Support Export Development	Export Young Professional Program	600,000	649,440	649,440		
Sub-total Component 1		600,000	649,440	649,440		
Component 2: Trade Facilitation	Customs Declaration Module	300,000	324,720	324,720		
	Risk Management Module	339,159	367,102	367,102		
	Change Management and Capacity Building	200,000	216,480	216,480		
	Support for implementation of Trade Agreements	80,000	86,592	86,592		
	Studies for Integrated Border Management	350,000	378,840	378,840		
Sub-total Component 2		1,269,159	1,373,737	1,373,737		
TOTAL TC COSTS		1,869,159	2,023,174	2,023,174		
Administration Fee (7%)		130,841	141,622	141,622		
TOTAL + Administration Fees		2,000,000	2,164,800	2,164,800		

## Indicative Budget<sup>22</sup>

### V. Executing agency and execution structure

5.1 The Government of Belize established in 2023 a Central Executing Unit (CEU)<sup>23</sup> within the Ministry of Finance, Economic Development, and Investment (MFEDI) for the coordination and implementation of IDB-founded projects. The CEU in Belize is the unit responsible for the coordination and implementation of new IDB funded loan and projects to provide an efficient and effective way to facilitate the management of the projects, ensuring that all phases are completed on time and within budget.

<sup>&</sup>lt;sup>22</sup> Exchange rate at 8<sup>th</sup> August 2024 <u>INFOREUR.</u>

<sup>&</sup>lt;sup>23</sup> For more information, refer to <u>Central Executing Unit.</u>

- 5.2 The CEU tasked with implementing the six projects financed by the IDB in Belize, and has been adequately trained and staffed with the following personnel: (i) a portfolio director; (ii) a full-time project manager specific for the BL-L10140 Program and this TC; (iii) a financial specialist; (iv) a procurement specialist; (v) a monitoring and evaluation specialist; (vi) a social and environmental safeguard specialist, and (vii) an administrative officer. Moreover on November 2024, the Bank approved a technical cooperation (BL-T1181) to strengthen the CEU capacity.
- 5.3 Through establishing of the Program Steering Committee (PSC), the MFEDI and the various technical units (TUs) shall coordinate towards the successful implementation of this TC. The TUs shall provide technical input to the procurement processes that will be managed by the MFEDI and shall report to the MFEDI on monitoring and implementation of the proposed interventions. BELTRAIDE has the technical capacity to implement the activities under Component 1 through its experience in implementing programs that provide technical support and grants to MSMEs to foster exports and training. The Belize Customs and Excise Department and the Directorate General for Foreign Trade have the technical capacity to implement Component 2, as well established units have initiated work in the area of ESW and have previous experience implementing similar projects such as ASYCUDA World.
- 5.4 The Government of Belize has submitted the request for this TC and their disposition to execute the funds through the Central Executing Unit (CEU). The request letter is included in Annex I. The established execution period is 42 months and the unit responsible for disbursements is the IDB Country Office in Belize.
- 5.5 Procurement. The procurement of works, goods, services and consultancy services shall be done in accordance with Bank's policies for the procurement of goods and works (GN-2349-15) and for the selection and contracting of consultants (GN-2350-15), under the 2020 EU-IDB Financial Framework Partnership Agreement (FFPA) which establishes exceptions to such policies (approved by the Bank under the "Proposal for the FFPA between the European Commission and the Inter-American Development Bank" [GN-2605-5, paragraphs 4.14 and 4.15]) in order to: (i) allow goods, works or services originating from or rendered by nationals from IDB non-member countries which are the member countries of the EU and the nonmember countries eligible for the EU, be eligible for procurement activities under this operation, provided that the country of origin of the goods and the nationality of the suppliers, contractors and service providers is recognized as eligible by the EU under its applicable regulations. The EU publishes the list of eligible countries (or any updates thereto) as an annex to the "Practical Guide to Contract Procedures for EU External Actions" (PRAG), which is available on its Internet website; (ii) extend the retention period of project documentation required for executing agencies and the Bank, from three years to five or more years; and (iii) prevent awarding contracts to entities, individuals or groups of individuals subject to restrictive measures which are included in the EU sanctions list<sup>24</sup> and/or EU restrictive measures.<sup>25</sup>
- 5.6 **Financial Management**. The CEU will carry out the financial management of project resources in accordance with the provisions of the Financial Management Guidelines

<sup>&</sup>lt;sup>24</sup> <u>https://data.europa.eu/apps/eusanctionstracker/entities/</u> and https://data.europa.eu/apps/eusanctionstracker/individuals/.

<sup>&</sup>lt;sup>25</sup> https://www.eeas.europa.eu/eeas/european-union-sanctions.

for IDB Financed Projects (OP-273-12). The Executing Agency will deliver audited financial statements for the project within 120 days from the expiration date of the disbursement period or any extension thereof. The audit will be carried out by an independent auditing firm acceptable to the Bank.

- 5.7 **Monitoring and Evaluation (M&E)**. The TC outcome is to contribute to Belize's trade integration through (i) supporting the BL-L1040 Program, (ii) enhancing the regulatory framework and procedures for commercial and regional integration, and (iii) reducing trade permits' approval time due to automatized, simplified and standardized processes. At least three proposals are expected to be designed and presented to the authorities. The M&E requirements for the Executing Agency are the following: (i) annual progress reports, within thirty (30) days after the end of each calendar semester, which will include, among others, physical and financial progress, any deviation in the projection and counter measures to correct it, any risk identified and mitigation plans; and (ii) a final report, within six (6) months after completion of the last activity of the project, which shall include, among others: physical and financial execution, outcomes and objectives achieved.
- 5.8 **Donor Reporting.** The Bank's project team will be responsible for preparing and submitting of the project reporting to the donor, in compliance with the stipulations of the Contribution Agreement.<sup>26</sup> The final report should be all-inclusive; it should include information from the beginning of the project until its completion, regardless of whether. The EU wholly or partially financed by it.

### VI. Major issues

- 6.1 Procurement risk: the ratio of providers' response to procurement processes up to date for the loan has been low. The main procurement risk identified relates to low interest by relevant providers, which could lead to lower quality response and delays in implementation. This risk will be mitigated by: (i) strengthening the procurement public notice through additional media, partners, IDB procurement page and BID for the Americas; and (ii) the active pre-identification of suitable providers to strengthen the communication of public procurement notices.
- 6.2 Inter-agency coordination: The risk is related to the collaborative effort and interaction of multiple agencies in the developing and implementing of the trade ESW. The risk materializes if the agencies do not adopt a model of collaboration, abandoning the silo approach, This will be mitigated through (i) a Memorandum of Understanding (MOU) between the E-Governance and Digitalization Unit and the beneficiary agencies (owners of the services that will be digitalized) that must be established; (ii) the incorporation of an adequate mechanism of inter-institutional governance; and (iii) identification and communication of benefits for each stakeholder.
- 6.3 In addition, the project team identified a medium risk of financial sustainability for the trade ESW. This will be mitigated by specific studies incorporating recommendations from the main ESW consultancy, the recently completed feasibility study conducted by the OAS for the government of Belize, and enhanced coordination with the private sector through the Economic Development Council (a public private advisory board hosted at the office of the Prime Minister) to ensure permanence across the political cycles. The ESW is a national priority with substantial benefits to

<sup>&</sup>lt;sup>26</sup> The content guideline for the donor reporting will be specified in the Contribution Agreement.

the private sector, and part of the obligations under the Trade Facilitation Agreement (TFA) under the World Trade Organization (WTO). Leveraging technical advice from the main consultancy and strengthening public-private coordination arrangements have proven effective in similar single window projects, such as Program GY-L1064.

#### VII. Exceptions to Bank policy

7.1 There are no exceptions to Bank policy in this TC.

### VIII. Environmental and Social Aspects

8.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

### **Required Annexes:**

Terms of Reference\_92651.pdf