

TC Document

I. Basic Information for TC

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| ▪ Country/Region: | BELIZE |
| ▪ TC Name: | Support Investment Promotion and Trade Facilitation in Belize |
| ▪ TC Number: | BL-T1188 |
| ▪ Team Leader/Members: | Delgado Ojeda Queila (PTI/TIN) Team Leader; Ocampo Sanchez, Fernando Jose (PTI/TIN) Alternate Team Leader; Buxan Raposo Iria (PTI/TIN); Dorantes Gomez, Angela Carmelia (PTI/TIN); Rivero, Ruthann Rachel (CID/CBL); Watson, Brodrick Raylando (VPC/FMP); Barragan Crespo, Enrique Ignacio (LEG/SGO); Lunstedt Tapia, Christian (VPC/FMP); Vasco Henao , Oscar Dario (PTI/TIN); Umana Vargas Mario Alberto (PTI/TIN); Esteves, Yasmin (PTI/PTI); Pazos Viladegut , Jose Efrain (PTI/TIN). |
| ▪ Taxonomy: | Operational Support |
| ▪ Operation Supported by the TC: | BL-L1040. |
| ▪ Date of TC Abstract authorization: | 21 Feb 2025. |
| ▪ Beneficiary: | Ministry Of Finance, Economic Development, and Investment; Belize Trade and Investment Development Service (BELTRAIDE); Ministry of Foreign Affairs and Foreign Trade, Directorate General of Foreign Trade (DGFT), and the Customs & Excise Department |
| ▪ Executing Agency and contact name: | Inter-American Development Bank |
| ▪ Donors providing funding: | OC SDP Window 2 - Integration(W2D) |
| ▪ IDB Funding Requested: | US\$150,000.00 |
| ▪ Local counterpart funding, if any: | US\$0 |
| ▪ Disbursement period (which includes Execution period): | 36 months |
| ▪ Required start date: | July 2025 |
| ▪ Types of consultants: | Individual consultants |
| ▪ Prepared by Unit: | PTI/TIN-Trade and Investment Division |
| ▪ Unit of Disbursement Responsibility: | CID/CBL-Country Office Belize |
| ▪ TC included in Country Strategy (y/n): | Yes |
| ▪ TC included in CPD (y/n): | Yes |
| ▪ Alignment to the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631). 2024-2030: | Economic integration; Indigenous People; Diversity; Regional integration; Targets poor populations; Supports sustainable economic growth; Supports digital transformation; Institutional capacity, rule of law, and citizen security; Private sector development |

II. Description of the Associated Loan

2.1 On September 14, 2022 the Board of Directors of the Inter-American Development Bank (IDB) approved the Trade and Investment Facilitation Program for Belize (BL-L1040, 5582/OC-BL). An US\$8 million IDB-financed loan program, led by the Trade and Investment Division of the Productivity, Trade and Innovation Sector (PTI/TIN), is currently in its disbursement phase. A €2 million (US\$2,023,174) grant from the European Union (EU) was later approved to complement those resources, supporting key components of the program. These include the launch of an Export Young

Professional Program—coordinated by the Directorate of Foreign Trade and BELTRAIDE—to boost exports and strengthen local human capital; the deployment of two additional modules for the Electronic Trade Single Window (ETSW); improvements to the regulatory framework for trade facilitation and regional integration; and support for the implementation of trade agreements, integrated border management studies, and capacity-building activities for Belizean officials.

- 2.2 The general objective of the loan program 5582/OC-BL 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 loan is currently under execution and focuses on improving trade infrastructure, digital platforms, and institutional capacity. This Technical Cooperation (TC) aims to provide targeted technical assistance to ensure effective implementation and support for institutional capacity.

III. Objectives and Justification of the TC

- 3.1 The general **objective** of this TC is to strengthen operational capacities for the implementation of the IDB’s Trade and Investment Facilitation Program in Belize (BL-L1040).
- 3.2 The **specific objectives** are to: (i) provide technical support for the development of a modern foreign trade ecosystem and enhance regional trade integration; and (ii) strengthen institutional dialogue and institutional capacities in trade and investment. These activities will support the implementation of the Program (BL- L1040) to achieve the objective of improving Belize's trade and investment performance.
- 3.3 **Belize, a small and open economy in Central America, has experienced a strong post pandemic recovery, marked by robust Gross Domestic Product (GDP) growth, declining unemployment, and improved fiscal indicators.** Between 2021 and 2024, the economy expanded at an average annual rate of 8.6%, a sharp acceleration compared to the 2.2% average growth recorded between 2013 and 2019¹. This recent rebound has outpaced regional benchmarks, exceeding the 4% growth rate of Latin America and the Caribbean (LAC) and the 5.9% recorded by the Rest of Small Economies (ROSE) group. However, while these recent gains are significant, Belize’s long-term growth trajectory has been weaker and more volatile compared to regional peers. Structural weaknesses, including low productivity, infrastructure gaps, and limited economic diversification, continue to challenge the sustainability of this momentum.
- 3.4 **Belize’s trade and investment performance has room to increase its contribution to the country’s economic growth.** Small economies usually rely on their external sector for growth. Compared to other countries in the region, Belize has modest trade flows, but with an average export to GDP ratio of 55.3% in 2023². The country has low

¹ [IMF Country Data.](#)

² [World Bank Data.](#)

international trade competitiveness, affecting its trade balance. Belize ran a trade deficit of 25% of GDP in 2022 and 2023. It is also relevant that while FDI had an upward trend from 2020 to 2022, it fell from US\$160 million in 2022 to US\$16 million in 2023, reducing its participation in the GDP to 0.5%³.

- 3.5 **Economic growth is unequal.** In 2023, indigenous people in Belize experienced significantly higher poverty rates than non-indigenous populations, with 43% of the indigenous population living in poverty, which is more than twice the rate of non-indigenous people. Additionally, 24% of all indigenous people lived in extreme poverty, 2.7 times higher than the proportion of non-indigenous people in extreme poverty. Geographically, Toledo is the region with the higher poverty rates. The positive spillovers of trade and investment could contribute to reducing inequalities. A study will be undertaken to identify best practices in trade and investment facilitation programs to support nationwide growth. Previous activities under RG-T4017, in Belize, have set up a baseline to analyze impacts. One activity was the implementation of an upskilling program pilot with the objective to facilitate investment and increase employability in marginalized areas, and the generation of a Gender and Investment Promotion study.
- 3.6 **Belize faces challenges for the efficient implementation** of the Trade and Investment Facilitation Program for Belize (BL-L1040). The challenges include long procurement processes, lack of flexibility and weak institutional capacity in Belize. There are still opportunities to improve current efforts to modernize the trade and investment ecosystem and digitalization processes in the country. There is also a need to further support, with technical capacity, the country's efforts to integrate its economy with regional trading partners and to increase FDI flows.
- 3.7 **Strategic Alignment.** This 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 through enhanced trade and investment integration. It is also aligned with the operational focus areas of: (i) Institutional Capacity and Rule of Law by enhancing their ability to support private sector development through investment and export promotion; (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; and (iii) Inclusion of Diverse Population Groups, in line with the IDB Group's commitment to closing inclusion gaps. This is reflected in Component 2 through the diagnosis on expanding the benefits of FDI and trade integration to indigenous populations in Belize. It also aligns with the IDB Impact Framework (GN-3195-8): (i) Targets poor and vulnerable populations by promoting inclusive trade and investment for indigenous communities; (ii) Supports sustainable growth through enhanced exports and FDI; and (iii) Advances digital transformation via modernized trade systems.
- 3.8 This operation is aligned with *America en el Centro* Pillar I of Productivity and Economic Integration, specifically to facilitate 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 is found 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

³ [World Bank Data](#).

MSMEs,” more specifically “improving Belize’s connectivity with regional and global markets, including export promotion, trade facilitation, through a Single Trade Window for key FDI sectors, trade agreements, and support services for exporting firms.” Likewise, the TC is aligned with the objectives, priorities, and activities of the Strategic Program for Ordinary Capital Strategic Development Program (OC SDP) (GN-2819-14) - Window 2 Integration (W2D). In particular, it will contribute to advancing the objectives of: (i) supporting the harmonization of policies and procedures to achieve greater productive integration; and (ii) deepening knowledge about global and regional integration. Additionally, the TC supports the IDB Impact Framework (GN-3195-8), by contributing to: (i) targeting poor and vulnerable populations through inclusive trade and investment strategies; (ii) supporting sustainable economic growth via export and FDI promotion; and (iii) enabling digital transformation through the modernization of trade platforms and institutional processes.

- 3.9 This TC is strategically coordinated with other complementary operations. It aligns with the EU-funded TC BL-T1187, which expands the scope of BL-L1040 through targeted support for export development and trade facilitation. It will be executed by the Central Executing Unit (CEU)⁴, therefore the efforts to strengthen the CEU and BELTRAIDE will also benefit the right execution of BL-T1187. It also complements the regional TC RG-T4770, currently under design, which will support Belize into compliance with the World Trade Organization (WTO) Investment Facilitation for Development (IFD) Agreement. Together, these TCs contribute to a coherent and mutually reinforcing agenda to strengthen Belize’s trade and investment ecosystem.

IV. Description of activities/components and budget

- 4.1 The following activities will contribute to achieving the outcome related to increasing Belize’s trade, FDI and regional integration:
- 4.2 **Component 1: Support the development of a modern foreign trade and investment ecosystem and digitalization (US\$60,000).** Its objective is to support current efforts to improve foreign trade and investment ecosystem through the Single Investment Window (SIW) and ETSW. This component will finance the hiring of individual consultancy services to deliver: (i) technical assistance to strengthen the procurement process in the Central Execution Unit regarding the SIW and ETSW supporting directly Component I and III (BL-L1040); and (ii) identification of digital tools to modernize digital trade platforms and reduce export information frictions supporting Component II (BL-L1040).
- 4.3 **Expected results:** These actions are expected to improve the efficiency of trade-related procurement processes, enhance the digital infrastructure for trade facilitation, and reduce information frictions that hinder export competitiveness—contributing to Belize’s participation in regional and global value chains.
- 4.4 **Component 2: Technical support on international trade integration and investment promotion (US\$90,000).** Its objective is to support institutional capacity building efforts related to trade and investment. This component will primarily contribute to Component II of the operation BL-L1040 by financing the following individual consultancy services: (i) study to support Belize’s efforts in trade and

⁴ The Government of Belize has established a CEU within the Ministry of Economic Development to coordinate and implement IDB-funded projects. The CEU serves as the main contact for stakeholders, ensuring efficient project management, regulatory compliance, financial oversight, and regular progress updates.

integration with Central America and the Caribbean; (ii) gap analysis of capital investment attraction; (iii) support the organization of investment promotion events; (iv) diagnosis on how to expand the positive impacts of FDI and trade to the indigenous population and equality in Belize, and (v) It will support the cost of organizing and executing two in-person training workshops on trade and investment promotion for the beneficiary agencies. The training and events will also build institutional readiness and stakeholder engagement to implement the loan program effectively.

- 4.5 **Expected results:** This component aims to generate actionable insights to strengthen Belize’s trade integration strategy, improve FDI attraction mechanisms, and promote inclusive economic development by addressing disparities affecting indigenous populations and women.
- 4.6 The total funding required to achieve the expected outputs of this TC is US\$150,000, fully financed by the IDB in a period of 36 months, through resources from the Ordinary Capital Strategic Development Program (OC SDP) - Window 2 Integration (W2D), which supports regional integration and institutional strengthening initiatives. No counterpart funding is associated with this operation.

Indicative Budget (US\$)

| Activity/Component | Description | IDB/W2D | Total Funding |
|--|--|----------------|----------------------|
| Component 1. Support the development of a modern foreign trade and investment ecosystem and digitalization. | Technical assistance to strengthen the procurement process in the Central Execution Unit regarding the SIW and ETSW. | 48,000 | 48,000 |
| | Identification of digital tools to modernize digital trade platforms and reduce export information frictions. | 12,000 | 12,000 |
| | Subtotal | 60,000 | 60,000 |
| Component 2. Technical support on international trade integration and investment promotion. | Study to identify gaps and opportunities for Belize to increase its trade and integration with Central America and the Caribbean. | 23,000 | 23,000 |
| | Gaps analysis for improving capital investment attraction. | 18,000 | 18,000 |
| | Support organization of events to promote investment opportunities and workshops training on trade and investment promotion to the beneficiary agencies. | 24,000 | 24,000 |
| | Analysis and recommendations on expanding the positive impacts of FDI and trade to indigenous populations. | 25,000 | 25,000 |
| | Subtotal | 90,000 | 90,000 |
| | Total | 150,000 | 150,000 |

V. Executing agency and execution

- 5.1 **Execution.** This TC will be executed by the Trade and Investment Division of the Productivity, Trade and Innovation (PTI/TIN) of the Bank in accordance with Appendix 10 of the Operational Guidelines for TC Products (GN-2629-1). This arrangement was formally requested by Belize via letters of request and non-objection. This letter confirms the country's interest in participating in the TC and their agreement for the Bank to act as the executing agency. This TC will be executed by the Bank 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, (ii) limited human resources capacity of the beneficiary institutions in Belize and the uncertainty of permanence of the technical and high level teams after the general elections on March 2025, and (iii) this TC will support the execution of loan BL-L1040, Trade and Investment Facilitation Program for Belize. CID/CBL will be the disbursement unit responsible.
- 5.2 **Beneficiaries.** There are three main beneficiaries: (i) The Ministry of Finance, Economic Development, and Investment, including its affiliated agency BELTRAIDE, which is responsible for promoting FDI in Belize and support Belizean exports. BELTRAIDE will benefit from targeted technical assistance, training, studies and diagnoses to enhance its institutional capacity and effectiveness in investment promotion; (ii) The DGFT; and (iii) the Customs & Excise Department from the Ministry of Foreign Affairs and Foreign Trade as it will also benefit from studies on cross border trade with neighboring countries.
- 5.3 **Procurement arrangement.** All procurement to be executed under this TC has been included in the Procurement Plan (Annex IV) and will be contracted 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 and contracting of non-consulting services, in accordance with the Corporate Procurement Policy (GN- 2303-33) and its Guidelines.
- 5.4 **Monitoring and Supervision arrangement.** The monitoring and reporting activities for this TC will be managed by PTI/TIN under the responsibility of the Project Team Leader. Monitoring of the planned activities in this TC will follow the TC Monitoring and Reporting System–TCM (OP-1385-4).
- 5.5 **Financial management** will also follow the Bank's internal procedures. Expenses incurred in local currency will be converted using the exchange rate in effect on the date of payment, in accordance with Article 4.10(b)(ii) of the General Conditions of the loan contract. Given the Bank's execution, no external audit is required. No disbursement conditions apply to this TC, as the Bank will manage all disbursements directly. The TC does not contemplate reimbursement of expenses.

VI. Major issues

- 6.1 The following risks could delay or affect the execution of this TC: (i) As a result of recent general elections, some designated authorities and technical teams may change. This may have an impact on the continuation and pace of the activities. To mitigate this risk, meetings with the newly elected authorities high and technical teams will be established to ensure communication and dissemination of the national relevance and impact of the operation BL-L1040 and follow up on the agreements; (ii) limited executing capacity of the Ministry of Economic Development, and Ministry of Foreign Affairs, Foreign Trade & Immigration, and Ministry of Public Works. This

risk will be mitigated through capacity-building activities aimed at strengthening the ministries' execution capabilities. Additionally, a consultant will be hired to ensure robust stakeholder engagement and to identify the capacity-building needs necessary for the successful execution of operations.

VII. Exceptions to Bank policy

7.1 This TC does not contemplate any exceptions to Bank policy.

VIII. Environmental and Social Aspects

8.1 This TC 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 IDB's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client 86620.pdf](#)

[Results Matrix 77507.pdf](#)

[Terms of Reference 5355.pdf](#)

[Procurement Plan 27547.pdf](#)