



Central
American
Bank for
Economic
Integration

CABEI

BELIZE

COUNTRY STRATEGY GUIDELINES 2015-2019





CABEI

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COVER PAGE



This document is an operational tool for linking 2015-2019 institutional strategic planning with the development priorities of Belize. The formulated approaches have the overall objective of providing a strategic vision to the Bank's management in the country by promoting interventions that stimulate economic growth and social development. At the same time, it aims to strengthen the Bank's relevance as a strategic partner for the development of Belize. To achieve this mission, this Strategy provides an operational instrument with the flexibility to make adjustments to a changing environment so planning can be adjusted to respond to requirements, contingencies and requests expressed by the country's authorities. The figures and projections included are those available through December 31, 2015. The development of the Country Strategy also included a series of meetings with officials from public and private institutions in Belize, whose availability and valuable collaboration the Bank greatly appreciates.

All through this Strategy, graphic elements will be found, hexagons and a color reference which have a specific meaning and will be seen all throughout the document, such as the cover page and the diagrams on Section IV, "CABEI's Strategic Offer to Belize for period 2015-2019".

The hexagons found throughout the document represent the main focus areas defined in CABEI's strategic offer to Belize, focusing efforts in line with sustainable development and guiding its contribution towards strategic areas of social development, competitiveness and regional integration.

The color palette used in this Strategy represents four traditional elements of Belizean culture: the gray of the black orchid, the national flower of exotic beauty; The yellow, which symbolizes the relevance of the country's banana industry and commercial activity; The light blue of the great blue hole, adorned with a turquoise border inhabited by a diversity of specials and green color, representing the importance of environmental sustainability of the country's tropical rain forest.

The cover is composed of hexagons with graphical representations of the main focus areas, whose dynamism represents the Bank's operational flexibility and availability with Belize.

Tegucigalpa, Honduras, 2017.

www.bcie.org

Central American Bank for Economic Integration.

2015-2019 Belize Country Strategy Guidelines

Annex DI-67/2017

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SECTION

I

SUMMARY

Belize is a country focused on tourism and agricultural activities, which has defined policies to boost economic growth and social development, in harmony with the environment. In the economic sphere, Belize is a small upper-middle income, concentrated in agricultural and tourism activities, whose main challenges are to boost its productivity as a mean to achieve major sustainable growth, as well as, to implement measures to promote fiscal sustainability. In the social sphere, it is aimed at promoting major inclusion and social cohesion, as well as, public safety. In the environmental topic, the country stands out for its biodiversity and habitat, and it has prioritized the conservation of its natural resources from the effects of the climate change.

From 2010 to 2014, CABEL contributed to strengthening the social development, the competitiveness and the regional integration of Belize. CABEL approved three interventions on the order of US\$40.7 million to contribute to the Integral Security Program of Belize to support regional efforts in the prevention, reduction and fight against crime; there was also support for infrastructure projects to bolster the road network, such as the Project for the Improvement and Rehabilitation of the Infrastructure of the Corozal Border Post and the Project for the Improvement and Rehabilitation of the Dump - Jalacte Stretch of the Southern Highway.

CABEL'S PROPOSAL FOR BELIZE WILL BE FOCUSED ON INTERVENTIONS THAT WILL CONTRIBUTE TO IMPROVING THE COUNTRY'S PRODUCTIVE AND HEALTH CARE INFRASTRUCTURE, ENERGY GENERATION AND CITIZEN SECURITY.

CABEI's value proposition for Belize will focus on interventions that contribute to improving the country's supply of productive infrastructure and health sector infrastructure, in addition to energy generation and citizen safety. In the framework of its management efforts, the Bank recognizes the challenge of maintaining a capacity for adaptation and continuous operational flexibility, mainly as a result of its goal to increase its presence and relevance in the country as a multilateral source of resources for development. In this sense, it is important to emphasize that, while these guidelines constitute a road map,

the approaches are only indicative with respect to the operations that the Bank wishes to and may carry out in the country, as well as the intentions that the country's authorities have expressed. Therefore, in a context with ample opportunities for participation, execution must be adjusted to respond to the requirements of the authorities of the country so that the Bank can support the achievement of the 2016-2019 Belizean Strategy for Growth and Sustainable Development.





EVOLUTION OF THE CONTEXT AND

SECTION

II

PERSPECTIVES

ECONOMIC ASPECTS

Belize is a small, upper-middle income economy, concentrated in agricultural and touristic activities, with a pattern of growth that is subjected to exogenous factors. With an estimated production of US\$1,753.0 million in 2015 and a per capita income of US\$6,130.0; Belize is an economy oriented to agriculture and fisheries, as well as to tourism, activities that averaged 13.7% of GDP, and 29.5%¹ of GDP, respectively in the period 2010–2014². Like wise, the country started to commercially exploit petroleum in the last decade, an item that accounted for more than a quarter of the exports in that period. (28.6%). The economy grew up at an average annual rate of 2.9% in 2010–2014, having recovered from the impact of the international financial crisis which affected the economy, specially the tourism. At the beginning of the five-year period, the mild recoveries in exports and the tourism contributed to a better performance of the country's economy; however, natural disasters and pests caused a sharp drop in the production of banana, sugarcane and citrus fruits, which limited economic performance. At the close of the period, internal demand, specifically public investment and expenditure in repairing infrastructure damaged by natural disasters led to greater economic growth, this reached a rate of 4.0%. In 2015 and 2016, the economy decelerated to 1.0% and 0.0%, respectively, impacted by climate events which affected primary sectors,

as well as, by a contraction in the petroleum related activities. Expectations point to a recovery beginning in 2017, led by touristic and agricultural sectors, which would be reflected in a medium term economic growth of about 2.0%.

To foster sustained economic growth, the country must promote policies that improve the productivity of its productive factors; in this sense, the authorities have incorporated various measures into their governance strategy.

To promote an increase in Belize's economic growth profile, it will be relevant to promote policies aimed at raising the productivity of its economy, particularly through the development of logistic infrastructure, human capital improvement and business climate³ improvement. In this regard, the Belize Growth and Sustainable Development Strategy (GSDS) that is being implemented by the authorities for the period 2016–2019, will be relevant since it includes measures aimed at promoting investments in priority economic activities; improving the competitiveness of exports through logistics infrastructure and regulations that facilitate the development of special zones for the production and commercialization of exportable products; diversifying the economy towards new products and services; and improving access to and quality of health and education services. These measures would lead to a greater use of the advantages already possessed by the country, while giving the economy greater resilience to exogenous factors.

The country has the challenge of promoting fiscal sustainability, to generate spaces that will boost economic growth and boost investor confidence. During the period 2010-2014 public debt as a proportion of the GDP showed a downward trend, ending in 77.4% of GDP and with a fiscal deficit of 2.4% of GDP; however, the fiscal deficit rose to 8.0% of GDP in 2015 in the context of lower revenues from the petroleum sector, as well as higher current and capital expenditures, leading to an indebtedness level of 81.9% of GDP. Both Moody's and Standard and Poor's ratified their ratings at Caa2 and B- respectively in 2015, both acknowledging the fragility of the fiscal sector, but with the expectation that new foreign direct investment in the agricultural sector allow the country to have stable economic growth during the coming years, because of a better investment climate. One of the short-term challenges for the country is to strengthen its liquidity condition, in a context of higher interest rates and maturity of its liabilities, among them, the so-called super bond 2038, which at the end of 2015 had a balance of US\$526.5 million⁴. In that context, Belize reached an agreement with the super-bond holders to change the terms of that instrument in March 2017, lowering its coupon payments and delaying the start of principal payments, from 2019 to 2030⁵. In the following years, Belize should continue implementing a series of measures to promote the sustainability of public finances, as well as, the stabilization and reversion of the path of indebtedness.

SOCIAL ASPECTS

The promotion of greater inclusion and social cohesion, as well as greater levels of citizen security are priority aspects to promote social development. The country's vulnerability to climate phenomena means that a large part of poverty and inequality suffered in the country is the result of the consequences of hurricanes that have affected the region in recent years. For that reason, poverty rates are higher in those areas that have been affected by natural disasters, whether this has involved infrastructure, agricultural production or both. Thus, 43.0% of its population lives in poverty and the inequality coefficient (Gini) reaches 53.0, which represents challenges in terms of promoting measures that allow the country to achieve higher levels of inclusion and social cohesion in the coming years. On the other hand, crime has increased in recent years⁶, reaching a homicide rate over 40 per 100,000 residents⁷, which poses new challenges to development, and highlights the need to articulate policies to prevent and combat crime, in line with those that are being implemented in the Central American region.

ENVIRONMENTAL ASPECTS

Belize is a small country, rich in biodiversity and natural resources with an average environmental performance in Latin America and the Caribbean, and significant tourism orientation. The country is characterized as being highly forested and being part of the globally important Mesoamerican Biological Corridor. It is currently ranked No. 68 of 180 countries worldwide in the Environmental Performance Index (EPI)⁸, registering an improvement of 16.3% over the past decade⁹. In Latin America and the Caribbean, Belize is in position 14 of 30 countries evaluated. The main areas where the country stands out with regard to the rest of Latin America and the Caribbean are biodiversity, habitat, and agriculture; the main gaps with regard to the region correspond to the exploitation of forests and fisheries. It should be noted that the nation has shortage of human and financial resources available for the management of protected areas compared with the other countries of the region. However, tourism in Belize has been promoted heavily, and the country is internationally known as an ecotourism destination; this sector is the largest single contributor to GDP and provides 1 of every 4 jobs in the country.

Preserving natural resources from the effects of climate change is a priority for Belize. The country has launched a 5-year Project for Climate Change Adaptation and Marine Conservation, which ends in 2018 and seeks to generate alternatives so that people take climate change into account in their productive activities, and consider its impact on national development. The Project has two objectives: to implement structures that ensure the continuous preservation of protected areas and to ensure that beneficiaries who use them receive training on the dangers of climate change and that their livelihoods do not damage natural resources. It will explore and develop strategies to help coastal communities to become more resilient to climate change and encourage exchanges between citizens to learn to adapt to the planet's warming.

THE MAIN AREAS IN WHICH THE COUNTRY HIGHLIGHTS FROM THE REST OF LATIN AMERICA AND THE CARIBBEAN IS; BIODIVERSITY, HABITAT AND AGRICULTURE.


 SECTION
III

BELIZE

FROM 2010 TO 2014

During the five-year period from 2010–2014, CABEI contributed to strengthening Belize’s social development, competitiveness and regional integration. The Bank approved 3 interventions on the order of US\$40.7 million; the 100.0% of these involved projects in the non-financial public sector. Moreover, those disbursements amounted to US\$8.1 million, which was channeled to interventions in the non-financial public sector approved during the same period, as well as to one approval from the prior strategic period.

In line with the Bank’s priority of strengthening the region’s social development, CABEI approved an intervention for US\$30.0 million to support Belizean human development and social infrastructure. The initiative corresponded to the first phase of the Belizean Integral Security Program promoted to support regional efforts in the prevention, reduction and fight against crime. In the 2010–2014 strategic period, this intervention was pending the start of disbursements.

TABLE I.

Approvals and disbursements for each main focus area 2010–2014 (millions of dollars and percentage)

MAIN FOCUS AREAS	APPROVALS			DISBURSEMENTS	
	Number	Amounts	Percentages	Amounts	Percentages
Human Development and Social Infrastructure	1	30.0	73.8	0.0	0.0
Productive Infrastructure	2	10.7	26.2	6.3	78.4
Rural Development and Environment	0	0	0	1.8	21.6
Total	3	40.7	100.0	8.1	100.0

Source: BCIE - Strategic Planning and Programming Office

The Bank allocated US\$10.7 million to the financing of two interventions for the strengthening of Belizean productive infrastructure.

The approval of resources focused on infrastructure projects to expand and improve the road network, such as the Project of improvement and rehabilitation of the post border Corozal, and the project of improvement and rehabilitation of the South road, Dump - Jalacte stretch. During the five year period from 2010 to 2014, the Bank managed to disburse 59.5% of the resources approved for both projects for an aggregate amount of US\$6.3 million.

In addition, CABEL disbursed US\$1.8 million in support of the areas of agriculture and rural development in Belize.

The disbursements framed in this focus area will contribute to improving the dynamism of the productive and service sectors, raising standards and productive capabilities in general. The approval related to these disbursements took place in 2009 and was framed in the Program of Rural Financing of the Government of Belize.

LESSONS LEARNED

In the context of the assessment of institutional management in Belize (2010-2014), the following are some specific recommendations aimed at increasing CABEL's presence, as well as increasing the relevance of its operations in the country.

- **Increase CABEL's relevance through the promotion of priority initiatives for the country, in accordance with the Institutional Strategy.** In the context of the constraints posed by the allocation of resources that can be accessed by the country and with the aim of strengthening the Bank's relevance as a country's strategic partner, it is recommended that the Bank maintains a close relationship with the Government in order to identify, prioritize, and schedule interventions involving the greatest social and economic benefits; taking into account the country's development priorities, the Institutional Strategy and the Bank's experience. In that sense, it would be useful to maintain support for projects and initiatives in the area of human development and social infrastructure, but also to promote

the use of green energy, which is a subject of interest to the country; likewise, CABEL has been successfully executing the program of support to the Central American Security Strategy and could therefore give continuity to the operation approved in 2014.

- **Support the structuring of operations that help optimize resources and generate synergies.** The breadth of needs expressed in the Belizean 2016-2019 Strategy for the Growth and Sustainable Development poses challenges with regard to optimizing the Bank's credit resources. For that reason, it will be relevant to identify opportunities for promoting operations that allow greater resource leverage, such as syndicated operations with other cooperating agencies and preinvestment operations that allow the structuring of credit operations and schemes involving private sector participation.
- **Increase the operational efficiency of development interventions.** The Bank will seek to improve response times at all the stages of the project cycle, in order to optimize processes related with timely attention to the needs of the country and mitigate the risks associated with delays in the continuity of the business.





STRATEGIC PROPOSITION FOR BELIZE

SECTION IV

BELIZE

IN THE 2015-2019 PERIOD

REFERENCE FRAMEWORK

The Country Strategic Guidelines for Belize constitute a work tool that will link CABEL's management efforts with national development priorities and the main elements of the global development agenda. In order to increase CABEL's presence and create relevance for its value proposition for the country, this strategy takes as a reference the Long Term Horizon 2030 Plan and the 2016-2019 Belizean Strategy for Growth and Sustainable Development. (Annex I and Annex II). In addition, it takes into account the 2015-2019 CABEL Institutional Strategy: Integrating Sustainable Competitiveness and Development, which defines the long term strategic approach to the Bank's management, especially through its strategic axes of Social Development, Competitiveness, Regional Integration and Environmental Sustainability. Similarly, the country strategy is strengthened through the incorporation of the principal elements of the global development agendas, particularly in relation to the Sustainable Development Goals (SDG)¹⁰.

THE COUNTRY'S STRATEGY STRENGTHENS THROUGH THE INCORPORATION OF KEY ELEMENTS OF THE GLOBAL DEVELOPMENT AGENDA, PARTICULARLY IN RELATION TO THE SUSTAINABLE DEVELOPMENT GOALS (ODS).



STRATEGIC OBJECTIVE

CABEI's value proposition for Belize will focus on interventions that contribute to improving the country's supply of productive infrastructure, principally highways; improving health sector infrastructure; as well as promoting energy generation and citizen safety. In the framework of its management efforts, the Bank recognizes the challenge of maintaining a capacity for adaptation and continuous operational flexibility, mainly as a mean to achieve its goal to increase its presence and relevance in the country as a multilateral source of resources for development. In this sense, it is important to emphasize that, while these guidelines constitute a road map, the approaches are only indicative with respect to the operations that the Bank wishes to and may carry out in the country, as well as the intentions that the country's authorities have expressed. Therefore, in a context with ample opportunities for participation, execution must be adjusted to respond to the requirements of the authorities of the country, so that the Bank can support the achievement of the 2016-2019 Belizean Strategy for Growth and Sustainable Development.

THE BANK RECOGNIZES THE CHALLENGE OF MAINTAINING ADAPTATION CAPACITY AND CONTINUOUS OPERATIONAL FLEXIBILITY AS A SOURCE OF MULTILATERAL RESOURCES FOR DEVELOPMENT.

CABEI FOCUS AREAS AND STRATEGIC INITIATIVES



HUMAN DEVELOPMENT AND SOCIAL INFRASTRUCTURE

The Belizean 2016-2019 Strategy for the Growth and Sustainable Development sets out strengthening social cohesion as a success factor; this includes progressing towards the universal provision of healthcare services, improving life expectancy to beyond of 74 years and reducing the incidence of the morbidity and mortality. In that context, the authorities have said that healthcare is a priority area; therefore CABEI could contribute through the provision and improvement of infrastructure and equipment that would allow the expansion of coverage and improved quality in the provision of health care services.

Likewise, CABEI could support other initiatives in the framework of the focus area of human development and social infrastructure to improve the population's quality of life by promoting initiatives to improve the coverage and quality of education, as well as to promote healthy lifestyles through initiatives for the culture, sport and recreation.

CABEI COULD SUPPORT INITIATIVES TO IMPROVE QUALITY OF LIFE FOR THE POPULATION THROUGH THE PROMOTION OF PROJECTS TO IMPROVE QUALITY OF EDUCATION AND COVERAGE, HEALTHY LIFESTYLE, CULTURE, SPORTS AND LEISURE.



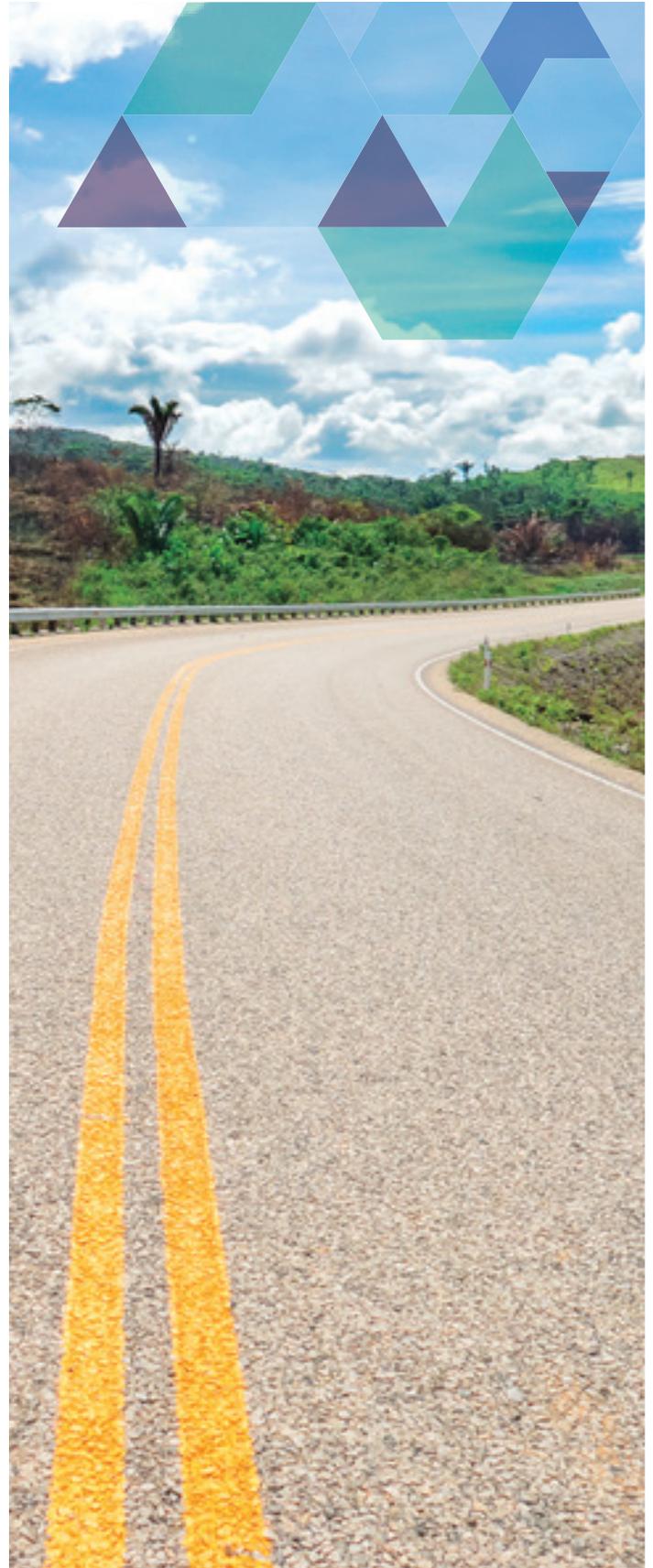


COMPETITIVENESS SERVICES

In the framework of this focus area is the country's need to continue with the process of generation of resources for long term development by promoting actions oriented at improving the productivity of key sectors in the national economy, as well as in the promoting interventions with high growth potential in a more open market that boosts employment and improves its conditions for the local population.

In that sense, the CABI could support this set of priority action lines by promoting initiatives to boost the development of the tourism sector, strengthen citizen safety and promote industrial, business and transportation services.

CABI COULD SUPPORT THESE SET OF PRIORITY GUIDELINES WITH THE DRIVE OF INITIATIVES TO STIMULATE THE DEVELOPMENT OF THE TOURISM SECTOR.





PRODUCTIVE INFRASTRUCTURE

CABEI has been carrying out strategic infrastructure projects in Belize to improve the accessibility and connectivity of the country's strategic infrastructure. In this sense, the Belizean authorities have declared that the development of infrastructure, mainly that involving highways and border posts, continues to be a priority. Therefore, the Bank's strategic proposition for the five year period from 2015 to 2019 will provide its experience in the development of projects for the rehabilitation, maintenance, expansion and construction of road infrastructure.

THE AUTHORITIES OF BELIZE HAVE EXPRESSED THAT THE DEVELOPMENT OF INFRASTRUCTURE, PRIMARILY OF ROADS AND BORDERS, CONTINUES TO BE A PRIORITY.

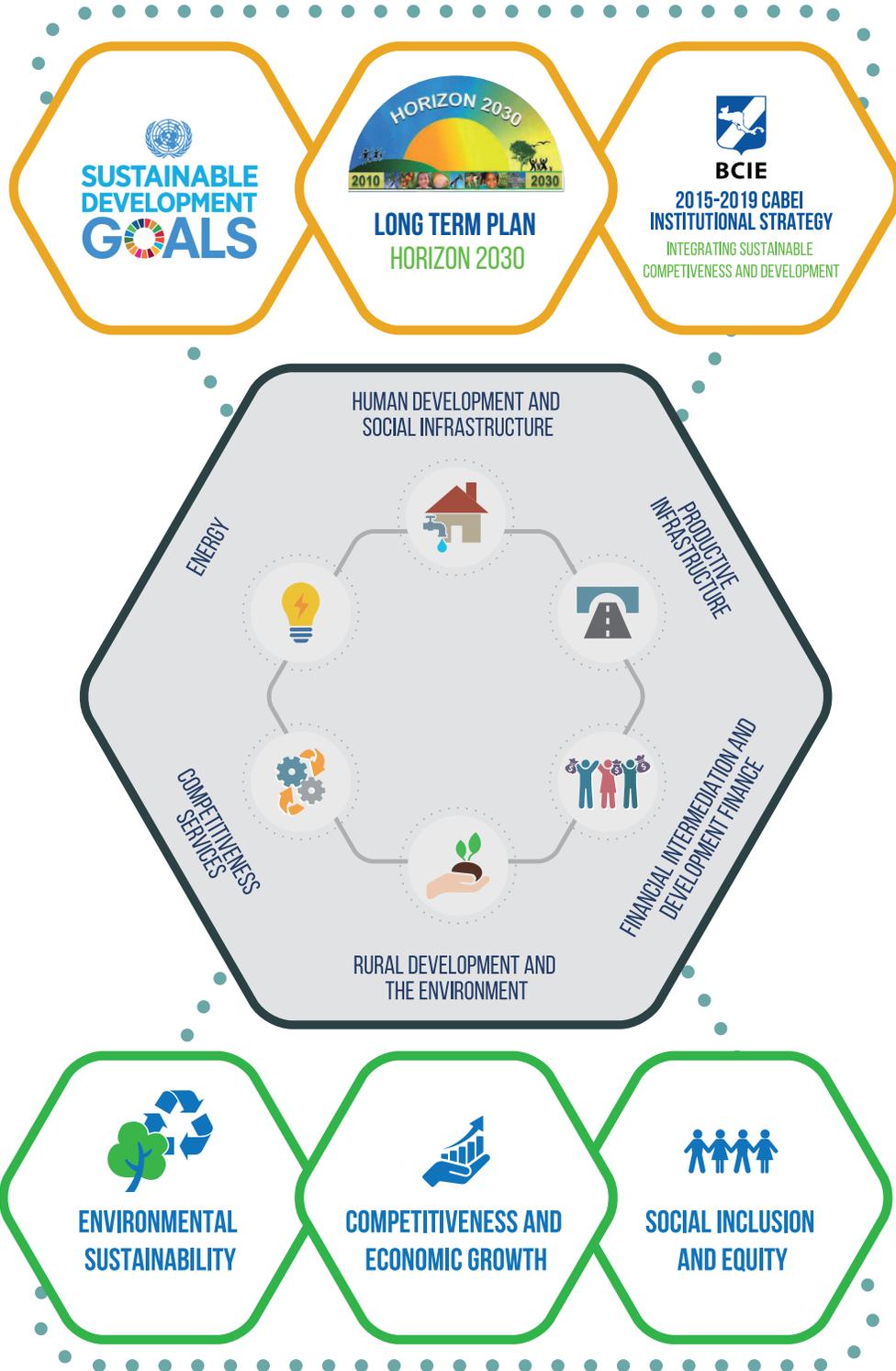


ENERGY

The Long-Term Horizon 2030 Plan makes special emphasis on the importance of promoting investment in projects that promote the generation of clean power in the country. In addition, CABI has extensive experience in the development of this type of strategic initiative and it supports projects involving generation of renewable energy, diversification of energy sources and facilitating access to and the supply and storage of energy. Accordingly, the Bank could support the Government in its interest to develop projects of public lighting, power generation for rural areas and projects that involve renewable generation.

CABI HAS AMPLE EXPERIENCE IN THE DEVELOPMENT OF PROJECTS RELATED TO GENERATING CLEAN ENERGY , WHICH ARE RELEVANT TO BELIZE ACCORDING TO THE HORIZON LONG TERM PLAN 2030

BELIZE COUNTRY STRATEGY 2015 - 2019





IMPLEMENTATION

SECTION V

MECHANISMS

BUSINESS MODEL

The institutional proposition for the following five years requires policies oriented at promoting economic integration and balanced economic and social development, both within the country and in its interactions with its fellow Central American countries. In addition, strengthening the CABEL value proposition requires key efforts to reinforce its relevance to the region, such as diversifying the market, services and products; and improving the credit risk rating to facilitate funding in international markets.

The Bank should strengthen its resources at different levels to ensure greater impact and efficiency of its operations. In the period from 2015-2019, the Bank must strengthen its strategic alliances and develop its human, economic and technological resources; strengthen relationships with its members and develop service channels; consolidate a viable, sustainable and consistent financial strategy, as well as a portfolio of products better tailored to the characteristics and needs of its members; and focus its attention on the development needs prioritized by its members, in a scenario of financial sustainability.

To maximize the Bank's contribution to the development of Belize, it will implement the strategic guidelines pursuant to the alignment defined in the Institutional Strategic Framework. In that sense, the country strategic guidelines should ensure flexibility and adaptability in accordance with particular and fundamental changes in the country, always taking into account the objectives and goals of the 2015-2019 CABEL's Institutional Strategy. On the other hand, attention to initiatives must be carried out through the application of the instruments and mechanisms defined by the Sector Intervention Frameworks for each focus area. Likewise, the proposed five-year programming must serve as a reference for the formulation of the annual operational programming over the five-year period.

To strengthen CABEL's relevance in the context of international cooperation, it must be emphasized that **strategic guidelines for non-founding beneficiary members must be in line with the objectives of the assistance provided by the principal development agencies present in Belize.** In that sense, CABEL's proposal will complement actions that other donors are carrying out in the country, particularly in the fields of social development, competitiveness, economic growth and regional integration.

CABEI will continue to support Belize with technical assistance resources for preinvestment and technical cooperation, which will allow strengthening the formulation of projects and the management of resources for new operations. Therefore, the Bank will promote mechanisms that facilitate access to resources on terms favorable to the country.

The Bank will manage its human talent to increase efficiency in the process of identification and generation of development initiatives. The availability of specialized knowledge, experience and capabilities will allow greater involvement in the design and structuring of initiatives from their earliest stages to consolidate institutional relevance and strengthen the development impact of such interventions.

EXECUTION

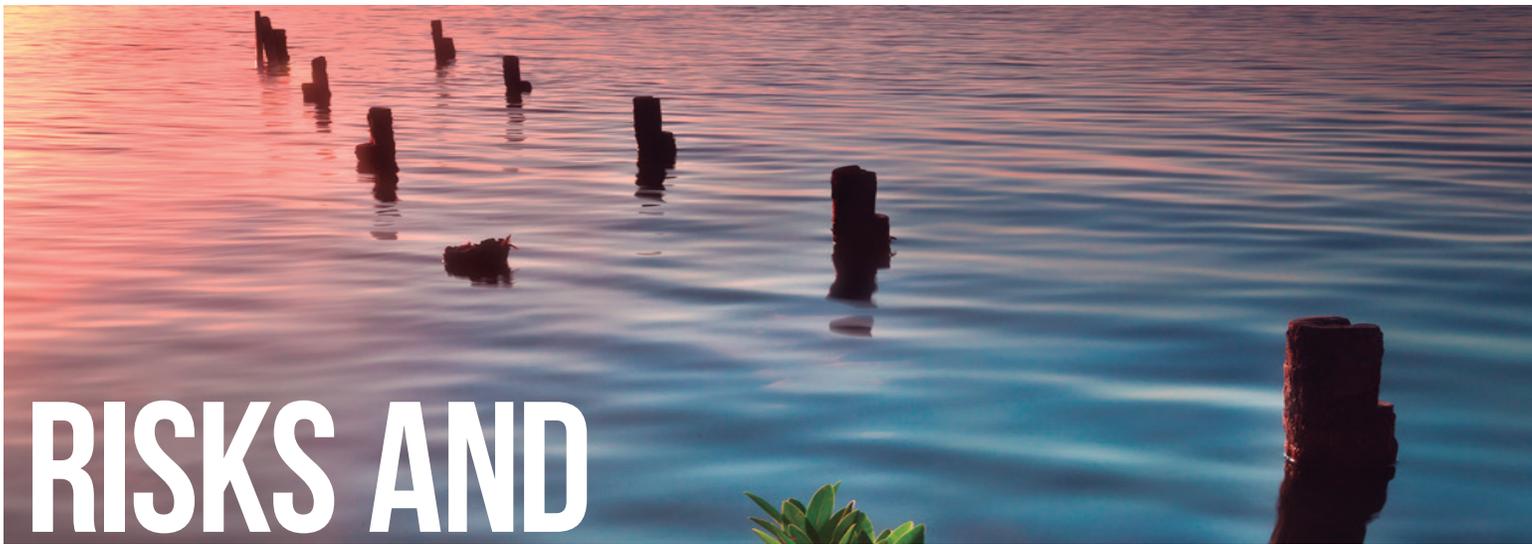
It is responsibility of the Bank's Administration to execute the strategic guidelines, through the corresponding divisions and offices, pursuant to the technical guidelines of the Administration, as well as the guidelines issued by the Board of Directors. To that end the following activities may be carried out, among others:

- Ensure that successive annual operational and strategic business plans correspond to the strategic principles set out in the present guidelines.
- Prioritize those operations and projects that are better to deepen the strategic principles and development priorities identified in the present guidelines.
- Stimulate the design and the approval of financial instruments that facilitate the progress of attention to the defined focus areas.
- Propose alliances and collaboration agreements, technical cooperation and business with other institutions to strengthen the execution of the strategic guidelines.
- Create synergies, additionality and complementarities with other cooperation agencies with presence in the country, aiming to promote interventions in sectors which the Bank has less presence.
- Maintain links with information sources in the government, private enterprise, financial and academic circles, given the possible changes that might arise in the country, in order to update the Bank's strategic guidelines.

MONITORING & EVALUATION

CABEI will perform an Evaluation of the Strategic Guidelines for Belize pursuant to its existing Regulations. These evaluations will analyze the fulfillment of the objectives and goals of the Bank's Strategic Guidelines for Belize, in order to draw conclusions about its institutional performance in the country and to generate lessons that promote the Bank's effectiveness in contributing to the development of Belize.





RISKS AND

SECTION VI

MITIGATING FACTORS

The implementation of the Strategic Guidelines will be subject to changing internal and external factors. The execution is exposed to various risks that can generate deviations from the strategic plan and that can affect the normal process of approvals, disbursements and project execution, as well as the expected impact of development interventions, among other effects. In this regard, risk identification and appropriate management is essential. The following are some of the major risks, which can come from both inside and outside the country or that are inherent to CABEL.

EXTERNAL RISKS

Deterioration in conditions of the international economy. The country could be affected by a scenario in which its trading partners, mainly the United States, experience drops in their rates of economic growth. In addition, deterioration of terms of trade could reduce growth prospects.

Increases in the cost of external financing conditions. Successive increases of interest rates in international markets could affect financing costs in the coming years.

Adverse Natural Events. Belize is exposed to the negative impacts of the occurrence of natural events, whose effects can be amplified in so far as they are interrelated with social behaviors that increase the vulnerability of certain population groups. The

country's reaction to these events can directly or indirectly affect the Bank's operations by changing the priorities of the public and private sectors, which could therefore delay or eliminate their investment projects.

INTERNAL RISKS

Fiscal Deterioration. Scenarios involving fiscal restriction could limit the country's debt capacity and/or lead to a reorientation of its priorities.

Deterioration of the business climate. Events that damage the underlying conditions to the business climate, such as the citizen security conditions, the execution capacity of public investment, legal stability, red tape, transparency in governance, access to financing, provision of productive infrastructure, and productivity in the labor market.

Mitigating Factors: To mitigate the potential external and internal risk impact, the Bank will conduct constant monitoring of the most important variables in the national economy, assessing the impact that its evolution may have on operations with the country in order to take appropriate preventive measures. Likewise, the Bank will maintain mechanisms of continuous communication with the country's authorities and may provide technical support to improve the management capacity of the executing units.

CABEI RISKS

Delays in programming capitalization. Lower levels of capitalization would cause less availability of loanable resources.

Mitigating Factors: Profit generation and generation of strategic partnerships with other agencies.

Failures in integral risk management. This refers to events that could cause economic losses to the Bank in case of failures in integrated risk management and controls against money laundering and terrorism financing.

Mitigating Factors: Strengthening and implementation of the integrated risk management policy. In addition, the strengthening of procedures and controls in risk management by adopting international standards and best practices.

Deterioration of the of credit risk ratings. This could make access to other sources of financing more expensive.

Mitigating Factors: Strengthening equity capital, geographic diversification of sovereign exposure and profit generation.

Interruptions in the Project Cycle. Delays in the process of project formulation, approval and/or management that could affect the continuity of the business.

Mitigating Factors: Strengthening operational efficiency at every stage of the projects cycle and mechanisms linked to the business continuity plan.

REFERENCE NOTES

SECTION II

¹It includes the following activities related to the tourism: commerce, hotels and restaurants, and transportation and communications.

²Estimation based on statistics of the Central Bank of Belize.

³International Monetary Fund. Article IV Report. October 2016.

⁴Based on information of International Monetary Fund. Article IV Report. October 2016.

⁵In November 2016, Standard&Poor's made two downgrades to the country rating, ending it at CC, commenting that the country is facing major vulnerabilities. Nevertheless, the mentioned agency reinstated Belize's rating to B-, after the country reached the agreement with the Super-bond holders.

⁶Data through 2013 according to BMI Research. Political Outlook – Belize-2016.

⁷Data through 2013 according to BMI Research. Political Outlook – Belize-2016.

⁸Hsu, A. et al (2016). 2016 Environmental Performance Index. New Haven, CT. Yale University.

⁹The EPI is an index that measures environmental dimensions: i) climate and energy, ii) biodiversity and habitat, iii) fishing industry, iv) forestry industry, v) agriculture, vi) water resources, vii) water and sanitation, Viii) air quality, and ix) exposure to health risks.

SECTION IV

¹⁰For further reference, see the document of the Central American Bank for Economic Integration: "Sustainable Development Goals: Institutional Strategic Alignment"

ABBREVIATIONS, SYMBOLS, AND ACRONYMS

CABEI:	Central American Bank for Economic Integration
CARICOM:	Caribbean Community
CSF:	Critical Success Factors
GCDS:	2016-2019 Strategy for the Growth and Sustainable Development of Belize
EPI:	Environmental Performance Index
BFSD:	Framework for the Sustainable Development of Belize
SICA:	Central American Integration System
US\$:	United States of America Dollar
SDG:	Sustainable Development Goals

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ANNEX I:

HORIZON 2030: STRATEGIC PLAN OF THE GOVERNMENT OF BELIZE

The Horizon 2030 Strategic Framework is an instrument to guide the management of the Government of Belize in the period from 2010 to 2030. The Horizon Strategy sets out a vision for 2030: “Belize is a country of peace and tranquility, where citizens live in harmony with the environment and enjoy a high quality life.” The aforementioned vision synthesizes the multidimensional nature of the content of the Strategic Framework, which groups its focus issues in four major categories. These categories are described below:

- **Democratic governance for effective public administration and sustainable development.** A series of strategies to promote transparency, eradicate corruption, improve public service delivery, facilitate political consensus, strengthen the profile of policies, increase the participation of the woman in politics, reinforce democracy and strengthen the mechanisms of citizen safety.
- **Education for development - Education for life.** Contains strategies to strengthen the management of sector policies, extend the coverage and quality of primary and secondary education, as well as continuous training throughout the cycle of life.

- **Economic strength - generating resources for long-term sustainability.** Various strategies to increase employment through small enterprise development; increase growth and exports by promoting sectors, such as the agricultural and industrial; provide logistical infrastructure; and facilitate access to technologies, among others.
- **Healthy Environment.** Strategies for caring for the environment; strengthening natural disaster management; and promoting green energy by strengthening the institutional framework, providing incentives to private companies and households that adopt green technologies, as well as by establishing a national transportation policy that ensures safety and energy efficiency, with the lowest possible environmental impact.
- **Healthy Citizens.** This area includes strategies for the delivery of health services to the population and promoting healthy lifestyles, taking into account the cycle of life.



Source: 2016-2019 Strategy for the Growth and Sustainable Development of Belize

2016-2019 STRATEGY FOR THE GROWTH AND SUSTAINABLE DEVELOPMENT OF BELIZE (ECDS)

The GSDS is the main planning guide that highlights the priorities and policies for the 2016-2019 period.

The GSDS is derived of the Horizon 2030 Strategic Framework and is based on the principles of sustainable development and on the three elements common successfully developing countries: a proactive State, an economy that is inserted into global markets and an innovative social policy. The backbone of the GSDS is the Belize Framework for the Sustainable Development (BFSD), whose overall objective is “to improve the quality of life of all Belizeans, living now and in the future”. The BFSD has been designed to harmonize with the post-2015 United Nations development agenda and its actions are also influenced by other international commitments that the country has made, including those derived from its adhesion to CARICOM and SICA. To achieve the general target, the BFSD has four sub-objectives denominated Critical Success Factors (CSF); these, in turn, were broken down into a series of “Necessary Conditions,” which consist of the action lines that are essential for their achievement.

The BFSD highlights the fact that the critical success factors are to be considered from a systemic perspective, and that not with standing their having been formulated for the 2016-2019 period, their range is medium-term, in that regard, some of its measures will help develop the conditions for achieving the Horizon 2030 Strategic Framework.

- The actions that are promoted in the framework of CSF 1 “Investment and Optimal National Income” seek to start the development of the conditions for Belize to achieve a sustained economic growth of 5%.
- Actions under FEC 2 “Cohesion and Resilience to Adverse Events” have multiple purposes relating to inclusion and social mobility. These mainly include: eradicate poverty by 2030; promote greater equity in income distribution; reduce the homicide rate to less than 10 per 100,000 inhabitants; provide universal access to early and primary education services; provide universal access to healthcare services; raise life expectancy; and reduce the incidence of morbidity and mortality.
- FEC 3 “Sustainability of Natural, Environmental, Historic and Cultural Assets” contains actions to promote sustainable resource use, balancing the objectives of economic growth with sustainability criteria to ensure the contribution of these resources for future generations.
- The actions promoted in the framework of the FEC 4 “Governance and Citizen Safety” are aimed at improving public administration, giving it greater transparency, encouraging citizen participation and strengthening policies to combat crime and improve the administration of justice.

ANNEX II:

ALIGNMENT OF THE HORIZON 2030 PLAN AND THE CABEI FOCUS AREAS

SECTIONS OF THE HORIZON 2030 PLAN

STRATEGIES OF THE HORIZON 2030 PLAN

CABEI FOCUS AREAS AND STRATEGIC INITIATIVES

Democratic governance for effective public administration and sustainable development.

- Accountability in government and politics
- Eradicate corruption and improve the delivery of public services
- Transform the political culture
- Strengthen democratic governance
- Strengthen compliance with the law and access to justice

Competitiveness Services

- Public safety

Education for development

- Strengthen the management, monitoring and accountability of the educational system
- Improving access to education
- Improve the curriculum of primary and secondary education
- Develop support systems and services for education
- Develop continuing education and adult training

Human Development and Social Infrastructure

- Education

Generation of resources for long term development

- Build a vibrant agricultural sector and strong rural communities
- Develop a strong small business sector to generate jobs
- Develop domestic markets as the basis to increase exports and produce quality goods and services
- Develop new sectors with high growth potential
- Support sustainable fisheries and sustainable tourism
- Implement a framework of coherent and consistent macroeconomic policies

Productive Infrastructure

Competitiveness Services

- Tourism
- Industrial activities
- Business services

Rural Development and the Environment

- Productivity and environmental sustainability of agriculture, livestock, forestry and fishing.
- Productive rural development.

Financial Intermediation and Development Finance

- Intermediated financing with productive ends.

SECTIONS OF THE HORIZON 2030 PLAN

STRATEGIES OF THE HORIZON 2030 PLAN

CABEI FOCUS AREAS AND STRATEGIC INITIATIVES

Healthy environment

- Incorporate environmental sustainability into development plans and strengthen the management of protected areas
- Promote green energy

Rural Development and the Environment

- Reforestation and conservation of the environment, natural resources and environmental services.
- Climate change adaptation and mitigation

Energy

- Renewable energy generation.
- Energy efficiency and cleaner production.
- Efficiency of power grids.

Healthy people
Territory and environmental sustainability

- Universal healthcare access
- Promoting healthy lifestyles throughout the cycle of life and community health programs

Human Development and Social Infrastructure

- Health
- Culture, Sport and Recreation.

INFOGRAPHIC

BELIZE COUNTRY STRATEGY 2015 - 2019



The infographic is composed, in its top section, by three hexagons that highlight the inputs from which this Strategy was provided; The Long Term Horizon Plan 2030, the Sustainable Development Objectives (ODS) and the Institutional Strategy BCIE 2015-2019. In the central section of the diagram, a hexagon with the targeting areas which represents the ways in which this strategic proposal will be implemented with development initiatives. In the bottom section, the central objectives are detailed which will be addressed primarily in this Country Strategy. All of these elements are integrated with two opposing triangles that symbolize the dynamism, strategic alignment and flexibility of the Country Strategy.



CABEI

Central American Bank for
Economic Integration

2015-2019

BELIZE

**COUNTRY STRATEGY
GUIDELINES**