

DOCUMENT OF THE INTER-AMERICAN BANK
MULTILATERAL INVESTMENT FUND

BELIZE

**PROMOTING SUSTAINABILITY AND DRIVING GROWTH THROUGH A MSME
DIGITAL REVOLUTION IN BELIZE**

(BL-T1152)

DONORS MEMORANDUM

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PROJECT SUMMARY

BELIZE

PROMOTING SUSTAINABILITY AND DRIVING GROWTH THROUGH A MSME DIGITAL REVOLUTION IN BELIZE (BL-T1152)

The Micro, Small and Medium Enterprise sector (MSME) accounts for the majority of private enterprises in the Caribbean, and contributes more than 50% to Gross Domestic Product and employment. This sector also contributes significantly to female employment, poverty reduction and social stability. Despite their enormous contribution to the economy, microenterprises and small businesses face significant challenges with competitiveness, including inefficiency, human capital with limited skills, low innovation capability, and problems with access to financing.

Belize has the smallest economy in Central America, with a Gross Domestic Product (GDP) of \$1.4 billion with up to 40% of the economy dependent on the tourism industry. In Belize, the private sector and specifically the MSME sub-sector, contributes significantly to output and employment, as approximately 93% of businesses in Belize are MSMEs and were reported to generate at least 70% of private-sector employment and incomes. However, there is concern that the sector has not been able to realize its full potential and failure rate in some sectors could be as high as 80% of new entrants. MSMEs continue to suffer from a number of weaknesses, which limit their ability to take full advantage of economic opportunities in the local, regional and extra-regional markets. The areas of constraints are normally identified as poor policy and regulatory environment, limited access to finance, market access and competitiveness, and the availability of quality business support services.

This project aims to propel the digitization of MSMEs in Belize to foster a business environment that encourages business continuity within and beyond the context of the post-pandemic business climate. In the wake of the COVID-19 Pandemic, Belize experienced a sharp decline in economic activity, which resulted in an increase in unemployment; because of this, MSMEs have been operating at minimum capacity and strained resources. The pandemic further exacerbated the long-standing limitations that have hindered Belizean MSMEs from advancing business innovation like our counterparts in Latin America and the Caribbean. Evidence has demonstrated that digital technology drives innovation and improves business performance, increasing sales, productivity, and employment.

This project will carry out strategic interventions and activities to provide a gateway for MSMEs to realise numerous advantages to their businesses. Firstly, this project will seek to improve the quality of ecosystem support to businesses to accomplish digital transformation. Secondly, the project will support businesses for digital readiness by raising awareness among stakeholders on the significance of digitization through the design and rollout of a comprehensive communication campaign and provide access to finance to drive and facilitate their digital transformation. Thirdly, the project will provide a program of resources (training, workshops, business formalization through the BCCI Verify tool, financial product matchmaking, and a virtual tool to guide the loan acquisition process) to aid MSMEs in enhancing their ability to meet the necessary requirements to

attain financial resources needed to secure investment. To accomplish these goals, the BCCI will be the Executing Agency and will partner with BETRAIDE and the Economic Development Council. These entities will contribute their expertise in the development and execution of training programs, capacity building and business outreach initiatives that will be needed to achieve the project objectives. Additionally, the project team will work closely with financial institutions and service providers to assist with offering holistic activities. These activities will aid in the digital transformation of MSMEs while bridging the digital age gaps of Belizean MSMEs while contributing to a lasting paradigm shift toward business innovation in Belize.

This project seeks to impact over 250 MSMEs and startups in Belize that are currently experiencing limited capacity for business management and innovation, high levels of business informality, and inadequate support options available. Most of the businesses that would benefit from the project will be micro and small enterprises with 5-9 employees, as well medium enterprises with up to 99 employees.

ACRONYMS AND ABBREVIATIONS

BCCI	Belize Chamber of Commerce and Industry
BELTRAIDE	Belize Trade and Investment Services
DFC	Development Finance Corporation
DNA	Diagnostic of Executing Agency Needs
EDC	Economic Development Council
IDB	Inter-American Development Bank
IIC	Inter-American Investment Corporation
MIF	Multilateral Investment Fund
MSME	Micro, Small and Medium Enterprise

PROJECT INFORMATION
BELIZE
PROMOTING SUSTAINABILITY AND DRIVING GROWTH THROUGH A MSME DIGITAL
REVOLUTION IN BELIZE
(BL-T1152)

Country and geographic location:	Belize		
Executing Agency:	Belize Chamber of Commerce and Industry (BCCI)		
Focus Area:	Knowledge-Economy; Inclusive Cities		
Coordination with Other Donors/Bank Operations:	<p>This initiative is linked to IDB's strategic goals of engagement in the areas of Digital Economy, Support for SMEs, and Gender and Diversity. The emphasis of the project is to engender a new agenda for digitalization within the private sector of Belize, stimulating innovation, economic growth, employment, and the promotion of a new digital culture. The project also supports the following national strategies and commitments: <i>Horizon 2030: The National Development Framework for Belize</i> (support to economic resilience for businesses to use appropriate technology to increase productivity and competitiveness); and <i>Belize's National Digital Agenda</i> (support to Belize's goal to transform into a Digital Nation). In addition, this project will be supporting the recently approved public sector loan operation BL-L1039 "Digital Innovation to Boost Economic Development in Belize", by providing important first-mover project data on the pilot MSMEs that will be engaged. This data will positively inform the loan operation to allow for greater social and innovative impact within the local MSME ecosystem in Belize. In addition, the project will provide synergies to BL-T1129 "Digital Transformation for Improving the Business Climate for MSMEs in Belize".</p>		
Project Beneficiaries:	250 MSMEs and start-ups within the local private sector.		
Financing:	Non-Reimbursable Technical Cooperation funding:	US\$ 350,000	52%
	Total IDB Lab funding:	US\$ 350,000	
	Counterpart:	US\$ 318,000	48%
	TOTAL PROJECT BUDGET:	US\$ 668,000	100%
Execution and Disbursement Period:	30 months of execution and 36 months of disbursement.		
Special Contractual Conditions:	Conditions prior to first disbursement will be, to the Bank's satisfaction: (i) selection of the Project Manager; (ii) establishment of the Steering Committee; and (iii) letter of commitment from TASA certifying its counterpart contribution to the project.		
Environmental and Social Impact Review	This operation was screened and classified in accordance with the IDB's Environmental and Social Policy Framework (document GN 2965-21) on 4th October 2022. Given the limited impacts and risks, the project has been proposed as a category C operation.		
Unit responsible for disbursements	Belize Country Office (CID/CBL)		

I. THE PROBLEM

A. Problem Description

- 1.1. The Micro, Small and Medium Enterprise sector (MSME) accounts for the majority of private enterprises in the Caribbean and contributes more than 50% to Gross Domestic Product and employment. This sector contributes significantly to female employment, poverty reduction and social stability. Despite their enormous contribution to the economy, microenterprises and small businesses face significant challenges with competitiveness, including inefficiency, human capital with limited skills, low innovation capability, and problems with access to financing.
- 1.2. Belize has the smallest economy in Central America, with a Gross Domestic Product (GDP) of \$1.4 billion, with up to 40% of the economy dependent on the tourism industry. In Belize, the private sector and specifically the MSME sub-sector, contributes significantly to output and employment, as approximately 93% of businesses in Belize are MSMEs and were reported to generate at least 70% of private-sector employment and income. However, there is concern that the sector has not been able to realize its full potential and failure rate in some sectors could be as high as 80% of new entrants. MSMEs continue to suffer from a number of weaknesses, which limit their ability to take full advantage of economic opportunities in the local, regional and extra-regional markets. The areas of constraints are normally identified as poor policy and regulatory environment, limited access to finance, market access and competitiveness, and the availability of quality business support services.
- 1.3. In the wake of the global pandemic, Belize saw a staggering decline of economic activity. In 2019, the country's pre-COVID unemployment level was 10.4% with an increase to 20.9% in 2021. As a result, MSMEs have been operating at minimum capacity as a significant portion of the local workforce have been displaced. The pandemic has led to significant reductions in global travel, adversely impacting Belize's service sector resulting in a loss of revenue, jobs, and foreign exchange inflows.
- 1.4. Containment measures enforced at the start of April 2020 included an almost complete shutdown of the economy except "essential services" and the closure of the borders to the movement of people (cargo trade was permitted) and resulted in the private sector experiencing a significant contraction. Belize Trade and Investment Development Services (BELTRAIDE) administered a survey to firms registered under its four (4) main technical units between April 22, 2020, and May 15, 2020. The survey results pointed to an outlook of uncertainty, with only 10.8% of the respondents estimating that they could continue to operate for over six (6) months under the conditions that were implemented. Additionally, 12.7% of firms reported being completely shut down, while 35.4% were temporarily out of business; the latter category was heavily composed of tourism and leisure-oriented firms. The agricultural and offshore sourcing sectors were mostly able to retain operations, albeit with limitations. The temporary and permanent closure of businesses as well as the limitations on operations for those that have been able to operate had adverse effects on employment. Overall, employment of firms

surveyed decreased by 23.0%, with the largest decrease being among microenterprises with 61.7%, followed by small businesses with 37.1%.

II. THE INNOVATION PROPOSAL

A. Project Description

- 2.1. The project's main objective is to strategically drive the formalization and the adoption of digitalization in Belize's MSME sector, with a focus on women-led MSMEs, through a program that combines technical assistance and financial support.
- 2.2. **Model.** The solution will implement digital transformation of businesses via the integration digital technology into their processes, products, and services in an effort to increase efficiency, provide greater value to customers, reduce risks, and discover new opportunities to generate revenue across various markets. To achieve these objectives businesses will transform their business strategies. The project will seek to address the challenges of adoption of digital technology by firms by: (i) creating information symmetry (by providing access to knowledge and understanding about the availability of technology tools to enhance business operations); (ii) increase capacity and human capital with advanced digital skills to properly adopt and deploy digital technologies; (iii) develop partnerships to provide access to finance for investing in digital technologies and human capital; (iv) support the local ICT sector to be able to offer enhanced support services.
- 2.3. **Innovation.** This project is innovative as it presents a multi-layered approach to focus on the strengthening of the ecosystem for innovation, via capacity building, coordinating key stakeholder organizations and engendering linkages between members of the productive sector, providing linkages to MSMEs to access financing, and introducing a culture of innovation in the innovation ecosystem. This project will also provide valuable first mover on data individuals and smaller organizations seeking to innovate, and complimentary activities via MSME pilot groups, which will support current and upcoming IDB loan operations within the country.
- 2.4. **Component I: Improving the Quality of Ecosystem Support to Businesses (IDB Lab US\$100,000; Counterpart: Cash US\$20,500, In-kind US\$39,500).** The objective of this component is to increase the capacity of business advisors through train-the-trainer workshops and certification programs to ensure standardization in the quality and standards of services rendered. Under the project, the Executing Agency will facilitate the design of the certification system for advisory services, which will include defining the certification criteria (i.e. preparation, experience, clients' references), and its monitoring system. This will assist in the development and implementation of industry standards for supporting MSMEs and start-ups, thereby creating a marketplace for small business advisory services and third-party services that have gone through a vigorous vetting process. This component will facilitate Calls for Proposals for third-party business service providers for services that include marketing, website development, and accounting services, among others.

- 2.5. The activities of this component to be implemented by the Executing Agency will include: (i) to design of a certification system (inclusive of supplementary training programs on innovation culture, digital innovation and transformation, and business resilience, including specific programs for women entrepreneurs); to train Digital Business Advisors to implement capacity-building activities with the SBDC and BCCI (in-house); to identify and train Digital Service Professionals to support development of ecosystem; to develop a Digital Strategy Framework, which will provide a sustainable approach to provide digital services to ecosystem stakeholders by supporting the development of a digital strategy guide.
- 2.6. The expected results of this component will be: (i) design and launch of Certification System for MSMEs to enhance business environment; (ii) Digital Strategy Framework developed; (iii) 200 MSMEs trained in digital innovation and transformation; (iv) 20 business advisory professionals trained; (v) 50 service providers trained in offering a standardized quality of services to MSMEs.
- 2.7. **Component II: Support to Businesses for Digital Readiness (IDB Lab US\$115,000; Counterpart: Cash US\$9,500, In-kind US\$72,000).** The objective of this component is to develop tools and support the implementation of these tools in businesses in an effort to strengthen their digital and business capabilities and guide their efforts while providing them with access to financing to drive and facilitate their digital transformation.
- 2.8. The activities of this component to be implemented by the Executing Agency will include: (i) to promote and raise awareness about the need for and advantages of new technology and innovation; (ii) to conduct a desk review to seek the most recent laws, technologies and innovation which can be used to accelerate business; (iii) to develop a communications strategy and launch a communication campaign that will provide specific "corporate" informative efforts to sensitize managers and business owners on how to manage digital transformation, and support communication of other project activities such as the launch for call for proposals, among others; (iv) to develop a technical program aimed at microenterprises and small businesses to boost and support the advancement of their respective digitalization processes; (iv) to conduct the selection process for microenterprises and small businesses with gender parity; and (v) to implement a "Digital Check-up" - a self-diagnostic and monitoring tool in partnership with BELTRAIDE's Small Business Development Centre (SBDC) to determine businesses' specific needs and levels of business maturity to match them with specific solutions.
- 2.9. The expected results of this component will be: (i) scoping study of digital readiness ecosystem completed; (ii) Communication Strategy implemented; (iii) Technical Program for the support of MSME digitization process completed; (iv) 120 MSMEs to receive support to facilitate digital readiness.
- 2.10. **Component III: Support to Pilot Group of MSMEs to Formalize Businesses and Access Capital Towards Digitalization (IDB Lab US\$100,000; Counterpart: Cash US\$13,500, In-kind US\$49,000).** The objective of this component is to provide support towards the formalization of start-ups and MSMEs, which will allow these small and micro businesses to be able to properly seek financial resources to invest in the digitalization process. Funding partners

will be identified and will include commercial banks, credit unions, development finance corporations, chambers of commerce membership (investors).

- 2.11. The activities of this component to be implemented by the Executing Agency will include: (i) to develop a program to facilitate the formalization of the informal sector, allowing increased access to development funds; (ii) to develop a step-by-step resource guide and training workshops that will detail all the requirements for formalizing a business; (iii) to engage with business development officers to offer the individual support that some of the micro and small businesses will require; (iv) to conduct virtual workshops on financial management and management using digital resource planning, sales, and payment (fintech) solutions, among others; (v) to organize events/create arrangements to match providers of financial products with beneficiaries, using a gender parity approach; (vi) to promote solutions for digital transaction registry to help enterprises with limited access to financial products obtain a credit history; (vii) to provide funding opportunities such as guidance in seeking institutional financing through the support of the BCCI Verify Program in partnership with the DFC.
- 2.12. The expected results of this component will be: (i) 100 MSMEs that complete business formalization; (ii) minimum 50 MSMEs to secure access to capital to support digitalization transition.

B. Project Results, Measurement, Monitoring and Evaluation

- 2.13. The expected outcomes of the project are: direct impact to over 250 MSMEs, with 100 MSMEs becoming formalized; 120 women-led businesses benefiting from capacity building opportunities, accounting for 60% of total MSMEs under BCCI membership; and a minimum of 50 MSMEs securing access to capital to support transition towards digitalization.
- 2.14. **Monitoring.** The Executing Agency will be responsible for collection of data and reporting on results and achievements in a timely manner. The Executing Agency will develop a monitoring plan at the start of the project that will ensure tracking and measuring of indicators that are relevant for the performance of the project and have verifiable sources. Progress in monitoring these indicators will be facilitated by The Executing Agency internal systems. Additionally, The Executing Agency will report to the Bank every six months through a Project Status Report (PSR) and submit a Project Completion Report (PCR) on the project's final outcomes. Where applicable, monitoring systems will identify both areas of early success and areas where corrective intervention is needed in the project.
- 2.15. **Evaluation.** The project will complete a final evaluation. Prior to execution of the evaluation, appropriate timelines and data sources will be identified. Any additional information collected that is not already part of the project monitoring system will be appropriately catalogued.

III. ALIGNMENT WITH IDB GROUP, SCALABILITY, AND RISKS

A. Alignment with IDB Group

- 3.1. This initiative is linked to IDB's strategic goals of engagement in the areas of Digital Economy, Support for SMEs, and Gender and Diversity. The emphasis of the project is to engender a new agenda for digitalization within the private sector of Belize, stimulating innovation, economic growth, employment, and the promotion of a new digital culture.
- 3.2. Moreover, this project supports IDB Group Country Strategy with Belize 2022-2025 to aid Belize in achieving robust, inclusive, and sustainable growth, with an emphasis on private sector productivity and sustainable growth, focusing on MSMEs, and human capital. In this regard, supporting innovation and technology adoption as a key lever in economic growth and development, and secondly, in the mobilization of external resources through partnerships.
- 3.3. In addition, this project will be supporting the recently approved public sector loan operation BL-L1039 "Digital Innovation to Boost Economic Development in Belize", by providing important first-mover project data on the pilot MSMEs that will be engaged. This data will provide complementarities to aid in reducing the significant information deficit that exists on the state of digital readiness of MSMEs, among others, which will inform decisions and interventions noted under the public sector loan.
- 3.4. Furthermore, this operation will provide complementary activities to BL-T1129 "Digital Transformation for Improving the Business Climate for MSMEs in Belize". Under the current technical cooperation grant operation, interventions being executed will support activities towards the creation of digital capacity plans, targeting project beneficiaries.
- 3.5. The project also supports the following national strategies and commitments: Horizon 2030: The National Development Framework for Belize (support to economic resilience for businesses to use appropriate technology to increase productivity and competitiveness); and Belize's National Digital Agenda (support to Belize's goal to transform into a Digital Nation).
- 3.6. The project is also aligned with the Sustainable Development Goals (SDGs). In specific, the project is aligned with SDG 5, regarding gender equality, and particularly to SDG 5.5 related to ensuring women's full and effective participation and equal opportunities for leadership. It is also aligned with SDG 8 on decent work and economic growth, specifically to SDG 8.3 related to the promotion of decent job creation, entrepreneurship, and encourage the formalization and growth of MSMEs enterprises, including through access to financial services.
- 3.7. The project team, with the support of OII, conducted integrity due diligence (IDD) on the Project and found no indicators of heightened integrity or related reputational risks for IDB Lab.

- 3.8. Considering IDB Lab will only be financing capacity building, support development of MSME digitalization strategies for implementation, this can be precategorized as "C" given that it is expected to have small E&S risks and impacts.

B. Scalability

- 3.9. A strong component to ensuring long-term sustainability will be the strategic partnership envisioned under the public sector operation, estimated to be approved in November 2022, BL-L1039 "Digital Innovation to Boost Economic Development in Belize". This project will collaborate with BL-L1039 in an effort to drive strategic interventions via capacity building, and project-based coordination of key stakeholder organizations within the local innovation ecosystem, and in showcasing the demonstration effect of the project to key decision makers within both public and private sector financing agencies during the course of implementation.
- 3.10. The Executing Agency will generate knowledge products containing lessons learnt, processes, costs, recommendations, among other shareable content. These lessons and knowledge products will be shared with the wider MSME and civil society ecosystem, also with the Government of Belize (in particular the Economic Development Council) that will be able to support data driven decision-making towards sustainable MSME development within the country.
- 3.11. The Executing Agency will actively seek opportunities towards the development of a Business Development Incubator Hub, as a partnership among the main ecosystem players, which would provide MSMEs with the tools and facilities that sustain the benefits of this project to many cohorts to come. A full-scale facility with the tools and personnel required to mobilize digital transformation and improve business. The BCCI envisions a space where micro and small businesses and start-ups can receive the support and services needed to get their businesses off the ground, and the tools needed for sustainability would increase the likelihood of entrepreneurial success. The development of this Hub is intended to be a public-private partnership. Target beneficiaries would be existing micro and small businesses, start-ups, and informal businesses. Ideally, government subventions, made up of financial support and personnel, would account for operational costs and fees charged for various services (training, workshops, fees). A formalization unit at the incubator hub with personnel from key units such as the tax department, company registry, and other relevant offices would constitute the relevant informational resources to be tapped into by clients. The BCCI would run the day-to-day operations with the support of additional staff. The Executing Agency will be able to utilize existing relationships and create new synergies with entities such as the Statistical Institute of Belize (SIB), BELTRAIDE, Companies Registry, Belize Tax Services, EDC, municipalities and academia to support and grow the program.

C. Project and Institutional Risks

- 3.12. **Adoption of new technology.** Some MSMEs may be hesitant to quickly adopt new technology within their current business operations and practices. **Mitigation:** The project will start working with those MSMEs known as positive leaders and influencers in their communities, to allow for a demonstrative effect approach.

- 3.13. **Lack of demand for innovation financing.** Should there not be enough applications (quantity) or of required quality. **Mitigation:** This risk will be mitigated through technical workshops for applicants and targeted communication and outreach.
- 3.14. **Lack of acceptance of best practices.** MSMEs may not be interested in adopting innovative technology or applying the best practices in training. **Mitigation:** MSMEs will be selected based on their history of willingness to participate in projects and collaboration with BCCI.
- 3.15. **Institutional Risks.** The Executing Agency was established in 1920 in Belize and their role has been focused on consistently championing the causes of its private sector constituency and considers among its primary objectives the social and economic development of Belize through the development of all sectors of industry, commerce and services. To ensure strong project execution, BCCI will utilize the experience and networks of the organization to augment their capacity to execute. To mitigate risks related to procurement and fiscal management, the project has been designed to include: (i) a fully qualified project coordinator; (ii) a dedicated project financial officer with strong financial and procurement skills; and (iii) an annual audit of project inflows and expenditure by an independent firm. This support will also be supplemented by ex-ante review of all procurements within the first year of execution.
- 3.16. Considering IDB Lab will only be financing capacity building, digital systems and tools, this can be pre-categorized as "C" given that it is expected to have small E&S risks and impacts.

IV. INSTRUMENT AND BUDGET PROPOSAL

- 4.1. The project has a total cost of US\$668,000, of which US\$350,000 (52%) will be provided by IDB Lab, and US\$318,000 (48%) by the counterpart. The instrument to be used is a non-reimbursable technical cooperation. Funds will also be used to develop a new business model for marine protected area management. The costs associated with the acquisition of all major assets under the project will be supported by TASA with its counterpart funding.

DETAILED BUDGET						
Promoting Sustainability and Driving Growth Through a MSME Digital Revolution in Belize BL-T1152						
	COMPONENTS	Project Total Amount	IDB Lab	Counterpart		TOTAL
				Executing Agency		
				Cash	In-kind	
1	Component 1: Improving the quality of the ecosystem support to businesses	160,000	100,000	20,500	39,500	160,000
2	Component 2: Support to Businesses for Digital Readiness	196,500	115,000	9,500	72,000	196,500
3	Component 3: Pilot access to financing for digitization	162,500	100,000	13,500	49,000	162,500
4	Project Admnistration	149,000	35,000	114,000	0	149,000
	TOTAL	668,000	350,000	157,500	160,500	668,000
	% of Financing	100	52	24	24	100

V. EXECUTING AGENCY (EA) AND IMPLEMENTATION STRUCTURE

A. Executing Agency(s) Description

- 5.1. The Belize Chamber of Commerce and Industry will be the Executing Agency of this project and will sign the agreement with the Bank. BCCI is the largest private sector membership-based organization in Belize. Its main objective is to foster economic growth through the free enterprise system at all levels, by promoting and protecting, both nationally and internationally, commerce, and all sectors of industry which includes agribusiness, tourism and manufacturing. Directed by its Executive Council, the BCCI has a full-time administrative staff of seventeen people to implement and monitor the programs of the BCCI.
- 5.2. The Belize Trade and Investment Development Service (BELTRAIDE) is a national economic development agency that operates within the portfolio of the Ministry of Economic Development and is one of the key partners for the project. The office's mission is to enhance Belize's prosperity by fostering investor confidence, entrepreneurship, business growth and innovation. BELTRAIDE via their Small Business Development Centre (SBDC), will provide project support by designing and implementing aspects related to stakeholder training and capacity building to project beneficiaries. BELTRAIDE is a statutory body of the Government of Belize and a national economic development agency that operates within the portfolio of the Ministry of Economic Development, Petroleum, Investment, Trade and Commerce. Its mission is "Enhancing Belize's prosperity by fostering investor confidence, entrepreneurship, business growth and innovation."
- 5.3. The Economic Development Council (EDC) will function in an advisory role, lending important insight and policy guidance, and will support efforts under BL-T1129. The EDC is a public-private advisory body that is comprised of 10 members, including 5 senior managers from the public sector and 5

representatives from the private sector. The EDC is co-chaired by a representative from the private sector, and a counterpart from the public sector. The overall objectives of the EDC are: to strengthen the collaboration between public and private sectors through meaningful dialogue that leads to positive outcomes facilitating economic development; to advise on and help develop reforms that improves doing business, enhance the public sector processes and enhance the confidence in doing business in Belize.

B. Implementation Structure and Mechanism

- 5.4. The Executing Agency will establish an execution unit and the necessary structure to execute project activities and manage project resources effectively and efficiently. The Executing Agency will also be responsible for submitting progress reports on project implementation. Details on the structure of the execution unit and reporting requirements are in Annex V in the project technical files.
- 5.5. The Executing Agency will establish project steering committee consisting of BCCI, DFC, BELTRAIDE, EDC to govern the project implementation, manage risks and address challenges. The advisory committee will also include a representative from IDB Lab to provide input and advice on changes that may be necessary to strengthen impact and achievement of project results as well as to foster connections with IDB Lab's technical partners in the region supporting knowledge sharing and regional scaling. The project advisory committee will convene on a semiannual basis or more often as necessary, to assess project progress, risks and take strategic decisions required to support achievement of results.

VI. FULFILLMENT OF MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 6.1. **Disbursement by Results, Fiduciary Arrangements.** The Executing Agency will adhere to the standard MIF disbursement by results, Bank procurement policy¹ and financial management² arrangements as specified in Annex V and VI and any future policies and procedures. The Project will be monitored by the Country Office of Belize. Monitoring will be undertaken in accordance with the performance and risk management policies (fulfilment of milestones) established by the IDB Lab. Project disbursements will be contingent upon verification of the achievement of milestones.
- 6.2. **Financial Management and Supervision.** The Executing Agency will establish and be responsible for maintaining adequate accounts of its finances, internal controls, and project files according to the financial management policy of the IDB Lab.

¹ Link to the Policy: [Procurement of Works and Goods Policy](#)

² Link to the document [Operational Guidelines for Management of Milestones and Financial Supervision for MIF and SEP Technical Cooperation Projects](#)

VII. ACCESS TO INFORMATION AND INTELLECTUAL PROPERTY

- 7.1. **Access to information.** This document contains confidential information related to one or more of the ten exceptions to Access to Information Policy and will be initially treated as confidential and made available only to Bank employees. This document will be disclosed and made available to the public upon approval.
- 7.2. **Intellectual property.** All work financed by the IDB Lab and the results obtained under the Project will be the intellectual property of the Bank. The IDB will grant a non-exclusive and free license to the Executing Agency, including the rights of dissemination, reproduction and publication in any medium of any product. The dissemination, reproduction and publication must indicate that it has been financed by the IDB Lab.