



## **BELIZE**

### **Non-reimbursable Financing Agreement**

**GRT/FM-12724-RG**

#### **TERMS OF REFERENCE**

##### **Land Survey of Wastewater Treatment site and the Placencia Peninsula Pilot Wastewater Management System**

#### **I. BACKGROUND**

- 1.1 On 27<sup>th</sup> June, 2011, Belize and the Inter-American Development Bank acting in its capacity as Administrator of the IADB/GEF Fund signed an Agreement to cooperate in the execution of a project for the establishment of a revolving fund that will support the efforts of the Government of Belize in financing wastewater projects. Funds available for this purpose are used to help countries to establish and/or expand environmentally acceptable, sustainable and cost effective wastewater management facilities. This is being done through the Caribbean Regional Fund for Wastewater Management (CReW).
- 1.2 The objective of the Project is to establish an innovative financing mechanism for cost-effective and sustainable financing of wastewater management in Belize. The project aims at providing subsidized interest rate loans for eligible wastewater treatment projects in Belize through the establishment of a revolving fund (the Belize Wastewater Revolving Fund- BWRF) that will allow for the financing of a variety of wastewater solutions through both public and private channels.
- 1.3 The CReW consists of three key components: (I) Investment and innovative financing for wastewater management; (II) Reforms for Wastewater management; and (III) Communications, outreach and information exchange. The Belize Wastewater Revolving Fund was created as part of component 1 of the CReW and will be executed by the Ministry of Finance (MOF).
- 1.4 The Project comprises the following 2 components: 1) Investment and innovative financing for wastewater management; and 2) Project Development Support (PDS).
- 1.5 The BWRF is financed under Component 1 of the Project with an amount equivalent to US\$5,000,000.00. The fund will be placed in a dedicated bank account at the Central Bank of Belize and will be managed by the MOF in line with the Operations Manual which institutes how the BWRF should conduct its Business. All the interest income earned on the BWRF account and loan repayments will remain in the account.
- 1.6 The first project to be funded under the BWRF will be the Wastewater Management System for the Placencia Peninsula. The borrower and Implementing Agency (IA) for this project is Belize Water Services Limited. This project will be co-financed with a loan from the IDB, and because of this link with an IDB loan, all requirements and reports that BWSL will comply with will serve to meet the CReW requirements.

- 1.7 Component 2 of the Project will finance the contracting of technical assistance such as consultancies to conduct feasibility studies (including financial, economic, technical or environmental viability satisfy technical, financial) and design services. The aim is to ensure that the projects financed under the BWRP satisfy the technical, financial and environmental conditions required by the IDB and the Government.
- 1.8 In order to provide a roadmap and guidelines for the implementation of a pilot wastewater management system for the Placencia Peninsula a Feasibility Study for the Placencia Peninsula Pilot Wastewater Management System which was funded by the U.S Trade and Development Agency (USTDA) was completed by Halcrow.
- 1.9 Based on recommendations arising out of this report and anticipated land access issues, the MOF will use funds from PDS (Component 2) to engage a consultant to resolve all land acquisition/lease/easement issues pertaining to the construction and installation of all wastewater collection and treatment infrastructure.