

BELIZE:

GOVERNMENT OF BELIZE



SERVICE CONTRACT

THIS AGREEMENT is made this 4th day of October 2013 between the GOVERNMENT OF BELIZE, acting through the Ministry of Finance and Economic Development (hereinafter also called "the Government") of the **ONE PART** and Mr. Kent Vital, (hereinafter also called "the Consultant") of the **OTHER PART**.

The Government of Belize is desirous of engaging the services of the Consultant to provide Technical Assistance to assist the Government in devising precise workable plans, actions and relevant strategies to specifically target output growth and poverty reduction within the context of the current circumstances in Belize. These are to be reflected in a Growth and Poverty Reduction Strategy (GPRS) paper that is aligned with Horizon 2030. A complementary objective of the consultancy is to improve the capacity of the staff of the Ministry of Finance and Economic Development (MOFED) to prepare and update such documents in the future and the Consultant has agreed to provide the services on the terms and conditions set out below

NOW THEREFORE IT IS HEREBY AGREED BY THE PARTIES AS FOLLOWS:

SCHEDULE

1. Duration and Commencement of Services:

The Consultant shall provide the services required to assist the Government in devising precise workable plans, actions and relevant strategies to specifically target output growth and poverty reduction within the context of the current circumstances in Belize which reflect a GPRS aligned with Horizon 2030. A complementary objective of the consultancy is to improve the capacity of the staff of the Ministry of Finance and Economic Development (MOFED) to prepare and update such documents in the future. The services will be performed over a period of eight (8) months commencing November 1, 2013 and continuing through June 30, 2014 or any other period as may be subsequently agreed to by the parties in writing.

6. Neglect, Refusal or Failure to perform duties:

If the Consultant shall at any time after the signing hereof, neglect or refuse or for any cause (excepting failure to act on instructions considered to be illegal) fail to perform or become unable to perform any of his/her duties satisfactorily or with due diligence, the Consultant shall be notified in writing of any unsatisfactory services arising there from and shall be given 14 days, or such further period as the Government may determine, to rectify the situation. Failure by the Consultant to rectify the situation within the time allotted shall result in the Government forthwith terminating the services of the Consultant, and on such termination all rights and advantages reserved to the Consultant by this Agreement shall cease.

7. Termination for unauthorised disclosure, etc.:

If the Consultant shall disclose any information in respect of the affairs of the Project to any unauthorised person, or shall behave in such a manner as to bring the Government into disrepute, the Government shall forthwith terminate the services offered and, on such termination, all rights and advantages reserved to the Consultant by this Agreement shall cease.

8. Termination by notice:

1. The Government may at any time terminate the engagement of the Consultant by giving him/her 14 days notice in writing.
2. The Consultant may at any time terminate his/her engagement by giving to the Government 14 days notice in writing.

9. Liquidated Damages:

1. If the Government terminates the Agreement in accordance with Clause 8, it shall be liable to the Consultant for the value of services rendered as of the effective date of termination, less all payments already made.
2. If the Consultant terminates the Agreement otherwise than in accordance with Clause 8 (2) above, s/he shall provide the Government with all information and interim products generated for remaining deliverables and be liable to pay the Government, as liquidated damages, a sum equal to the pro-rated amount of works due at the time of termination.
3. If the Government terminates this Agreement otherwise than in accordance with Clause 8 (1), the Government shall be liable to pay for services actually rendered at the time of termination.

10. Ownership of Material:

All manuals, notes, drawings, specifications, reports, documents, and other technical data produced by the Consultant or under the Project shall be the sole property of the Government and shall be handed over to the Government upon expiration or termination of this Agreement or otherwise.

GOVERNMENT OF BELIZE
GROWTH AND POVERTY REDUCTION STRATEGY 2014-2017

TERMS OF REFERENCE

1. BACKGROUND

The Government of Belize is committed to the vision of Belize being a country of peace and tranquillity; where its citizens live in harmony with the natural environment, enjoy a high quality of life, and are energetic, resourceful and independent, looking after their own affairs.

1.02 This vision is articulated in Horizon 2030, the long term national development framework that has been prepared to guide “the development, implementation, and monitoring and evaluation of both long term and intermediate sector programs and Government’s long- and medium-term development strategies”. However, GOBZ still needs to give further consideration to the long-term performance targets and indicators required to track progress on the key desired national outcomes outlined in the framework. Further, it is desirable that all stakeholders be well aware of the broad long-term national development strategy.

1.03 Horizon 2030 is expected to be implemented through a series of four-year Medium Term Development Strategies (MTDS). Each MTDS is expected to detail the priority programmes, projects and actions to be implemented in the medium term towards achieving the vision; reflect the cost of its implementation; and be linked to Central Government’s multi-year budget. The last MTDS, for the period 2010 to 2013, preceded the development of Horizon 2030 and will expire shortly. Therefore, a new strategy is now due for the period 2014 to 2017, and can be prepared in the context of Horizon 2030.

1.04 Indicative of the enormity of the task toward achieving the Country’s vision, the level of poverty in Belize is extremely high. The Country Poverty Assessment conducted in 2002 recorded that 34.1% of the population was below the poverty line, and 10.8% was considered indigent. To respond to the high level of poverty GOBZ prepared a National Poverty Elimination Strategy and Action Plan (NPESAP) for the period 2007 to 2011, which was later updated for the period 2009 to 2013. In 2009, GOBZ undertook a third CPA which revealed that the national poverty level had increased: 41.3% poor and 15.8% indigent. The NPESAP therefore needs to be updated in order to address the current poverty situation as well as to focus attention on tackling poverty and the human development challenges likely to confront Belize over the medium term.

1.05 International experience has shown that economic growth and poverty reduction go largely hand in hand; it is recognised that growth benefits the poor and that poverty reduction is good for growth. However, given that poverty in Belize is so high, and that trade-offs may be required between policies driven by these two perspectives, it is desirable to find the right mix of policies and strategies that can lead to both economic growth and poverty reduction. Within that context, GOBZ desires to prepare a Growth and Poverty Reduction Strategy (GPRS) that combines the considerations that would have traditionally been separately focused in a MTDS and a NPESAP.

1.06 A cogent GPRS is also urgently needed within the context of the need to put Belize on a sustainable development path. Belize has recently restructured its commercial debt given that the country, in an environment of low growth, does not have the ability to service its high level of debt

under the pre-existing terms and at the same time maintain the level of social and economic development attained at this juncture; let alone achieve any further progress in light of low social and economic development levels characterised by extremely high poverty and crime. Debt restructuring was also thought to be highly desirable in order to minimize other fiscal adjustments that are to be made that may have repercussions that could lead to increasing levels of poverty and insecurity.

1.07 While fiscal adjustments including debt restructuring are being employed to help Belize attain fiscal and debt sustainability, maximizing output growth is the other side of the coin. It is conceivable that the lack of sufficient output growth would adversely impact the efficacy of any such adjustments. Therefore the GOBZ considers it very necessary to complement its fiscal adjustment and debt restructuring efforts with cogent strategies for growth and poverty reduction.

1.08 Moreover, GOBZ desires to have an effective GPRS. Apart from reflecting clear, logical and convincing strategies, the document must be tied to the budget and imbued with an appropriate accountability and results monitoring framework which would allow for periodic modification of plans and actions towards the attainment of the desired outcomes and impacts. It is especially important to tie the GPRS to the budget within the context of the ongoing fiscal adjustment exercise. Furthermore, recently passed regulations require that the annual Appropriation Bill include not only the budget for the up-coming year, but also budget expectations for the following two years. Thus it is desirable that costs be assigned to the proposed programmes and actions reflected in the GPRS and that these be consistent with the multi-year fiscal projections to be contained in the annual Appropriation Bill.

1.09 Several documents are available that have analyzed economic and social conditions in Belize and/or make recommendations for actions to be taken in pursuit of economic growth, poverty reduction, macro-economic stability and sustainable development. These include but are not limited to the following:

- Various sector plans and strategies
- Horizon 2030
- National Agriculture Policy
- National Energy Policy
- National Export Strategy (Draft)
- Country Poverty Assessments -1995, 2002, 2009
- National Poverty Elimination Strategy and Action Plan 2009-2013.
- Medium Term Development Strategy 2010-2013
- IMF Article IV Consultations and Staff Reports
- Public Expenditure and Financial Accountability Report
- National Gender Policy: Situation Analysis of Gender Issues in Belize (2010)
- National Plan of Action for Children and Adolescents, 2004-2015
- National Plan of Action for Gender-Based Violence (2007-2009)
- Country Gender Assessment: Belize, CDB, 2011
- National Youth Policy
- Belize Rural Area-based Development Strategy
- National Sustainable Tourism Master Plan
- MDG Scorecard and Outlook Report 2010
- Education Sector Strategy
- Transport Policies (Port, Aviation, etc.)

2. OBJECTIVES AND OUTPUTS

2.01 The overall objective of this consultancy is to assist GOBZ in devising precise workable plans, actions and relevant strategies to specifically target output growth and poverty reduction within the context of the current circumstances in Belize. These are to be reflected in a GPRS paper that is aligned with Horizon 2030. A complementary objective of the consultancy is to improve the capacity of the staff of the Ministry of Finance and Economic Development (MOFED) to prepare and update such documents in the future.

3. SCOPE OF SERVICES

3.01 The Consultant will be required to take the lead role and to work closely with the staff of the Policy and Planning Unit (PPU) of the MOFED to prepare a coherent and comprehensive GPRS with a fully-costed and time-bound Action Plan for promoting economic growth and reducing poverty in the country for the period 2014 to 2017. As deemed appropriate, this GPRS should incorporate the findings and recommendations of the 2009 CPA and other relevant documents, some of which are identified in paragraph 1.8 above. The costing of the GPRS should be consistent with the medium term budgetary framework.

3.02 The Consultant will lead the PPU in consultations with other government ministries, departments, agencies and institutions; civil society organizations (CSOs); non-governmental organizations (NGOs); other development partners and related agencies; and private sector representatives in developing the GPRS. Further, the Consultant is expected to assist with defining the long-term performance targets to be associated with Horizon 2030, which will be used to develop the medium-term targets for the GPRS. The Consultant is also expected to assist in creating greater awareness of Horizon 2030 among stakeholders during consultations towards the development of the GPRS.

3.03 The strategy document should reflect, but not be limited to the following:

- (a) A discussion on the macroeconomic framework and its consistency with the proposed economic growth and poverty reduction strategies.
- (b) An outline of the base-line economic and social conditions against which the attainment of desired impacts and desired priority outcomes are to be measured. These are to be largely based on information contained in the 2009 CPA, the 2010 census report, and on other statistics from various sources in Belize including the SIB. As much as is possible, statistics and measures of base-line conditions should be sex-disaggregated. Where information is not available or sufficiently updated for defining the base-line conditions, proposals for collecting and/or updating such information in the future should be made. Moreover, recommendations could be made for improving the collection of information necessary to monitor the GPRS where statistics may be available, but where it is deemed that better or more frequent measures may be desirable. Where time permits, base-line information may be collected as part of the process of preparing the GPRS document.
- (c) A brief summary of the critical factors inhibiting more rapid economic growth in the country, including crime and security issues.

- (d) A brief summary of the factors contributing to poverty in the country as identified by the 2009 CPA, other relevant documents, and based on staff analysis. A brief discussion on the relationship between economic growth and poverty reduction in Belize and how these are related to legal, political, social, crime and security, environmental and disaster risk reduction issues affecting the country; and the gender dimension therein.
- (e) Definition of realistic and quantifiable desired priority outcomes for attaining targeted economic growth and reducing poverty. The strategy should, where possible and relevant, consider the MDG Acceleration Framework defined by the United Nations Development Programme (UNDP) in helping to design specific strategies in the Belize context. As appropriate, consideration could also be given to targets that may emanate from a post-2015 MDGs.
- (f) A set of priority strategies and actions for achieving economic growth targets – dealing with strategies at the level of the sectors of production and or thematic areas as well as dealing with cross cutting issues - and appropriately linking these with macro-economic policy. A brief discourse on how these strategies will also contribute to poverty reduction.
- (g) A set of priority strategies and actions to achieve poverty reduction targets. These should include specific gender-aware social protection strategies for addressing the needs of indigent persons and other vulnerable groups; and a brief discourse on how these strategies are expected to impact economic growth.
- (h) A time-bound plan of action for implementing these strategies along with corresponding resource requirements and a Core Public Sector Investment Programme. The action plan should also include a suggested institutional framework for implementation of the strategies, specifying roles as deemed appropriate for the Technical Team, MOFED, Government agencies, CSOs, NGOs, the Private Sector and donor agencies in this regard;
- (i) A mechanism for monitoring and evaluating the implementation of the strategies and a results framework that includes indicators for assessing their impacts and outcomes. In that regard consideration could also be given to coordination between the public and the private sectors with respect to monitoring and evaluating the implementation of the strategy and/or establishment of an advisory body to guide or propose modifications to the strategy as may be required from time to time.
- (j) Proposals for improving the coordination of external aid, and the alignment of aid with the GPRS
- (k) A reflection on issues that may pose constraints to growth and poverty reduction such as institutional, governance, capacity, and resources.

3.04 Assist MOFED in conducting workshops for ministries and departments aimed at sensitizing staff and providing basic training on strategic planning.

3.05 Assist MOFED in conducting workshops with government ministries and departments concerning desired sector strategies, priority outcomes, actions, programmes and projects. These discussions may be arranged by themes.

3.06 Assist MOFED with the processes necessary to arrive at a set of prioritised outcomes, actions, programmes and projects to be reflected in the GPRS. This will include working collaboratively with the Central Bank and the Technical Team to define the resource envelope and to arrive at a three-year budget to be reflected in the Appropriation Bill.

4. METHODOLOGY

4.01 In preparing the GPRS, MOFED, led by the Consultant is expected to draw heavily on available analytical documents such as the 2009 CPA, IMF Article IV Reports, the 2009 PEFA Assessment, various sector plans and strategies, as well as the MTDS and the NPESAP for the preceding period. Many of these documents were prepared through participatory approaches or following extensive consultations. The MOFED, led by the Consultant, is expected to critically examine recommendations made in these documents in order to select priority actions for inclusion in the GPRS. This approach will be supplemented through workshops or meetings at the sector or thematic level with various stakeholders. These sector or thematic meetings and workshops will be used to clarify strategies and agree on priorities at the sector level where sector plans and strategies are available or are at a sufficiently advanced stage of preparation. Where such plans are not available, the workshops and meetings will be used to guide government ministries and departments in arriving at priority actions and programmes where it is possible to do so. Consultations with other stakeholder groups will take place to fill gaps as may be necessary. Discussions and consultations to seek and promote early buy-in, and gain consensus on the findings to be reflected within the GPRS will be held with the Technical Team, other GOBZ representatives, the private sector, development partners and other key stakeholders.

4.02 Attention should be focused on major thematic or programme areas or desired outcomes with some explanation, as necessary, of how the work at the government ministry, department or agency level is linked. An attempt should be made to show how each proposed programme, action or project is expected to contribute to growth and/or poverty reduction.

4.03 The GPRS document should, to the extent possible, within each thematic area reflect the special strategies, programmes, actions or projects that are proposed to improve income distribution either indirectly through the choice of growth-enhancing programmes, actions and projects; or directly through poverty reduction programmes, actions and projects

4.05 The consultant will lead in conducting a National Consultation at which the proposed strategy would be presented to stakeholders in the public and private sectors, and civil society as part of the process of reviewing and validating the draft GPRS before it is finalised.

4.06 In order to build staff capacity within the MOFED particularly that of the staff of the PPU, the consultant is expected to fully involve the PPU team in the planning and execution of all activities related to the preparation of the GPRS. These activities will commence with a comprehensive planning exercise (workshop) that will detail the activities that will be undertaken towards the preparation of the GPRS, the expected timelines, the responsible parties, the boundary partners, risks, and the monitoring and feedback approach. Through this initiation workshop, the consultant will also provide to the team and other partners that will work closely with the team, training on "managing for results". This will involve sensitizing the team on topics such as strategic planning; results chains; and monitoring, evaluation and feedback mechanisms. Throughout the process the consultant will coach staff of PPU as well as provide insights, ideas and participate in the completion of various tasks. Coaching will involve that related to undertaking consultations, and facilitating meetings and workshops. The consultant will review all written

- (b) Five (5) years experience in areas related to macro-economics, institutional analysis, social protection, poverty analysis, gender analysis, and social policy/social planning, with specific experience in the Caribbean region;
- (c) Excellent oral and written communication skills and evidence of superior reporting and analytical capabilities.

7.02 The Consultant should also possess a strong understanding of Economic and Social Development issues in Belize and be highly knowledgeable in the areas of strategic planning and results based management.

8. PAYMENT SCHEDULE

8.01 The Consultant shall receive payment of fees as follows:

- (f) 25% advanced upon contract signing;
- (g) 20% upon submission and acceptance of the Inception Report
- (h) 15% upon submission and acceptance of the Draft GPRS
- (i) 20% upon the execution of the National Consultation
- (j) 20% upon submission and acceptance of the final GPRS incorporating relevant suggestions made at the National Consultation.

8.02 Other costs, not exceeding the total budget, will be reimbursed to the consultant on submission of monthly claims.

9. DURATION

9.01 The assignment is expected to last eight (8) months.