

United Nations Development Programme



**Belize/RBLAC
Initiation Plan**

Project Title: Building Resilient MSMEs-Accelerating Digitization

Expected UNDAF/CP Outcome(s): Socio-economic pillar of the defined United Nations Socioeconomic Response Plan (UNSERP) for Belize.

Expected CPD Output(s): 2.5 Strengthened national structures to support the development of decent work creation and protection, the promotion of entrepreneurship and the formalization and growth of enterprises.

Initiation Plan Start/End Dates: 2 November 2020 - 30 June 2022

Implementing Partner: Belize Trade and Investment Development Service (BELTRAIDE)

Brief Description

The proposed initiative supports the establishment of national structures for MSME capacity building and provides services related to MSME recovery and resilient development, including support for accelerated digitization of MSMEs that facilitate supply chain and market access, and the increasing of enterprises' capabilities and flexibility to rapidly retrofit themselves to accommodate necessary health protocols and operational transformations required as a response to the new COVID environment. The proposed objective will be achieved through three outputs:

Output 1: SEIA on MSME results inform Medium term Strategy for strengthening of MSME Ecosystem, Output 2: Digital/ virtual platform commissioned for use in MSME capacity building and knowledge exchange, Output 3: Increase use of virtual knowledge center in MSME capacity development

Programme Period: 18 months

Atlas Project Number: 00134281

Atlas Output ID: 125892

Gender Marker: GEN2

Total resources required US\$ 360,000

Total allocated resources: US\$360,000

• Regular US\$350,000.00

• UNDP TRAC US\$10,000.00

○ Donor _____

○ Donor _____

○ Government _____

Unfunded budget: \$0

In-kind Contributions _____

Agreed by UNDP: 

29-Mar-2021

I. PURPOSE AND EXPECTED OUTPUT

Within the Belizean context the greater majority of MSMEs are associated with creative industries, tourism and leisure, and food and beverages. These areas of the economy are seen to be more sensitive to the measures taken to contain the pandemic such as lockdowns and quarantines, given the impact on both supply chains and consumption. Affected tourism and allied establishments are predominantly small-sized, most of them with annual turnover below 75,000 USD (72%) and between 0 to 5 employees (76%). While Belize has a significantly male dominated labour force, with male participation in the primary industries out numbering female participation by nearly 19 to 1; the male to female employment ratio declines to 1.2 to 1 in the tertiary sector. The tertiary sector is the largest sector in Belize accounting for nearly two-thirds of GDP (62.7%) in 2019. The tertiary (services) sector is driven largely by the tourism industry, which employs more women than any other sectors in the country (46% vs. 37% of the workforce). Additionally, an estimated 43% of MSMEs owners are women, while 26% of MSMEs were associated with youth entrepreneurs. Levels of female participation in both the Tourism sector and in Micro and small enterprises, makes these areas important sources of gender-equal employment in Belize.

Micro and Small enterprises were among the first to suffer devastating impacts of the economic downturn and within the national context. Considering the importance of this development space for income generation, employment and livelihoods, especially for women and youth, UNDP proposes actions that will contribute to improving the resilience of MSMEs, thereby increasing coping capacities and flexibility of enterprises and contributing to empowering women and youth economically.. This is aligned with the objectives of the National Economic Recovery Strategy as well as defined areas for support through the Socio-economic pillar of the defined United Nations Socioeconomic Response Plan (UNSERP) for Belize. The proposal is also in line with UNDP's COVID-19 Offer 2.0 and the UN framework for the immediate socio-economic response to COVID-19.

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Output 1: SEIA on MSME results inform Medium term Strategy for strengthening of MSME Ecosystem

Activity 1.1: Administration of UNDP's digital SEIA on MSME Survey instrument

The SEIA on MSMEs will inform the implementation of the proposed intervention in the short term, as well as a medium-term strategy to strengthen the MSME ecosystem in Belize. The survey will allow the adoption of national indicators, including gender-responsive indicators for monitoring the MSME landscape. The survey targeting primarily micro and small enterprises of the affected tourism and allied sectors is expected to capture information on , the experiences of these business in relation to COVID19' providing details on Sales, Production, Financial aspects, Government support measures, MESME prospects, etc., as well as provide details on business models/ typology, identifying needs for business transformation and continuity. In the short term, this information will be utilized in the tailoring of capacity building products/ packages to be developed and implemented within the scope of this project.

Activity 1.2: Develop medium term strategy to strengthen MSME ecosystem in Belize

Information generated from the SEIA on MSMEs will update national baselines for MSMEs and will be applied in the development of a national medium-term strategy for the strengthening of the existing MSME ecosystem. With a special focus on women and youth owned businesses, the strategy will provide a programme of work for the modernization of MSMEs in country, considering the roles of entrepreneurs, business development services providers, research and development institutions, incubators, and financing groups in the upscaling of MSMEs, the creation of new economic opportunities and the introduction of innovation into MSME processes; as well as serve to drive women and youth participation in MSMEs, promoting their transition from the informal sector to their greater financial inclusion. This is in line with the Objectives of Belize's Financial Inclusion Strategy of 2019.

Output 2: Digital/ virtual platform commissioned for use in MSME capacity building and knowledge exchange

Activity 2.1: Formulation/ development of specific content and products for upload onto virtual knowledge center

The proposed initiative supports the design and development of content specific learning products meant to contribute to the improvement of the technical, operational, management and administration capabilities of MSMEs and small businesses. Informed by information captured by the administered survey instrument and in collaboration with BELTRAIDE's Small Business Development Centre Belize (SBDC Belize), products (including digital tools, apps, templates, tutorial videos, other digital downloadable content), will be made accessible to MSMEs via a virtual MSME learning platform. Content materials are meant to guide MSMEs along a path to digital transformation by promoting the application of technology in adopting to changing consumer habits and trade modalities, as well as the equipping of MSME's with the technical and management capacities necessary to develop a granular understanding of their markets and the adopting of risk management features to current micro and small business models. In their design, digital tools and products hosted by the virtual center will consider cognitive and social access which influences the gender digital divide. The project will also support the digitization and integration of existing knowledge assets administered by BELTRAIDE onto the platform and will secure continued update of content by enacting formal agreements with knowledge partners including other BSOs, Academia, and Subject Matter Experts.

Activity 2.2: Design and launch a virtual knowledge center that supports e-learning, information sharing and B2B e-commerce.

Within the framework of the proposed initiative, UNDP proposes to work with national counterparts in the design, launch and administration of virtual MSME knowledge center and Business to Business (B2B) platform. This digitally enabled platform allows for the flexible provision of a diverse range of support services to MSMEs including self-help/ self-paced e-learning opportunities and facilitates improved information and knowledge dissemination services transactions and is defined in part by UNDP's "InMotion Digital" methodology which offers practical guides to help MSMEs re-tool and discover new ways to reach customers. The Knowledge centre increases access to developed products, tools, apps, and services (some of which developed under Activity 2.1) to MSMEs, and once established will serve as a one-stop virtual capacity building space for Belizean MSMEs. The platform will be presented as a website as well as an e-learning app. The creation of access points at the local level within community centers and community public libraries enhances public access (access to women and other disenfranchised populations) and in so doing reduce the digital divide.

MSMEs have been slow to use e-commerce because it is seen as being cost prohibitive. The proposed solution is setting in place a public, free of charge, "e-marketplace" that is managed in compliance with acceptable standards. The project proposes the establishment of a B2B e-commerce portal which supports MSME trade and business networking. This envisaged domestic B2B marketplace allows SME goods and service providers to connect, share information and do business with each other. Through this platform, service providers e.g. distribution, logistics, marketing, back-office (accounting/bookkeeping, I.T., hr & payroll) etc. can connect with producers of goods (food, handicraft, other products) as well as services providers to help them deliver

products effectively through digital channels. This will help to create a supportive ecosystem for MSME entrepreneurs that will allow for creative responses to the COVID-19 crisis and promote the use of technology to solve business challenges. Moving transactions online supports limiting contact to the extent possible during this COVID-19 outbreak and is crucial in ensuring business continuity.

Output 3: Increase use of virtual knowledge center in MSME capacity development

Activity 3.1: Engage 150 MSMEs in the piloting of knowledge center tools and products.

The project proposes a piloting of the utility of the project supported knowledge center, its tools and capacity building products. Some 150 micro and small enterprises, selected from within the National MSME Support Programme database, will be exposed to the virtual knowledge center and to the suite of project promoted e-learning products and tools, particularly those which promote digital solutions and e-commerce (i.e. conducting business to business/ business to consumer interactions online). The pilot exercise is expected to assist BELTRAIDE in assessing the adequacy of project introduced capacity building products and tools in facilitating the transformation of MSME business models/ business approaches and evaluate the extent of content uptake. The documented experience of the participating entities will inform the refinement of content materials hosted on the virtual knowledge center platform and will provide a measure of impact of capacity development efforts on business development. Women and youth owned micro and small enterprises, affiliated with the tourism and allied sectors will be targeted for participation in the pilot. Monies have been programmed within this project to assist women participants who often lag men in the ownership of technology.

Activity 3.2: Support national communication campaign designed to increase the visibility of the Virtual Knowledge Center for optimal use.

The project will support the launch of a nationally scoped communication campaign, that targets women and youth entrepreneurs. The campaign introduces the Virtual Knowledge Center, making people aware of the content and the utility of the products and tools in providing benefits for MSME development. The campaign will also assist in developing brand identity for the Virtual Knowledge Center, promoting the use of the space for e-learning, and socializing the space as a one-stop knowledge and service center for MSMEs.

II. MANAGEMENT ARRANGEMENTS

The proposed intervention will be implemented utilizing UNDP's Direct Implementation Modality (DIM). Implementation through DIM allows the project easy access to knowledge networks and facilitating Country Offices exchange of experiences support rapid roll out of proposed interventions. Project implementation will be guided by an established National Project Steering Committee which is comprised of key stakeholder institutions involved in MSME development. Technical Working Groups will advise the delivery of project products. Key to the functionality of working groups is the involvement of programmatic personnel from other UNDP Country Offices as well as other UN Agencies, who have documented best practices in their execution of similar interventions. (UNDP team spaces will be utilized to identify possible candidate COs for knowledge exchange)

To ensure project placement within the larger national programmatic context UNDP will engage BELTRAIDE as a Responsible Party to the project, BELTRAIDE is mandated nationally for MSME support and is responsible for the implementation of Belize's MSME Policy and Strategy with the objective to further facilitate enterprise & entrepreneurship development. BELTRAIDE is also a key national partner involved with the delivery of the Government of Belize's MSME support programme and has an existing portfolio for MSME development in which the proposed interventions could be vested.

III. MONITORING

The monitoring requirements for the Initiation Plan will include quarterly update reports from BELTRAIDE using the Model UNDP Expenditure Report Attachment 4 of the Letter of Agreement.

In addition, monitoring/spot check visits will be conducted by UNDP Country Office Team from the Governance Unit as well as regular check-in teleconferences to discuss progress and challenges.

Given that BELTRAIDE is a new implementing agency and the sum of funds that it will directly implement, a micro-assessment of the organization will be conducted by an auditing company to provide an overall assessment of the Implementing Partner's programme, financial and operations management policies, procedures, systems and internal controls. An audit may also be necessary at the close of the project.

The micro-assessment includes:

- A review of the IP legal status, governance structures and financial viability; programme management, organizational structure and staffing, accounting policies and procedures, fixed assets and inventory, financial reporting and monitoring, and procurement.
- A focus on compliance with policies, procedures, regulations and institutional arrangements that are issued both by the Government and the Implementing Partner.

IV. ANNUAL WORK PLAN

EXPECTED OUTPUTS	PLANNED ACTIVITIES <i>List all activities including M&E to be undertaken during the year towards stated CP outputs</i>							RESPONSIBLE PARTY	PLANNED BUDGET		
		2021				2022			Source of Funds	Budget Description	Amount
		Q1	Q2	Q3	Q4	Q1	Q2				
<i>Output 1: SEIA on MSME results inform Medium term Strategy for strengthening of MSME Ecosystem</i>											
	<i>Activity 1.1: Administration of UNDP's digital SEIA on MSME Survey instrument</i>		X					BELTRAIDE	RFF	71800-Contractual Services Implementing Partner	\$ 13,888.89
	<i>F & A</i>										\$ 1,111.11
	<i>Activity 1.2: Develop medium term strategy to strengthen MSME ecosystem in Belize</i>		X	X				BELTRAIDE	RFF	71800-Contractual Services Implementing Partner	\$ 18,518.52
	<i>F & A</i>										\$ 1,481.48
	<i>Sub Total Activity 1</i>										\$ 32,407.41
	<i>F & A</i>										\$ 2,592.59
	<i>Total Activity 1</i>										\$ 35,000.00

Output 2: Digital/virtual platform commissioned for use in MSME capacity building and knowledge exchange												
<i>Activity 2.1: Formulation/ development of specific content and products for upload on to virtual knowledge center</i>			X	x					BELTRAIDE	RFF	72100-Contractual Services-Companies	\$ 55,555.56
<i>F & A</i>												\$ 4,444.44
<i>Activity 2.2: Design and launch a virtual knowledge center that supports e-learning, information sharing and B2B e-commerce.</i>			X	X	X	X			BELTRAIDE	RFF	72100-Contractual Services-Companies	\$ 83,333.33
<i>F & A</i>												\$ 6,666.67
<i>Activity 2.2: Design and launch a virtual knowledge center that supports e-learning, information sharing and B2B e-commerce.</i>			X						UNDP	RFF	72800-Information technology equipment	\$ 23,148.15
<i>F & A</i>												\$ 1,851.85
Sub Total Activity 2.2												\$ 162,037.04
<i>F & A</i>												\$ 12,962.96
Total Activity 2.2												\$ 175,000.00

Output 3: Increase use of virtual knowledge center in MSME capacity development											
	<i>Activity 3.1: Engage 150 MSMEs in the piloting of knowledge center tools and products.</i>				X	X	X	BELTRAIDE	RFF	75700- training and workshops	\$ 23,148.14
	<i>F & A</i>										\$ 1,851.85
	<i>Activity 3.1: Engage 150 MSMEs in the piloting of knowledge center tools and products.</i>		X					UNDP	RFF	72800- Information technology equipment	\$ 23,148.15
	<i>F & A</i>										\$ 1,851.85
	<i>Activity 3.2: Support national communication campaign designed to increase <u>the visibility</u> of the Virtual Knowledge Center for optimal use.</i>				X	X		BELTRAIDE	RFF	74200- Audio Visual & Print/Product ion Costs	\$ 18,518.52
	<i>F & A</i>										\$ 1,481.48
	<i>Activity 3.2: Support national communication campaign designed to increase <u>the visibility</u> of the Virtual Knowledge Center for optimal use.</i>				X	X		BELTRAIDE	TRAC	74200- Audio Visual & Print/Product ion Costs	\$ 10,000.00
	Sub Total Activity 3.2										\$ 74,814.81
	F & A										\$ 5,185.19
	Total Activity 3.2										\$ 80,000.00

Output 4: Effective adaptive management of Project											
			X	X	X	X	X	UNDP	RFF	71400-Contractual services-Individuals	\$ 27,777.77
<i>F & A</i>											\$ 2,222.22
			X	X	X	X	X	UNDP/BELTRAIDE	RFF	71800-Contractual Services Implementing Partner	\$ 27,777.78
<i>F & A</i>											\$ 2,222.22
			X	X	X	X	X	UNDP	RFF	71600 - Travel	\$ 4,629.63
<i>F & A</i>											\$ 370.37
			X		X	X	X	UNDP	RFF	74100 - Professional Services	\$ 4,629.63
<i>F & A</i>											\$ 370.37
Subtotal Activity 4											\$ 64,814.81
<i>F & A</i>											\$ 5,185.18
Total Activity 4											\$ 69,999.99
Grand Sub Total Activities 1-4											\$ 334,074.07
Total F & A											\$ 25,925.93
Grand Total											\$ 360,000.00