



COVID-19 SOCIOECONOMIC IMPACT ASSESSMENT

Belize - 2020

Foreword



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A rise in the number of daily confirmed cases of the new coronavirus internationally led the World Health Organization (WHO) to declare it spread a global pandemic in the first quarter of 2020 and the subsequent international public health and socio-economic crisis in every country.

In the Latin America and Caribbean Region, the fragile economies, limited social protection mechanisms and weak health sector capacities to protect their most vulnerable citizens have all been exacerbated during this pandemic. The responses to close the borders to travel as well as to institute containment measures have also impacted the economies across the region and the livelihoods of many Caribbean People. Belize adopted similar measures of containment following its first confirmed case on March 25th and first COVID-related death on 6th April. These measures were relatively successful through to the end of July with 48 confirmed infections and 2 deaths. However, this scenario changed in August with dramatic increases such that by 10th November there were over 4,200 confirmed infections and 71 related deaths and thereafter more than 10,000 cases by 19th December with 216 deaths.

At a global level, UNDP was identified as the UN technical lead for COVID-19 socioeconomic assessment and recovery planning, working in collaboration with other UN agencies and the respective Resident Coordinator Offices. In Belize, UNDP decided to conduct an initial socio-economic

impact assessment with a focus on how the pandemic has affected the vulnerable population and identify key policy recommendations.

The report provides a contextual analysis of the economy and livelihoods in the country prior to the impact of the pandemic. An analysis on the impact of COVID-19 and the government's response including the use of a household survey. Extensive data gathering and outreach was affected by the increased number of COVID cases in the country.

The report noted the early success of the State of Emergency conditions as the national authorities sought a balance between preserving public health and relieving the strain on its already weak healthcare system, while maintaining the economic health of the country. Furthermore the report identified specific interventions aimed at mitigating the socio-economic effects of the COVID-19 pandemic, including new programs such as the Unemployment Relief , Belize COVID-19 Cash Transfer (BCCAT), food assistance , as well as e an expansion of its long-running initiatives; a food pantry and the Building Opportunities for Our Social Transformation (BOOST) Program. The household survey was able to assess the reach of these programs although it remained a little early to confirm the full impact.

A clear recommendation emerging from the SEIA results is to advance a multidimensional poverty index (MPI) and a coordination mechanism to improve decision making and governance. The report also observes the need for a more robust information technology landscape to inform e-governance, e-learning, e-business and e-infrastructure. Action on areas such as an updated MSME Policy and strategy; informal activities within border communities; focusing on the health sector including access to universal health care; as well as approaches to financing the necessary investments are also key to building the resilience of the country in response to this pandemic and future external shocks.



Acknowledgements

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GENERAL DISCLAIMERS

The findings, analysis, and recommendations of this Report, as with previous Reports, do not represent the official position of the UNDP or of any of the UN Member States that are part of its Executive Board. They are also not necessarily endorsed by those mentioned in the acknowledgments or cited.

Executive Summary

Belize is a small, open economy that is dependent on tourism and agriculture located in both the Caribbean and Central America. In 2019, the country's population was estimated at 410,695 people with a pre-COVID unemployment level of 10.4%. Approximately, 41% of Belize's population is below the poverty line (2009), a rate higher than both the Central American average (39.4%) and that of the Latin American and Caribbean region (31.5% at that time). The country's economic performance is highly vulnerable to external shocks such as commodity price variation, adverse climate related occurrences (for example, hurricanes and droughts) and changes in the economic performance of its major trading partners.

Belize, like many developing countries in Latin America and the Caribbean, had a high debt to Gross Domestic Product (GDP) levels prior to the start of the Pandemic (92.9% in 2019). Taxes on consumption (goods and services) have been the most significant tax revenue source; however, restrictive public safety measures and lower economic activity due to the COVID-19 pandemic, are projected to reduce tax revenue, while public sector wages are expected to increase as a proportion of recurrent revenue, contributing to a worsening of fiscal and primary balances.

The World Health Organization (WHO) declared COVID-19 a pandemic on March 11, 2020, and two weeks later, Belize recorded its first case on March 23, 2020. Since then, the Government of Belize has imposed strict containment measures. The first was a travel ban on high-risk countries, followed by the declaration of a State of Emergency (SOE) that commenced on April 1, 2020 and expired at the end of June. This first SOE restricted movement to essential travel and only allowed essential businesses (medical and security services, food production, etc.) to continue operating. In-person learning was suspended initially, for the remainder of the school year. The Government of Belize, like many

countries, has had to strike a balance between preserving public health and relieving the strain on its already poor healthcare system, while maintaining the economic stability of the country. Therefore, it relaxed containment measures in July, which in conjunction with illegal border activity, resulted in a spike in cases (a more than 1000% increase) in August.

In an effort to mitigate the socio-economic effects of the COVID-19 pandemic, the Government of Belize (GOB) implemented and expanded many social programs. These include new programs such as the Unemployment Relief Program, Belize COVID-19 Cash Transfer Program (BCCAT), a food assistance program, alongside an expansion of its long-running initiatives; a food pantry and the Building Opportunities for Our Social Transformation (BOOST) Program. Nonetheless, the full effects of the pandemic have yet to be seen and there is undoubtedly more work to be done in the preservation of public and economic health, meeting long-term development goals and attenuating the negative socio-economic impact of the pandemic on its citizenry. As such, this assessment aims to aid in illuminating some of the socio-economic impact of the pandemic for the purpose of proposing policy recommendations to assist the Government of Belize.

To facilitate this, a Household Survey was disseminated through the web and telephone interviews, garnering 401 respondents. With an approximate household size of 4.1, as per the findings of the 2010 census, this survey allowed us some insight into the effect of the pandemic on the lives of about 1,644 persons. Particular focus was given to persons deemed as especially vulnerable to the effects of the pandemic, on the health front (elderly, chronic diseases, and other underlying conditions, etc.) and with respect to the socio-economic aspect (immigrants, LGBT and other minorities).

KEY FINDINGS FROM THE HOUSEHOLD SURVEY

- As of February 2020 (pre-pandemic), 12% of respondents were unemployed, of which 77% were women and 23% were men.
- Youths (ages 15- 24) comprised 36% of the respondents who reported being unemployed before the pandemic.
- As of June 2020 (post-pandemic), 24.2% of all household respondents indicated that they were unemployed.
- 57% of the respondents indicated that they were the head of the household, 45% of those being female headed households and 55% being male headed households.
- Among vulnerable groups, 57% of respondents with disabilities were unemployed, and among minority groups, 44% of religious minority respondents were unemployed
- 70% of households surveyed reported a loss in income, of which 24.5% indicated they experienced reductions between 46%-90% of income
- 46% of households indicated having less than 3 months of savings
- The most common adaptation strategy to compensate for income loss was using savings.
- Of the households surveyed, 13.9% reported applying for Government assistance, with 78.6% of those households reporting having received some form of assistance
- Respondents indicated that food/basic commodities such as bread, rice, eggs, meats, vegetables were generally available.
- Almost all respondents (80%) indicated that they were worried or scared about the future and their well-being. The highest stress levels were observed among pregnant or lactating women, chronically ill, persons with disability, LGBTQ and persons aged 25-44.
- Of the vulnerable and minority subgroups, an average of 52% and 57% of minority and vulnerable respondents respectively reported they anticipated severe impact from COVID-19.

The survey included many tertiary level educated respondents whose households, as previously mentioned, reported a relatively high financial absorptive capacity, and yet many of those households successfully applied for government assistance programs. This confirms reports from interviews with key stakeholders such as the Ministry of Human Development and Social Transformation, that a greater screening process must be conducted for social assistance programs going forward. To this end, it is our recommendation, that the Government of Belize pay particular attention to the development of a Multidimensional Poverty Index (MPI) and a framework for improving the coordinating mechanism for decision making and governance through data on vulnerabilities and risks to multiple hazards for both rural and urban areas.

Furthermore, it is recommended that a National Information and Communications Technology (ICT) Strategy is developed, along with a capacity needs assessment to ensure the development of a robust information technology (IT) landscape for effective functioning of e-Governance, e-Learning (standardized online learning platform, adaptation of the syllabus, expansion of internet penetration and training for educators and students in usage) , e-Infrastructure, and e-Business. It is important that the government supports the private sector (which accounts for the majority of employment in the country and is a huge source of government revenue) by updating the expired MSME Policy and Strategy, supporting the allocation of funding for micro and small businesses through capacity development/training (for lenders), underwriting/ guarantees or providing funds for on-lending to the sub-sector and developing programs to support and encourage the new businesses that emerged during the pandemic - and can yet still emerge.

In order to stave off the potential for social unrest and a collapse of the healthcare system, special attention should be given to engaging border communities by implementing alternative livelihoods programs to curb the informal trade activity that exacerbated the development of the health crisis whilst creating training programmes for security officers and some healthcare professionals to equip them with the knowledge and tools needed to deal with persons who are differently abled, mentally challenged, stressed and disillusioned, disenfranchised or marginalised.

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1.0 Introduction

With over 60.1 million confirmed cases and 1.4 million casualties¹, COVID-19 has plunged the world into a humanitarian and economic crisis. While research is ongoing to trace its origin and deliver appropriate and effective medical solutions, COVID-19 continues to have devastating impacts across the globe on human health and economic systems as well as culture and social norms. Negative externalities associated with the pandemic have contributed to significant contractions in economic activity related to consumption, investment, employment, government revenue and expenditure and trade. Those externalities comprise, among other things, behavioral adjustments (social distancing, distance learning, e-commerce, automation, curfews, restrictions on movements, mask wearing, hygienic practices etc.) that have been recommended to contain the spread of the virus, given the lack of preventive or curative medicines in existence.

These containment measures have dramatically altered the extent to which, as well as the manner in which persons interact. Particularly, commerce became limited to modes that entail less in person interaction for those that could be streamlined in this manner. Spikes in unemployment and disrupted global value chains leading to compromised access to goods and services, serve as evidence that many could not. The deliverance of social goods and services (education, healthcare (mental and physical), legal/judicial procedures, foster care system, social work, volunteer services, etc.) has become an even greater challenge while demand persists or increases. These economic, social and public health factors only serve to confound the already strained socio-economic outlook for emerging markets and developing economies (EMDE) like those of the Latin America and the Caribbean (LAC) region, including Belize.

Many developing countries, like those of the LAC region, are facing a deepening recession nationally and globally. The interconnectivity of markets, economies and people has contributed to the contagion effects on human health, livelihood and economic activities. Developing countries deeply entrenched in the global marketplace, and heavily

reliant on trade in goods and services are severely impacted. Particularly those like Belize, which is dependent on tourism and exports of agricultural products that are largely utilised in the services industry. Loss of economic activities and reduction in exports have the knock-on effects of reduced foreign exchange and curbed tax revenue, crippling a country's ability to service its debts and implement social programmes -public goods- to lessen the impact on the population. This coupled with increases in the number confirmed COVID-19 cases will place greater burden on the health system and the limited resources available for economic development. These damming effects will have far-reaching implications for the small, open economies of Middle-Income Countries (MIC) like Belize, that are highly indebted, reliant on trade (including tourism and remittances) and vulnerable to environmental and climate hazards.

This report assesses the economic and socio economic impacts of COVID-19 in Belize with a view to developing policy recommendations. The report is divided into four sections namely:

Social and Economic Analysis- this section highlights key social, economic and political conditions which exist in Belize before the onset of the pandemic.

Government and Policy Responses- this section highlights changes precipitated by COVID-19 and those immediate policy responses which were adopted to mitigate COVID-19 disruptions and the evolving impacts.

Household Survey Findings- this section presents the main findings of the household survey and provides context linkages with survey findings and observed impacts as reflected in the sections above.

Policy Options and Recommendations- this section presents key discussion points and potential policy recommendations to assist the Government of Belize with its recovery planning.

¹ World Health Organisation (WHO) Weekly Epidemiological Update (2020). Retrieved on December 8, 2020

2.0 Country Context

2.1 ECONOMIC ANALYSIS

Belize is a small open economy with output driven largely by agriculture and tourism. With a population of 410,695 persons, Belize is considered a middle income country with per capita Gross Domestic Product (GDP) estimated at USD 4,885². The Country's economic performance is highly

vulnerable to external shocks such as commodity price variation, adverse climate related occurrences (for example, hurricanes and droughts) and changes in the economic performance of its major trading partners. As such, Table 1 highlights Belize's key economic indicators.

TABLE 1: BELIZE: KEY ECONOMIC INDICATORS³

ECONOMIC INDICATORS	2014	2015	2016	2017	2018	2019
Change in GDP (%)	4.0	3.8	-0.5	0.8	1.9	-0.6*
Inflation (%)	1.2	-0.9	0.7	1.1	0.3	0.2
Unemployment (%)	11.1	10.1	7.9	8.9	9.4	10.4*
Public Debt/GDP Ratio	66.1	66.2	66.1	67.4	68.6	69.9
Current Account (% of GDP)	-7.8	-9.8	-8.9	-7.7	8.1*	9.5*

*estimates retrieved from S&P Global Ratings⁴

2.1.1 Primary Sector

In 2019, the Primary Sector accounted for 9.8% of GDP in Belize. Activities associated with this sector in Belize include growing crops and horticulture, livestock, forestry and logging, fishing and mining and quarrying. The sector is a significant contributor to Belize's economy and it provides food security, employment, foreign exchange, as well as its forward linkage to the secondary and tertiary sectors. However, economic diversification (Shifting of focus to tourism), diseases and adverse climate related shocks have contributed to the general downward trend observed in the sector's contribution to output (GDP). In 2010,

primary sector output was estimated at US \$177 million. This increased to US \$194 million in 2014 and subsequently declined sharply to US \$140 million in 2018 (see Figure 1). This decline is explained mainly by negative impacts of disease and weather on agricultural production and can be partly attributed to a significant fall-off in fishing (aquaculture)⁵. Approximately 25% of the male labour force is employed in the Agriculture sector; whereas less than 5% of the female labour is employed in agriculture.

² World Bank (2018) - Open Database

³ IMF (2018) - World Economic Outlook Database

⁴ S&P Global Ratings (2020) - Research Update: Belize Foreign Currency Ratings Lowered To 'SD/SD' From 'CC/C' Following Announcement Of Debt Exchange

⁵ Early mortality syndrome (EMS) disease ravaged the domestic shrimp industry with aquaculture production falling from 7,213 tonnes in 2014 to 563 tonnes by 2018 (FAO Fishstat as accessed Sept. 2020)

FIGURE 1: PRIMARY SECTOR GDP BY INDUSTRIES

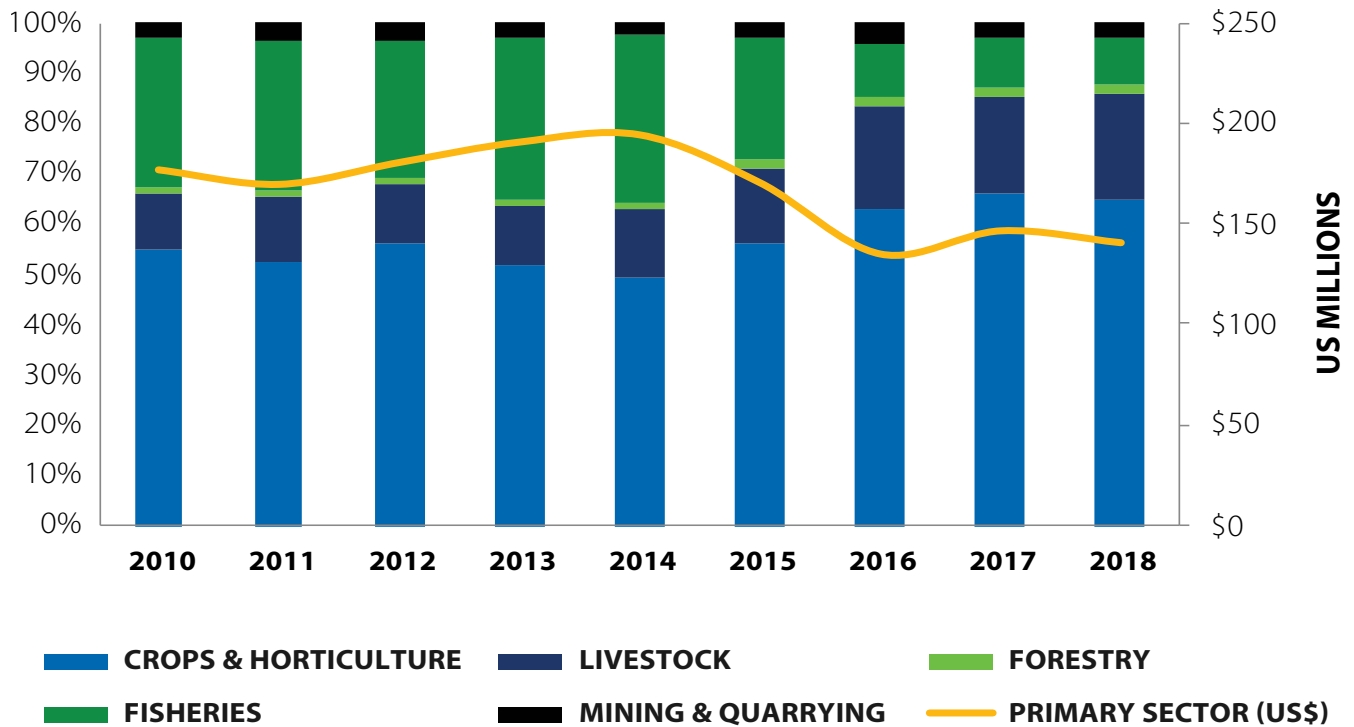
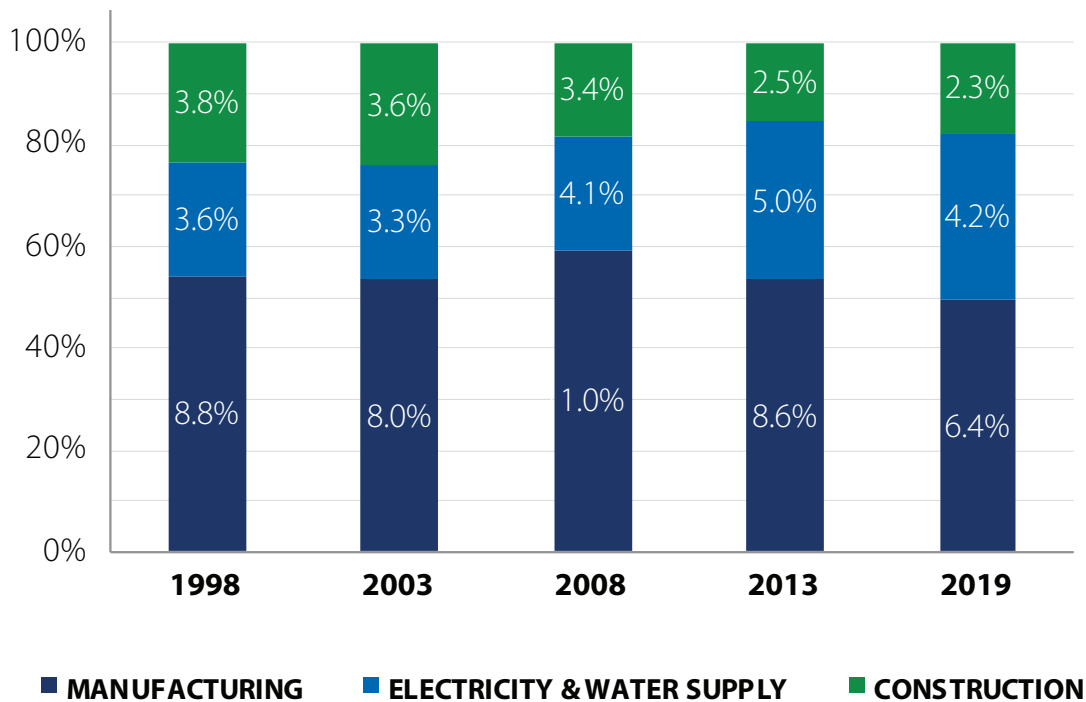


FIGURE 2: COMPOSITION OF GDP BY SECONDARY ACTIVITIES⁶



6 GDP by Activity 1992 to 2019- SIB

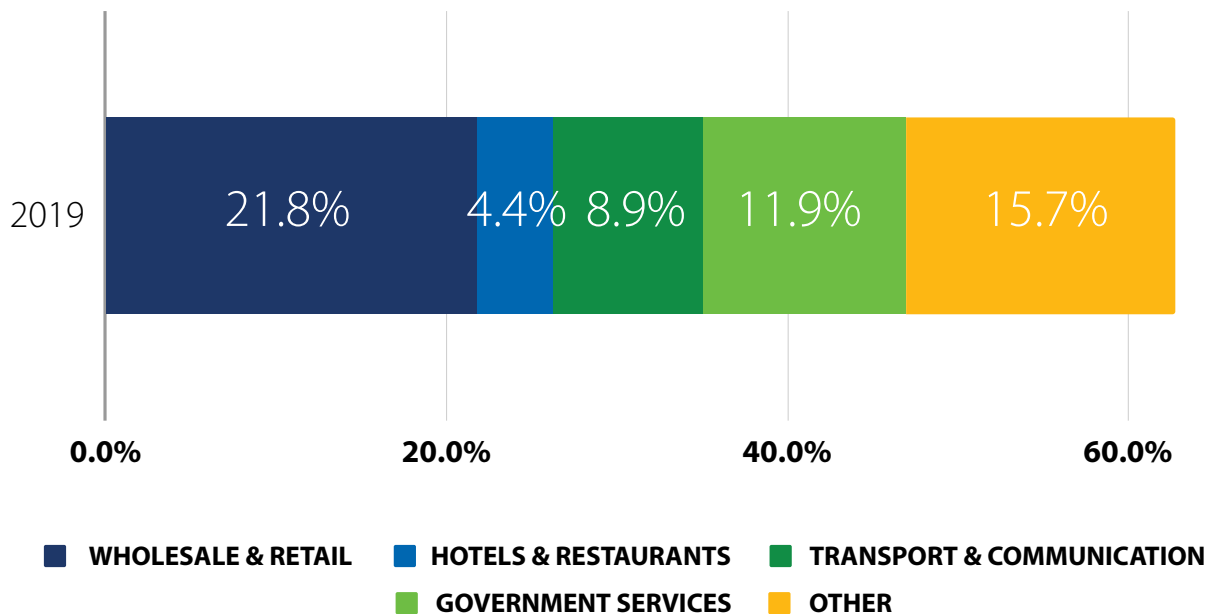
2.1.2 Secondary Sector

Secondary activities account for approximately 12.9% of GDP. This sector has seen its relative share of national output decline steadily, reflective of fluctuations in the manufacturing⁷ and construction sectors. As figure 2 (above) shows, manufacturing contributed to 6.4% of national output, electricity and water supply⁸ contributed to 4.2% and construction contributed to approximately 2.3% of national output in 2019.

2.1.3 Tertiary Sector

The tertiary sector is the largest sector in Belize - accounting for nearly two-thirds of GDP or 62.7% in 2019. Dependence on the tertiary sector has gradually heightened over the years as its contribution to national output has increased from 57.4% in 1999 to 62.7% in 2019. Additionally, the services sector employs more 67.1% of Belize’s labour force at 67.1% in 2019. The sector is divided into key sub-sectors which include but are not limited to ‘wholesale and retail’, ‘hotels and restaurants’, ‘transport and communication’ and ‘government services’ (see Figure 3).

FIGURE 3: COMPOSITION OF TERTIARY ACTIVITIES



The services sector is driven largely by the tourism industry. The tourism industry plays a significant role in the national economy and is estimated to have contributed 41.3% to GDP and provided 37.3% of total employment in 2017⁹. Approximately 44.0% of total exports in 2019 were linked to the tourism industry - making it the country’s largest earner of foreign exchange.

Tourist arrivals plummeted in the first quarter of 2020 by 24.2% relative to the same period in the previous year (see Figure 4). International travel to Belize was eventually halted by travel restrictions imposed by the Government of Belize in March 2020. The closure of land borders and the international airport along with potentially tempered demand from Belize’s major source markets (USA and Canada) could have a significant adverse effect on income

and employment in this sector.

⁷ Manufacturing involves the production and processing of food products, alongside beverages, textiles, clothing and footwear and crude oil production
⁸ Electricity and water supply include electricity generation, water supply and liquified petroleum gas (LPG).
⁹ World Travel and Tourism Council (2018) - Travel and Tourism, Economic Impact 2018, Belize

FIGURE 4: FIRST QUARTER TOURIST ARRIVALS

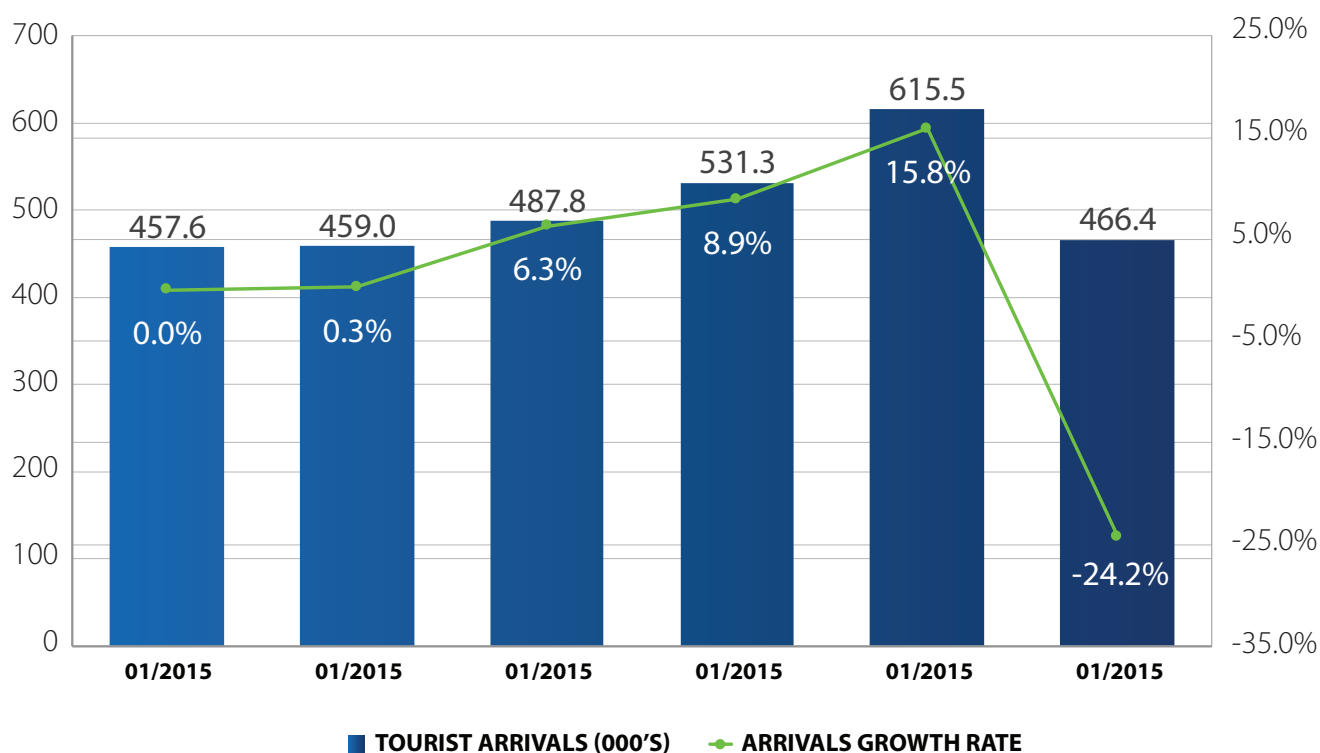


TABLE 2: FISCAL INDICATORS (2014 - 2023)¹⁰

INDICATORS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real GDP Growth (%)	3.6	2.8	0.1	1.9	2.1	-0.6	-15.0	7.5	2.0	2.0
Fiscal Balance/GDP	-3.9	-7.6	-4.1	-1.4	-1.2	-0.8	-8.0	-6.4	-6.2	-5.4
Primary Balance/GDP	-1.4	-5.1	-1.2	1.7	2.1	2.3	-5.0	-3.5	-2.7	-1.8
Revenue/GDP	30.2	29.0	29.6	30.2	31.7	33.0	32.4	33.0	33.7	34.3
Expenditure/GDP	34.2	36.6	33.7	31.6	32.9	33.8	40.4	39.4	39.9	39.8
Debt/GDP	76.9	80.5	86.3	92.3	91.5	92.9	116.6	113.9	116.8	118.8

2.1.4 Fiscal

Taxes on consumption (goods and services) have been the most significant tax revenue source for GOB¹¹, accounting for 55.8% of recurrent revenue on average followed by taxes on income and profits, which on average, accounted for 27.8% of recurrent revenue¹² (see Figure 5). On the expenditure side, the public sector wage bill and pensions accounted for an average of 51.0% of current expenditures, while goods and services, subsidies and transfers and debt

service accounted for an average of 21.2%, 16.6% and 11.2% for recurrent expenditure, respectively¹³ (see Figure 6). Restrictive public safety measures and lower economic activity are projected to reduce tax revenue, while the public sector wage bill is expected to increase as a proportion of recurrent revenue, contributing to a worsening of the fiscal and primary balances (see forecast in Table 2 above).

¹⁰ S&P Global Ratings (2020) - Research Update: Belize Foreign Currency Ratings Lowered To 'SD/SD' From 'CC/C' Following Announcement of Debt Exchange
¹¹ Government of Belize
¹² Averages based on Fiscal Years 2017/18-2019/20 - Government of Belize (2020) - Approved Estimates of Revenue and Expenditure for Fiscal Year 2020/2021
¹³ (Ibid)

Belize, like many developing countries in Latin America and the Caribbean, had high debt to GDP levels prior to the start of the Pandemic (92.9% in 2019). High debt levels limit fiscal space for countercyclical policy measures, as well as funding the necessary investments for public health and citizen

security. This, in tandem with an expected decline in tax revenue as economic activity wanes will place additional pressures on the Government and will likely result in a significant increase in public indebtedness in the near to medium term.

FIGURE 5: TAX REVENUE BY TYPE

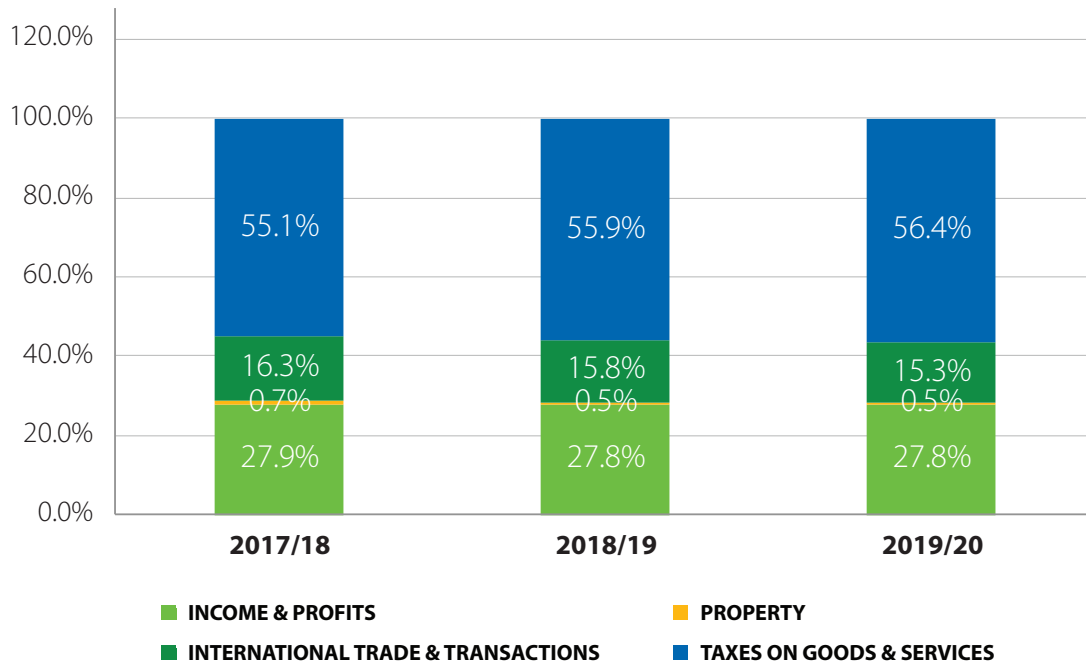
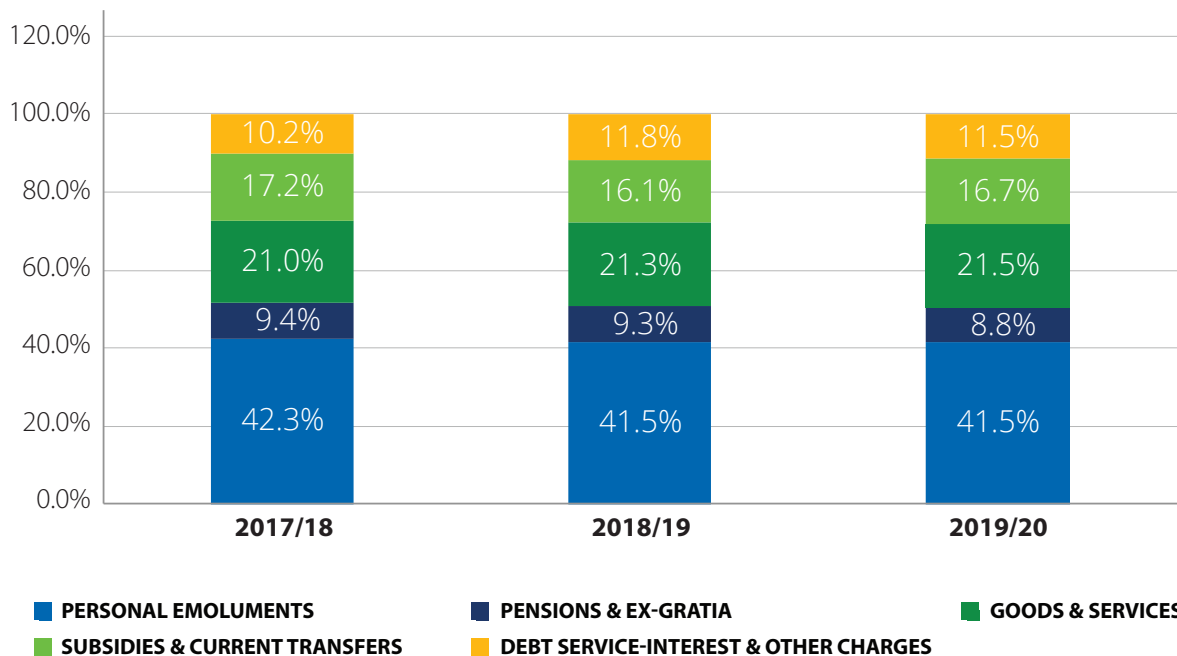


FIGURE 6: RECURRENT EXPENDITURE BY TYPE



2.2 SOCIO-ECONOMIC ANALYSIS

In September 2019, the total population was estimated to be 410,695 people with an even distribution between male and female. Belize City is estimated to have the largest population, followed by Cayo and Orange Walk (see table 3 below). Most individuals are of mixed or multi-racial descent. Mestizos and Creole account for the largest groups with about 48% of the population being Mestizos and 26% being Creole. Maya accounted for 12.1% of the population, while 5.4% are made up of Garifuna and the remainder 8.1% of the population are of other ethnicities including Asians, East Indians and Caucasians (see figure 7 below).

The last comprehensive poverty assessment in Belize was conducted in 2009 and estimated the poverty rate at 41% of the population. Gender was found to have little influence over poverty. However, as seen in Table 4, there was a great disparity amongst different ethnic groups. The study estimated the poverty rate for the indigenous Maya population at 68%, which is significantly higher than other ethnic groups. Following this group were the Garifuna and Mestizo, who accounted for 39% and 42% of the poor population, respectively. With an historically high poverty rate, the effects of the pandemic are expected to pose significant challenges as economic absorptive capacity is limited in a significant proportion of the population.

TABLE 3: TOTAL POPULATION BY GENDER AND DISTRICT¹⁴

District	Male	Female	Total
Corozal	24,755	24,906	49,661
Orange Walk	26,378	26,342	52,720
Belize	61,676	63,160	124,836
Cayo	49,834	49,901	99,735
Stann Creek	23,309	21,678	44,987
Toledo	19,398	19,358	38,756
Total	205,350	205,345	410,695

FIGURE 7: POPULATION BY ETHNICITY

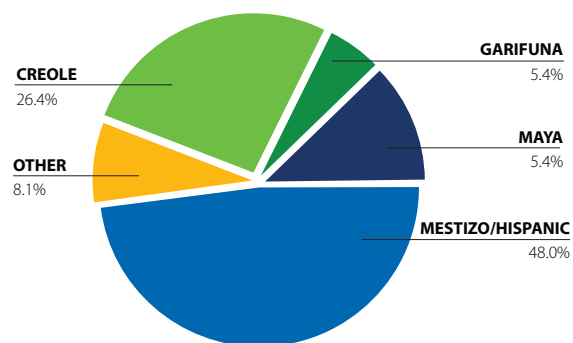


TABLE 4: POVERTY BREAKDOWN BY ETHNICITY¹⁵

ETHNIC GROUP	2009		% OF POPULATION	
	INDIGENT	ALL POOR	INDIGENT	ALL POOR
Creole	9	32	15	21
Mestizo	13	42	40	48
Maya	51	68	34	17
Garifuna	12	39	6	7
Other*	11	35	5	6
ALL GROUPS	16	41	100	100

¹⁴ Statistical Institute of Belize - Belize Labour Force Survey (September 2019)

¹⁵ Statistical Institute of Belize - National Poverty Assessment (2010)

In 2019, approximately 105,604 students in total were enrolled in school, the majority of which (61.5%) were enrolled in primary school, followed by secondary school (21.1%). Student transitions from primary to secondary school have been fairly stable in recent years – more so for girls than boys while secondary school completion rates have been trending upwards driven by females with males at least trending steadily (see table 5 below).

TABLE 5: SCHOOL ENROLLMENT IN BELIZE

	2018	2019
Preschool	7,485	7,312
Primary School	65,993	64,982
Secondary School	22,313	22,280
Tertiary	9,830	10,174
ITVET	753	856
TOTAL	106,374	105,604

School closures in response to the pandemic have shed light on various issues such as limitations to digital learning and

access to internet services. In response to school closures, the Government shifted to online and blended learning. However, the efficacy of online delivery is limited due to low broadband penetration, a lack of access to devices and limited experience in virtual curriculum delivery.

In 2018, approximately 99.54% of the population was estimated to have access to electricity¹⁶. Though one might expect a disparity between the access of urban and rural areas to electricity, rural areas only lagged slightly behind in 2017, where 98.34% of the rural population was estimated to have access to electricity. This was up from 42.79% in 1991¹⁷. While electricity access is universal and widespread in the country, in 2017, only 47.08% of the population was estimated to be using the internet¹⁸. This, however, is not too far below the global internet usage of 53.6% and was up from 28.2% of the population in 2010¹⁹. At the household level, 36.1% of households in 2019 were estimated to have access to a computer, while 57.5% had access to the internet in the home.

2.3 HEALTHCARE SYSTEM

TABLE 6: COVERAGE AND SERVICES STATISTICS²⁰

COVERAGE AND SERVICES	BELIZE	LAC	OECD
Hospital Beds*	1.3	2.1	4.7
Doctors*	1.1	2.0	3.5
Nurses*	2.3	2.8	8.8
Psychiatrists*	n/a	3.4	16.8
Antenatal Care**	93	87	n/a

*per 1000 of population | **percentage of women attending at least four antenatal visits during pregnancy

¹⁶ World Bank, Sustainable Energy for All (SE4ALL) Database, 2020

¹⁷ IndexMundi, World Bank Sustainable Energy for All (SE4ALL) Database, 2020

¹⁸ International Telecommunication Union Database, 2018

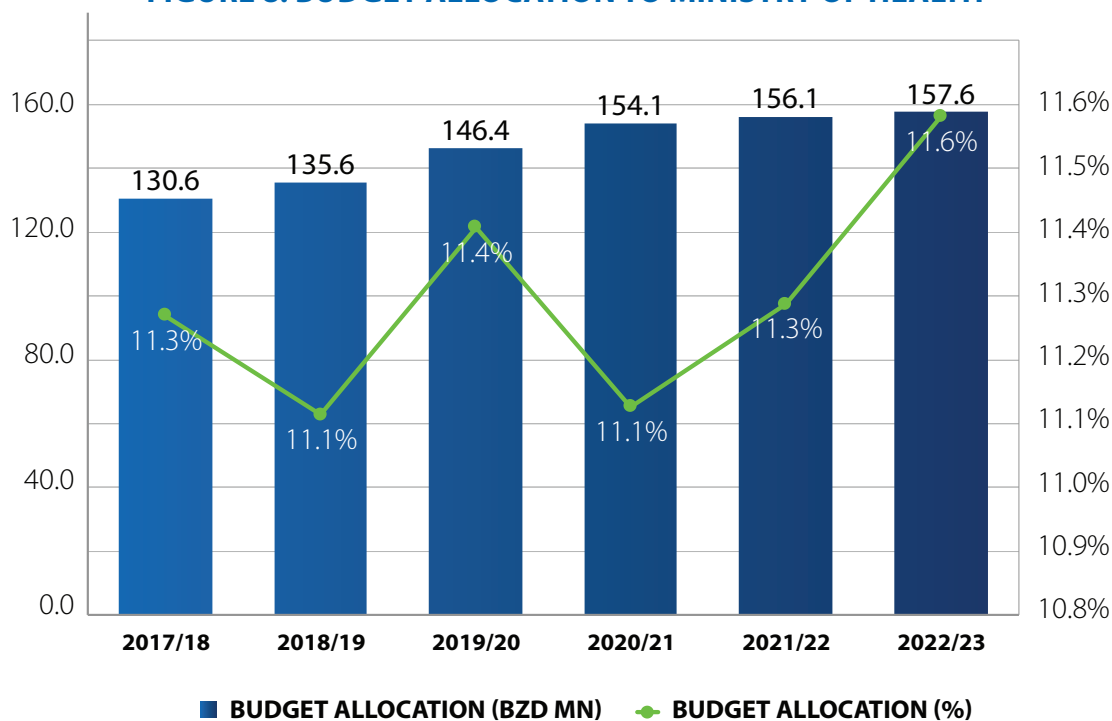
¹⁹ International Telecommunications Union, 2018

²⁰ OECD and The World Bank (2020) - Health at a Glance: Latin America and the Caribbean 2020

Belize’s healthcare system is heavily dependent on public financing²¹. The MOH²² was allocated an average of 11.3% of the government budget between 2017 - 2020. For the fiscal year of 2020/21, the MOH was allocated 11.1% of the

government budget - approximately BZ\$154.1 (million). Budgetary projections show the MOH maintaining an average budget allocation of 11.3% between 2020 - 2023 (see Figure 8).

FIGURE 8: BUDGET ALLOCATION TO MINISTRY OF HEALTH



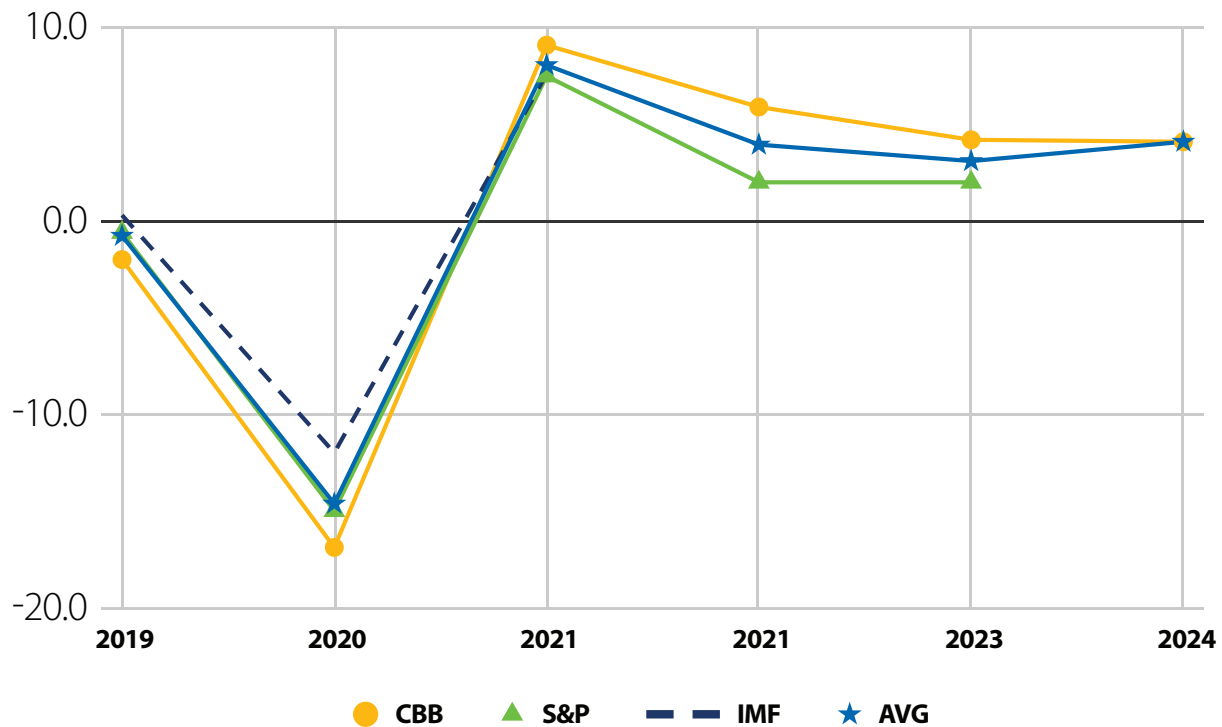
The COVID-19 pandemic has placed extensive pressure on the healthcare system - with already limited resources (see Table 6). The rapid increase in cases were related to initial illegal trans-boundary movement near border-communities and visitor arrivals which both further led to community spread of the COVID-19 virus. As at August 2020, Belize has a death rate of 0.84% of individuals infected with the virus. The Government of Belize (GOB) has sharply increased and prioritized health expenditure and investment as of March

2020 to bolster healthcare system capacity. An approximate BZ\$11.4 (million) in funds acquired via the reprogramming of a portion of the undisbursed balance of the country’s investment portfolio with the Inter-American Development Bank (IDB) is being mobilized to support retrofitting of clinics in preparation for patients infected with the COVID-19 virus. These funds are expected to support the procurement of personal protective equipment, ventilators and testing and protective equipment²³.

²¹ WHO (2017) - *Health in the Americas, Summary: Regional Outlook and Country Profiles, 2017 Edition*
²² Ministry of Health
²³ GOB (2020) - *Economic Recovery Strategy*

3.0 COVID19 Impacts and Policy Responses

FIGURE 9: ESTIMATED IMPACT ON BELIZE²⁴



Due in large part to its dependence on tourism and agriculture, national output is expected to contract as a result of the economic impacts of the COVID-19 Pandemic. Border closures, travel restrictions and community curfews imposed within the country have brought the tourism industry to a halt and induced shocks to other sectors in the economy. According to the IMF, GDP is estimated to contract by 12.0%, while S&P and the Central Bank of Belize estimate a contraction of 15.0% and 16.9%, respectively. On average, GDP is estimated to decline by 14.6% in 2020 (see figure 9). With an increasing number of cases around the world, the COVID-19 pandemic is threatening and disrupting global supply chains and macroeconomic stability. The identified containment strategies and measures have been leading

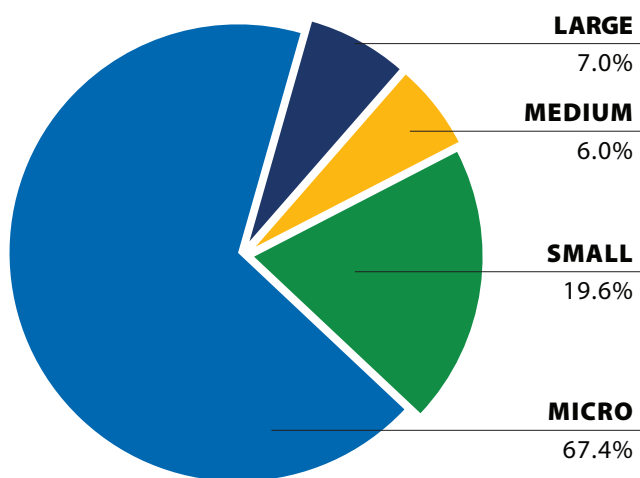
contributing factors to curtailed economic activities. The latest GDP estimates produced by the Statistical Institute of Belize (SIB) indicated that the overall level of economic activity contracted by 4.5% in the first quarter of 2020, when compared to the first quarter of 2019.

3.1 IMPACT ON PRIVATE SECTOR

The private sector and specifically the MSME sub-sector contributes significantly to output and employment. Approximately 93% of businesses in Belize were Micro, Small or Medium Enterprises (MSMEs)²⁵ (see Figure 10). MSMEs were reported to generate at least 70% of private sector employment and incomes²⁶.

²⁴ S&P Global Ratings (2020) - Research Update: Belize Foreign Currency Ratings Lowered To 'SD/SD' From 'CC/C' Following Announcement Of Debt Exchange
²⁵ Statistical Institute of Belize Business Establishment Survey, 2016
²⁶ Private Sector Assessment of Belize, Inter-American Development Bank, 2014

FIGURE 10: BUSINESS ESTABLISHMENTS BY SIZE (MSMEs)²⁷



The private sector with significant contribution from MSMEs is responsible for the export of goods and services which generates foreign exchange inflows. The Country’s exports are mainly agricultural commodities and services (mainly tourism) which are both vulnerable to external shocks. The pandemic has led to significant reductions in global travel which has adversely impacted Belize’s service sector resulting in a loss of revenue, jobs and a reduction in foreign exchange inflows which could result in difficulty meeting payments for essential imports such as energy, medicine and equipment.

Containment measures enforced at the start of April 2020 included an almost complete shutdown of the economy with the exception of ‘essential services’ and the closure of the borders to the movement of people (cargo trade

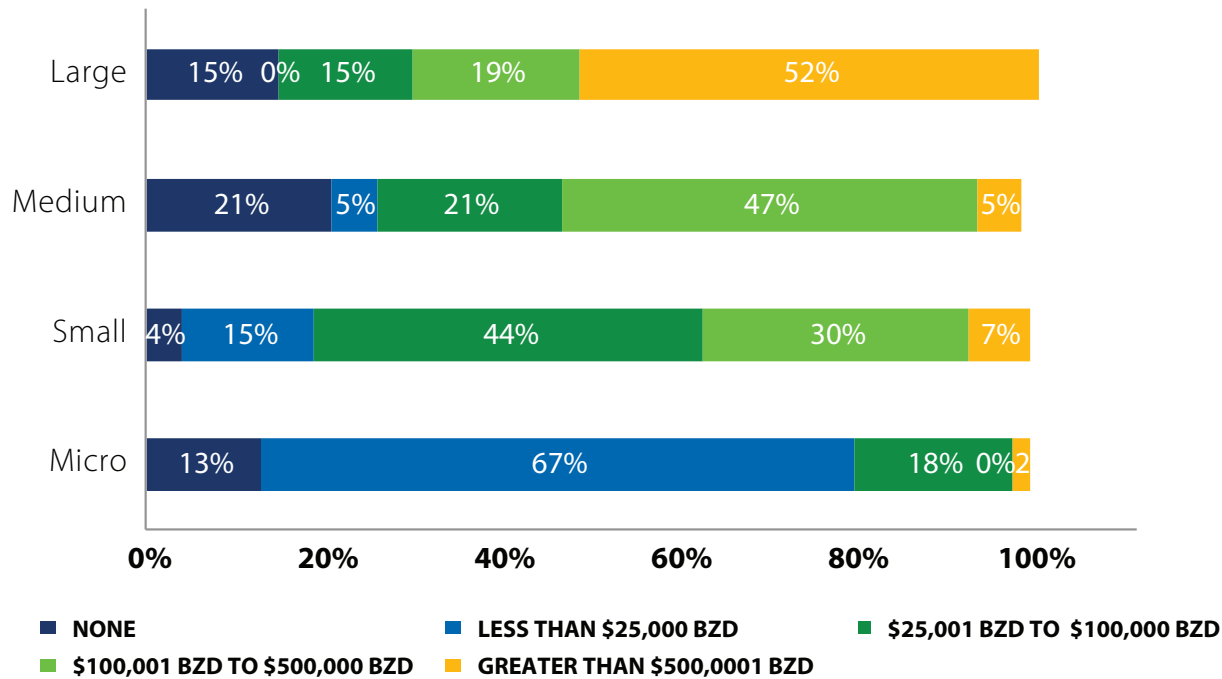
was permitted), and resulted in the private sector having experienced a significant contraction. BELTRAIDE²⁸ administered a survey to firms registered under its four (4) main technical units between April 22, 2020 and May 15, 2020. There were one hundred fifty-eight (158) private sector respondents to the survey, with the largest representation from the tourism and agribusiness/agro-processing industries with thirty (30) firms each. When classified according to size, 54% of businesses were deemed micro enterprises, 17% as small and 12% as medium-sized. Additionally, only 26% of respondents were exporters, the majority of whom fell within the tourism, agribusiness/agro-processing and offshore BPOs²⁹.

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 prevailed at the time. At the time of the study, 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 (see Figure 11). Overall employment of firms surveyed decreased by 23.0%, with the largest decrease being among micro enterprises with 61.7% and then small businesses with 37.1%. Though large enterprises saw the lowest percent decrease in employment (17.5%), when taking into consideration the size of the firms, they experienced the largest decrease in absolute terms.

²⁷ Private Sector Assessment of Belize, Inter-American Development Bank, 2014
²⁸ Belize Trade and Investment Services
²⁹ Business Process Outsourcing

FIGURE 11: ESTIMATED LOSSES BY SIZE³⁰



It is no surprise then, with the reported contractions in operations that, most respondents, 87.3%, reported some level of loss in revenues since January 2020. The losses were mostly proportionate to the size of the businesses, with most losses greater than \$500,000 BZD incurred by large firms, and most under \$25,000 BZD experienced by micro firms, with some exceptions. The proportion of medium sized firms that reported no losses was the largest of all business sizes.

3.2 IMPACT ON THE INFORMAL SECTOR

The economic downturn and negative effects associated with the impact of the COVID-19 pandemic affect employment and livelihoods in both the formal and informal sectors. The International Labor Organization (ILO) defines the informal sector as those employed either in an unregistered enterprise, own-account workers and/or employment not subject to labour legislation, income taxation and social security regulations. IDB defines the informal sector as activities that are almost by definition hidden from tax authorities and represent potential revenue. In 2007, it was estimated that the share of the unofficial economy in Belize was about 45.6% of GDP³¹. In the Latin America and Caribbean region and Belize in particular, there is little baseline information regarding the actual size and composition of the informal

sector. As such, it becomes difficult to measure the impact of the pandemic on the informal sector.

The level of access to and use of banking services is another measure of informal activity, as the sector makes use of banking services to a lower degree/not at all. In 2019, it was estimated that only 66% of adults had a deposit account (bank or credit union)³², implying that 34% of adults were unbanked. These measures conjointly, must serve as a proxy for estimating the scope of the informal sector in Belize in lieu of a clear/comprehensive baseline analysis of the informal sector, which creates difficulty in estimating the impacts associated with COVID-19.

Informal workers such as those involved in agriculture and fishing, particularly vendors who rely on their day to day earnings for consumption, are unable to take the time off to quarantine or adhere to social distancing measures and as such, are faced with major uncertainty for the future. Discussions held with the 'Michael Finnegan Market Vendors'³³ indicated that there has been a slowdown in business activity for some market vendors. Many vendor stalls that fell significantly in operations are the tourism related stalls, such as those street hairdressers and traditional handcrafters. Many of the market vendors have had to lay off workers due to the pandemic and the economic downturn. While vegetable and fruit sales remain somewhat steady,

³⁰ BELTRAIDE COVID-19 Rapid Private Sector Economic Impact Assessment Report, 2020

³¹ Peters, A. (2017) Estimating the Size of the Informal Economy in the Caribbean States, Inter American Development Bank (IDB)

³² National Financial Inclusion Strategy Drafting Committee (2019) Belize National Financial Inclusion Strategy 2019-2022, Central Bank of Belize

³³ Belize City Market (approx. 75 vendor stalls)

the vendors are faced with challenges in accessing products in mass quantities due to the restrictions and limitations (farmers unable to provide vendors with goods due to restriction in movement). Another impediment to gathering statistical information about the informal economy is the fact that many individuals in the informal economy, more specifically those whose informal activity is also illegal, do not wish to be identified³⁴.

3.3 GOVERNMENT MEASURES AND RESPONSES

Strategies implemented by the Government of Belize, like most countries, have been geared towards ‘flattening the curve’ and reducing the repercussions of high healthcare demand i.e. collapse. The policies implemented seek to maintain public health. However, these Government Responses to the COVID-19 crisis themselves have had major effects on the social and economic ‘health’ of the country.

As the pandemic started to spread in March, the Government of Belize imposed strict containment measures. The first action taken by the Government was the ban imposed on travel to and from China. This was then expanded to include travel to and from European countries, Hong Kong, China, Iran, Japan, South Korea. The Government of Belize along with the NOC³⁵ then declared a nation-wide state of emergency that went into effect on April 1, 2020. The state of emergency restricted non-essential travel and only allowed essential businesses to continue operating. This was to last for 30 days in the first instance, but was subsequently extended for a two- month period that lasted until June 30, 2020. Other measures the government opted to implement in light of the pandemic include: the closure of schools, limitations on public gatherings, grounding flights and border closures. Face to face instruction for students was discontinued on March 20, at the primary, secondary and tertiary levels and distance learning methods were adopted to deliver instruction for the remainder of the school year. All flights were grounded effective March 23 and only cargo was able to cross the borders and be docked by sea. In early April, the government announced that borders would be

closed to all travellers, including Belizean nationals except for emergency situations. Any Belizean national wanting to return to Belize since then, has had to re-enter the country through a state-controlled repatriation program. Belizeans returning are required to go under a 14-day self- quarantine period.

Public places and mass gatherings were first limited to 25 persons (eventually changed to 10 persons) and social distancing protocols have since been mandated. The mandatory use of masks when out in public has also been enforced. Enforcement of the pre-existing limitation on public transportation services to restrict the quantity of riders to the seating capacity of the vehicle has become more stringent. As a result of the curfew, only essential workers performing their duties were permitted to be out during the hours of 8:00 pm to 5:00am. For the duration of this curfew, people were only allowed to venture out in public for the procurement of essential goods and services i.e. food and medicinal supplies, the attendance of a medical emergency or the operations of the establishments deemed ‘essential’ to these functions.

Public and private sector workers, with the exception of essential workers, were strongly encouraged to work from home where possible. Supermarkets, pharmacies, banks were allowed to operate as the business requires. Following countrywide reports of businesses price gouging for hand sanitizers, cleaners, masks, a legislation³⁶ was passed following the collaborative work between the Ministry of Investment, Trade, and Commerce, through the Supplies Control Unit (SCU) of the Belize Bureau of Standards (BBS), Solicitor General’s Office, Attorney General’s Ministry, and the Ministry of Health to protect the public from price gouging.

The Government of Belize has sought to reinforce the health and wellbeing of families and assist the most affected population groups through existing programs and the implementation of new economic programs. BOOST³⁷ was created in 2010 to reduce poverty through cash transfers. It is a relatively small program reaching approximately 3,116 households as of January 2019. The program has been closed for new applications since it reached its capacity

³⁴ SIB labor force survey does not cover those employed informally. Our methodology captures those individuals who are employed in some type of informal activity where food was produced by and for the household via farming or fishing. When respondents were asked to indicate if they were receiving any additional income support, 26% of the respondents indicated that food was being produced by the household either through farming or fishing. While the information only covers one type of business activity within the informal sector, it can be used as an indicator to determine the level of informality within the economy.

³⁵ National Oversight Committee

³⁶ Statutory Instrument (SI) No. 33 of 2020

³⁷ Building Opportunities for our Social Transformation

in 2012 and beneficiaries of the BOOST program have not been reassessed to determine if they are still below the poverty line. However, a process was underway in early 2019 to identify new recipients (based on previous applications) to replace those people who no longer meet the inclusion criteria. On the other hand, the long-standing food pantry program provides a weekly food package through charitable organizations such as the Salvation Army. The program had 3,855 beneficiary households as of January 2019. Similar to BOOST, the food pantry program has been operating at its full capacity for several years. The beneficiaries (vulnerable households) of these two well-established protection programs (BOOST program and food pantry program) aimed at poverty reduction received continuous and uninterrupted assistance throughout the pandemic.

To support COVID-19 affected groups, the Government implemented two (2) financial assistance programs: The Unemployment Relief Program and Belize COVID-19 Cash Transfer Program (BCCAT). On March 16, 2020, the Rt Hon. Prime Minister and the Leader of the Opposition, as Co-Chairs of the COVID-19 National Oversight Committee, agreed to set up a COVID-19 Unemployment Relief Program. The objective of this program was to provide a minimum income to those workers who lost jobs/income because of COVID-19 as well as long-term unemployed persons. The relief provided recently unemployed people (aimed at assisting those who had suffered employment loss due to the pandemic) with \$150 every two weeks while longer-term unemployed people were given \$100³⁸. Up until June 2020, the Unemployment Relief Program has received over 81,000 applications of which a total of 44,552³⁹ applicants have been approved for the program as of June 2020. A \$35 MN investment was allocated to unemployment support for Belizeans displaced due to Covid 19 in key industries⁴⁰.

Additionally, at least 30,000 households received food assistance (not to be confused with the pre-existing food pantry program) as of June 2020. The OPEC Fund for International Development (OFID) has provided an additional \$10 MN⁴¹ to extend the food assistance initiative for the vulnerable population. The World Bank is providing the Government of Belize US\$12.4 MN⁴² for social assistance to poor and vulnerable households impacted by COVID-19. The funds will support the extension/expansion of

assistance to existing beneficiaries of the BOOST program, implemented by the Ministry of Human Development, Social Transformation and Poverty Alleviation (MHDSTPA). It will also support poor households not receiving other social assistance or employment income through a temporary Belize COVID-19 Cash Transfer (BCCAT) Program. The program, set to commence in October, will target households screened through a poverty assessment tool to determine eligibility for assistance. In total, over 13,000 households in need are expected by the MHDSTPA to receive cash transfers through the emergency response.

In July, the Government of Belize commenced its second phase of Government's COVID-19 Economic Relief Program. The second phase includes the continuation of the Unemployment Relief Program and incorporates a new component; the Micro-, Small- and Medium-sized Enterprises (MSME) Support Program. The objectives of the programs in the second phase are to continue providing direct cash relief only to workers who have suffered job loss due to the pandemic and to MSMEs that have suffered revenue loss. The second phase of the Unemployment Relief Program will not include those long-term unemployed persons. Moreover, the program is expected to help safeguard and promote employee retention, as well as assist MSMEs as they transition and adapt to the health and economic challenges presented by the pandemic⁴³. The Government has allocated a total of \$15 MN for the GOB MSMEs support program. Under this program, micro enterprises can be eligible for grants of a fixed amount of \$2,500, while small and medium enterprises can receive up to \$15,000 and \$25,000 in loans, respectively.

As for financial institutions, many are assisting affected members by placing a moratorium on loan payments, reducing loan payments, offering a free waiver of loan payments and waivers of late payment fees, among other things. The Central Bank of Belize relaxed loan loss provisioning standards and lowered the cash reserve requirement as a part of its monetary and macro-prudential policy responses in consideration of the hardships being experienced by business and households in specific sectors adversely affected by COVID-19. These amendments have allowed financial institutions and credit unions to grant their customers in targeted sectors extended repayment periods for credit facilities to ease the debt service obligations of

38 *Summary Report of Unemployment Relief Program (June 2020)*

39 *Summary Report of Unemployment Relief Program (June 2020)*

40 *Belize Economic Recovery Strategy (2020)*

41 *Ministry of Human Development, Social Transformation and Poverty Alleviation (MHDSTPA)*

42 *Ministry of Human Development, Social Transformation and Poverty Alleviation (MHDSTPA)*

43 *MSME Support Program*

borrowers⁴⁴.

With respect to tourism, the Belize Tourism Board (BTB), the marketing entity for the tourism industry, has not generated any income since March 1, 2020. As such, according to our interview with the BTB, the Government of Belize has also allowed BTB to keep the taxes generated from local tourism.

However, taxes generated from local tourism are significantly less, as local tourism only accounts for 0.5% of total hotel occupancy.

Altogether, the Government has acquired and dedicated \$BZ 233 MN of funding towards COVID-19 expenditures in the country.

TABLE 7: COVID-19 ECONOMIC RESPONSE MEASURES IMPLEMENTED BY THE GOVERNMENT OF BELIZE⁴⁵

MEASURES	RESPONSES	FUND ALLOCATION (BZD MN)
Health	Retrofit clinics to prepare for Covid patients, to procure PPEs, ventilators, testing equipment and protective equipment, and to build the nation's response capacity;	12 MN
Unemployment Support	Investment in unemployment support to Belizeans displaced due to Covid 19 in key industries	35 MN
MSMEs Support	Investment in direct support to Micro and Small Business support including small grants, revolving loans and working capital	15 MN
Food Assistance	Direct Food Assistance support to Belizeans that are facing hardships as a result of the pandemic	29 MN
Farmers Assistance	Direct relief to those farmers suffering multiple hardships from two years of prolonged drought conditions and covid-19 imposed setbacks	16 MN
BOOST Program	Additional support to the BOOST Program to support vulnerable population	26 MN
Social Protection	Social Protection funds for those in dire need	50 MN
Agriculture Support	Agriculture support to ensure that our productive sector remains strong	50 MN

One of the issues identified with the Unemployment Relief Program is that no assessment of applicants against a set

⁴⁴ Central Bank Guidance Notice to Banks and Credit Unions (June 2020)

⁴⁵ Belize Economic Recovery Strategy (2020)

of poverty criteria was conducted in the initial roll-out of the program. Individuals applying to the Unemployment Relief Program were not required to supply any household level data and the decision was based on an individual basis, where multiple persons in a single household could have applied. For the food assistance program, the approval was granted based solely on whether everyone in the household was unemployed, meaning the food assistance was provided at the household level. Both programs could benefit from the implementation of a more robust screening process to ensure that benefits are channeled to the most vulnerable/challenged households.

In contrast, the cash transfer program (BCCAT), which is projected to begin in October is more targeted to vulnerable population groups as it is subject to a more rigorous poverty screening criteria, namely, the Household Poverty Criteria which generally assesses the household listing, employment, basic characteristics of the household, household materials, assets, etc. The households include those with pregnant women, children, the elderly, and persons with disabilities. The program is designed to fill the gap after the food assistance program, implemented alongside the Unemployment Relief Program which commenced in April, ended after the first week in September. The cash transfer program will see households transitioned from a free supply of food and materials to a regular monthly cash transfer, giving the households the freedom and responsibility to make their own choices as to how to prioritize its household needs such as food, rent, utilities, health, schools fees, etc. The cash assistance program is designed to have a countrywide reach and as of August 5, 2020, at the time of our interview with the MHDSTPA, about 16,000 households had been assessed

for the program. The target population was initially limited to those who applied for the food assistance; however this has been revised to include those long term unemployed persons (approximately 8,000 people) who did not qualify for the first phase of the Unemployment Relief Program. With the assistance from the World Bank referenced above, the program is expected to reach out to an additional 10,000 households.

Another issue identified with the government's socio-economic assistance/programs is that the funds allocated for the MSME support program is minimal in comparison to the other social programs. The MSME sector has been one of the sectors greatly hit due to current economic weaknesses created by the COVID-19 pandemic. Several businesses have been affected by supply chain disruptions and low demand for their products and services due to the weakened consumer purchasing power, which has led to substantial loss in revenue. While the program is designed to help businesses maintain employment and keep the business sustainable, the composition of funds for the program seems marginal to support all MSMEs in Belize considering that 70% of jobs are created through MSMEs. One of the commendable things about this program, however, is that the loan facility for small and medium enterprises range from 15,000-25,000 with a fixed interest rate of 3%, a 12 months grace period and a 24 months repayment period. The program could benefit from an increase in size/broadening of scope and seeking to ensure funds are channeled toward overall business survival, sustainability of jobs and safeguarding those who have become unemployed.

4.0 Household Survey Findings

4.1 RAPID ASSESSMENT

This section presents the findings from a rapid assessment of the impacts of the COVID-19 pandemic in Belize carried out in August for a period of two weeks. The objective of this assessment was to highlight the immediate effects of the pandemic on households and the vulnerable population groups.

The assessment is based on data collected through telephone and online surveys of households. A total of 340 respondents were reached via online crowd-sourcing, while 61 respondents were interviewed via telephone. This approach was selected in lieu of in-person interviews due to the pandemic-related social distancing requirements and movement restrictions. Recruitment of respondents was facilitated via the snowball sampling method. The target population were households in Belize who experienced some impact/effect on their normal activities. Sample selection was not applicable and the survey is non-probabilistic as the crowd-sourcing/online method was used⁴⁶. It was estimated that there are 100,000 households in Belize based on an average household of 4 persons⁴⁷. The survey targeted 383⁴⁸ households which would cover around 1,570 persons living in Belize. The survey captured responses from 401 households were obtained giving insight into the effect of the COVID-19 pandemic on the lives of about 1,644 persons.

4.2 LIMITATIONS OF THE SURVEY

Although the survey sought to obtain information regarding vulnerable members of the population and minorities, only 19% and 16% of respondents identified as a member of a vulnerable or minority group, respectively. As such, any

interpretation derived from analysis on these respondent subgroups must be taken very carefully due to the very small sample size.

Additionally, utilising technology based modes of outreach (web and telephone) as opposed to in-person interviews may have contributed to some skewing of the demographics of the respondents as evidenced by the high rate of tertiary level educated respondents. Moreover, this method made it difficult to capture information about members of the informal sector, persons living in rural areas and the impoverished populations, who would be among the least likely to have access to the internet and/or requisite devices.

4.3 ECONOMIC IMPACT

In order to ascertain the status of the labor force prior to the onset of the pandemic, respondents were asked about their employment status as of February 2020. During this period, before the lockdown, 68% of the respondents were employed at a business, 19% were self employed and 12% were unemployed, in accordance with the results of the most recent Labor Force Survey conducted by the Statistical Institute of Belize in September 2019.

As illustrated in Table 8, even before the pandemic, unemployment rates were higher among women and youths. Of the 12% of all respondents who were unemployed prior to the pandemic, unemployment was higher among women of all ages (77%) than men (23%). Youths (ages 18-24) made up 36% of the total unemployed respondents prior to the pandemic⁴⁹.

⁴⁶ Internet penetration in Belize is estimated at 61% as at January 2020 (Digital 2020, Global Digital Overview - We are Social)

⁴⁷ Statistical Institute of Belize Census 2010

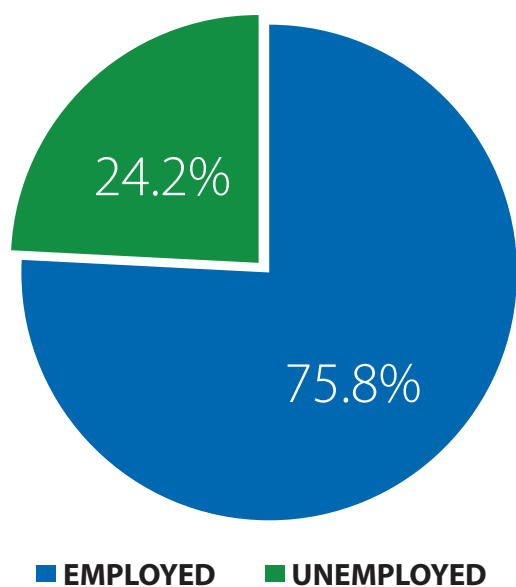
⁴⁸ Target sample size based on 95% confidence level with a 5% margin of error -

⁴⁹ Unemployed: 47 respondents

TABLE 8: EMPLOYMENT STATUS PRIOR TO LOCKDOWN BY AGE, GENDER AND DISTRICT (%)

	EMPLOYED	SELF EMPLOYED	UNEMPLOYED	RETIRED
ALL	68	19	12	1
GENDER				
MALE	68	24	7	2
FEMALE	68	16	15	1
AGE GROUP				
18-24	55	9	36	0
25-34	74	17	10	0
35-44	73	19	8	0
45-54	74	18	8	0
55-64	54	36	7	4
65+	24	41	6	29

FIGURE 12: EMPLOYMENT AS OF JUNE 2020



The lockdown of businesses and non-essential services came into effect in April, 2020. The state of emergency restricted

non-essential travel and only allowed essential businesses to continue its operations. The measures taken to mitigate the effects of the pandemic has affected the conditions of people in the labour force (See Figure 12). Respondents were asked about changes to their employment status at the end of June 2020 to which 24.2% respondents were unemployed.

Preliminary results from the Statistical Institute of Belize’s Labor Survey report indicate that for the month of September 2020, then the national unemployment rate was 13.7%. However, this stands true under the ‘new definition’ of unemployment which classifies the unemployed, employed and underemployed in accordance with the 19th International Conference of Labour Statisticians (ICLS). The amended and revised concept now includes a classification of those ‘looking for work’. The previous definition took into account those actively seeking unemployment, those who weren’t actively seeking work and those who are available to work. Under the previous definition, it can be noted that the results from the household survey indicated that as of June 24.2% of the respondents were unemployed, which is a closer estimate to SIB’s previous definition of unemployed at 29.60% (see table 9 below).

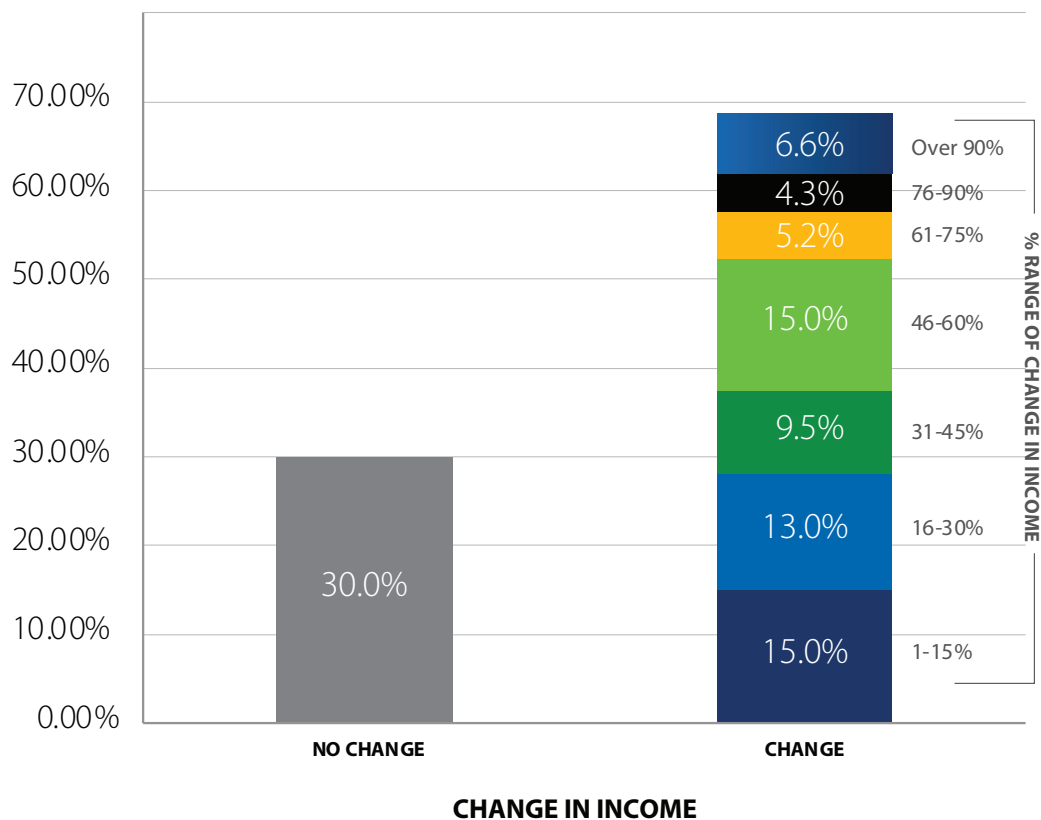
TABLE 9: LABOUR FORCE SURVEY RESULTS (SEPT 2020)

	HOUSEHOLD SURVEY RESULTS	NEW DEFINITION (SIB)	PREVIOUS DEFINITION (SIB)
Employed	75.80%	86.26%	70.40%
Unemployed	24.2%	13.70%	29.60%

Respondents were asked about the effects on their household income as a result of the COVID-19 outbreak (See Figure 13), to which 70% of the respondents indicated that they experienced some reduction in their income, 15% of

the respondents indicated that their income was reduced between 1-15%, while another 15% of the respondents indicated that they experienced a reduction of 46-60% in income.

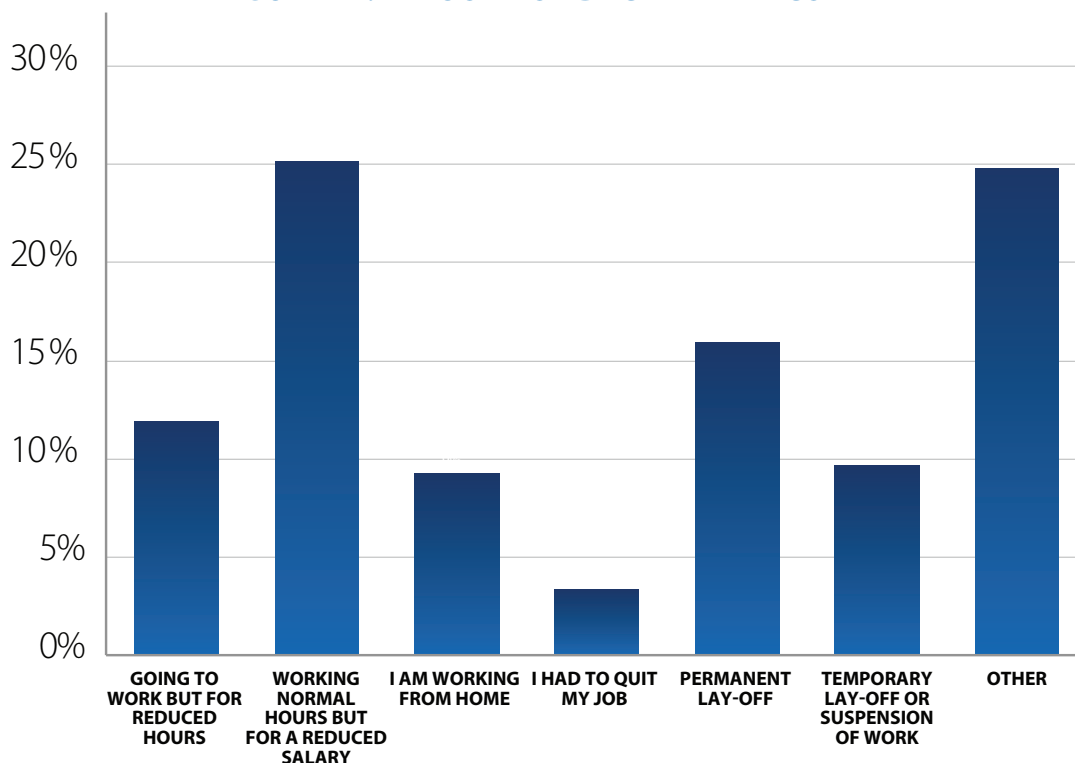
FIGURE 13: REDUCTION IN HOUSEHOLD INCOME



Of those respondents who reported a decline in household income, the largest share of respondents, about 25%, reported that they were working for a reduced salary, while 12% indicated that they were working for less hours or days due to the COVID-19 measures. Some respondents (25%)

stated other reasons for decline that were not listed. Lastly, of those respondents that indicated a decline in income, 16% of the respondents stated that they were permanently laid off (See Figure 14).

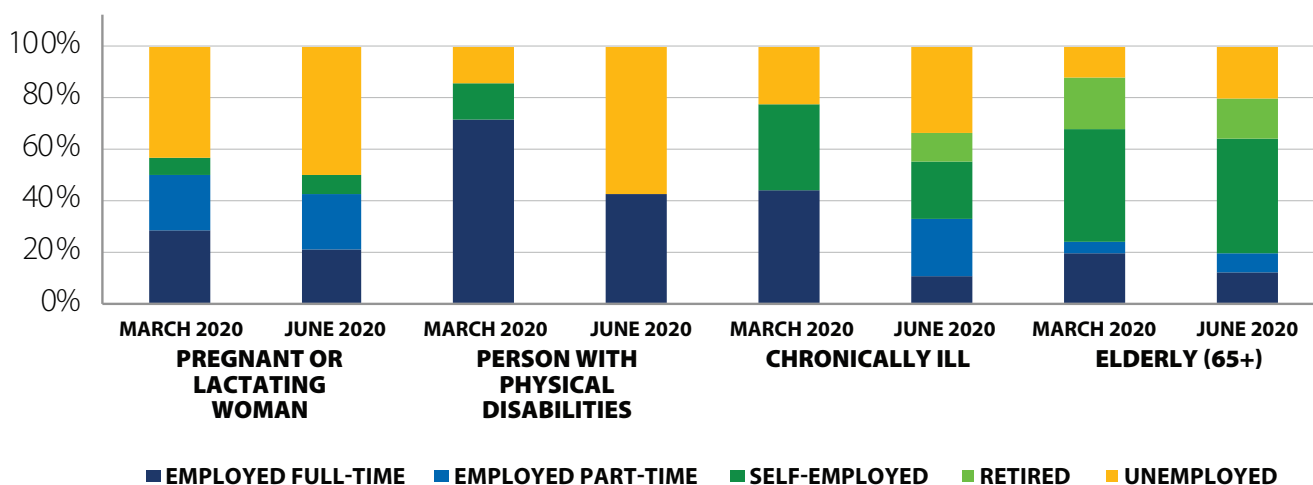
FIGURE 14: REASON FOR DECLINE IN INCOME



Effects on the vulnerable groups can be observed in Figure 15 which shows persons with physical disabilities had the highest full-time employment rate in March (71%) and June (43%). Highest unemployment rate in March was among

pregnant women (43%). However, in June, the highest unemployment rate was among persons with physical disabilities (57%).

FIGURE 15: EMPLOYMENT IMPACT ON VULNERABLE GROUPS



Similarly, Figure 16 compares minority employment in March and June. Religious minorities had the highest full-time employment in March (67%) and June (56%). The

highest unemployment rate in March was among religious minorities (44%) but in June, immigrants had the highest (44%).

FIGURE 16: EMPLOYMENT IMPACT ON MINORITY GROUPS

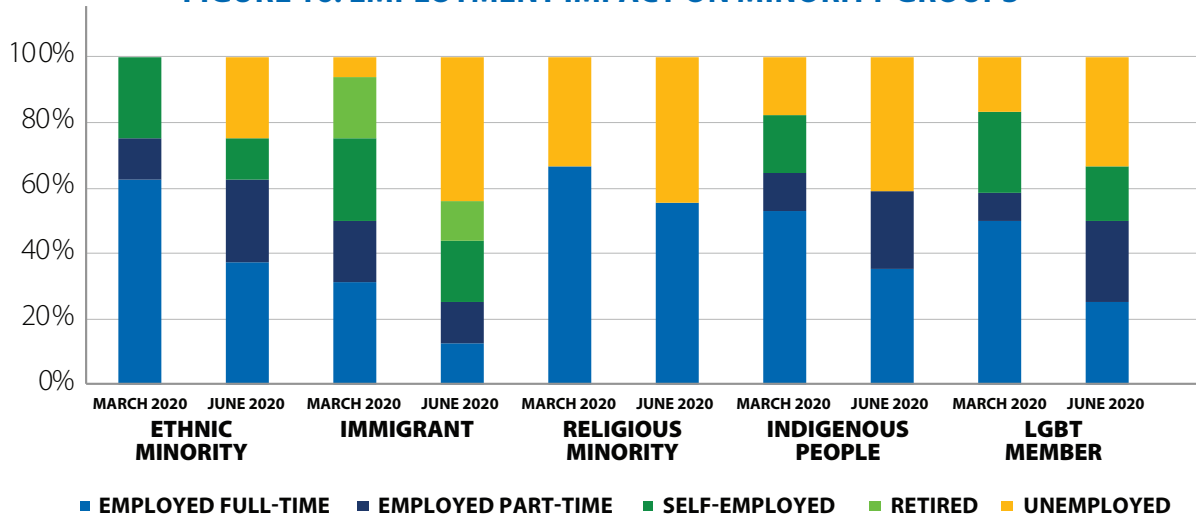
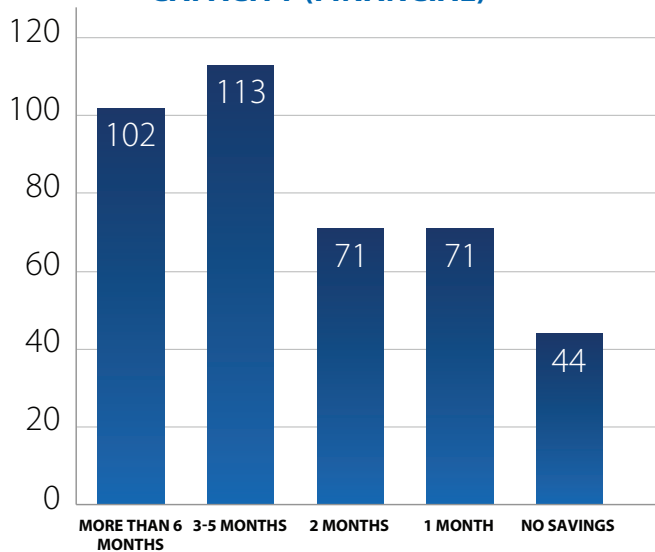


FIGURE 17: ABSORPTIVE CAPACITY (FINANCIAL)



Due to the substantial loss of income across all sectors, vulnerable and minority groups, respondents were asked if they had sufficient income or savings to pay for monthly expenses such as rent, food and utilities. The graph above shows the number of respondents who had an absorptive capacity ranging between more than six months of savings and no savings at all. Of the respondents, 46% had less than 3 months of savings.

As such, respondents were asked if their households had done anything since the outbreak of the pandemic to tackle the loss of income and/or prepare for potential loss of income (see Figure 18). The highest percent of respondents (23.9%) indicated that they had spent their savings to compensate for loss in income. This was followed by relying on less preferred, cheaper food (15.7%). Respondents also indicated that they had to seek other employment opportunities (9.1%) and reduced spending on health (which could potentially confound vulnerability at this time during the pandemic).

FIGURE 18: ADAPTATION STRATEGIES TO COMPENSATE FOR INCOME LOSS

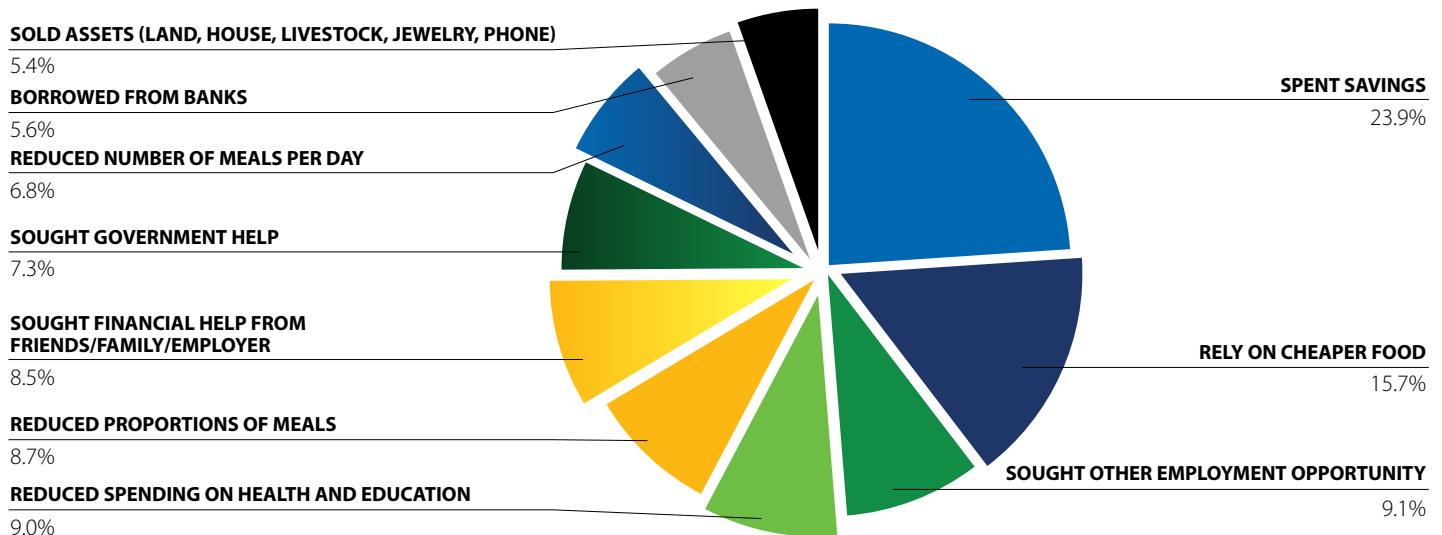
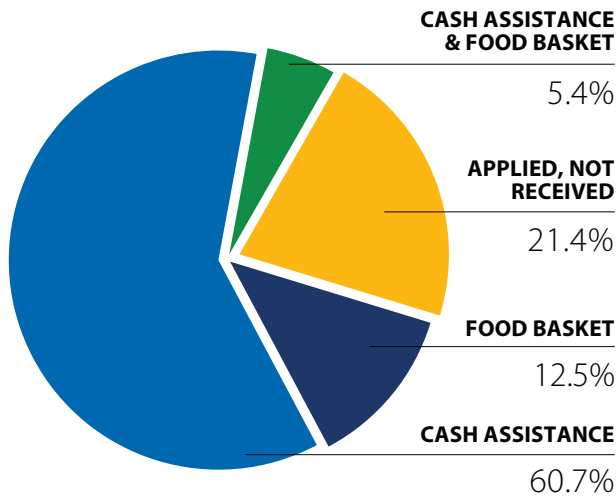


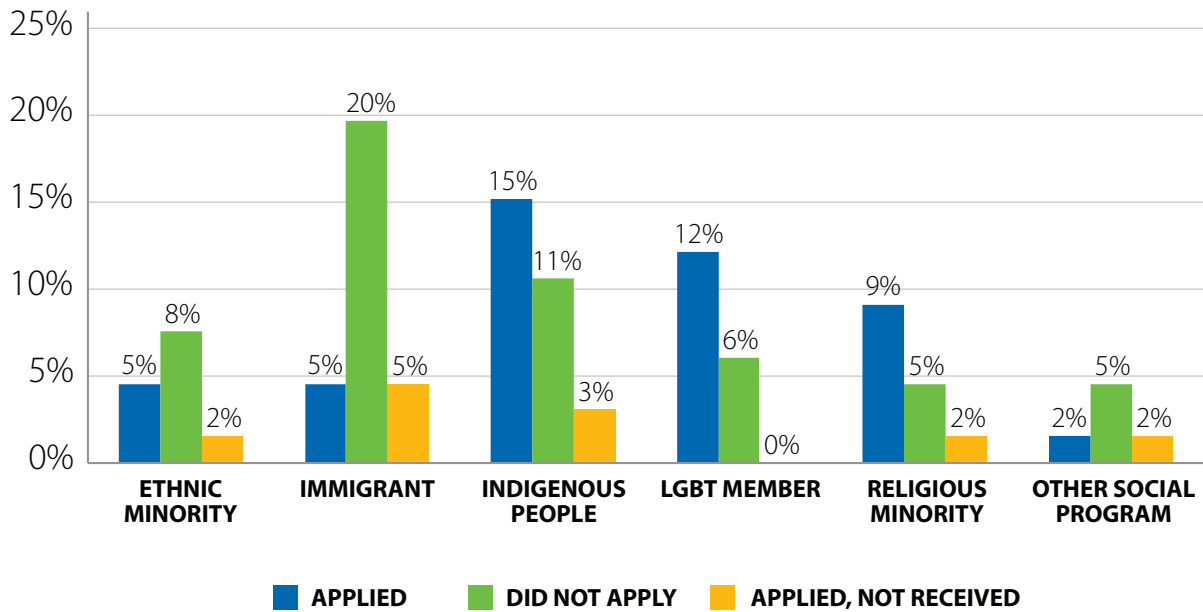
FIGURE 19: SOCIAL ASSISTANCE



In response to the closure of international ports of entry to the movement of people and the associated spike in unemployment, the Government of Belize enacted a number of social programs in an effort to provide some relief to those affected. Social programs included the roll out of an unemployment benefit program (cash assistance) and expansion of existing food assistance programs. Of the households surveyed, 13.9% reported applying for assistance, 78.6% of whom reported having received some assistance, while 21.4% reported that they had applied but had not received assistance (see Figure 19).

From the respondents who were part of a minority group, the highest share of applicants who applied for government assistance were indigenous people (15%) while 20% of immigrants did not apply for any of the government programs and 5% of immigrants applied but did not receive assistance (see Figure 20).

FIGURE 20: SOCIAL ASSISTANCE PROGRAM BY MINORITY GROUPS ⁵⁰



50 Average calculations derive from the 66 minority respondents

4.4 SOCIAL IMPACT

FIGURE 21: HOUSEHOLD TOP PRIORITIES

As COVID-19 restrictions were implemented, respondents were asked to list their household's top three priorities. Figure 21 demonstrates a collective image of the areas that respondents prioritized within their households during the outbreak. Health, food security and business and employment were among the top three priorities of most respondents. More than a quarter of the respondents ranked health (29.4%) as one of the top three priorities while 24.6% ranked food security.

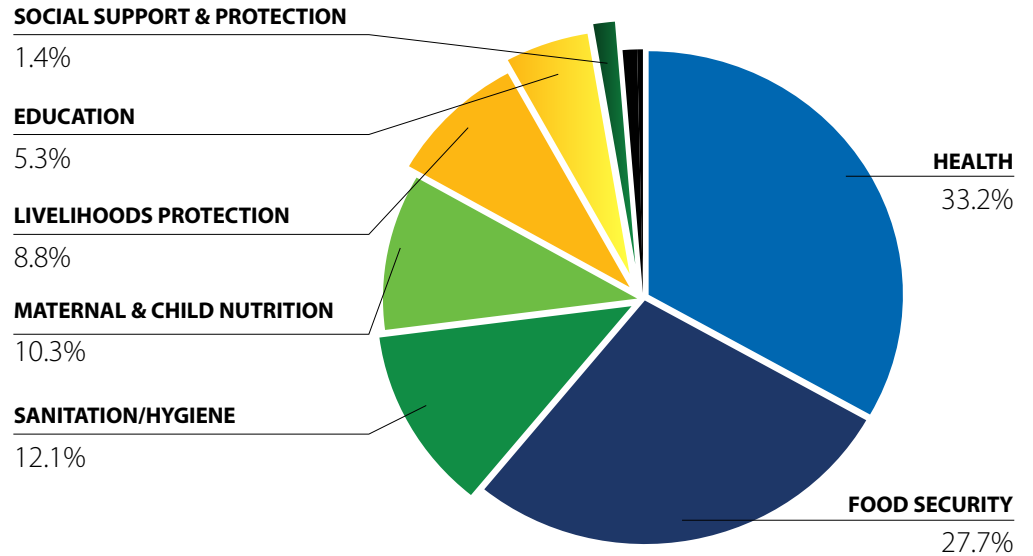


FIGURE 22: EFFECTS OF MOVEMENT RESTRICTIONS AND SOCIAL DISTANCING MEASURES

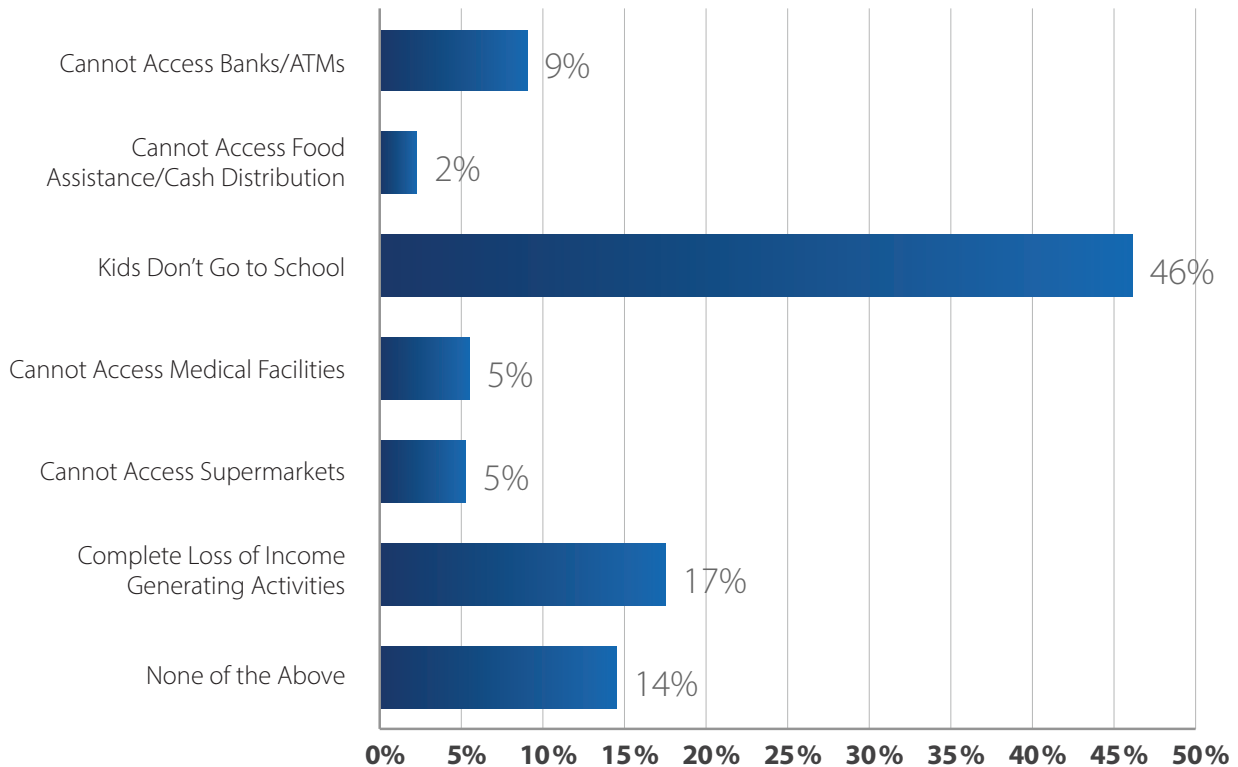


Figure 22 shows the impact of the COVID-19 related measures on the household's daily lives. Respondents were asked whether social distancing and/or restrictions of movement imposed by the authorities had affected their daily lives. Respondents indicated that the most severe disruption or effect the restrictions have had on their lives was that kids were not going to school (46%). As of March 20, all students shifted from in person classes to distance learning. About 17% of the respondents indicated complete loss of income generating activities due to the restriction of movements and the social distancing measures. Respondents were asked questions about access to basic food commodities and water in relation to the State of Emergency or other external factors associated with the effects of the pandemic. Respondents indicated that food/basic commodities such as bread, rice, eggs, meats, vegetables were generally available from stores and markets; 49.4% saying they were always available and 50.6% indicating that food commodities were sometimes available (see Figure 23). However, 79.8% of respondents

indicated that there was at least one time (between March-July) where they or a member of their household could not access enough food and water supply for their household (See Figure 24) and majority of respondents (84.3%) reported an observed increase in the price of food items.

Schools in Belize were closed on March 20th, forcing teachers, parents and students to adapt to a remote learning environment. Of the households surveyed, 62.1% reported having at least one student in the household. 61% of respondents agreed that educational resources and materials were available whereas 80% of respondents agreed that educational material was specifically available via the internet and 69% of the respondents indicated that internet and technology had been in use before the onset of COVID-19 for the purposes of accessing educational material. Table 10 further highlights the series of questions and responses regarding education accessibility.

TABLE 10: EDUCATION ACCESSIBILITY

	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
Education Material & Resources	12%	49%	19%	14%	6%
COVID-19 and associated public responses restricted access to educational material	7%	29%	31%	29%	5%
Educational material was accessible via the internet	23%	57%	10%	7%	3%
School delivered syllabus via internet	11%	25%	19%	33%	13%
Home schooling conducted	13%	35%	27%	15%	10%
Internet was purchased primarily to support continued education	15%	31%	18%	24%	12%
Before COVID-19, the internet and technology whereas used to access educational material	19%	50%	17%	9%	4%

FIGURE 23: ACCESS TO BASIC FOOD COMMODITIES

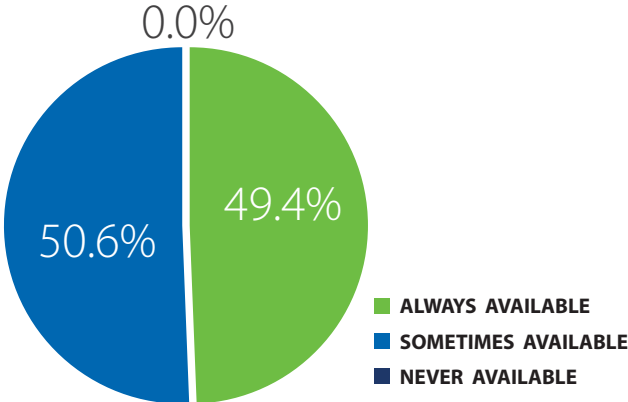


FIGURE 24: HOUSEHOLD'S ACCESS TO FOOD AND WATER

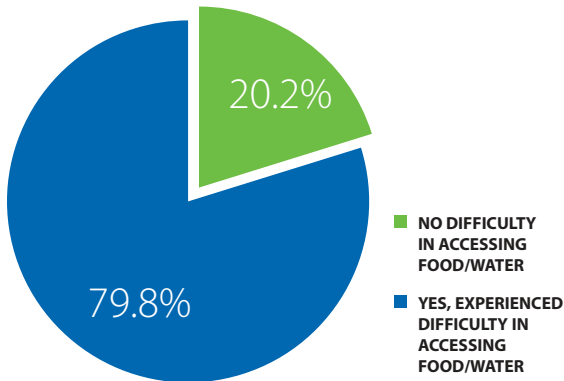


TABLE 11: ACCESS TO HEALTHCARE

	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
Hygiene items (eg. soap, detergent, hand sanitizers, toilet paper)	29%	56%	9%	4%	2%
Medicine and medical supplies (e.g. mask and vitamins)	21%	50%	14%	11%	3%
Cleaning supplies (e.g. bleach, disinfectant, dishwashing liquid)	26%	57%	8%	6%	2%
Prescription Medicine	15%	40%	29%	13%	3%
Non- prescription medicine	16%	46%	28%	10%	1%
ACCESSIBILITY	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
COVID-19 and associated public responses restricted My Household access to healthcare facilities (hospital and clinics)	4%	22%	34%	30%	9%
COVID-19 and associated public responses restricted My Household access to Pharmacies	6%	45%	25%	21%	3%
Reduction in My Household income caused by COVID-19 restricted access to doctors and healthcare services providers.	7%	27%	27%	27%	12%
Closure of borders and travel restrictions have reduced access	6%	23%	28%	25%	18%

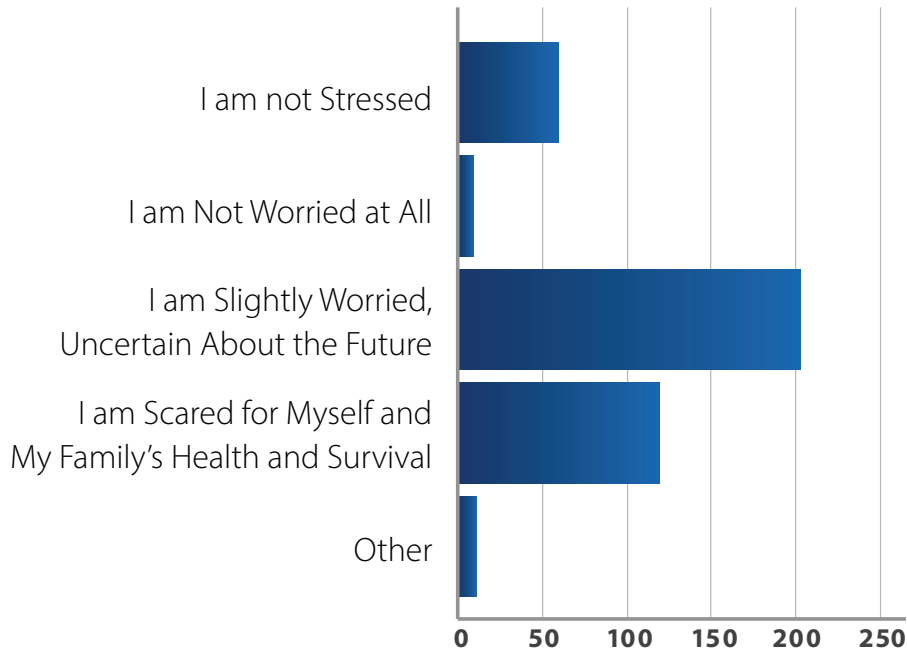
Additionally, Table 11 outlines the series of questions and responses pertaining to access to healthcare items and healthcare facilities. When placing particular focus on minority groups' access to healthcare facilities (see Table

12), it was found half (50%) of ethnic minority respondents agreed they had access while half (50%) of 'others', who did not identify with the listed minorities listed but consider themselves part of the group, did not have access.

TABLE 12: MINORITY GROUPS ACCESS TO HEALTH FACILITIES

	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
Indigenous People	6%	29%	24%	29%	12%
Ethnic Minority	25%	25%	13%	12%	25%
Immigrants	6%	19%	50%	25%	0%
LGBT member	0%	17%	50%	17%	16%
Religious Minority	11%	33%	11%	45%	0%
Other	0%	25%	25%	25%	25%

FIGURE 25: STRESS LEVEL

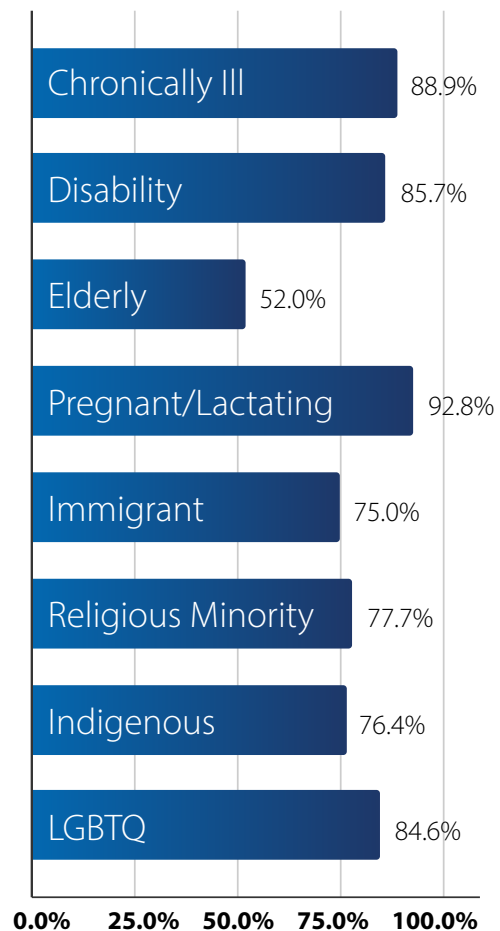


The social and economic impact of the reduction in global and local economic activity in combination with the public health crisis and the restrictions due to the State Of Emergency measures are likely to impact mental health. Figure 25 shows the number of respondents who expressed stress level. When asked whether the pandemic affected their mental health respondents were almost evenly divided with 48.9% responding yes, 48.1% no. When asked about their stress level, 80.3% of respondents indicated that they were worried or scared about the future and their wellbeing.

Stress levels among some vulnerable or minority groups tended to be higher with an average of 79.1% of respondents belonging to those groups indicating that they were worried or afraid. Almost all pregnant or lactating women (92%), chronically ill (88.9%), persons with disability (85.7%) and LGBTQ (84.6%) indicated worry or fear (See Figure 26).

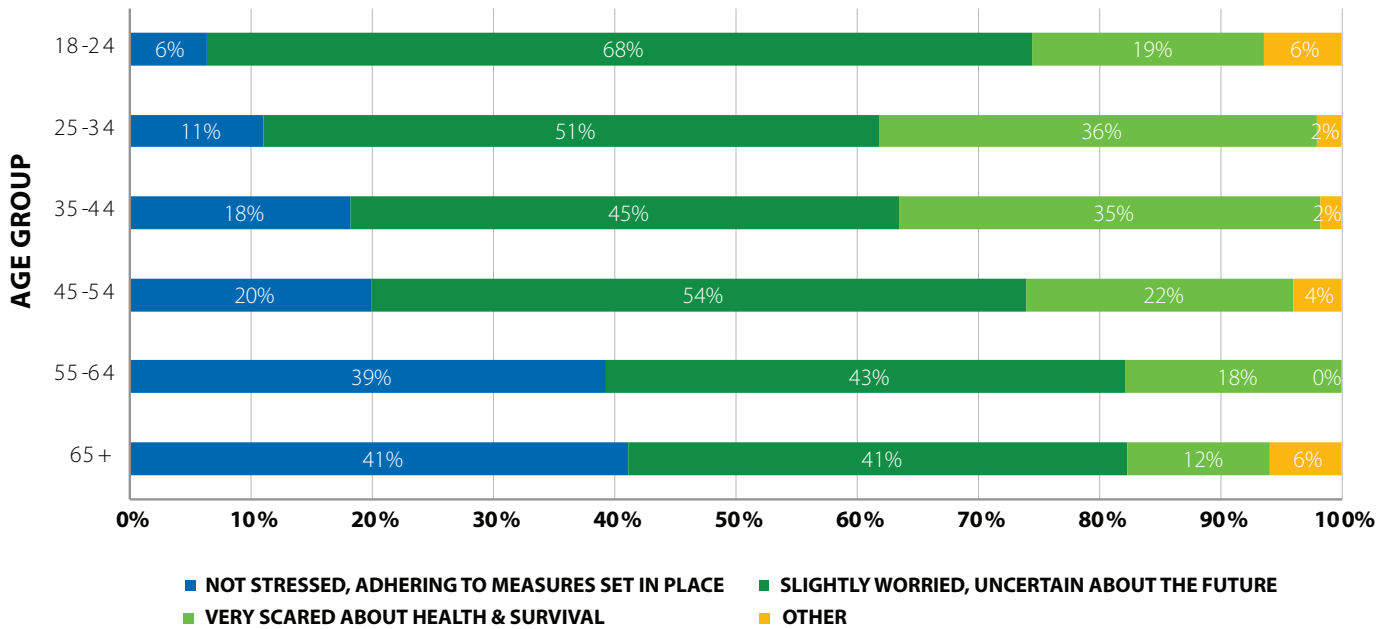
Stress and the coping process vary amongst different age groups of respondents. Half of the respondents across all age groups (50%) admitted they were slightly worried and uncertain about the future. Figure 27 shows the stress level of different age groups of which those between the ages of 25-34 (36%) and between the ages 35-44 (35%) had the highest level of fear of health and survival compared to other age groups. The lowest age group who expressed stress since they were adhering to the measures set in place was between the August of 18-24.

FIGURE 26: VULNERABILITY AND MINORITY



GROUPS INDICATING WORRY OR FEAR

FIGURE 27: STRESS LEVEL IN DIFFERENT AGE GROUPS

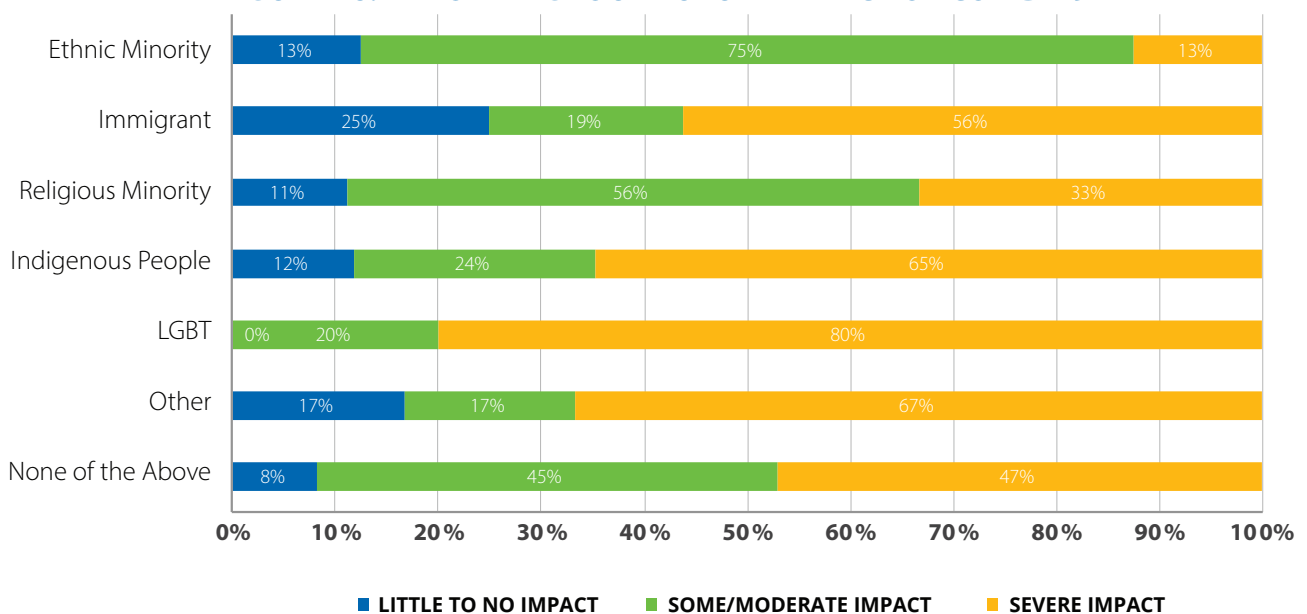


4.5 FUTURE OUTLOOK

Respondents were asked about their future outlook and how they expect their livelihoods will be impacted as a result of disruptions from COVID-19. Figure 28 outlines the impact anticipated among all vulnerable groups which shows almost all LGBT respondents (80%) anticipated severe

impact and no one (0%) anticipated little to no impact. The figure also shows the impact of respondents who were not part of the vulnerable group of which 47% anticipated severe impact.

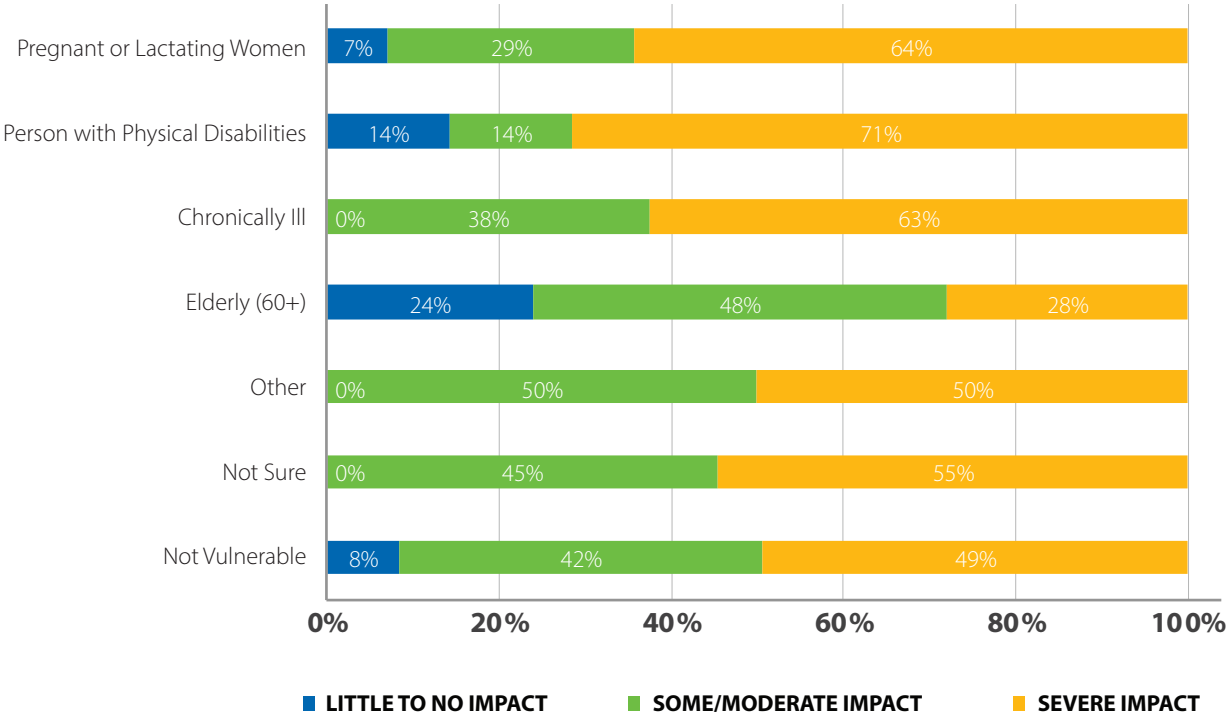
FIGURE 28: MINORITY GROUP FUTURE IMPACT OF COVID-19



In similar regard, minority respondents were asked about their views about their future outlook and expectation of their livelihoods impacted by COVID-19 disruptions (see Figure 29). Among the vulnerable groups, 71% of persons with physical disabilities anticipated severe impact. None

(0%) of chronically ill respondents claimed they would have little to no impact and 63% anticipated severe impact. From the non-vulnerable respondents, 49% anticipated severe impact.

FIGURE 29 : VULNERABLE GROUP FUTURE IMPACT OF COVID-19



5.0 Conclusions and Policy Recommendations

In light of the findings presented in this document, the policy options seek to identify areas for complementary support and potential improvements to the current Government Responses for COVID-19.

As previously stated, the Government of Belize has implemented a set of policies that reinforce the health and wellbeing of families and attempts to assist the most affected population groups through the Unemployment Relief Program, BOOST⁵¹ and the BCCAT⁵², among others. While the Government Responses have slightly alleviated the economic impacts of COVID-19 on the unemployed, the containment measures and restrictions imposed on the population have hindered overall movement, and consequently, economic activity and growth. Driven by desperate times and the lack of financial security, some affected members of the population have taken illegal actions that have endangered their personal wellbeing as well as that of others.

The Government of Belize has secured a total of BZ \$233 MN to invest in initiatives to manage the health response and support affected households and protect local employment. The Inter-American Development Bank (IDB) approved a loan of US\$6.2 MN⁵³ for Belize to assist the government with its response to the crisis resulting from the COVID-19 pandemic. These funds come from a re-purposing of 10% of the undisbursed balance of the country's current investment portfolio. Furthermore, the Government has requested and received approval for a six month capitalization of interest payments tied to its US dollar denominated 2034 sovereign bond due to the effect on the tourism industry. With GDP expected to contract by as much as 15%⁵⁴ by the end of 2020, the Government must ensure that while increasing COVID-19 related spending, the damage to fiscal health is minimized.

5.1 Policy Recommendations

Any policy recommendation for responding to the impact of COVID-19 and economy recovery should be aligned with national strategies and plans of Belize including: (1) Belize's strategic priorities and pillars of The National Development Framework for Belize - Horizon 2030; (2) Growth and Sustainable Development Strategy and (3) the Sustainable Development Goals. The National Development Framework for Belize identifies four strategic priorities that guide the development and implementation of programs aimed at supporting medium- and long- term development strategies of Belize. To this end, the following recommendations are made in accordance with the strategic priorities of Horizon 2030. Further, the following recommendations are not intended to replace or discourage the implementation of the strategic actions identified in the Economic Recovery Strategy for Belize but are intended to complement and enhance the potential impact of the measures identified.

Policy responses to the impact of COVID-19 and economic recovery and resilience building require coordinated and collaborative cooperation among ministries, private and public sectors, NGOs, civil society, academia, development agencies and international partners to address the needs of both urban and rural communities. To ensure sustainability these responses must be supported by necessary legislations, reforms and stakeholder buy-in. Building resilient and sustainable infrastructure, strengthening the digital economy, reducing inequality, retooling and transforming the labour force through education and training and accelerating the transition to low-carbon energy are essential aspects of the post-COVID-19 recovery effort of the Government of Belize.

Tables 13-16 provide a summary of policy recommendations aimed at complementing existing policy responses, ameliorating some of the observed impacts of the COVID-19 Pandemic, and promoting a greener and more sustainable, and resilient economic rebuilding/recovery.

51 *Building Opportunities for Our Social Transformation*

52 *Belize COVID-19 Cash Transfer Program*

53 IDB News Releases, June 5, 2020, <https://www.iadb.org/en/news/iadb-approves-loan-support-belizes-covid-19-immediate-health-response>

54 S&P Global Ratings (2020) - Research Update: Belize Foreign Currency Ratings Lowered To 'SD/SD' From 'CC/C' Following Announcement Of Debt Exchange

TABLE 13: GOVERNANCE FOR EFFECTIVE PUBLIC ADMINISTRATION AND SUSTAINABLE DEVELOPMENT ⁵⁵




SDGS	RECOMMENDATIONS	BENEFICIARIES	EST. BUDGET (US\$)
17 PARTNERSHIPS FOR THE GOALS 	Develop a Multidimensional Poverty Index (MPI)	GOB, general population & Vulnerable groups	\$72,000.00
	Develop a framework for improving the coordinating mechanism for decision making and governance	GOB, general population	\$48,000.00
	Develop a National ICT Strategy and capacity needs and development plan to ensure the delivery of e-Governance, e-Learning, e-Infrastructure, and e-Business	General population	\$150,000.00
	Develop a resource mobilisation strategy, which includes leveraging existing public finance to access additional funding from donors to support a the actions set out in the Economic Recovery Strategy (consider use of green procurement in project/funding proposals)	GOB, general population, vulnerable groups	\$72,000.00
	Develop/update community emergency response strategies and plans and build capacity and delegate risk mitigation responsibilities to the different localities.	GOB, general population	\$108,000.00
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Develop and implement a training programme for security officers considering the needs for knowledge and tools when dealing with persons who are differently disable, mentally challenged, stressed and disillusioned, youths or marginalised.	General public, security personnel	\$48,000.00
	PPEs for police officers and security officers	General public, security personnel	\$80,000.00


TABLE 14: EDUCATION FOR DEVELOPMENT - EDUCATION FOR LIFE ⁵⁶

SDGS	RECOMMENDATIONS	BENEFICIARIES	EST. BUDGET (US\$)
4 QUALITY EDUCATION 	Develop e-learning platform to standard the delivery of education curriculum across Belize and support management, monitoring and accountability in the education system.	Students	\$180,000.00
	Develop a robust primary and secondary school curriculum, considering distant/e- learning	Students	\$60,000.00
	Improve internet connectivity in rural villages	Students/ Vulnerable groups	\$60,000.00
	Develop a sustained training programme for teachers on the delivery of a blended learning education curriculum	Teachers, Students	\$84,000.00
	Develop and implement training programs to retool the labour force including training in the areas of Tourism, ITC, Green and Blue Technologies.	General Population, tourism business, tourism employees	\$72,000.00

⁵⁵ CSF4 - Enhanced governance and citizen security. Strategic priority for Horizon 2030 - Democratic governance for effective public administration and sustainable development








⁵⁶ CSF2 - Enhanced social cohesion and resilience (enhanced equity). Strategic priority for Horizon 2030 - Education for Development: Education for Life

TABLE 15: ECONOMIC RESILIENCE: GENERATING RESOURCES FOR LONG-TERM DEVELOPMENT ⁵⁷

SDGS	RECOMMENDATIONS	BENEFICIARIES	EST. BUDGET (US\$)
 <p>2 ZERO HUNGER</p>	Develop/update MSME Policy and Strategy	Businesses, Households	\$72,000.00
	Provide capacity development/training (for lenders) in MSME Finance - underwriting, awareness, sustainable business models, alternative financing	Businesses, Households	\$48,000.00
	Develop and implement programmes to build capacity for operations/logistics (farm to market support including household level deliveries)	Farmers, Households, General Public	TBD
	Support effort to implement and raise awareness about the recently launched online marketplace for agricultural products.	Farmers, Households, General Public	\$60,000.00
	Develop and implement alternative livelihoods programs for border communities to curb informal trade activity	Vulnerable groups, Households, General Public	TBD
	Provision of, and or support to access, financing for retrofitting of properties (focus on including climate mitigation strategies for example the use of renewable energy and energy efficiency could be joined to such a program)	General Public	TBD
	Provide training of all hoteliers and hospitality services providers on operational safety in a Post Covid-19 including improving the coordinating and reporting mechanism between the Ministry with responsibility for Tourism and the Ministry of Health	Tourism business, Tourism employees	\$48,000.00
	Support and encourage the new businesses that emerged during the pandemic (such as cottage industry of garment production (fashion) and household delivery services)	Businesses/ Households	TBD
Assess the robustness of Strategies and Plans to pandemics and natural disasters – adopt a risk ethos to fiscal budgeting and planning	General Public	\$72,000.00	

⁵⁷ CSF1 - Optimal national income and investment. Strategic priority for Horizon 2030 - Economic resilience: Generating resources for long-term development

TABLE 16: THE BRICKS AND THE MORTAR - HEALTHY CITIZENS AND A HEALTHY ENVIRONMENT⁵⁸

SDGS		RECOMMENDATIONS	BENEFICIARIES	EST. BUDGET (US\$)
 6 CLEAN WATER AND SANITATION	 11 SUSTAINABLE CITIES AND COMMUNITIES	Develop public awareness campaign to address the proper disposal of medical waste resulting from the pandemic (masks, single use plastic, etc.) as well as the stress placed on natural resources such as water)	General Public	\$20,000.00
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION		Conduct assessment of the potential to transition to a green economy with a view to creating new sustainable livelihoods/employment	General Public	\$90,000.00
 14 LIFE BELOW WATER	 15 LIFE ON LAND	Update the GSDS and include Blue economic growth strategy/ develop a Blue Economy Master Plan.	General Public	\$60,000.00
 7 AFFORDABLE AND CLEAN ENERGY		Expand ITVET training related to Green Technologies installation and maintenance with a view to creating new jobs	General Public	\$60,000.00
		Develop an assessment and strategy to promote and access financing the implementation RE, EE and sustainable water use technologies in the MSME sectors with a view to reduce costs and carbon footprints	General Public	\$72,000.00
 3 GOOD HEALTH AND WELL-BEING		Develop and implement projects that build the resilience of the healthcare system including early warning systems and building on the climate smart hospitals Programme.	General public, Medical personnel	TBD
		Accelerate efforts to realise Universal Access to Health Care (develop a framework for the implementation of National Health Insurance Scheme, especially for the most vulnerable)	Vulnerable groups	TBD
		Collect data from public and private health care providers about engagement with patients during the pandemic considering the lessons learnt from the different operational modalities utilised.	General public, Medical personnel	\$60,000.00
		Building on the lessons learned from this pandemic, assess the gaps and needs of the Health Sector for the upgrade of infrastructure (technology and otherwise) for a resilience Health Sector.	GOB, General public, Medical personnel	\$72,000.00
		Develop, promote and implement programmes that promote healthy lifestyles	General public, Medical personnel	\$48,000.00
	Develop mental health support programmes targeting medical practitioners/first responders and the general public to help them to manage/cope with the stress of responding to the public health crisis.	General public, medical personnel, vulnerable groups	\$48,000.00	

⁵⁸ CSF 3 - Sustained or improved health of natural, environmental, historical and cultural assets. Horizon 2030 - The Bricks and the Mortar - Healthy Citizens and a Healthy Environment



6.0 Annexes

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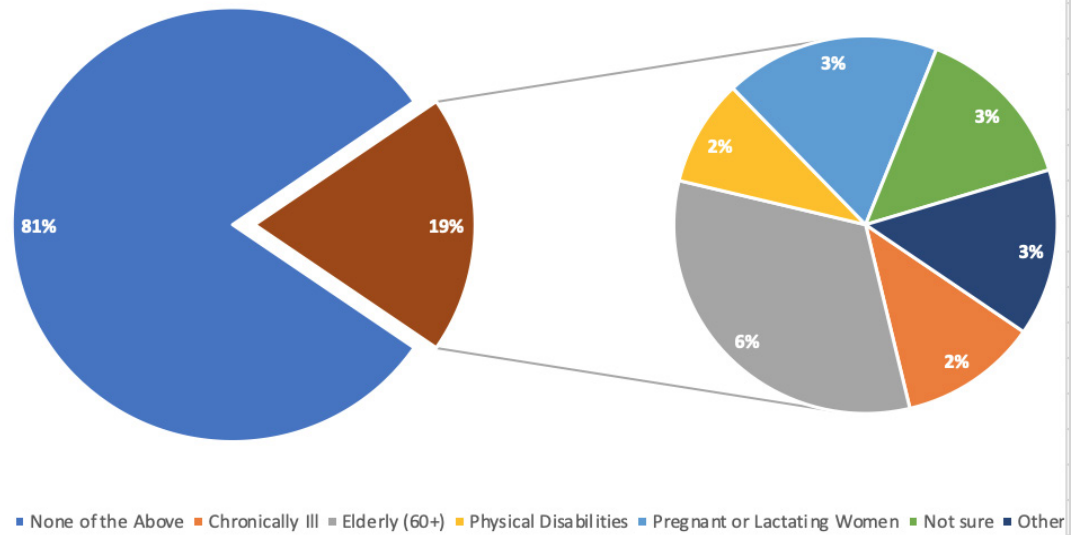
ANNEX 1: DEMOGRAPHIC PROFILE OF RESPONDENTS BY AGE, GENDER AND DISTRICT

	DISTRICT						TOTAL
	BELIZE	CAYO	COROZAL	ORANGE WALK	STANN CREEK	TOLEDO	
GENDER							
MALE	58	50	18	22	11	2	161
FEMALE	97	56	6	64	11	6	240
AGE GROUP							
18-24	16	13	5	11	1	1	47
25-34	51	44	7	29	12	1	144
35-44	47	21	7	31	4	5	115
45-54	24	13	2	9	2	0	50
55-64	10	12	0	5	0	1	28
65+	7	3	3	1	3	0	17

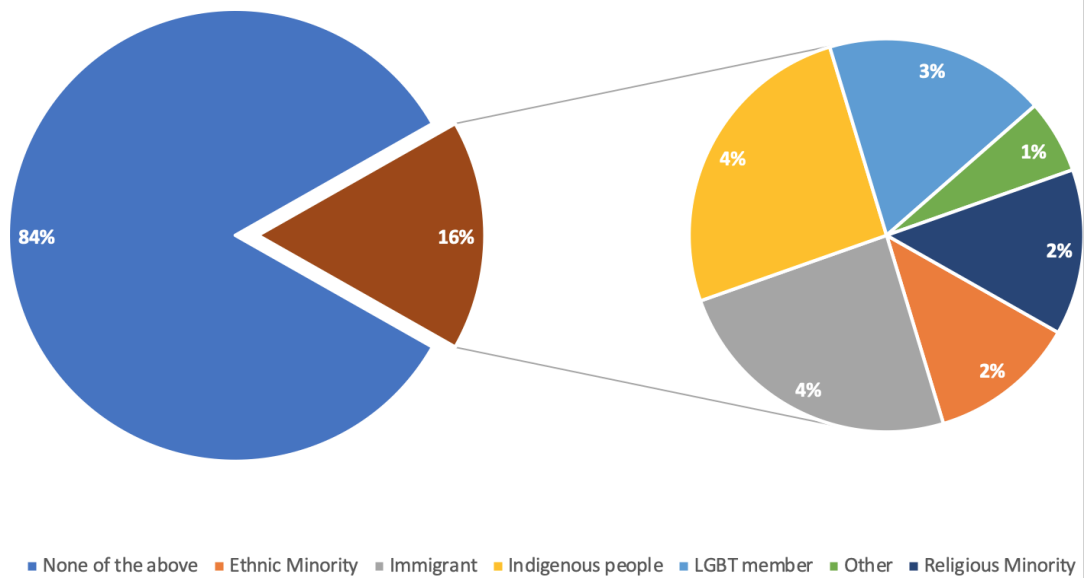
ANNEX 2: DEMOGRAPHIC PROFILE OF MINORITY AND VULNERABLE GROUPS BY GENDER AND DISTRICT

	MINORITY GROUPS					VULNERABLE GROUPS				
	ETHNIC MINORITY	IMMIGRANT	LGBT	INDIGENOUS PEOPLE	RELIGIOUS	CHRONICALLY ILL	ELDERLY	PREGNANT	DISABILITY	UNDERLYING CONDITIONS
GENDER										
MALE	5	7	11	8	0	5	13	n/a	4	78
FEMALE	3	9	1	9	9	4	12	14	3	118
AGE GROUP										
18-24	0	0	1	2	1	0	n/a	5	1	21
25-34	3	4	6	8	5	2	n/a	7	2	77
35-44	4	2	3	6	3	3	n/a	2	1	54
45-54	1	4	2	1	0	2	n/a	0	3	18
55-64	0	3	0	0	0	2	8	0	0	14
65+	0	3	0	0	0	0	17	0	0	12
DISTRICT										
BELIZE	2	7	3	4	4	3	9	4	3	75
CAYO	0	6	4	7	4	3	7	7	2	47
COROZAL	0	2	4	1	0	1	3	0	1	8
ORANGE WALK	1	0	0	1	1	2	2	3	1	49
STANN CREEK	1	1	1	2	0	0	3	0	0	12
TOLEDO	1	0	0	2	0	0	1	0	0	5

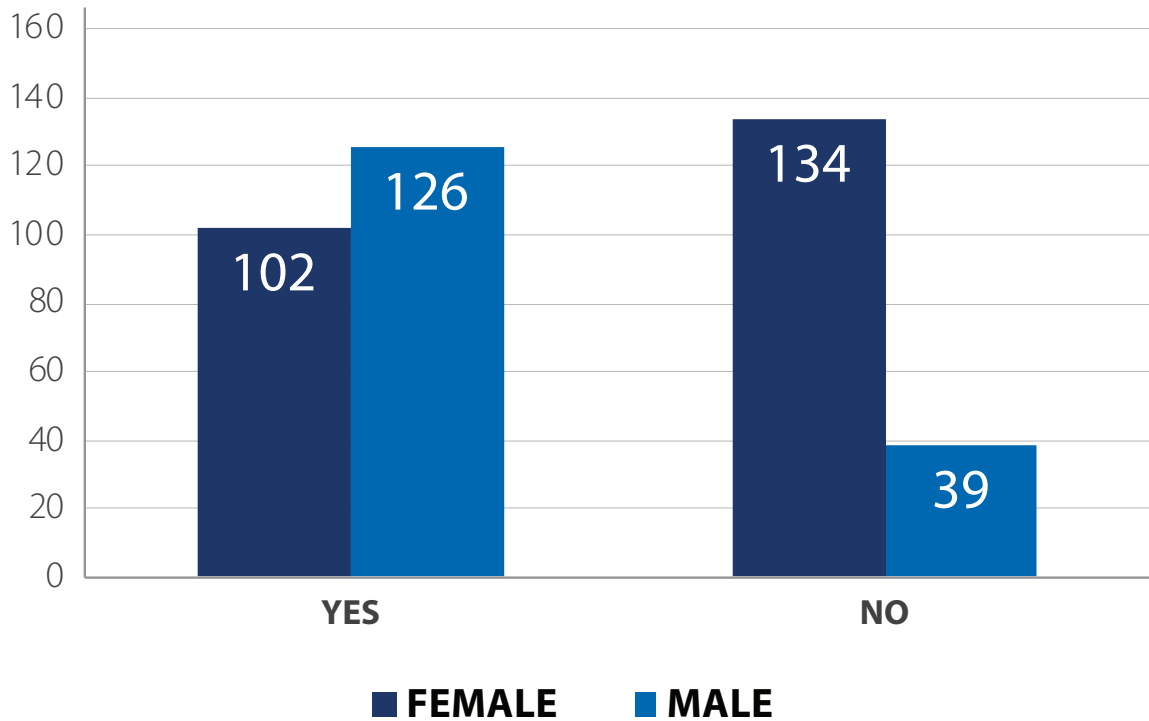
ANNEX 3: VULNERABLE GROUPS



ANNEX 4: MINORITY GROUPS



ANNEX 5: HEAD OF HOUSEHOLD



ANNEX 6: EMPLOYMENT STATUS BY INDUSTRY

