

Climate Finance Strategy of Belize 2021–2026



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National Climate Finance Strategy of Belize 2021–2026



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Acronyms and Abbreviations

AF	Adaptation Fund
ASAP	Adaptation for Smallholder Agriculture Programme
BEL	Belize Electricity Limited
BELTRAIDE	Belize Trade and Investment Development Service
BNCCC	Belize National Climate Change Committee
BSIF	Belize Social Investment Fund
BWS	Belize Water Services Limited
CABEI	Central American Bank for Economic Integration
CAEP	Climate Action Enhancement Package
CANARI	Caribbean Natural Resources Institute
CARICOM	Caribbean Community
CBB	Central Bank of Belize
CCCCC (5Cs)	Caribbean Community Climate Change Centre
CCFAH	Commonwealth Climate Finance Access Hub
CCRIF	formally Caribbean Catastrophe Risk Insurance Facility
CCRIF-SCP	Caribbean Catastrophe Risk Insurance Facility–Segregated Portfolio Company
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Agency
CDF	CARICOM Development Fund
CDM	Clean Development Mechanism
CELAC	Community of Latin American and Caribbean States
COP	Conference of Parties
CRAIC	Climate Risk Adaptation and Insurance in the Caribbean
CREF	Caribbean Renewable Energy Fund
DFC	Development Finance Corporation
DFI	development finance institutions
ECLAC	UN Economic Commission for the Latin America and the Caribbean
EIB	European Investment Bank

EU	European Union
EXIMB	Export-Import Bank (of China)
FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
GCF	Green Climate Fund
GEF	Global Environment Facility
GoB	Government of Belize
ICDF	International Cooperation and Development Fund (Taiwan)
ICF	International climate finance
IDBG	Inter-American Development Bank Group
IFAD	International Fund for Agricultural Development
INDC	Intended Nationally Determined Contributions
KFAED	Kuwait Fund for Arab Economic Development
MCII	Munich Climate Insurance Initiative
MDBs	Multilateral Development Banks
MFEDI	Ministry of Finance, Economic Development and Investment
MRV	measurement, reporting and verification
MSDCCDRM	Ministry of Sustainable Development, Climate Change and Disaster Risk Management
NASAP	National Adaptation Strategy and Action Plan
NCCO	National Climate Change Office
NCCPSAP	National Climate Change Policy, Strategy and Action Plan
NDA	national designated authority
NDC	Nationally Determined Contributions
OECD	Organisation for Economic Co-operation and Development
OFID	OPEC Fund for International Development
OPEC	Organization of the Petroleum Exporting Countries
PACT	Protected Area Conservation Trust
PSIP	public sector investment programme
RDBs	regional development banks
REDD	Reduction of Emissions from Deforestation and Degradation of Forests
SCCF	Special Climate Change Fund
SIB	Statistical Institute of Belize

SICA	Central American Integration System
SIDS	small island developing states
UAE	United Arab Emirates
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank
WMO	World Meteorological Organization

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the study. The background studies carried out under the Nationally Determined Contributions (NDC) updating process by Vivid Economics, private sector and multilateral development bank (MDB) related studies by the United Nations Framework Convention on Climate Change (UNFCCC) Regional Collaboration Centre for the Caribbean Region, the Finance Options Assessment carried out by the Rocky Mountain Institute and the Coastal and Wetland Investment Plan by the Pew Charitable Trust have been used and fed into the document. Their contributions in generating information, ideas and providing feedback and comments added high value to the study report.

This Climate Finance Strategy development process has been led by the Commonwealth National Climate Finance Advisor for Belize, Ranga Pallawala. He has been provided extensive support and technical expertise from other experts of the CCFAH from different corners of the world. Their technical inputs throughout the process from the design to the final strategy document have been phenomenal. The CCFAH operates in a 'hub and spoke model' allowing the mobilisation of a wider network of experts in its work. The contributions from the Commonwealth National Climate Finance Advisers namely, Kai Kim Chaing (Seychelles), Othniel Yila (Zambia), Martin Barriteau (Tonga), Sasha Jattansingh (Antigua and Barbuda), Katherine Cooke (Fiji), Phillip Weech (Bahamas) contributions to this strategy document are acknowledged. Overall Commonwealth NDC CAEP Programme Management has been carried out by Uzoamaka Nwamarah, Adviser, Climate Change of the Commonwealth Secretariat.

We are aware that there have been a large number of stakeholders engaged in and contributing to this study though their names are not specified. The CCFAH is truly grateful for all of your contributions, and we believe you all will continue to support the efforts of Belize in accessing climate investments.

Executive Summary

Access to adequate financial resources plays a critical role in defining the ambition level of Nationally Determined Contributions (NDC) as well as achieving the targets set under climate change priorities of developing countries. Belize, as a member of the Alliance of Small Island States (AOSIS) in the Caribbean region, has updated its NDC with a higher ambition level. It is estimated that the total cost of implementation of the updated NDC is **USD1,906** million for the period until 2030 while the currently unfinanced NDC implementation cost is **USD1,663** million (87.25 per cent). A locally appropriate Climate Finance Strategy is imperative for Belize to realise its climate change priority targets and actions.

This document is the **Climate Finance Strategy for Belize** which has been supported and developed under the Climate Action Enhancement Package (CAEP). The CAEP is led by the NDC Partnership along with several other partners providing technical assistance to Belize to update its NDC. It encompasses several interlinked sub-elements including a Climate Finance Strategy, climate finance options report, studies on mobilising private sector finance and MDB finance, etc. to facilitate the implementation of the updated NDC. The Commonwealth Climate Finance Access Hub (CCFAH) of the Commonwealth Secretariat has led the component of developing this strategy, which is aiming at providing a strategic framework within which the financial resources from different sources and channels can be used to address the climate change issues of the country.

The Climate Finance Strategy has been developed based on the Climate Finance Landscape Study completed by the CCFAH under the CAEP. The strategy development process has been done focusing on capitalising on the strengths identified and addressing the areas to be improved as identified in the climate finance landscape study. It has also linked to the other key outputs generated along with the NDC updating process of Belize including the Resource Requirement Report, The NDC Implementation Plan, Climate Finance Options Report, Study on using Investments from the Private Sector and Multilateral Development Banks (MDBs) to leverage climate finance, etc. The

views from the key stakeholders and development partners engaged in climate finance work in Belize have also been obtained.

The strategy is proposed for a five-year period from 2021 to 2026 overlapping with the NDC updating cycle. It is aiming at the overall goal of **adequate climate finance being accessed effectively, contributing towards enhanced climate resilience and climate change mitigation actions of Belize**. There are three specific objectives of the strategy as below.

1. To provide an integrated and strategic approach to access resources required towards enhancing climate resilience and climate change mitigation of Belize for 2021–2026.
2. To enhance national capacities to mobilise and utilise resources required for priority climate actions of Belize.
3. To maximise synergies with other sectoral development plans and sustainable development co-benefits of climate investments.

The proposed Climate Finance Strategy has been guided by five principles. Twelve strategic directions constitute the building blocks of the strategy. The strategic directions are categorised into two groups, viz:

- **Cross-cutting strategic directions** will contribute to creating an enabling environment for access and utilisation of adequate finance in a more effective and predictable manner.
- **Core strategic directions** will provide direct strategic guidance towards accessing climate finance from appropriate sources and channels.

The strategy has five **cross-cutting strategic directions**.

1. Enhancing national capacities to mobilise and access climate finance.
2. Rolling out an overarching inclusion framework.
3. Building wider partnerships and alliances to access climate finance.

4. Integrated programming for a project/ concept pipeline.
5. Putting in place a comprehensive measurement, reporting and verification (MRV) system to track climate finance flows and utilisation.

The strategy has seven **core strategic directions**.

1. Priority financing for climate change adaptation and resilience building.
2. Leveraging international climate finance with MDB and private sector investments.
3. Promoting private sector investments in climate actions.
4. Enhancing carbon assets-based financing and participation in market mechanisms.
5. Climate proofing of development investments.

6. Co-ordinated risk financing mechanism.
7. Exploring non-conventional climate financing strategies.

The strategic directions have a significant level of interlinkages and synergies. The document has also provided a list of key short and medium-term actions under each strategic direction with an indicative plan of actions. It is recommended that the Government of Belize keep this finance strategy as a live document with a mid-term review to see the progress against the objectives and the key actions while updating the strategy every three years on a rolling basis. It is also recommended to develop a detailed action plan to implement the strategy in collaboration with all the relevant institutions and partners, building on the indicative plan of action.

Chapter 1. Introduction

Belize is a small developing state situated in the central American region. It is a member of the Caribbean Community (CARICOM) and a member of small island developing states (SIDS). Belize is recognised as a highly vulnerable country to the current and negative projected impacts of climate change. Warmer temperatures, increased drought risk, increased flood risk (intense rainfall and storm surge), increased storm risk (more intense rains and stronger winds), higher sea levels, etc. have been forecast as the most significant climate change impacts. Among small states, Belize ranks third at risk from natural disasters and fifth at risk from climate change¹.

Belize, as a party to the Paris Agreement under the United National Framework Convention on Climate Change (UNFCCC), has committed to achieving the ambitious target of limiting the increase in global average temperature to 1.5°C. The first Nationally Determined Contributions (NDC) of Belize were officially submitted by Belize in April 2016 with the goals of strategically transiting towards low carbon development and strengthening resilience to the effects of climate change. Currently, the government is in the process of updating its NDC. The government of Belize has used the existing frameworks, policies, projects and activities that provide adaptation, mitigation and sustainable development co-benefits to conceptualise its NDC.

Belize has a small economy of which the main sectors include tourism, agriculture, utilities and services which are highly reliant on natural resources and sensitive to climate change. Poverty reduction remains a major challenge in Belize while the population and major economic zones are in locations highly vulnerable to climate change. The country's critical infrastructures such as bridges, roads, drainage and public buildings are unable to cope with extreme climate-induced weather impacts and variability. With the climate change challenges, Belize requires a substantial scale of investments towards building climate resilience while continuing in low carbon development pathways.

In December 2018, the Belize National Climate Change Office formally requested support from the NDC Partnership to provide technical assistance for the updating of the country's NDC, including the development of an NDC Implementation Plan, a financing strategy and a measurement, reporting and verification (MRV) tool for actions set out in the NDC.

The NDC Partnership responded to accept this request and in 2019 included Belize under the Partnership's Climate Action Enhancement Package (CAEP). In addition to the Commonwealth Secretariat, the international partners providing technical assistance under the Belize CAEP support include:

- International Renewable Energy Agency (IRENA)
- NDC Partnership Support Unit
- Rocky Mountain Institute
- UN Environment Programme (UNEP) through the Climate Technology Collaboration Network (CTCN)
- UNFCCC Regional Collaboration Center in Grenada (with the Caribbean Climate Change MRV Hub)

In addition to these partners, organisations involved in the development and implementation of the NDC working alongside the CAEP activities include:

- United Nations Development Programme (UNDP)
- World Wildlife Fund (WWF)
- Pew Charitable Trusts
- Initiative for Climate Action Transparency (ICAT)

Technical assistance under the CAEP has included an assessment of policy targets, mapping of activities related to climate change, stakeholder engagement, modelling of greenhouse gas (GHG) impacts in different sectors, an analysis of technology options to achieve NDC targets and the development of financing and implementation strategies. CAEP has also recognised the importance of access to climate finance as an

1 International Monetary Fund (2016).

important facet in the overall climate strategies and plans. The CCFAH of the Commonwealth Secretariat completed a Climate Finance Landscape study for Belize under the CAEP that captured the climate investments including the sources, channels, instruments, sectors and trends of those investments for the period 2015–2019. This was the base document for the Climate Finance Strategy while other CAEP partners also contributed with climate finance-related in-depth studies. The UNFCCC facilitated two studies, namely *Potential Investments from the Private Sector for Climate Action in Belize* and *Strategies for Multilateral Development Banks to Support the Mobilization of Climate Finance in Belize*, while the Rocky Mountain Institute (RMI) completed a climate finance options study for Belize.

Climate Finance Strategy has been included as a component of the CAEP as one of the implementation tools that complement the NDC Implementation Plan. The CCFAH of the Commonwealth Secretariat is leading the component of developing this strategy which is aiming at providing a strategic framework within which the financial resources from different sources and channels can be used to address the climate change issues of the country. Figure 1 depicts the overall NDC updating process of Belize facilitated under the CAEP.

1.1 The Climate Finance Strategy document

The Climate Finance Strategy (2021–2026) is comprised of the strategic framework, actions and key actions towards mobilising financial resources to implement priority actions in Belize for the period 2021 to 2026. The strategy has been developed based on the findings of the Climate Finance

Landscape study which has been completed in parallel².

This section provides a background to the overall strategy and a brief description of the methodology adopted to develop it. The goal and the objectives of the strategy are aligned closely with the NDC of Belize. A description of the guiding principles adopted in the strategy development process is also given to clarify the overall framework of the strategy. The building blocks of the strategy are the 12 strategic directions. Each core and cross-cutting strategic direction is described with details including the interlinkages and synergies. For each strategic direction, a set of key actions has been proposed based on the suggestions from the stakeholders and the Climate Finance Landscape of Belize. The actions are classified into short-term actions which can be implemented as immediate steps within the first one to two years of the strategy and medium-term actions which can be implemented during the latter part of the strategy. An indicative plan of action with time frames is given for the proposed key actions. However, this plan of action must be detailed out with sub-activities and responsibilities. It is proposed to develop a detailed action plan as a continuous process while engaging with the stakeholders in implementing the short-term activities proposed in the strategy.

A monitoring and evaluation process is also recommended under the strategy including a mid-term review in 2024 while updating the strategy on a rolling basis.

2 The Commonwealth Secretariat (2021), *The Climate Finance Landscape of Belize 2015–2020*, study by the Commonwealth Climate Finance Access Hub (CCFAH), completed under the Climate Action Enhancement Package (CAEP) of the NDC Partnership (not yet published).

Chapter 2. Climate Finance Landscape

2.1 Climate finance needs of Belize

Along with the process of updating the NDC of Belize, a Resource Requirements Report for Belize's NDC has been developed by a team of consultants from Vivid Economics in collaboration with the NDC Partnership, under the Climate Action Enhancement Package (CAEP) Programme led by the NDC Partnership. According to this report, the finance required to achieve the updated NDC targets is estimated at **USD1,906 million** for 2030. A finance gap of **USD1,645 million** is estimated after accounting for the already mobilised resources. The summary of the resource requirement is given in Table 1.

2.2 Climate finance trends

The Climate Finance Landscape report tracked **BZD454,740,347** (USD227,370,179) equivalent

climate finance flows in Belize from various sources between 2015 and 2019. This in addition to **BZD1,198,418** (USD599,209) climate risk financing investments has been tracked under the Climate Finance Landscape report for the same period.

The Multilateral Development Banks (MDBs) are at the forefront in providing climate investments followed by the bilateral donors, as depicted in Figure 1. However, over 50 per cent of the tracked climate finance between 2015 and 2019 has been accessed as loans, while only 36 per cent has come as grants and the balance was received in the form of government counterpart finance.

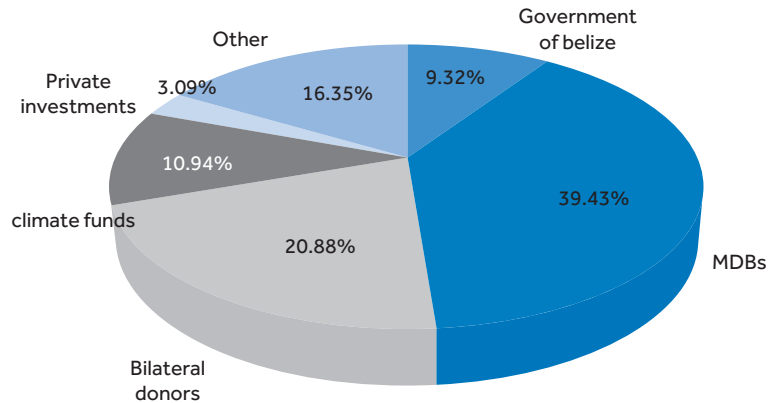
Infrastructure-related climate investments stand out among the investments in the other sectors as depicted in Figure 3. The energy sector has attracted the second most significant proportion of climate investments.

Table 1. Summary of estimated resources required up to 2030 to implement the NDC of Belize

Sector	Total cost estimate USD millions	Estimated funding gap USD millions
Mitigation actions		
Land use change and forestry	595	542
Agriculture	41	10
Energy	624	617
Waste management	327	317
Subtotal (mitigation)	1,588	1,487
Adaptation actions		
Coastal and marine resources	35	12
Agriculture	113	72
Water resources	25	11
Tourism	36	17
Fisheries and aquaculture	13	0.8
Human health	13	8
Land use, human settlements and infrastructure	83	38
Subtotal (adaptation)	318	158.8
Total	1,906	1,645.8

Source: Resource Requirements Report – The summary cost of Draft NDCs, Vivid Economics, November 2020.

Figure 1. Contributors for climate investments in Belize (2015–2019)



Source: Government of Belize (2019).

The Climate Finance Landscape report has identified several strengths, areas where improvements are required and challenges as far as climate finance is concerned.

2.3 Strengths in accessing climate finance

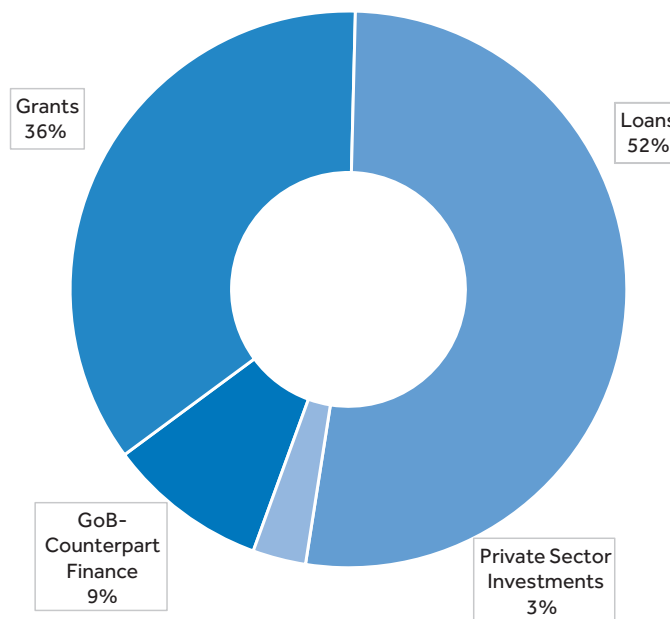
The Climate Finance Landscape assessment has recognised the following strengths of Belize in accessing climate finance.

Existing policy and institutional mechanisms

There is a high level of national commitment from Belize to plan and implement the priority

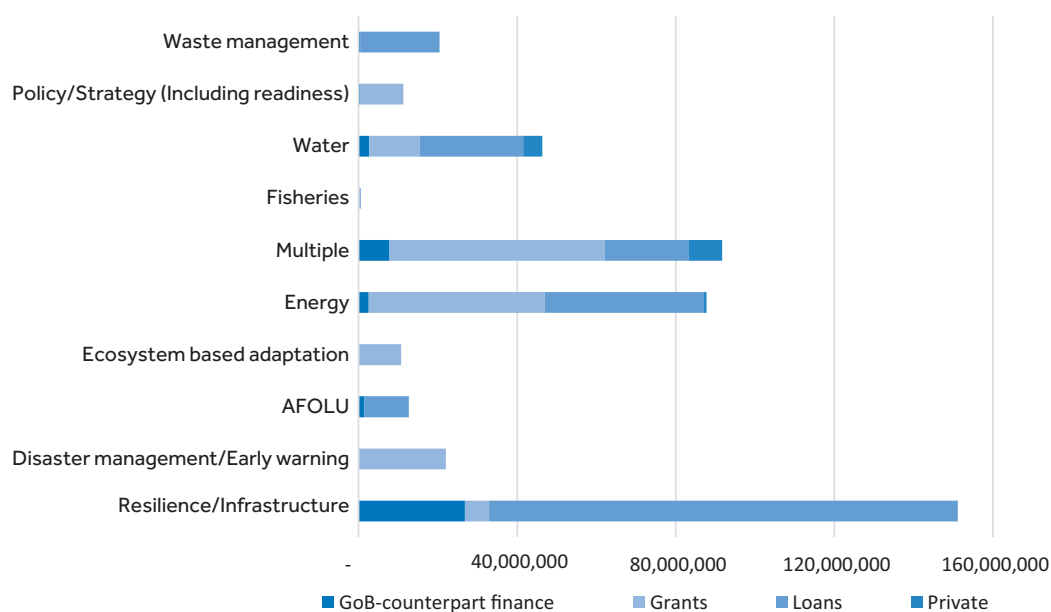
climate actions. A policy framework has been put in place supporting its climate actions and accessing climate finance. This is inclusive of the NDC of Belize, which is currently being updated, the National Climate Change Strategy and Action Plan, National Adaptation Plan (NAP) on the Water Sector, Draft National Strategy on Reducing Emissions from Deforestation and Degradation (REDD+), the National Solid Waste Management Policy (NSWMP), Green Climate Fund (GCF) Country Programme, Belize National Energy Policy Framework, etc. and provides a strong supportive policy context for Belize to use as a foundation to build this Climate Finance Strategy and an action plan.

Figure 2. Composition of climate investment according to the instruments (2015–2019)



Source: Government of Belize (2019).

Figure 3. Sector-wise climate finance allocation according to the instruments (2015–2019)



- The National Climate Change Policy, Strategy and Action Plan (NCCPSAP): 2015–2020 provided policy guidance for the development of an appropriate administrative and legislative framework, in harmony with other sectoral policies, for the pursuance of a low-carbon development path for Belize. In addition, the NCCPSAP also sought to encourage the development of the country's NDC and to communicate it to the UNFCCC.
- The NAP: A National Adaptation Strategy to Address Climate Change in the Agriculture Sector in Belize was finalised in 2015. This strategy has identified the climate vulnerabilities across the agriculture sector covering six crops, livestock and aquaculture. The relevant adaptation actions have been identified within the plan. Agriculture is a priority area within the updated NDC of Belize and therefore the NAP will be instrumental in achieving the agriculture sector NDC targets.
- Draft REDD+ Strategy: Belize is endowed with a rich forest resource that contributes significantly towards the climate actions of Belize. The Draft REDD+ strategy is the result of the readiness phase of REDD+ which provides an overall framework to tackle the drivers of deforestation and forest degradation. The strategic actions are highly correlated to the Agriculture, Forestry and Other Land Use (AFOLU) sector mitigation ambition of Belize.
- Green Climate Fund (GCF) Country Programme: GCF is one of the key dedicated climate funds that could play a significant role in the climate actions of the country. A Country Strategy Framework, including a Country Programme for engagement with the GCF finalised in 2019, outlines the main areas of focus in the short- and medium-term to access GCF finance strategically.
- The National Solid Waste Management Policy (NSWMP) (2015): This is the main public policy instrument regarding the management of solid waste (for example, municipal, industrial and hazardous types of waste, among others) for Belize. Its overall goal is to ensure that 'The system for managing solid wastes in Belize is financially and environmentally sustainable, and contributes to improved quality of life,' while also contributing to the promotion of sustainable development by preventing, reusing, recycling or recovering waste wherever feasible and beneficial. The measures outlined in the NSWMP will be implemented in accordance with the National Solid Waste Management Strategy and Implementation Plan which have also been prepared.

- The National Energy Policy Framework: This aims to provide options for Belize to pursue energy efficiency, sustainability and resilience over the next 30 years. Additionally, the Sustainable Energy Action Plan is a tool to achieve Belize's renewable energy and energy efficiency potential while meeting the government's economic, social and environmental goals. It provides a framework of actions and tasks to overcome barriers to sustainable energy for the period 2014–2030.

Apart from these policies and strategies, the recently established Ministry of Blue Economy and Civil Aviation is in the process of developing the Blue Economy Strategy and Action Plan, which will be completed in early 2022.

There are notable efforts to establish local institutional mechanisms to plan, implement and monitor the climate change initiatives in the country. The Ministry of Sustainable Development, Climate Change and Disaster Risk Management (MSDCCDRM) is the main ministry responsible for climate change-related initiatives in Belize. The Ministry of Finance, Economic Development and Investment (MFEDI) also play a vital role in climate finance as it acts as the National Designated Authority (NDA) for the Green Climate Fund (GCF) and the focal point for the Adaptation Fund. The National Climate Change Office (NCCO) is established within the MSDCCDRM.

The NCCO was established in 2014 as the Government of Belize's response to the climate crisis. As the secretariat for climate change, it has a three-fold mandate to communicate, co-ordinate and mainstream by mobilising climate change-related actions across the country.

Recognising climate change as a cross-cutting issue, the Belize National Climate Change Committee (BNCCC) was established in 2009 with the mandate to advise the government on two aspects as below.

1. Responsibilities and commitments under the UNFCCC.
2. Co-ordination and implementation of the National Climate Change Policy, Strategy and Action Plan (NCCPSAP) to ensure continued sustainable development in Belize.

The BNCCC is a multi-stakeholder committee made up of members at the CEO level from the ministries, representatives of civil society and academia. The MSDCCDRM chair the BNCCC and the MoFEDI acts as vice-chair; the NCCO acts as the BNCCC Secretariat and the operational arm. The BNCCC reports to the Cabinet through MSDCCDRM. As of June 2019, the BNCCC has not been fully operational and requires streamlining in its mandate and procedures. It formally has five sub-committees composed of technical experts, of which only three have been partly active:

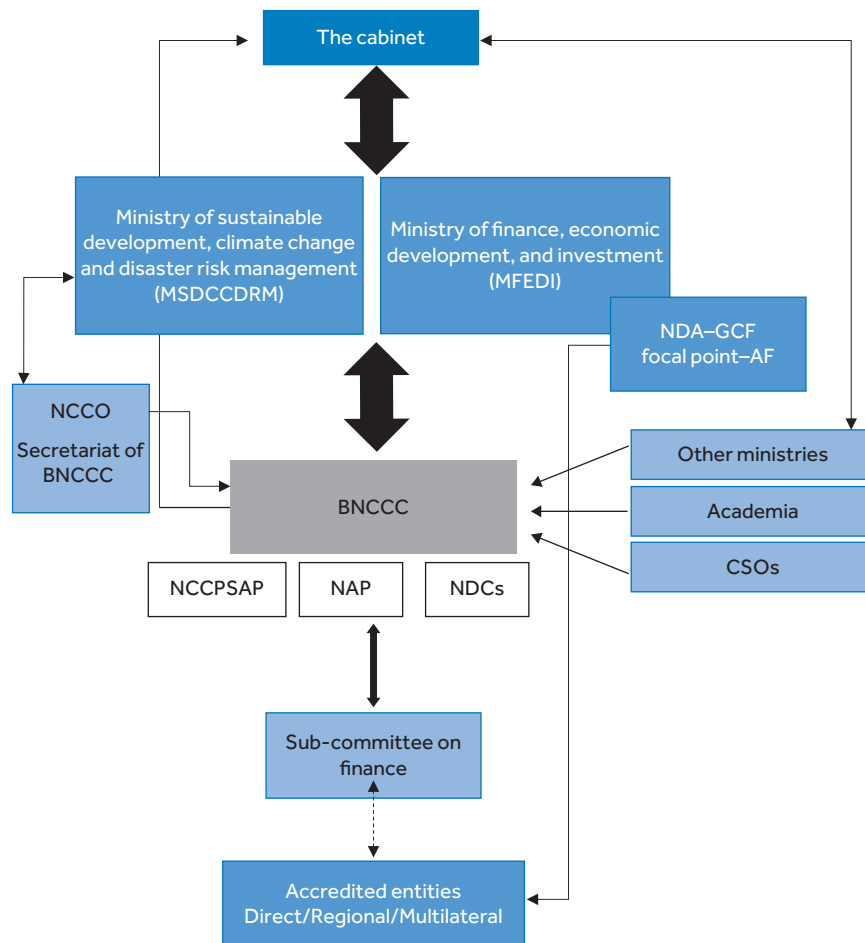
- Energy Efficiency and Public Education and Awareness
- Mitigation and Energy Planning
- Vulnerability Assessment and Adaptation
- Universal Access (not active)
- Industrial Policy (not active)

A detailed assessment of the climate finance-related institutional mechanism in Belize is given in the Climate Finance Landscape of Belize. This established institutional mechanism is a good starting point to support enhanced climate finance access. The presence of a national level accredited entity (Protected Area Conservation Trust [PACT]) under both the GCF and Adaptation Fund is also a strength for Belize as far as climate finance is concerned. Two more national entities, the Development Finance Corporation (DFC) and Belize Social Investment Fund (BSIF) are in the process of obtaining accreditation which will expand the national capacities to access climate finance.

Readiness supports

Seven GCF readiness support projects with a national focus are being implemented at the moment in Belize while there are several regional readiness supports, which is impressive progress to capitalise on the largest dedicated global climate fund. The readiness actions are spread across diverse sectors and climate financing priorities including private sector readiness, project preparation under different sectors and accreditation of more direct access entities. A summary of the GCF readiness and project preparatory actions in Belize is given in the Table 2.

Figure 4. Institutional arrangement of Belize for climate change and climate finance priorities



Apart from the GCF readiness projects, another readiness project on enhanced direct access under the Adaptation Fund is being developed. These readiness initiatives will reinforce the national capacities, as well as broaden the short- to medium-term access to climate finance of Belize.

International and regional collaborations

Belize has broad and strong international collaborations enabling them to access a wide spectrum of climate finance. The climate finance architecture diagram given in Figure 5 depicts the level of partnerships and alliances established by Belize to access climate finance. These collaborations with the UN and other intergovernmental organisations are also strengthening the opportunities for Belize to access more climate finance from diverse sources and channels.

Carbon assets of Belize

The potential for carbon asset-based financing is expanding internationally, especially with the declarations of net-zero targets by different countries. Belize is endowed with a broad forest cover as well as marine resources, making it a country with a strong carbon asset base. This is an opportunity for Belize to explore current and emerging carbon asset-based finances including result-based payments, blue bonds, etc.

Private sector investment incentives

The Government of Belize has recognised the importance of private sector investments in the country including climate finance. The Belize Trade and Investment Development Service (BELTRAIDE) has been established as a statutory body of the Government of Belize to facilitate

Table 2. Details of the GCF readiness and project preparatory actions approved for Belize

Title and Description of the Action	Action Type	Entity Name	Entity Type	Project Focus
<p>Transforming finance to unlock climate action in the Caribbean</p> <p>The programme aims to unlock the private sector investment needed to transform Caribbean productive sectors and energy systems by catalysing a transformation of finance. The programme will accomplish this by blending GCF and CDB resources to extend concessional lines of credit to development finance institutions (DFIs), who in turn will on-lend to Micro, Small and Medium Enterprises (MSMEs) and homeowners for climate action investments. The programme will simultaneously deliver technical assistance to facilitate programme lending and support the transformation toward climate-informed lending by Caribbean DFIs.</p>	Project preparation funding application (for a loan + grant project)	Caribbean Development Bank (CDB)	Regional	Regional
<p>Building the Adaptive Capacity of Sugar-cane Farmers in Northern Belize</p> <p>This action will allow for the design of an effective and efficient climate adaptation response. In addition to an evaluation of recommended climate-resilient agriculture practices and a cost-benefit analysis of the practices identified, it includes the identification of better agriculture farming technologies and practices that mitigate the effects of climate change, protecting environmental resources and increasing farmers' sustainability: it identifies the potential for implementing yield-increasing practices such as the introduction of soil moisture conservation practices to overcome water scarcity, solar pumps, crop and soil monitoring, improved fertiliser management and interaction of multiple precision agriculture practices. A cost-benefit analysis of said technologies and practices is expected for decision-making.</p>	Project preparation funding application (for a grant project)	Caribbean Community Climate Change Centre (CCCCC)	Regional	National

(Continued)

Table 2 (Continued). Details of the GCF readiness and project preparatory actions approved for Belize

Title and Description of the Action	Action Type	Entity Name	Entity Type	Project Focus
<p>Enhancing adaptation planning and increasing climate resilience in the coastal zone and fisheries sector of Belize</p> <p>This readiness action seeks to increase the resilience of the coastal zone and fisheries sector through improved climate data and information gathering, monitoring and dissemination, assessments of impacts of climate change on select communities, mainstreaming of climate change considerations into the relevant plans and policies and strengthening of coastal and fisheries communities' and organisations' communication networks for appropriate climate response.</p>	Readiness grant	Food and Agriculture Organization (FAO)	International	National
<p>Strategic frameworks support for Multi-hazard Early Warning Systems (MHEWS)</p> <p>This proposal seeks to provide support for improving regional and national level mechanisms and capacity for achieving climate resilience through advancing MHEWS. It aims to build resilience by helping national authorities and communities to prepare for the impact, and if needed, to evacuate vulnerable areas to prevent loss of property and life.</p>	Readiness grant	Caribbean Disaster Emergency Management Agency (CDEMA)	Regional	Regional
<p>Belize Development Finance Corporation Capacity Strengthening for Accreditation to the GCF</p> <p>The readiness grant provides technical support to strengthen the operational policies of the Development Finance Corporation (DFC) to enable compliance with GCF accreditation requirements. The project outputs will include the following:</p> <ul style="list-style-type: none"> • Investment Management Policy • Asset and Liability Committee • Environmental and Social Management System • Internal Audit Policy and Procedures • Procurement Policy and Procedures • Communication Policy 	Readiness grant	Caribbean Development Bank (CDB)	Regional	National

(Continued)

Table 2 (Continued). Details of the GCF readiness and project preparatory actions approved for Belize

Title and Description of the Action	Action Type	Entity Name	Entity Type	Project Focus
<p>Enhancing Caribbean Civil Society's Access and Readiness for Climate Finance:</p> <p>This project seeks to enhance civil society's capacity, including knowledge, skills and organisational structures, and the enabling external institutions to improve access to climate financing and delivery of climate change adaptation and mitigation in seven countries of the Caribbean, including Belize.</p>	Readiness grant	Caribbean Natural Resources Institute (CANARI)	Regional	Regional
<p>Capacity Building for GCF Readiness</p> <p>This readiness grant will build on the preliminary support being provided through Readiness 2, component 3, by giving post-accreditation support to PACT as the organisation seeks to meet the conditions of accreditation set by the GCF, establish its planning framework for engagement with the GCF, mobilise climate action among national stakeholders, and strengthen its capacity to identify, design and implement climate projects to meet GCF requirements.</p>	Readiness grant	Protected Areas Conservation Trust (PACT)	National	National
<p>Readiness to support the development of a Credit Risk Abatement Facility (CRAF) for the CARICOM States</p> <p>The Credit Risk Abatement Facility (CRAF) is an initiative being developed by the CARICOM Development Fund (CDF) in collaboration with the CARICOM Secretariat, the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) and other key implementing and strategic partners. This readiness request and resultant concept note seeks to further aid countries of the region to achieve their climate change priorities by strengthening SMEs' access to finance and encouraging the private sector to become a significant player as well as to provide different financing options.</p>	Readiness grant	CARICOM Development Fund	Regional	Regional
<p>Strategic frameworks' support for Belize through CDB</p> <p>This readiness intervention is designed to build awareness and to strengthen the capacity of the private sector to engage with the GCF.</p>	Readiness grant	Caribbean Development Bank (CDB)	Regional	National

(Continued)

Table 2 (Continued). Details of the GCF readiness and project preparatory actions approved for Belize

Title and Description of the Action	Action Type	Entity Name	Entity Type	Project Focus
<p>Strengthening the foundation for a climate-responsive agricultural sector in the Caribbean:</p> <p>This readiness action, targeting nine countries in the CARICOM sub-region including Belize, aims to raise the profile of the agricultural sector in GCF's climate financing prioritisation processes by increasing awareness of the sector's potential contribution to climate solutions, identifying promising practices and technologies to enhance resilience and quantifying its contribution to GHG reductions. This is viewed as a foundational part of an evidence-based and inter-sectoral strategy for developing and rebranding Caribbean agriculture as 'low-emissions', to enhance market opportunities and attract private sector investments.</p>	Readiness grant	Instituto Interamericano de Cooperación para la Agricultura	Regional	Regional

international private sector investments.

BELTRAIDE had a number of investment incentives declared for private sector investments for several industries covering the renewable energy and AFOLU sectors.

Since 1978, the Belize dollar has been pegged to the US dollar at a rate of BZD2 to USD1³ by the Central Bank of Belize while no limits have been imposed on repatriation of profits of dividends. These conditions are strong opportunities to build on and attract international private sector investments as the risk of exchange difference is eliminated.

2.4 Challenges in accessing climate finance

Though various strengths of Belize in accessing climate finance could be identified, the Climate Finance Landscape study found that there are also some challenges and bottlenecks. A summary of those challenges is as follows.

³ Understand the Belize dollar – <https://www.investopedia.com/terms/forex/bzd-belize-dollar.asp>.

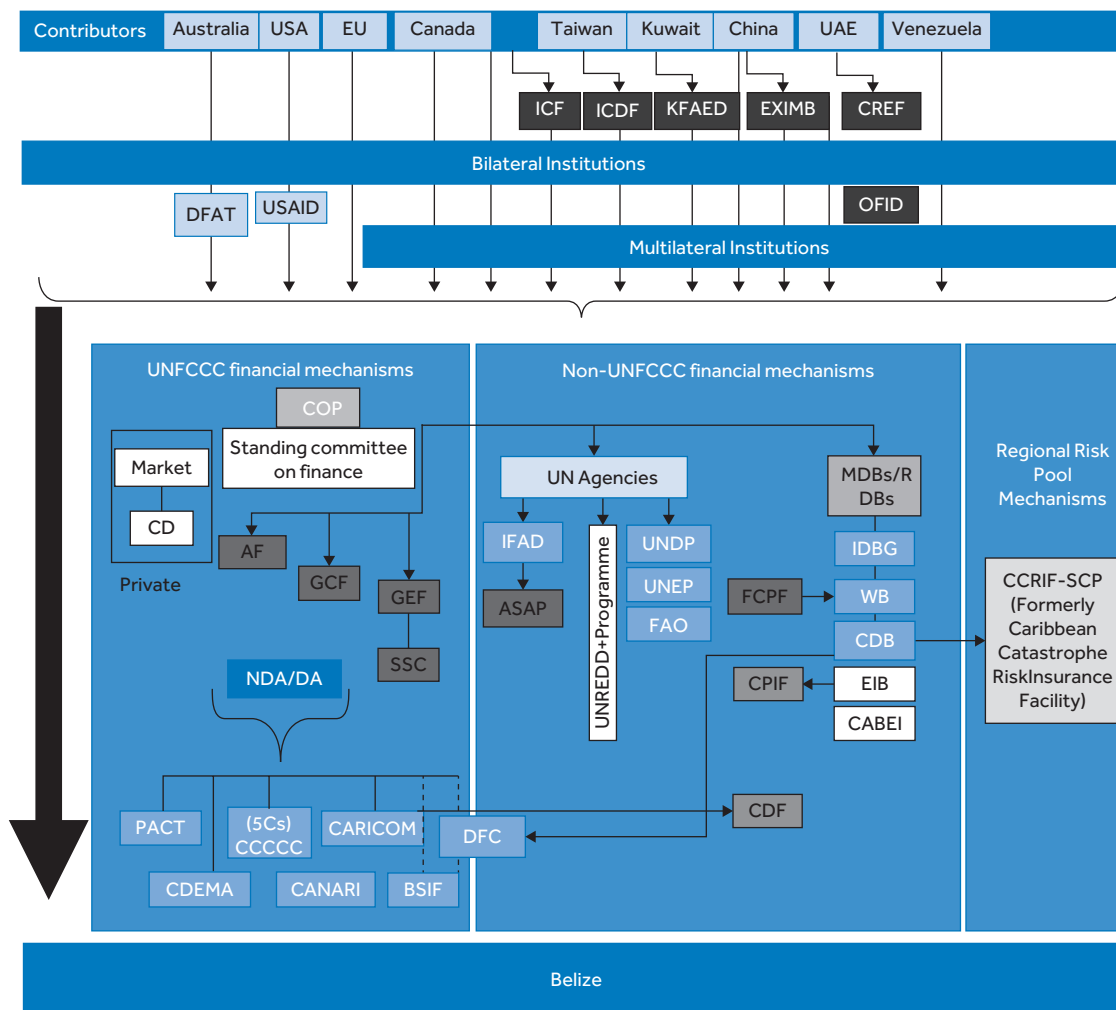
Domestic economic challenges

The economy of Belize has been hard hit continuously over two years from 2019 due to the drought and the COVID-19 pandemic. The public debt levels have surpassed 125 per cent of the GDP making the domestic economic situation very difficult. This situation could potentially reduce the overall capital investments by the government, including on climate actions. The economic status is also likely to discourage the private sector from investing in climate actions.

Co-financing challenges

The co-financing and counterpart contributions have become an important aspect among many of the donors and funds including the GCF. However, the above-mentioned domestic economic constraints have put additional pressure on the Government of Belize and other prospective national level partners to commit to co-financing. Particularly with the direct access entities, this has slowed down the drive to tap into exiting climate finance opportunities such as the GCF.

Figure 5. Climate finance architecture diagram of Belize



Institutional co-ordination

Though there are co-ordination mechanisms established at the national level, there has not been co-ordination of climate finance opportunities. Climate change is an issue affecting many sectors, and higher-level co-ordination is required to address climate change priorities including access to finance. The climate finance responsibilities are spread across many organisations in Belize. MFEDI, being the NDA, has been handling GCF- and AF-related projects but for other donors, especially climate change-related donors, the responsibility of project proposal development and submission responsibilities is vaguely distributed among many institutions. The absence of a designated central agency or a unit to co-ordinate among the stakeholders will act as a barrier to access climate finance opportunities. Currently, there are ongoing discussions within the government on co-ordinating efforts and having a unit on proposal development after recognising this.

Tracking of climate finance

Tracking of access and utilisation of climate finance is an important part of overall climate finance mobilisation. It enables the government and other stakeholders to make informed decisions regarding climate finance and investments with a deeper analysis of trends and distributions. Such a system or process is not available in Belize. The current PSIP database is inadequate to track climate finance flows, especially private sector climate investments, avoiding double counting and assessing the concessionality as it is focused only on the total project values rather than the detailed analysis.

Barriers to promoting private sector engagement

Though there are incentives to promote private sector investments, there are certain specific weaknesses within Belize that can potentially hinder climate finance access. Availability of low-

cost financing is imperative to mobilise domestic private investments but apart from rooftop solar PV and energy efficiency options, low-cost climate finance can be categorised as inadequate in Belize. Strengthening investor match-making options and one-stop-shops for green investment support are areas where Belize can step up further to facilitate more private sector climate investments. Lack of exit strategy options such as local share markets can potentially reduce international investment.

Local capacity gaps

In-country capacity, especially the experts and human resources required to mobilise climate finance, remains low in Belize. Apart from the

human resources necessary for developing climate change project proposals, the absence of an integrated strategic framework to access climate finance is also contributing towards lower capacity. To maximise the climate benefits through limited financing options and quantities, a well co-ordinated and integrated framework for climate finance is required. Currently, climate finances are accessed case-by-case using a reactive process. This must be transformed towards a more integrated and proactive process.

Training of in-country experts, establishing institutional co-ordination platforms, project pipeline development, etc. are important aspects in overcoming the capacity gaps.

Chapter 3. Overview of the Climate Finance Strategy

The Climate Finance Strategy of Belize aims to provide strategic directions to Belize on mobilising, accessing and utilising finance from different sources and channels in a strategic manner to address climate change challenges while maximising the synergies and co-benefits. The strategy is comprised of key strategic directions which have been crafted based on the current strengths and the opportunities while considering the weaknesses and threats.

Definition of climate finance

There is no nationally nor internationally agreed definition of 'climate finance'. In determining the amounts to be reported as climate finance, reporting entities rely on their operational definitions and differences can affect estimates of overall finance flows. A definition used by the OECD, MDBs and the International Development Finance Club is generally in accordance with that provided in the 2014 Biennial Assessment⁴ and *Overview of Climate Finance Flows* technical report⁵: 'Climate finance aims at reducing emissions and enhancing sinks of greenhouse gases and aims at reducing the vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts'. This strategy makes use of this working definition. It should be noted that Article 2, paragraph 1(c), of the Paris Agreement refers to finance flows that are 'consistent with', rather than aimed at, a pathway towards low-emission and climate-resilient development.

Recognising the importance of having a common and shared understanding of what is captured as climate finance within the context of Belize, it is proposed that there should be a consultation with the NCCO and other stakeholders to agree on a definition for climate finance. Below is the working

definition used for this Climate Finance Strategy and the Climate Finance Landscape of Belize:

The finance flows from domestic and international sources and channels, including public and private investments, that are channelled towards addressing the national climate change priorities of Belize.

The timeframe of the Strategy: It is proposed that the strategy covers the five-year period of 2021–2026, with a mid-term review to evaluate the progress against the goal, objectives and outputs defined under the strategic directions.

3.1 Goal and objectives

The Climate Finance Strategy is aiming to achieve the following goals and objectives.

Goal

Adequate climate finance is accessed effectively contributing towards enhanced climate resilience and climate change mitigation actions of Belize.

The Climate Finance Strategy aims to achieve three specific objectives as specified below.

Objectives

1. To provide an integrated and strategic approach to access resources required towards enhancing climate resilience and climate change mitigation of Belize for 2021–2026.
2. To enhance national capacities to mobilise and utilise resources required for priority climate actions of Belize.
3. To maximise synergies with other sectoral development plans and sustainable development co-benefits of climate investments.

⁴ See: https://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/2014_biennial_assessment_and_overview_of_climate_finance_flows_report_web.pdf.

⁵ See: <https://unfccc.int/topics/climate-finance/resources/biennial-assessment-of-climate-finance>.

Chapter 4. Methodology

The Climate Finance Strategy development has been carried out using a country-driven, participatory and consultative process. The process has been designed in consultation with the National Climate Change Office (NCCO). Both primary and secondary data and information has been used in developing the strategy. The main secondary data sources were the reports and deliverables generated under the NDC Updating process of Belize with the support of CAEP of NDC Partnership as mentioned in the table below. This includes reports such as the *Updated NDC of Belize (2021)*, the Resources Requirement Report of Belize's NDC, the *Rapid Situational Assessment Report of Belize* by the NDC Partnership and the *NDC Implementation Plan of Belize*.

The Country Programme of Belize for engagement with the Green Climate Fund (GCF), Potential Investments from the Private Sector for Climate Action in Belize (2021), the Study on the Potential Investments from the Private Sector for Climate Action in Belize and Strategies for Multilateral Development Banks to Support the Mobilization of Climate Finance in Belize (2021) were the other main secondary information sources in developing the strategy.

Meetings and discussions with the stakeholders have been used to obtain their views and expectations. Primary information collection has been done mainly through one-to-one discussions covering the key stakeholders with regard to climate finance. The climate finance partner co-ordination meetings and the Finance Mobilisation Task Force Meetings were also utilised to consult relevant stakeholders. A special webinar has been organised to explore more information on debt-for-climate swap as an innovative and a potential instrument to mobilise climate finance for Belize in June 2021. The list of stakeholders consulted to obtain primary information is given in Annex II.

The strategy has been developed mainly based on the findings of the Climate Finance Landscape study, carried out by the CCFAH. The current climate finance flows, trends, strengths and the bottlenecks of accessing climate finance have been identified in the Climate Finance Landscape study as summarised above.

Information on four areas relevant to climate finance access has been analysed in identifying the strategic directions and key actions, viz:

1. The strengths and challenges in accessing climate finance.
2. Climate finance opportunities.
3. Climate change priorities of Belize.
4. Resource requirement to implement the NDC of Belize.

The process and steps followed in the Climate Finance Strategy development are shown in the diagram below.

4.1 The guiding principles

The Climate Finance Strategy is steered by guiding principles that were agreed with the NCCO and other partners. These principles have been developed based on the views of the key partners engaged in the process. The guiding principles outline the universal and enduring guidance to the strategy.

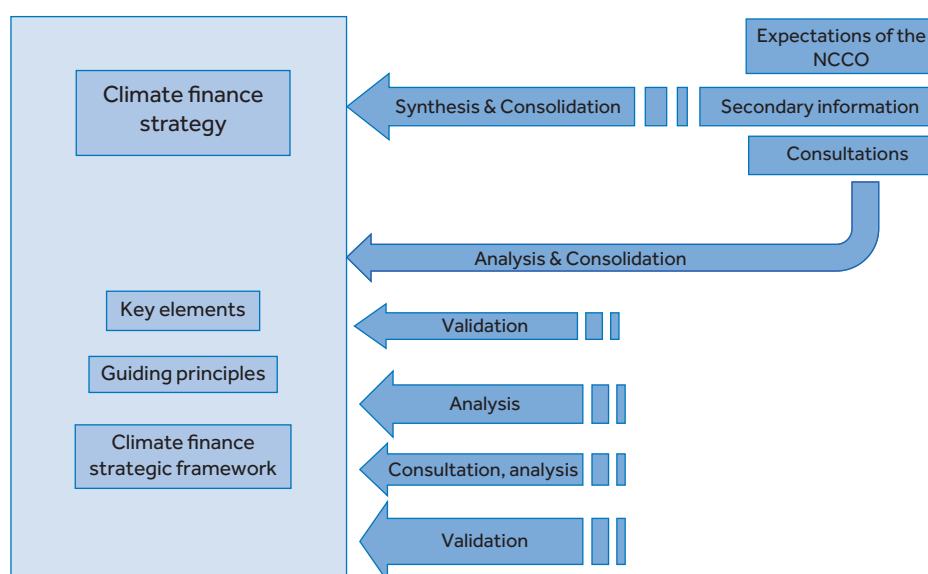
The proposed guiding principles for the Climate Finance Strategy are as follows;

1. *Meeting the national priorities:* Meeting the national priorities on climate change, economic, social and environmental aspects is one of the important aspects of the Climate Finance Strategy. The national climate change priorities are represented through the NDC. According to the updated NDC, the Government of Belize has prioritised four sectors to reduce the emissions viz: land use change and forestry, agriculture, energy and waste management as well as eight sectors in adaptation namely coastal & marine resources, agriculture, water, tourism, fisheries & aquaculture, human health, land use, human settlements and infrastructure. These priorities have interlinkages with other relevant strategy documents including the National Adaptation Strategy and the Action Plan, National REDD+ strategy, the Ministry of Blue Economy's Strategy and Action Plan (to be completed by March 2022), etc. The

Table 3. Details of the reports and deliverables generated under the NDC Updating process of Belize

Report	Description
Detailed Work Plan and Co-ordination Plan	A document outlining the preparation of the work plan and alignment of activities with the government, NDC Partnership Support Unit and relevant stakeholders, including co-ordination plan with other CAEP service providers.
Inception Workshop Report	The Inception Workshop aimed to introduce the NDC update plan, recognise and engage the relevant stakeholders, in particular including sectoral representatives, and collect primary data and information necessary to begin the NDC update.
Policy Landscape Report	This report assesses the climate policy landscape to inform the update of Belize's NDC. The research reviews key documents, including Belize's first NDC, policy and strategy documents relating to climate change, and relevant sectoral documents pertinent to the elaboration of the NDCs (mitigation and adaptation in energy, waste, water, coastal zone, industry, agriculture, forestry and transport), as well as previous analysis relevant for updating the NDC.
Consultation Plan and Stakeholder Engagement Report	The Consultation Plan outlines the different objectives and stakeholders of the contract execution, interview guides, data collection formularies, etc. The report summarises the methodology, process and content of the interviews. It also recommends the next steps for the NDC update and suggests priority activities for the NDC Implementation Plan.
Matrix of activities and gap analysis	Mapping of mitigation and adaptation projects and initiatives in Belize, and assessment of which activities have already been undertaken, gaps and initiatives to be concluded; to inform the NDC update and Implementation Plan: geographical location, timeline, implementing entity, funding source, source of the information, budget and expenditure to date (when available).
Priority action one-pagers	These one-pagers outline priority mitigation, adaptation and cross-cutting actions in Belize where activities have been identified through research and stakeholder engagement. For each target, the one-pagers outline the relevant project objectives, beneficiaries, expected results, gender impacts and resource requirements.
Rapid Situational Assessment (RSA)	The RSA provides background information on the areas of support for the updated NDC. It provides an analysis of the institutional arrangements, existing policies and regulations relevant for climate action, as well as financial structures and local capacities. The aim is to develop a shared understanding of the existing conditions in the country that enable or hinder climate action.
Resource Requirements Report	This report summarises the cost requirements for activities related to the delivery of targets included in Belize's updated NDC. It explains the funding that is already secured, as well as analyses the funding gap required to meet the target.
NDC document	The updated NDC document follows the latest UNFCCC guidelines, estimating the finance required, as well as staff time, expertise, technology and tools to fulfil all the set targets. Its content is based on all preparatory activities and deliverables outlined above, collecting inputs from the various stakeholders, national documents and supporting experts.
NDC Validation Workshop	The Validation Workshop aimed to present the updated NDC to the sectoral representatives and key stakeholders selected by the government with the purpose of consultation, preliminary prioritisation of NDC sectors and actions, intermediate validation of results and necessary information for the work.
NDC Implementation Plan	The plan specifies outcomes and outputs for each sector, as well as the performance indicators used to track progress against each target. It also provides the background information related to each outcome, such as the baseline situation in Belize, the funding, development and implementation partners.
<i>Aligning Financing Options with the Climate Financing Strategies for Belize</i>	The report was done by the Rocky Mountain Institute (RMI) and it highlights the options that support Belize's NDC.

Figure 6. Schematic depiction of the methodology in developing the Climate Finance Strategy



new contexts triggered by the COVID-19 pandemic have also been considered a national priority.

2. *Ambitious and futuristic vision for climate investments:* The NDC targets are set every five years as a rolling process. With the incremental impacts of climate change, the evolution of best available science, technology improvements and time lag in climate investments, the Climate Finance Strategy must also consider a broader horizon. While recognising the NDC as the short-term priorities, the climate investment plans must have a longer horizon accounting for projected climate scenarios and challenges. It is, therefore, recommended to consider the potential of transformational change towards sustainable development with a futuristic vision and a higher level of ambition in the Climate Finance Strategy.
3. *National and international policy coherence:* Belize has several national level developmental policies pertaining to different sectors. Further, as a party to the UNFCCC and the Paris Agreement, Belize has committed to international policies on climate change and sustainable development. The Climate Finance Strategy is developed coherently with those national and international policies and commitments which will be the basis for an integrated and multi-stakeholder process.
4. *Maximising synergies and co-benefits of sustainable development:* Climate change challenges are a part of sustainable development and therefore, climate finance must contribute towards the sustainable development processes of the country. Hence it is vital to ensure that climate investments are maximising synergies with the overall sustainable development process and generating sustainable development co-benefits in economic, social and economic aspects.
5. *The integrated and inclusive approach in climate finance:* Climate change challenges cannot be tackled through linear processes and by a single organisation. It requires higher-level co-ordination among multiple organisations and partners while integrating multiple processes. Appropriate engagement of government entities, private sector entities and civil society organisations, representing all the relevant sectors and tiers must be promoted through the Climate Finance Strategy. Therefore, an integrated approach must be adopted where sectors, actors and tiers are linked vertically and horizontally.
6. Respecting the global sustainable development principle of 'no one left behind', climate finance must ensure the inclusion of all groups in the process. Aspects such as gender, indigenous communities, youth and people with disabilities must be represented in a balanced way in the Climate Finance Strategy.

Chapter 5. Strategic Directions and Key Actions

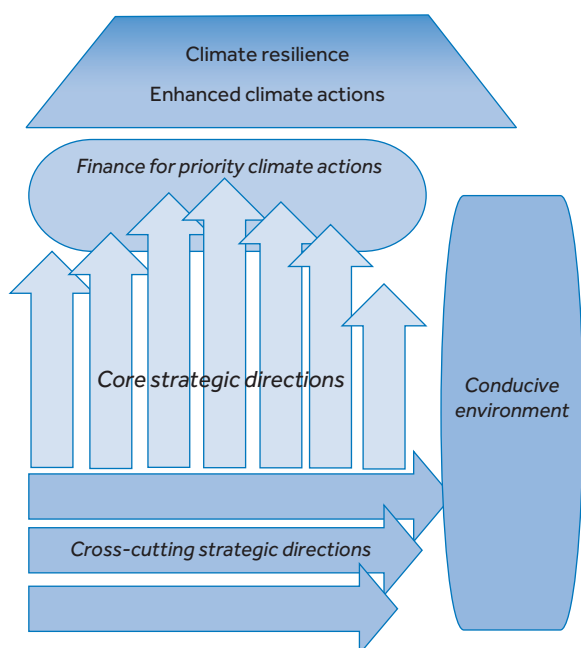
The Climate Finance Strategy of Belize is comprised of **12 strategic directions** which are the building blocks of the overall strategy. In a broader view, there are two categories of strategic directions viz: core strategic directions and cross-cutting strategic directions. The core strategic directions are focusing on driving the process to achieve the overall objectives. The cross-cutting strategic directions are aiming at instating and mainstreaming important elements that are imperative based on globally agreed principles. However, these strategic directions are not standalone elements. There are direct and indirect interlinkages among these strategic directions due to the integrated nature of the strategy. Therefore, the strategy can be implemented when the action plan is developed not only under individual strategic direction but an integrated action plan capturing the positive interlinkages among all the strategic directions.

However, the key priority actions have been recommended under each strategic direction. The

actions are categorised into three, viz: short-term, short-medium term, medium term. The short-term actions are more immediate actions to be taken within the first one to two years of the strategy whereas the medium-term actions are to be initiated during the third to the fifth year. There are few short-medium term actions proposed under each strategic direction which are proposed to implement during the second and third year of the strategy. Some of the medium-term actions are leading towards long-term strategies which will be in line with the future NDC updating processes.

Figure 7 shows the framework of the Climate Finance Strategy including the arrangement of strategic directions and the objectives. This section of the Climate Finance Strategy document will elaborate on each strategic direction and high potential key actions under these strategic directions.

Figure 7. The framework of the Climate Finance Strategy

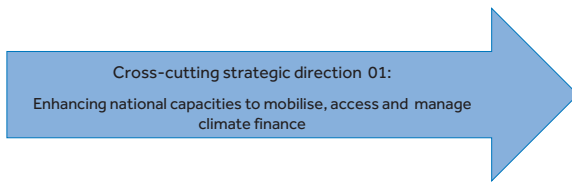


5.1 Cross-cutting strategic directions

There are five strategic directions that can be considered as cross-cutting strategic directions which will consider broader prerequisites for mobilising, accessing and utilising climate finance in a predictable and adequate manner. These strategic directions will have mid-term and long-term benefits and impacts on Belize as far as climate finance access is concerned.

The Climate Finance Strategy is comprised of five cross-cutting strategic directions:

1. Enhancing national capacities to mobilise, access and manage climate finance.
2. Rolling out an overarching inclusion framework.
3. Building wider partnerships and alliances to access climate finance.
4. Integrated programming for a project/ concept pipeline.
5. Establishing a comprehensive MRV system to track climate finance flows and utilisation.



Country capacity is an imperative aspect in accessing climate finance in an effective and efficient manner. The current Climate Finance Landscape assessment suggests that Belize is relying heavily on international organisations and partners to access climate finance including proposal development. It is important to reduce this reliance gradually by developing national capacities on accessing climate finance and more broadly on climate change. Enhancing the overall knowledge levels on climate change across the sectors is an important aspect through which mainstreaming climate change and a more integrated approach are possible towards addressing climate change challenges. Apart from the knowledge and local expertise, appropriate institutional mechanisms that enhance the integration, co-ordination and maximising the synergies are also important. The NDC is providing an opportunity to the countries to consider climate change in a more holistic manner. Engagement and collaboration of institutions from all the relevant sectors and tiers are imperative in implementing NDC and mobilising finances. Therefore, establishing and strengthening appropriate institutional mechanisms is vital in accessing climate finance.

Under the current context, there is specific climate finance support such as GCF Readiness and Adaptation Fund Readiness. Belize can capitalise on these opportunities while also going beyond them and arranging capacity building in a more coherent and strategic manner.

Key proposed actions under Cross-cutting Strategic Direction 01:

Short term

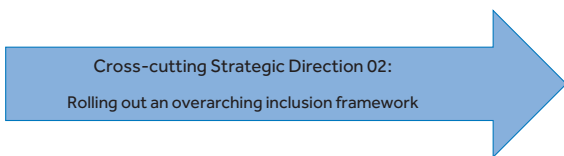
- Establishing an Integrated Project Development Unit to co-ordinate and facilitate climate change-related project development and acquiring expertise in climate finance access. The unit is expected to transform the project development process from donor-specific projects to integrated projects. The unit can work with donors and development partners to build
- capacities on urgent climate finance access including proposal development through on-the-job work. The Ministry of Sustainable Development, Climate Change and Disaster Risk Reduction and Ministry of Finance are discussing this matter under the BNCCC.
- Establishing a local portal with information on the climate finance opportunities including the climate funds. Making that information available for wider stakeholder groups such as the private sector, NGOs, etc. is important as currently there is no mechanism for sharing that information and stakeholders are seeking improved access to information on climate finance opportunities.
- Implementing hands-on training and mentoring programmes in partnership with international and regional development partners. These programmes can mainly target the proposed Integrated Project Development Unit and a pool of local experts. The Commonwealth Climate Finance Access Hub (CCFAH) is an example of already available support. Proposal development is one area to be tackled as a priority.
- Review and improve the current institutional co-ordination mechanisms including interagency co-ordination and collaboration platforms. The review is important to understand the areas where a higher level of co-ordination and missing links are identified. Private sector and CSO engagement is one such area to be considered, as further described under the Core Strategic Direction 02.
- Continuing the ongoing and planned readiness actions under main climate funds including GCF and Adaptation Fund. Those actions can enhance institutional capacities including establishing new direct access entities and training stakeholders in proposal development.
- Integrating national capacity-building components into the projects and proposals to fund the capacity-building activities. Project design, proposal development, climate finance management, reporting, etc. are the main capacity-building areas. Priority to be given to the sectors where the NDC financing gap is higher.

Short–medium term

- Identifying and supporting local entities to enhance capacities to access climate finance including capacity building of integrating climate change additionality aspects.
- Conducting regular climate finance knowledge sharing sessions for key stakeholders on the priority issues including specific donor/ funds proposal development, financing models, instruments, project designs, etc. This can be coupled with the programmes organised by the development partners and international organisations.

Medium term

- Carrying out a comprehensive capacity needs analysis and developing a countrywide capacity building plan. This plan can be used as a strategic framework to integrate capacity building aspects into climate actions.
- Capacity building of institutional mechanisms including systems, processes and procedures.
- Awareness creation across the sectors on options and context of climate finance, training of local experts, integrating capacity-building aspects into the project and programmes.

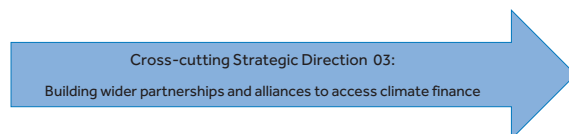


There is increasing attention on the climate risks and vulnerabilities of marginalised groups and communities. Gender, youth, people with disabilities, indigenous communities, etc. are now integrated into climate finance more than ever, including in programmes of the UNFCCC Financial Mechanism. One of the key demands from the donors and financiers of climate action is that inclusion must be a proactive process rather than a project-based reactive process. Inclusive approaches maximise the impacts of climate finance as the existing funding mechanisms intend to tackle deeply rooted structural inequities of vulnerable and marginalised groups. It is likely that a lack of proactive inclusion strategies can be a bottleneck in accessing climate finance as well as capitalising on the synergies with sustainable development. Therefore, rolling out a national level

framework for the inclusion of marginalised groups and communities into climate action will have a positive impact on accessing climate finance, including private sector investments. This has been widely accepted by the stakeholders and is therefore proposed as a cross-cutting strategic direction in the Climate Finance Strategy.

Key proposed actions under the Cross-cutting Strategic Direction 02:

- Establishing an inclusion related co-ordinating platform for relevant agencies including the ministries and partners (including the private sector) to design an inclusion framework for climate change and climate actions.
- Developing basic guidelines and frameworks on inclusion aspects covering gender, youth, indigenous community aspects, micro-small enterprises and others.
- Conducting the capacity building on climate change and inclusion aspects. The existing readiness programmes provide an opportunity to conduct these programmes.
- Developing and agreeing on national level inclusion guidelines for climate change project design. The project developers, especially those targeting GCF and AF.
- Facilitating exchanges of best practices on inclusion in partnership with international partners on designing and applying those into the project designs.



Addressing climate change challenges is not a task of the government or a single ministry or the private sector or Civil Society Organisations (CSOs), but all the stakeholders. The NDC Implementation Plan has identified the lead and supporting stakeholders to implement the plan. On the other hand, there are various climate finance options and sources that can be accessed by different partners and stakeholders such as international agencies, national agencies, CSOs, the private sector and financial institutions such as banks, etc. Therefore, integrated approaches by multistakeholder partnerships and alliances provide a strong basis for accessing more climate finance. Establishing

and strengthening engagement and collaborating multistakeholder platforms and alliances are recommended under this strategic direction. The partnerships and alliances can initially be project focused but can be transformed towards more proactive, broader programme level partnerships and alliances. This strategic direction has close interlinkages with strategic directions 01 and 04.

Key proposed actions under the Cross-cutting Strategic Direction 03:

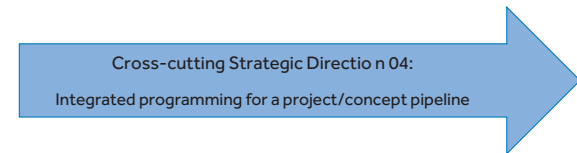
Short term

- Continuation of the Climate Finance Co-ordination platform meetings.
- Establishing a mechanism through BNCCC to facilitate the development partner engagement process including arriving at new partnerships and formalising those.
- Expand the mapping of current partner engagements carried out under the NDC Implementation Plan by including projected partnerships required for the next three years in accessing climate finance. This is to enable systematic project-pipeline development in a coherent manner.
- Creating a partnership engagement dashboard. This is to promote strategic engagement of development partners in accessing climate finance and to monitor the partnerships against the priority areas.
- Using the NDC Implementation Plan in negotiating with the Multilateral Development Banks in preparation of country engagement plans and programmes.
- Rolling out a series of programmes for the CSOs in Belize to be aware of the opportunities to contribute towards the NDC Implementation Plan.

Short-medium term

- Developing regional/multi-country projects through partnership and alliances, especially around readiness and project preparatory work under the major sectors where project pipeline is not covered.
- Organise the national climate change partner symposium and sector-wise partner events to bring partners onboard. This can be aligned with the NDC implementation process including the monitoring process.

- Periodic reviews of the partnerships and alliances. It is proposed to feed the review findings and recommendations to the proposed Integrated Project Development Unit.



Proactive climate finance mobilisation has many advantages and benefits over a process of reactive climate finance access. The initiatives such as NDC, GCF Programming, World Bank country programme, etc. have provided some opportunities to the countries to think of broader programming options but the transformation from single project development to integrated programming is yet to be completed. This strategic direction is to build on the current broader climate change programming efforts and roll out an integrated project and project concept pipeline and thereby put the country on a stronger footing to respond to opportunities in an integrated and efficient manner.

The bilateral partnerships are also playing a critical role in climate finance provision to Belize. Identifying the ideal potential bilateral partners and strengthening climate finance access through negotiations will enable to match their financing support with urgent and short-term needs.

This strategic direction has stronger interlinkages with the strategic directions of 01, 02, 03 and all the core strategic directions.

Key proposed actions under the Cross-cutting Strategic Direction 04:

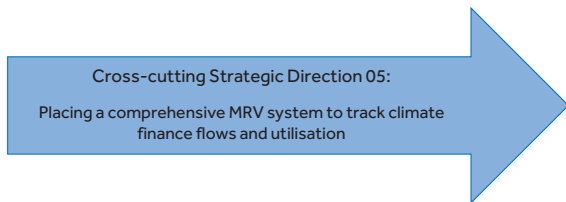
Short term

- Initiate the integrated project planning and designing work under the proposed Integrated Project Development Unit. The current project planning and designing practices are often targeted at a single donor and a single sector. Multi-donor and multi-stakeholder focused integrated projects are proposed to be strengthened through this initiative.
- Develop and maintain a repository of project ideas based on the climate change priorities described in the NDC, National Adaptation Strategy and Action Plan (NASAP), REDD+, SDGs, etc. This can be initiated with the already identified and prioritised project ideas through the NDC updating process.

- Categorising the project ideas based on key tagging systems including the sector, scale (budget requirements), type (enabling environment, piloting, scaling up, etc.), financing model (grants, loans, results-based, blended, etc.).
- Matching the project ideas with pre-identified financing options, investors and donors. The unit could start expanding the project ideas identified during the NDC updating process and matching them with the climate finance options report which was developed under the CAEP.
- Identifying and negotiating for bilateral support for urgent climate finance needs. The Climate Finance Landscape study has identified the main bilateral donors supporting Belize with climate investments.

Medium term

- Identifying possible partnerships, alliances, etc. for future proposal development.
- Updating the repository of project ideas and concepts for proposal development.



Cross-cutting Strategic Direction 05: Placing a comprehensive MRV system to track climate finance flows and utilisation MRV on climate finance is an important aspect for in-country decision-making as well as co-ordination. As a party to the UNFCCC and the Paris Agreement, Belize must meet some reporting requirements including the support received. An established national system for identifying and tracking climate finance can enhance the effectiveness, capacities, political buy-in and opportunities to access further financing opportunities as it increases the transparency and accountability of finance. It is important to make available all climate finance details in one place for better co-ordination. Processes and systems must be in place to collect data for analysis and retrieval. Work under this strategic direction will be built on the current initiatives of public sector investment programme (PSIP) reporting under the Policy and

Planning Unit (PPU) of the Ministry of Finance, Economic Development and Investment and the GCF Readiness support project in Belize.

Key proposed actions under the Cross-cutting Strategic Direction 05:

Short term

- Conducting consultations with key stakeholders to identify the synergies, elements, options of the Climate Finance MRV system into the existing PSIP.
- Exploring global and regional experiences of other countries with Climate Finance MRV systems, for example Antigua and Barbuda, Climate Finance MRV toolkit developed by the Commonwealth under CAEP for Zambia, etc.
- Initiating the building of a database based on the current project portfolio. This is proposed to be an extension to the database development proposed under partnership development.

Medium term

- Establishing a co-ordinated system to share climate finance-related information and effective reporting especially with the private sector, financing institutions, CSOs and local governments. This should be made in line with internationally accepted requirements of climate finance parameters.
- Identifying the synergies of an MRV system with the capacity enhancement of the key stakeholders. Along with the establishing internal capacity of accessing climate finance, systems to track and recording climate investments can be developed, introduced and strengthened. This is an important aspect, especially with the private sector, local governments and NGOs.
- Establishing the MRV system at a central location (preferably under the NCCO) and information sharing systems.
- Establishing a periodic monitoring and evaluation of climate finance access, flows and mobilising capacities of Belize. It is proposed to establish a system of quarterly climate finance access monitoring reports to be shared with the sub-committee on climate finance under the BNCCC. An evaluation

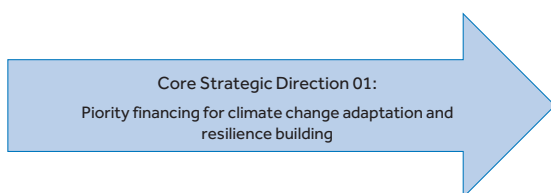
is proposed for 2023 and outcomes are to be fed into the overall climate finance strategising process.

5.2 Core strategic directions

The core strategic directions of the Climate Finance Strategy are contributing to building on the cross-cutting strategic directions and therefore have close and direct interlinkages with those. Core strategic directions will provide direct strategic guidance towards accessing climate finance from appropriate sources and channels. These directions have been designed based on the current context and the landscape of climate finance.

The Climate Finance Strategy is comprised of five cross-cutting strategic directions.

1. Priority financing for climate change adaptation and resilience building.
2. Leveraging international climate finance with MDB and private sector investments.
3. Promoting private sector investments in climate actions.
4. Enhancing carbon assets-based financing and participation in market mechanisms.
5. Climate proofing of development investments.
6. Establishing a co-ordinated risk financing mechanism.
7. Exploring non-conventional climate financing strategies.



Belize is a small developing state with a negligible emission profile within the global emission portfolio but is highly vulnerable to adverse impacts of climate change. The negative impact on the economy of the country and the lives and livelihoods of communities is high. Therefore, climate change adaptation is given higher priority than mitigation within the overall climate actions of the country. Climate finance requirements for adaptation actions are given a priority within the overall Climate Finance Strategy.

Key proposed actions under the Core Strategic Direction 01:

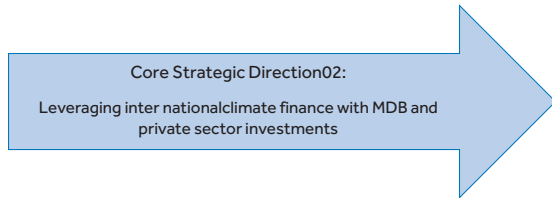
Short term

- Developing project concept pipeline for priority adaptation actions (with close alignment with Cross-cutting Strategic Direction 01 & 04). The updated NDC and NDC Implementation Plan has already identified the adaptation project ideas which will be converted into concept notes. The priority must be given to the sectors of fisheries & aquaculture, agriculture, water and human health as there are already developed concept notes/project idea notes in the other adaptation sectors.
- Identify the most relevant financing options, channels, and donors for the priority climate change adaptation actions. In the NDC Implementation Plan, there are identified financing options for some sectors such as climate-smart agriculture; while some are covered under the GCF Readiness supports, it needs to be extended to other adaptation sectors.
- Prioritising the bilateral donors and negotiating to obtain support for adaptation actions. This is proposed as an action to mobilise finance rapidly, considering the longer lead time in accessing finance through other sources, such as dedicated climate funds. Historically Japan, Canada and Taiwan have been providing bilateral climate investments on adaptation actions.
- Issuance of Belize Blue Bond (proposed in detail in the technical study on MDB climate financing for Belize) by the Ministry of Blue Economy. The blue bond issuance process has already been initiated in Belize and it provides an opening to mobilise finances for adaptation actions where finance options are limited.

Medium term

- Developing adaptation project ideas for the priority areas where the blended finance options (not limited to grants) are feasible. This is important for enhancing finances for adaptation actions going beyond the grant instruments.

- Aligning priority adaptation actions with the priority development actions including infrastructure development where climate change adaptation co-benefits are maximised.



The overall developmental finance landscape shows that the largest financiers of Belize are the Multilateral Development Banks (MDBs) including the World Bank, Caribbean Development Bank (CDB) and Inter-American Development Bank. Aligning significant MDB investments with climate change priorities as co-financing will leverage international climate finance. Aligning the MDB country programmes with climate action programming will enable the options of using it as co-financing or developing partnership climate change projects especially for the funds such as the GCF. This strategic direction also has high potential to capitalise on sustainable development co-benefits of the country. Many of the existing country strategies of the main MDBs are expired now and it is a good opportunity to incorporate the NDCs.

Key proposed actions under the Core Strategic Direction 02:

Short term

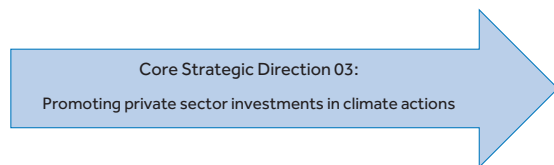
- Carry out an analysis of the main MDB country strategies for Belize, find the overlaps with the climate change priorities and develop project concepts with integrated financial designs. For example, GCF project with MDB co-financing. The updating of the country strategies of the main MDBs are to happen in the near future and it an opportunity to strengthen this aspect.
- Establishing and facilitating a co-ordination group of stakeholders (including the Ministry of Finance, Economic Development and Investments, Ministry of Sustainable Development, Climate Change and Disaster Risk Management and NCCO) through the BNCCC, to explore the potential of MDBs to leverage international climate finance. This can be a sub-group within the proposed

Project Development Unit and/or the Climate Finance Sub-committee of the BNCCC

- Increase the Government of Belize's capacity to collaborate with MDBs to influence the design of co-finance, blending and leveraging of CF to attract private investment. This capacity building is mainly on project design and proposal development.
- Designing GCF readiness and/or project development initiatives towards combined co-financing projects. The current GCF readiness project on private sector engagement is a potential springboard for this action.

Medium term

- Using and modifying domestic financial structures to improve in-country capacity for leveraging climate finance using MDB assistance, as proposed in detail in the technical study on MDB climate financing for Belize.
- Developing project concepts (selecting from the project idea repository) for potential project ideas for MDB and private sector leveraging.
- Updating the private sector engagement platforms (one-stop-shop marketing unit for climate change investments) under BELTRAIDE in aggregated information for the private sector to make investment decisions. This overlaps with some of the proposed actions of Core Strategic Direction 03.
- Active engagement of NCCO and other climate change-related departments and ministries in the process of developing country strategies of the MDBs.



Within the current climate finance trends and priorities, private sector investments are indispensable. Globally it is acceptable that public finance alone may not be able to fulfil total climate finance requirements to achieve the Paris Agreement targets and therefore, private sector engagement is vital as far as climate investments are concerned. Hence the private

sector investments must attach to a viable business model; it is important to proactively explore options available for the private sector with close alignment to the Cross-cutting Strategic Direction 02 of the Climate Finance Strategy. The mitigation priorities including the energy and waste sector work are clear investment options available for the private sector. However, other potential private sector investments must be explored for adaptation actions where blended finance options are increasingly becoming feasible rather than grant financing. Promoting local and Foreign Direct Investments (FDIs), Public-Private-Partnerships (PPPs), regional investment plans/projects are some of the channels of private sector investments that can be explored. Building on the current regional GCF readiness work, the private sector have the potential to utilise international concessional climate finance to design and implement products with reduced financing costs to mobilise domestic investments.

The Belize Trade and Investment Development Service (BELTRAIDE)⁶ is an already established institution specialising in attracting investments to Belize, and therefore the proposed private sector engagement actions can easily be led by BELTRAIDE in collaboration with the Chamber of Commerce.

Key proposed actions under the Core Strategic Direction 03:

Short term

- Carry out a mapping exercise on potential areas where there are possible private sector investments for climate action in the country. This can be built on the NDC Implementation Plan, the research study carried out on private sector engagement and the current GCF readiness action on private sector engagement.
- Map the private sector investment interests with domestic and international private sector actors. This mapping can be done based on the recent private sector interests captured by BELTRAIDE, the Chamber of Commerce and the financing institutions.
- Make the National Bank of Belize a climate bank champion, joining green bank networks for skill-sharing and sell a minority stake of the

bank to an international bank to strengthen its balance sheet and allow for skill and systems transfer (proposed in detail in the technical study on MDB climate financing for Belize).

- Establishing a private sector engagement platform on climate change-related issues in collaboration with local/international chambers, trade sector partners and investment institutions. The current climate change institutional arrangement in Belize does not recognise private sector representation and therefore such engagement is important.
- Encourage MSM scale businesses to network on climate change opportunities. Such activities can be developed via the DFC and credit union-type financial institutions and local municipalities. Sharing climate change-related knowledge and skills can be facilitated by the formation of either formal or informal local co-operatives which can pool resources to access finance and develop projects.
- Initiate a platform that communicates the climate investment opportunities with investors and equity funds for matchmaking purposes. This needs to be coupled with accessible aggregated information to the private sector on climate change, national plans, strategies, project ideas and finance requirements.

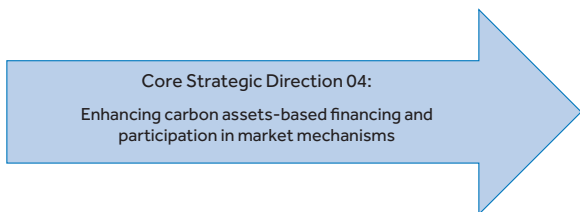
Medium term

- Develop a stock exchange in Belize to attract private capital, including climate-related investment (proposed in detail in the technical study on MDB climate financing for Belize).
- Facilitate investment forums targeting domestic and international private investors on climate change-related investment opportunities including blended finance models.
- Capacity-building among the climate change and environmental sector stakeholders on private sector investment mechanisms and blended finance options. This can be inclusive of international best practices.
- Awareness creation and capacity building among private sector actors on the climate change investment opportunities including

6 <https://www.beltraide.bz/>.

the new trade standards such as Carbon Border Adjustment mechanisms.

- Exploring the potential of initiating appropriate exit strategies for international investors. This may include the domestic share market, the policy framework for Build-Operate & Transfer (BOT), equity transfers, etc.



Belize is a country endowed with a bountiful ecosystem resource base including forests and mangroves. It is an opportunity for the country to enhance its carbon assets with a futuristic view where there is a potential to mobilise finances through carbon-based market mechanisms. Though Belize is a country that has a negligible contribution to global emissions, there is potential to generate revenues for activities with quantifiable carbon benefits, such as protecting and restoring forests and coastal wetlands, through both in-country or international emission trading mechanisms. There is growing international demand for carbon credits, and blended finance solutions hold potential as well. The activities would also generate important side-benefits – for example, protecting coastal wetlands would also support coastal resilience, climate adaptation, local livelihoods and biodiversity.

Options such as results-based payments, domestic off-setting systems, emissions trading are available. However, to engage in emissions trading under the Paris Agreement, the country must have a strategic approach on the issues such as appointing a carbon custodian for the country, level of carbon credits sold internationally, domestic policies on market mechanisms, etc. These issues must be resolved to create an enabling environment for potential market-based mechanisms.

Key proposed actions under the Core Strategic Direction 04:

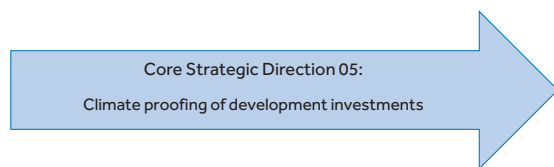
Short term

- Carry out a policy dialogue on market mechanism-related policies of Belize.

- Developing a market mechanism-related policy/legislation for Belize covering the segments to take into the international markets, carbon asset custodian, and carbon crediting approach. This should entail the position of the government on the voluntary carbon markets.
- Developing a broader blue carbon and forest carbon action plan based on the REDD+ strategy and the Implementation Plan of the Ministry of Blue Economy (in the pipeline) and the report on Coastal & Wetland Interventions (PEW Trust) of Belize.
- Exploring the potential for results-based payment options. The next stages of the REDD+ strategy of Belize will be the immediate option to expand.

Medium term

- Explore the potential of implementing market mechanisms in other sectors including energy and waste (carbon pricing instruments).
- Developing blended finance-based project concepts including carbon asset and market-based approaches.



Similar to other developing countries, Belize invests resources in development interventions including infrastructure. As a highly vulnerable country to climate-induced disasters, this infrastructure is also vulnerable. It is important to ensure that the investments made on infrastructure are climate proofed so that additional financing requirements to rebuild or renovate the affected infrastructure can be reduced. Such cost avoidance or savings can be considered as a part of the strategy. Climate safeguards of the projects and programmes financed under the 'national Climate Finance Strategy' will also be a part of this. This cost avoidance strategy through climate proofing can be implemented using various instruments including policies, guidelines, capacity building, insurance and standards. It can be considered as an asset-building process for the country.

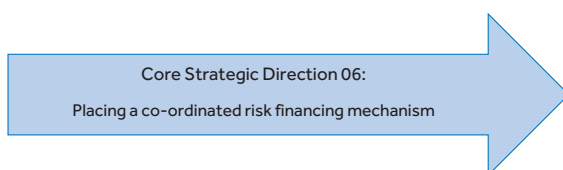
Key proposed actions under the Core Strategic Direction 05:

Short term

- Broader awareness creation on current and projected climate vulnerabilities and impacts among the key stakeholders engaged in infrastructure development including the roads, transport, building construction, energy and water sectors. The current National Climate Resilient Infrastructure Plan can be the basis to carry out this action.
- Identifying the vulnerable infrastructure, including that which is already established and planned.
- Initiate sector-wise awareness programmes including banking and insurance companies on climate-proofing of infrastructure (in line with the Cross-cutting Strategic Direction 01 on Capacity Building).

Medium term

- Developing national guidelines on climate proofing of different infrastructure.
- Review the infrastructure investment strategies of the financing sector and influencing to adopt new standards in line with Core Strategic Direction 03. The updating process of the National Climate Resilient Infrastructure Plan which is planned for 2023 can be the basis for this action



Belize is now facing more frequent and more intense climate-induced disasters such as floods and hurricanes. This brings about a new set of economic challenges to the country with enhanced vulnerabilities to the communities. It potentially has a higher-level resource requirement for response, rebuilding and rehabilitation efforts. One adaptation solution that is rapidly gaining the support of countries and international donors is a risk transfer to the global reinsurance and capital markets. Other risk financing mechanisms are also emerging globally. This proposed strategic direction is to have a co-ordinated risk financing mechanism to go hand-in-hand with climate change adaptation

and mitigation actions. Appropriate risk finance mechanisms have the potential to divert a significant proportion of resources required for conventional disaster management to finance climate action in the country. The work under this strategy will also enable the country to develop more integrated and comprehensive financing tools that can potentially contribute towards disaster risk reduction as well as climate change adaptation.

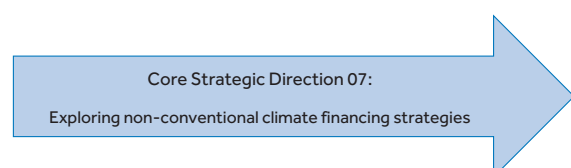
Key potential actions under the Core Strategic Direction 06:

Short term

- Rolling out the Climate Risk Adaptation and Insurance in the Caribbean Project (CRAIC II) in Belize. The project is planning on ex-post financing through the Livelihood Protection Plan (LPP).
- Identifying the potential other risk financing mechanisms available regionally and globally for Belize to partner.
- Establishing a system of providing climate change projections and impact forecasting for the financing institutions, including the risk financing instruments.

Medium term

- Explore insurance options and product development at the local market to de-risk private sector investments in climate change priorities. This must go hand-in-hand with the climate projections and impact forecasting.
- Capacity building of relevant stakeholders on designing, implementing, regulating and benefits of risk financing mechanisms.
- Developing strategies to identify 'best-suited strategies and financing instruments' to access disaster risk finance under different disaster risk scenarios.
- Establishing a partner engagement platform including the local private sector and partners in accessing disaster finance in a co-ordinated manner.



Due to the dynamic nature of climate change financing aspects and global economic challenges, the conventional climate finance scenario is likely to change. Therefore, exploring non-conventional climate finance options is imperative to ensure sustainable investments towards climate actions. Debt-for-Climate Swap is one such option explored in detail during the process of Climate Finance Strategy Development.

Key proposed actions under the Core Strategic Direction 07:

Short term

- Developing a strategy for Debt-for-Climate Swap, including exploring readiness support from GCF (proposed in detail in the technical study on MDB climate financing for Belize carried out by the UNFCCC).⁷
- Develop a Belize Green Bond, for example piggybacking on the ECLAC Debt-for-Climate Swap initiative (proposed in detail in the technical study on private investment in climate action for Belize and the Debt-for-Climate Swap webinar report)⁸.

- Targeting specialist equity funds and sector specialist companies, for example those identified in the technical study on MDB climate financing for Belize interested in investing in waste and renewable energy sectors.
- Promoting discussions at the national level on innovative financing options.
- Streamlining the blue bonds initiative of the Ministry of Finance and Ministry of Blue Economy.

Medium term

- Capacity building of national stakeholders and systems to explore as well as adopt innovative options.
- Working with UNECLAC Caribbean Resilience Fund initiative for debt-for-adaptation swaps.
- Exploring the options such as an advanced blended finance option design based on partnerships and alliances, debt-for-nature/ climate swap, green/blue bonds, etc.

7 https://unfccc.int/sites/default/files/resource/Belize_NBF_TechnicalReport1_Publication.pdf.

8 <https://thecommonwealth.org/sites/default/files/inline/Summary%20Report%20-%20Debt-for-Climate%20Swaps%20Webinar.pdf>.

Chapter 6. The Way Forward and Recommendations

The Climate Finance Strategy provides the overall guidance and the framework to organise and implement climate finance-related actions in Belize. An indicative plan of action is given in Annex I based on the identified key potential actions under each Strategic Direction. Based on the strategic actions, the following recommendations are made:

1. **Action Planning:** The key proposed actions under each Strategic Direction have been categorised into short and medium-term actions based on the timing of implementation within the period of 2021–2026. However, this plan of action is an indicative one and must be detailed out with relevant sub-activities and responsibilities. It is proposed to develop a detailed action plan as a continuous process with the stakeholders while implementing the short-term activities proposed in the strategy. This plan can be aligned with the NDC Implementation Plan. It is recommended to identify the potential immediate actions to be implemented and initiate the rolling-out of the strategy. The interlinkages and potential synergies among the strategic direction and actions must be considered in the detailed action plan.
2. **Aligning with NDC Implementation Process:** The NDC Implementation Plan is already prepared and ready to implement. The finance strategy is prepared as an implementation support tool and the rolling out of the strategy must be aligned. Many of the proposed actions under the strategy can easily be linked to the implementation and monitoring processes of NDC. It is proposed to review the status of finance access and the plans within the NDC monitoring process.
3. **Policy and Strategic Decisions:** There are two important policy level decisions associated with the proposed Climate Finance Strategy, viz: Establishing an Integrated Project Development Unit and deciding the policy stance on carbon markets/asset-based finance. These two policy actions are prerequisites for a number of strategic actions and therefore, it is recommended to initiate policy dialogues on these decisions as one of the first steps in implementing this strategy.
4. **Monitoring and Evaluation of the Strategy:** A regular monitoring process is also proposed within the strategy so that the BNCCC is regularly updated on the status and actions of climate finance access by Belize while fostering a project pipeline development. It is recommended to explore further options to streamline the rolling out of the strategy with the climate change institutional mechanism of Belize. The proposed strategy is for a period of five years from 2021. However, it is recommended to make the Climate Finance Strategy updates on a rolling basis. A review of the strategy is proposed in 2024 and the findings of the review are to be fed into a new five-year strategic plan. Aligning the strategy reviews with the NDC updating cycles will be beneficial to have pragmatic and ambitious targets in the future.

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Annex 1. Key actions under the strategic directions of the Climate Financing Strategy

Legend

	Short-term strategic actions (proposed to initiate within the first 1½ years of the strategy period)
	Short-medium term strategic actions (with overlaps with short & medium-term strategic actions)
	Medium-term strategic actions (proposed to initiate by the third year of the strategy period)

Strategic Direction	Key Actions					
		Yr.1	Yr.2	Yr.3	Yr.4	Yr.5
Cross-cutting Strategic Direction 01: Enhancing national capacities	Establishing an Integrated Project Development Unit to co-ordinate and facilitate climate change-related project development and acquiring expertise in climate finance access.					
	Establishing a local portal with information on the climate finance opportunities including the climate funds.					
	Implementing hands-on training and mentoring programmes in partnership with international and regional development partners.					
	Review and improve the current institutional co-ordination mechanisms.					
	Continuing the ongoing and planned readiness actions.					
	Integrating national capacity-building components into the projects and proposals to resource the capacity building plans.					
	Conducting regular climate finance knowledge-sharing sessions for the key stakeholders.					
	Identifying and supporting local entities to enhance capacities.					
	Capacity building of institutional mechanisms including systems, processes and procedures.					
	Carrying out a comprehensive capacity need analysis and developing a countrywide capacity building plan.					
Awareness creation and training of local experts across the sectors on options and context of climate finance.						

Strategic Direction	Key Actions					
		Yr.1	Yr.2	Yr.3	Yr.4	Yr.5
Cross-cutting Strategic Direction 02: Rolling out an overarching inclusion framework	Establishing a co-ordinating platform for relevant agencies.					
	Developing basic guidelines and frameworks on inclusion and capacity building.					
	Developing and agreeing on national level inclusion guidelines for climate change project design.					
	Conducting the capacity building on climate change and inclusion aspects. The existing readiness programmes provide an opportunity to conduct these programmes.					
	Facilitating best practice exchanges on inclusion in partnership with local and international partnership.					
Cross-cutting Strategic Direction 03: Building wider partnerships and alliances to access climate finance	Continuation of the Climate Finance Co-ordination platform meetings.					
	Establishing a mechanism to facilitate the development partner engagement.					
	Mapping the current and projected partner engagements for the next three years.					
	Multi-sector working groups establishments to identify the partnership requirements and demands.					
	Creating a partnership engagement dashboard.					
	Using the NDC Implementation Plan in negotiating with the Multilateral Development Banks in preparation of country engagement plans and programmes.					
	Rolling out a series of programmes for the CSOs in Belize to raise awareness of opportunities to contribute towards the NDC Implementation Plan.					
	Developing regional/multi-country projects through partnership and alliances.					
	Organise the national climate change partner symposium and sector-wise partner events to bring partners onboard.					
	Periodic reviews of the partnerships alliance.					

Strategic Direction	Key Actions	Yr.1	Yr.2	Yr.3	Yr.4	Yr.5
Cross-cutting Strategic Direction 04: Integrated programming for a project/concept pipeline	Initiating integrated project planning and designing under the Integrated Project Development Unit.					
	Develop and maintain a repository of project ideas based on the climate change priorities.					
	Categorising the project ideas based on a key tagging system based on the sector, scale (budget requirements), type (enabling environment, piloting, scaling up, etc.), financing model.					
	Matching the project ideas with pre-identified financing options, investors and donors.					
	Identify and negotiate for bilateral support for urgent climate finance needs.					
	Identifying possible partnerships, alliances, etc. for future proposal development.					
	Updating the repository of project ideas and concepts for proposal development.					
Cross-cutting Strategic Direction 05: Placing a comprehensive MRV system to track climate finance flows and utilisation	Conducting consultations with key stakeholders to identify the synergies, elements, options of the Climate Finance MRV system into the existing PSIP.					
	Exploring global and regional experiences of other countries on Climate Finance MRV systems.					
	Initiating the building of a database based on the current project base.					
	Establishing a co-ordinated system to share climate finance-related information and effective reporting. This should be made in line with requirements including climate finance parameters.					
	Identifying the synergies with capacity enhancement and partnership building for a climate finance tracking system with other entities including the private sector, local governments and NGOs.					
	Establishing the system at a central location (preferably under the NCCO) and information sharing systems.					
	Establishing aperiodic monitoring and evaluation of climate finance access of Belize.					

Strategic Direction	Key Actions					
		Yr.1	Yr.2	Yr.3	Yr.4	Yr.5
Core Strategic Direction 01: Priority financing for climate change adaptation and resilience building	Developing a project ideas pipeline for priority adaptation actions (with close alignment with Cross-cutting Strategic Directions 01 & 04).					
	Identify the most relevant financing options, channels and donors for the priority climate change adaptation actions.					
	Prioritising the bilateral donors and negotiating to obtain support for adaptation actions.					
	Developing adaptation project ideas for the priority areas where the blended finance options are feasible.					
	Issuance of Belize blue bond (proposed in detail in the technical study on MDB climate financing for Belize) by the Ministry of Blue Economy.					
	Aligning priority adaptation actions with the priority development actions including infrastructure development where climate change adaptation co-benefits are maximised.					

Core Strategic Direction 02: Leveraging international climate finance with MDB and private sector investments	Carry out an analysis of main MDB country strategies for Belize and find the overlaps with the climate change priorities and develop project concepts with integrated financial designs. For example, GCF project with MDB co-financing.					
	Establishing and facilitating a co-ordination group of stakeholders to explore the potential.					
	Increase the Government of Belize's capacity to collaborate with MDBs to influence the design of co-finance, blending and leveraging of CF to attract private investment.					
	Negotiating with the MDBs for climate finance leverage or partnership project development.					
	Developing project concepts (selecting from the project idea repository) for potential project ideas for leveraging.					
	Updating the private sector engagement platforms (one-stop-shop for investments) in aggregated information for the private sector to make investment decisions.					
	Active engagement of NCCO and other climate change-related departments and ministries in the process of developing country strategies of the MDBs.					

Strategic Direction	Key Actions					
		Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Core Strategic Direction 03: Promoting private sector investments in climate actions	Carry out a mapping exercise on potential areas where private sector investments are potential for climate action in the country.					
	Map the private sector investment interests with domestic and international private sector actors.					
	Make the National Bank of Belize a climate bank champion, joining green bank networks for skill-sharing and sell a minority stake of the bank to an international bank.					
	Establishing a private sector engagement platform on climate change-related issues in collaboration with local/international chambers, trade sector partners and investment institutions.					
	Encourage MSM-scale businesses to network on climate change opportunities. Such activities can be developed via the DFC and credit union type financial institutions and local municipalities.					
	Initiate a platform that communicates the climate investment opportunities with investors and equity funds for matchmaking purposes.					
	Facilitate investment forums targeting domestic and international private investors on climate change-related investment opportunities including blended finance models.					
	Capacity-building among the climate change and environmental sector stakeholders on private sector investment mechanisms and blended finance options.					
	Awareness creation and capacity building among private sector actors on the climate change investment opportunities including the new trade standards such as Carbon Border Adjustment mechanisms.					
	Exploring the potential of initiating appropriate exit strategies for international investors. This may include domestic share-market, the policy framework for Build-Operate & Transfer (BOT), equity transfers, etc.					

Strategic Direction	Key Actions					
		Yr.1	Yr.2	Yr.3	Yr.4	Yr.5
Core Strategic Direction 04: Enhancing carbon assets-based financing and participation in market mechanisms	Carry out a policy dialogue on market-mechanism related policies of Belize.					
	Developing a market-mechanism related policy for Belize covering the segments to take into the international markets, carbon asset custodian and carbon crediting approach.					
	Developing a broader blue carbon and forest carbon action plan based on the REDD+ strategy and the Implementation Plan of the Ministry of Blue Economy (in the pipeline) and report on Coastal & Wetland Interventions (PEW Trust) of Belize.					
	Exploring the potential for results-based payment options. The next stages of the REDD+ strategy of Belize will be the immediate option to expand.					
	Explore the potential of implementing market mechanisms in other sectors including energy and waste (carbon pricing instruments).					
	Developing blended finance-based project concepts keeping in line with carbon asset and market-based approaches.					
Core Strategic Direction 05: Climate proofing of development investments	Broader awareness creation on current and projected climate vulnerabilities and impacts among the key stakeholders.					
	Identifying the vulnerable infrastructure including that which is already established and planned.					
	Initiate sector-wise awareness programmes including banking and insurance companies on climate-proofing of infrastructure (in line with the Cross-cutting Strategic Direction 01 on Capacity Building).					
	Developing national guidelines on climate proofing of different infrastructure.					
	Review the infrastructure investment strategies of the financing sector and influencing to adopt new standards in line with Core Strategic Direction 03.					

Strategic Direction	Key Actions					
		Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Core Strategic Direction 06: Establishing a co-ordinated risk financing mechanism	Rolling out the Climate Risk Adaptation and Insurance in the Caribbean Project (CRAIC II) in Belize.					
	Identifying the other potential risk financing mechanisms available regionally and globally for Belize to partner.					
	Establishing a system of providing climate change projections and impact forecasting for the financing institutions including the risk financing instruments.					
	Explore insurance options and product development at the local market to de-risk the private sector investments in climate change priorities.					
	Capacity building of relevant stakeholders on designing, implementing, regulating and benefits of risk financing mechanisms.					
	Developing strategies to identify 'best-suited strategies and financing instruments' to access disaster risk finance under different disaster risk scenarios.					
	Establishing a partner engagement platform including the local private sector and partners in accessing disaster finance in a co-ordinated manner.					
Core Strategic Direction 07: Exploring non-conventional climate financing strategies	Developing a way forward strategy for Debt-for-Climate Swap, including exploring readiness support (from GCF).					
	Develop a Belize green bond, for example piggybacking on the ECLAC Debt-for-Climate Swap Initiative.					
	Promoting discussions at the national level on innovative financing options.					
	Streamlining the blue bonds initiative of the Ministry of Finance and Ministry of Blue Economy.					
	Capacity building of national stakeholders and systems to explore as well as adopt innovative options.					
	Working with UNECLAC Caribbean Resilience Fund initiative for debt-for-adaptation swaps.					
	Exploring the options such as advanced blended finance option design based on partnerships and alliances, debt-for-nature/climate swap, green/blue bonds, etc.					

Annex 2. List of stakeholders consulted in preparing the Climate Finance Strategy

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