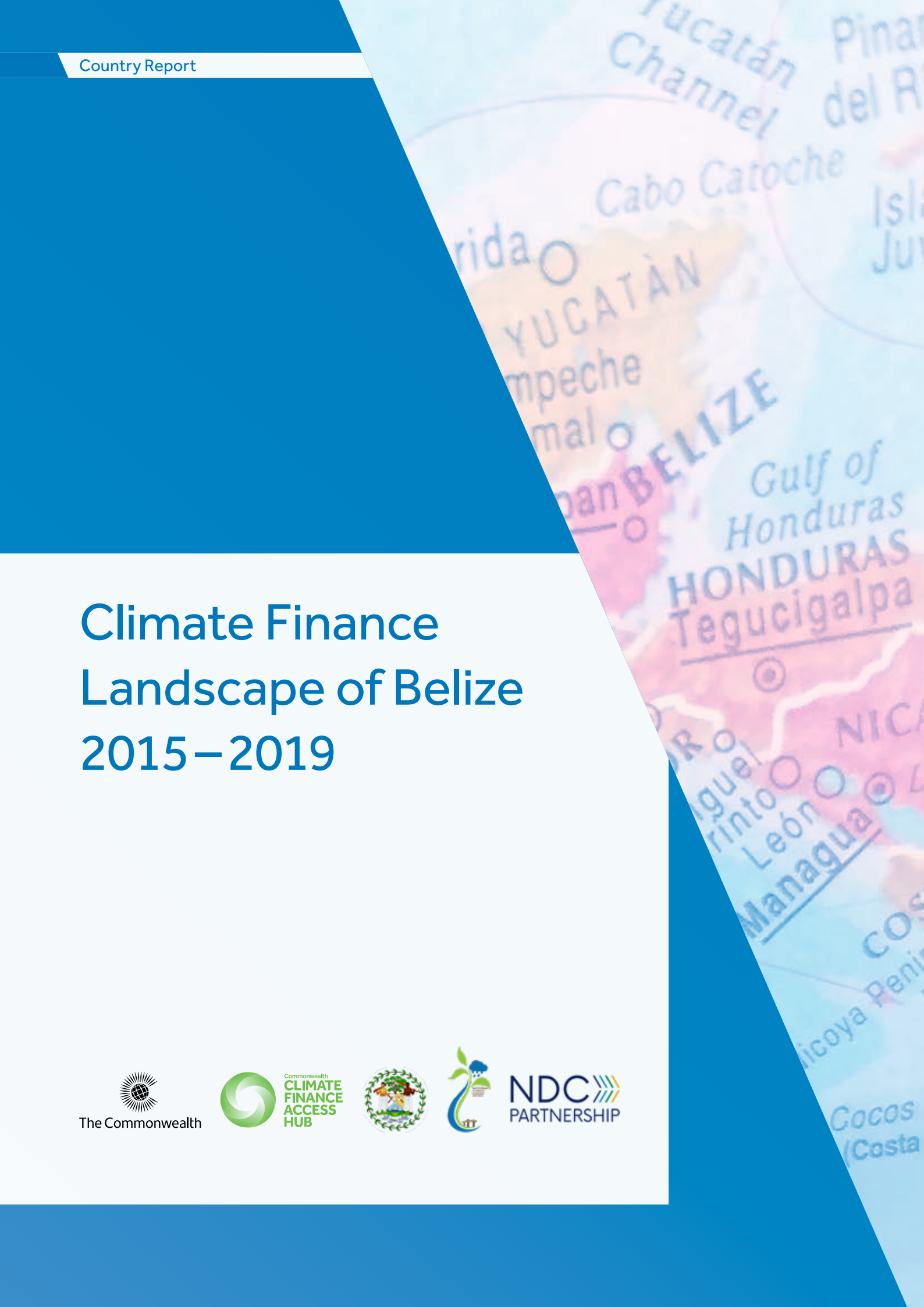


Climate Finance Landscape of Belize 2015 – 2019



Climate Finance Landscape of Belize 2015–2019



Disclaimer

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Abbreviations and Acronyms

| | |
|-------------|--|
| AF | Adaptation Fund |
| AOSIS | Alliance of Small Island States |
| ASAP | Adaptation for Smallholder Agriculture Programme |
| BEL | Belize Electricity Limited |
| BELTRAIDE | Belize Trade and Investment Development Service |
| BNCCC | Belize National Climate Change Committee |
| BNCFF | Blue Natural Capital Financing Facility |
| BSI | Belize Sugar Industries Limited |
| 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 |
| CARSI-ESF | Central America Regional Security Initiative – Economic Support Fund - |
| 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 |
| 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 |
| DA | designated authority |

| | |
|----------|--|
| DAE | direct access entity |
| DFC | Development Finance Corporation |
| DFIs | development finance institutions |
| DPs | delivery partners |
| 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 |
| GCM | General Circulation Models |
| GEF | Global Environment Facility |
| GSDS | Growth and Sustainable Development Strategy |
| GOB | Government of Belize |
| HDI | Human Development Index |
| ICDF | International Cooperation and Development Fund (Taiwan) |
| ICF | International Climate Finance |
| IDB | Inter-American Development Bank |
| IFAD | International Fund for Agricultural Development |
| IFIs | international financing institutions |
| INDCs | Intended Nationally Determined Contributions |
| KFAED | Kuwait Fund for Arab Economic Development |
| LPP | Livelihood Protection Plan |
| MCII | Munich Climate Insurance Initiative |
| MDBs | multilateral development banks |
| MFAI | Ministry of Food and Agriculture, and Immigration |
| MFEDI | Ministry of Finance, Economic Development and Investment |
| 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 |
| NDCs | Nationally Determined Contributions |

| | |
|--------|--|
| NIE | national implementing entity |
| 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 |
| PMR | Partnership for Market Readiness |
| PSIP | Public Sector Investment Programme |
| RDBs | Regional Development Banks |
| REDD | Reduction of Emissions from Deforestation and Degradation of Forests |
| SIB | Statistical Institute of Belize |
| SICA | Central American Integration System |
| SIDS | small island developing states |
| SIRDI | Sugar Industry Research and Development Institute |
| 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 |

Executive Summary

Background

The Government of Belize (GoB) as a party to the United Nations Framework Convention on Climate Change (UNFCCC) is currently in the final stages of the process of updating its Nationally Determined Contributions (NDCs). The Climate Action Enhancement Package (CAEP) led by the NDC Partnership is supporting GoB in this process. The CAEP objectives include providing targeted, fast-track support for enhancing quality, increasing ambition and implementing NDCs. The Commonwealth Secretariat, as an institutional member of the NDC Partnership, is supporting the delivery of CAEP in Belize through its Commonwealth Climate Finance Access Hub (CCFAH). This Climate Finance Landscape report is one of the outputs under the CAEP programme for Belize and serves as a basis for the development of the Climate Finance Strategy for Belize – another deliverable under the CAEP.

Key findings

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.

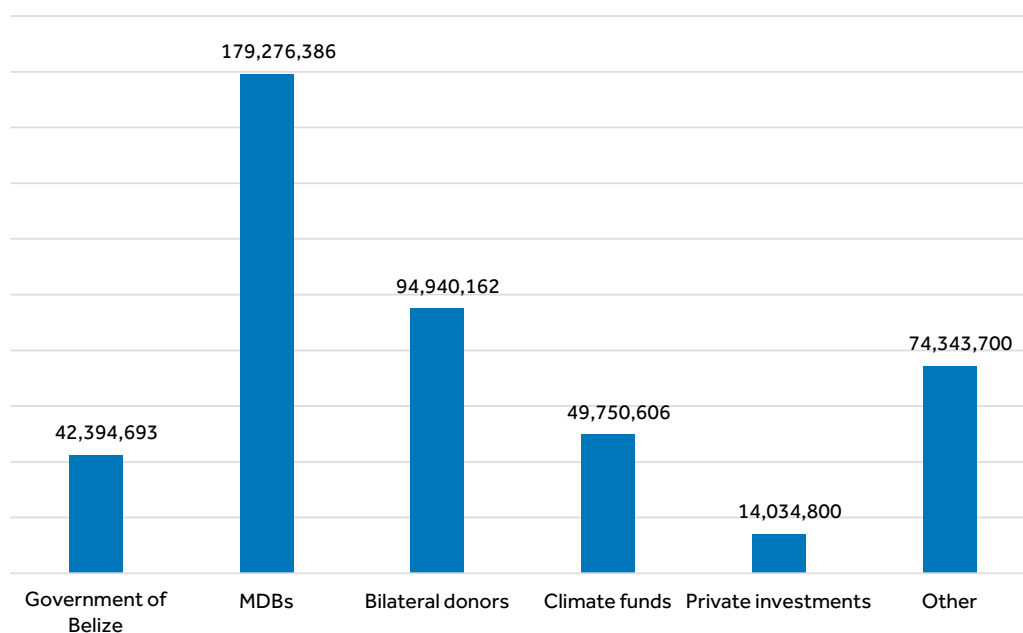
Domestic public climate finance

The Government of Belize, amidst many local economic challenges, has accounted for approximately 10 per cent of the total climate finance (BZD42,367,741) tracked between 2015 and 2019 as depicted in Figure 3. This is approximately 21 per cent of the total government contribution of the overall ongoing Public Sector Investment Programme (PSIP) as depicted in Figure 2. A significant 86 per cent of the government climate investment was on climate change adaptation while 10 per cent and 4 per cent were on mitigation and cross-cutting actions respectively.

International public climate finance

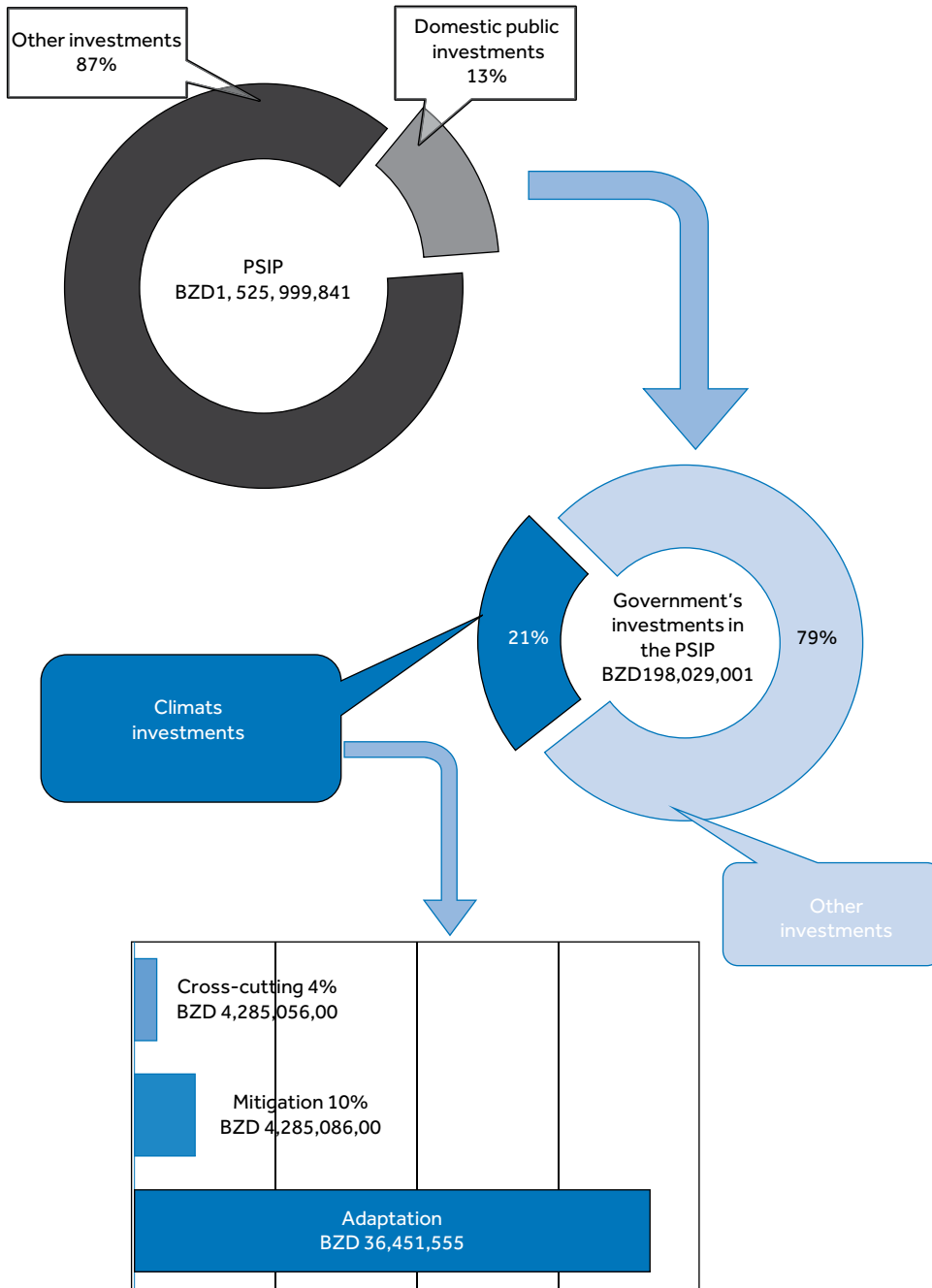
As depicted in Figure 3, the multilateral development banks (MDBs) have been the main contributors to climate financing in Belize during the last five years. MDBs contribute almost 40 per cent of all the tracked climate finance (BZD179.28 million) while bilateral donor contribution is almost 21 per cent (BZD94,940,162). The contribution of the dedicated climate funds is around 11 per

Figure 1. Climate finance sources for Belize from 2015 to 2019 (figures are in Belizean dollars)



Source: Government of Belize 2019.

Figure 2. Domestic public climate investments in Belize for 2015 to 2019



Source: Based on Government of Belize 2019.

cent (BZD 49,750,606), which is inclusive of the readiness support¹.

Domestic private climate finance

The private sector investments in climate finances are the lowest within the tracked finance at around 3.09 per cent, approximately BZD14 million. These investments are mainly on renewable energy and

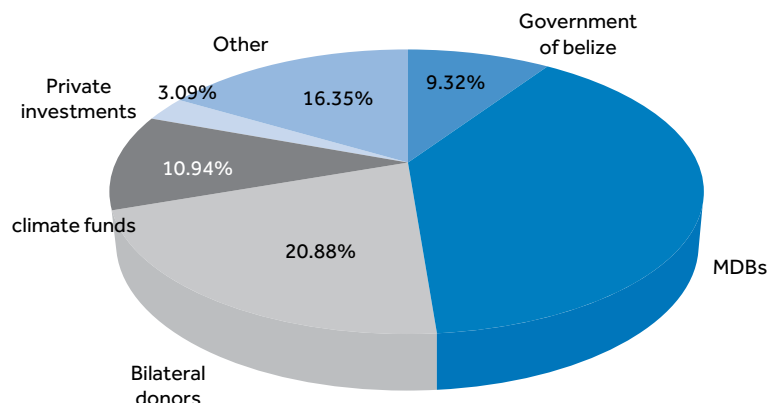
energy efficiency initiatives. However, due to the lack of accessible information available on private sector investments, an accurate figure on climate investment in this sector is difficult to arrive at.

Climate risk financing

In addition to direct climate financing, Belize has received **BZD1,198,418** as climate risk financing. This is including the climate insurance payouts (ex-post payments) from the Caribbean

¹ Government of Belize 2019.

Figure 3. Finance contributors for the climate investments in Belize (2015–2019)



Source: Based on Government of Belize 2019.

Catastrophe Risk Insurance Facility (CCRIF) under the tropical cyclone cover and ex-ante investments for risk reduction.

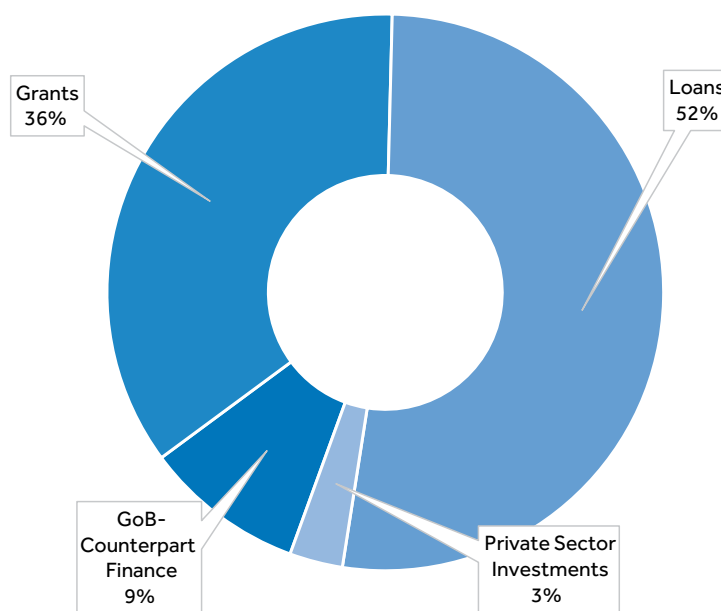
Sectors and instruments

Climate finance has been accessed by Belize through various instruments and has been channelled to various sectors. As depicted in Figure 4, the loan is the most prominent instrument of climate finance. From 2015 to 2019, 52 per cent (BZD236,786,418) of tracked climate finance has been channelled as loans while 36 per cent

(BZD161,524,436) has been channelled as grants. Approximately 9 per cent (BZD42,394,693) has been invested by the government as counterpart finance

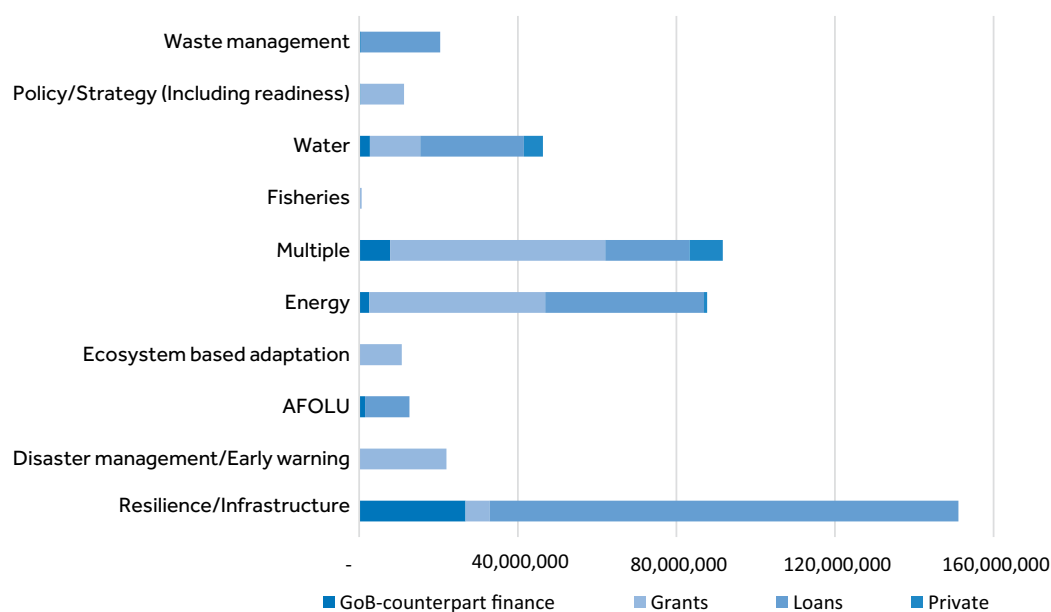
Climate resilient infrastructure development, especially flood resilient roads, is the most prominent sector to which climate investments have been made, especially with assistance from the multilateral development banks. Figure 5 shows the distribution of climate finance across the sectors and more information on this distribution has been provided in the section.

Figure 4. Composition of climate investment according to the instruments (2015–2019)



Source: Based on Government of Belize 2019.

Figure 5. Sector-wise climate finance allocation according to the instruments (2015–2019)



Source: Based on Government of Belize 2019

Policy context and institutional arrangement

The government of Belize has taken a number of steps to prepare the country to access climate finance for the priority climate actions. The policy framework has been put in place supporting its climate actions and accessing climate finance. This is inclusive of the newly updated Nationally Determined Contributions (NDCs) of Belize, National Climate Change Strategy and Action Plan (2014), National Adaptation Strategy to Address Climate Change in the Agriculture Sector (2015), Draft National Strategy on Reducing Emissions from Deforestation and Degradation (REDD+) (2021), the National Solid Waste Management Policy (NSWMP) (2015), Green Climate Fund (GCF) Country Programme (2019), Belize National Energy Policy Framework (2011), etc. and provides a strong supportive policy context for Belize to use as a foundation to build a solid climate finance strategy and an action plan.

Recognising climate change as a cross-cutting issue, the Belize National Climate Change Committee (BNCCC) was established in 2009 with the mandate to co-ordinate among the stakeholders and advise the government. There is one nationally accredited entity in Belize, the Protected Area Conservation Trust (PACT) to

access finance from the Green Climate Fund (GCF) and the Adaptation Fund (AF) while two more national entities are in the process of accreditation with the GCF. Belize's partnerships with regional and international organisations have been playing a crucial role in the overall climate finance landscape in the country. It has been estimated that USD1,096 million is required to achieve the newly updated NDC targets of Belize. The finance gap to reach these targets is estimated at USD1,633 million after accounting for the already mobilised resources from different sources. The report has identified some strengths and weaknesses with Belize in accessing climate finance.

Recommendations

- **Integrated Project Development** – Integrated project development with a holistic approach covering different sectors, finance sources and instruments have enhanced climate finance access. This also allowed the blending of different finance options, sources and instruments to ensure all the climate priorities are adequately financed rather than limited sectors or areas with high donor interests.
- **Using MDB investments to leverage international climate** – The MDB investment in Belize stands as the main climate finance source. On the other hand, reduced

amounts available for co-financing have been recognised as a limitation in the climate finance front. Therefore, it was recommended to streamline MDB investments to leverage more international climate finance.

- **Private sector investments** – Private sector investments in climate actions must be enhanced from the current level. Increasing the domestic private sector's access to low-cost financial products, enhancing local banks' capital base, exploring the options of potential post-investment exit strategies such as share market, etc. are important areas to promote both domestic and international private sector investments.
- **Enhancing national capacities on climate finance** – Capacity building of local human resources, institutional arrangements and processes are important for sustainable access to climate finance. Ideas such as placing 'climate champions' in institutions, reviewing and restructuring institutional co-ordination mechanisms were recommended.
- **Market-based and carbon asset-based financing** – Belize, as a country endowed with a significant carbon asset base, has a higher potential to take advantage of increasing interest in carbon asset-based financing options. Building on the Reduction of Emissions from Deforestation and Degradation of forests (REDD+) strategy and the work on blue carbon, Belize can craft proactive strategies to access more finance. Instruments such as blue bonds, green bonds, off-setting options, etc. can be explored further along with the potential to develop blended finance models.
- **Strengthening interlinkages with novel climate financing options** – Green bonds, blue bonds, debt-for-climate swaps, etc. are emerging as new financing instruments with strong inter-linkages with both mitigation and adaptation options. Strengthening these linkages can potentially attract more private sector investments while opening options for 'hard to finance' priorities.
- **Synergies with climate risk finance mechanisms** – Belize is highly vulnerable to climate-induced natural disasters including hurricanes, floods and droughts. This situation poses an imminent threat of losses and damages which exacerbate the climate vulnerabilities. Climate proofing of capital investments coupled with risk insurance can build a higher level of resilience. It is recommended to further enhance the initiatives with CCRIF and integrate tools such as Livelihood Protection Plans (LPPs).

1. Introduction

Belize is highly exposed to climate change and the risk of natural disasters. Among small states, Belize ranks third at risk from natural disasters, and fifth at risk from climate change.² Belize as a party to the Paris Agreement under the United Nations 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 (NDCs) 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. The Government of Belize (GoB) has used the existing frameworks, policies, projects and activities that provide adaptation, mitigation and sustainable development co-benefits to conceptualise its NDCs.

The GoB initiated the process of updating the NDCs. The NDC Partnership under its Climate Action Enhanced Programme (CAEP) has also offered to support Belize's implementation of

NDCs including preparation of an NDC Financing Strategy and review of the current status of the climate finance landscape of Belize. The technical assistance to deliver the above two components under the CAEP is being provided by the Commonwealth Climate Finance Access Hub. This report provides a review of the status of the climate finance landscape in Belize. The report has analysed the status of the climate change policy context, the institutional arrangements for climate finance flows, strategies, initiatives, and actual climate finance flows covering the period 2015 to 2019.

The period of five years from 2015–2019 has been selected as it provides a representative timeframe to analyse the climate finance landscape including the trends. The annual finance flows show significant fluctuations, and a five-year period will provide an average of all situations rather than a single year. It also represents the timeframe from the first NDC submission to the updating of the NDCs, which corresponds with the future NDC revision cycles. This report will provide the basis for the Climate Finance Strategy of Belize.

² International Monetary Fund 2016.

2. Methodology

As the first step of the methodology of the Climate Finance Landscape study, desk research has been carried out on the climate change policy context and the institutional arrangement in Belize. This was followed by developing a conceptual framework to identify the finance flows based on the global climate finance architecture adopted from the report *Future of the Funds* by the World Resource Institute (WRI).³ Based on this conceptual framework, the sources, channels, stakeholders and data sources in the climate finance for Belize have been identified. Desk research and consultations with stakeholders were used in the identification of these components and facets. The stakeholder consultations were mainly carried out as individual one-to-one discussions.

The data and information related to the Climate Finance Landscape report have been collected from both primary and secondary sources. The ongoing Public Sector Investment Programme (PSIP), the main national-level project and finance information database maintained by the Ministry of Finance, Economic Development and Investment, is the main data source to identify the main climate change-related project interventions in Belize. The latest PSIP report released in February 2021 by the MFEDI capturing the expenditures up to 30 September 2020 has been used to track the finances. All the projects and related budgets of the ongoing PSIP have been studied individually and the climate change projects have been tracked separately according to the project descriptions and objectives. Each of the climate change project budgets and where possible the funding agreements have been analysed to track the funding sources, instruments, sectors and implementing entities. The PSIP data has been triangulated with the other data sources including the Organisation for Economic Co-operation and Development (OECD) database, the GCF project information, the project data sheets of the World Bank and the IDB. This information has been supplemented with data and information available in the national budgets over the last four years.

The private sector's climate-related investment information is not covered within the PSIP while data is not available at a single point. Therefore, private sector investment-related data and information was gathered through other publicly available sources such as organisational websites, annual reports of the organisations such as Development Finance Corporation (DFC), Belize Water Services Limited, Belize Electricity Limited and private sector lending portfolio databases of the multilateral development banks including the Caribbean Development Bank (CDB).

Discussions and consultations have been carried out with the representatives from the main actors of climate finance-related institutions. These institutions were represented by the government ministries, departments, UN agencies, multilateral development banks, accredited entities, development partners, non-profits and ongoing project staff. The list of stakeholders consulted during the process is given in Annex 1.

There are some limitations as far as the availability of climate finance data and quality of data are concerned. There is no climate finance tracking system in Belize other than the PSIP database, which is a composite of all the development projects funded by the development partners and the government. The PSIP is a rolling database with ongoing projects and therefore the time cycles of the projects are different. Some of the donor support projects to non-governmental organisations (NGOs) are not available and may have been missed in the overall analysis. However, according to the consultations with key actors, a very low fraction of the climate finance accessed by the NGOs was reported under the PSIP database. Therefore, it is highly likely that the climate finance provided by the philanthropies and foundations are not counted in the landscape. The level of concessionality of climate finance has not been captured in the assessment due to the lack of data availability. The investments from the utility companies on climate change projects have been calculated under the private sector finance but there is a government shareholding in these companies that could not be weighted appropriately.

³ The Future of the Funds: Exploring the Architecture of Multilateral Climate Finance, available at: <http://www.wri.org/publication/future-of-the-funds>

3. Country Context of Belize

Belize is a Caribbean country located on the northeastern coast of Central America. Belize is bordered on the north by Mexico, on the east by the Caribbean Sea, and on the south and west by Guatemala. It has an area of 22,970 square kilometres (8,867 sq mi) and a population of 419,199 (2020)⁴. It is considered a Central American and Caribbean nation with strong ties to both the American and Caribbean regions. It is a member of the Caribbean Community (CARICOM)⁵, the Community of Latin American and Caribbean States (CELAC), and the Central American Integration System (SICA), the only country to hold full membership in all three regional organisations⁶. Belize is the only continental Central American country that is in the Commonwealth realm. Belize is also a member of the Alliance of Small Island States (AOSIS).

Belize's Human Development Index (HDI) value for 2019 is 0.716, which put the country in the high human development category, positioning it at 110 out of 189 countries and territories⁷. The 2019 female HDI value for Belize is 0.706 in contrast with 0.723 for males, resulting in a Gender Development Index (GDI) value of 0.976, placing it into Group 1, which is with higher gender equality.

3.1 Economy of Belize

Historically the economy of Belize has relied heavily on its primary industry of logging. In the twentieth century, agriculture in Belize grew under the production of citrus, bananas and sugar. Tourism has since become one of the primary economic industries in Belize. Agriculture remains a key industry and now includes aquaculture (exporting both wild-caught and farmed seafood). Agriculture is critical to Belize's development for foreign exchange earnings and savings, employment and food and nutrition security⁸. Belize is considered

food secure in basic grains, livestock and seasonally available vegetables and fruits from a production standpoint.

As far as Central America is concerned, Belize has the smallest economy with a Gross Domestic Product (GDP) of USD1.4 billion based largely on tourism⁹. The country's economic and fiscal outlook remains troubled, particularly with the COVID-19 pandemic and accompanying economic crisis (2020 Investment Climate Statements: Belize, US Department of States). It is a country in economic transition and has a small, open economy primarily dependent on natural resources. According to the Statistical Institute of Belize (SIB), Belize's GDP is USD1394.86 million and GDP per capita, USD3596.06 (SIB, 2018). In 2019, Belize's trade deficit amounted to around USD0.52 billion¹⁰. Presently the economy of Belize remains a highly open, natural resource and services-based, export economy. Its performance is largely dependent on exports of tourism services and agricultural products. External debts of Belize remain high and above 95 per cent of the GDP. The situation has become worse with the COVID-19 pandemic. The Belize government announced¹¹ that the government revenues have been reduced by 24.9 per cent while the government debt ratio has jumped over 132 per cent. The higher trade deficit and government debt indicate the constraints in public investments in climate change initiatives and the importance of international climate finance.

From the early 2000s up until the crash, Belize GDP growth averaged around 4 per cent. In 2008, the decline in the tourism sector due to the global recession has been offset by petroleum production. For 20 years (1995–2015), the Belize annual growth rate averaged just over 4 per cent¹². According to the World Bank categorisation, Belize is an upper-middle-income country with a per

4 Statistical Institute of Belize, Population data for 2020.

5 See: <https://caricom.org/member-states-and-associate-members/>

6 Central American Integration System (SICA) (no date), 'Integration at a Glance', available at: https://www.sica.int/sica/vista_en.aspx?IdEnt=401&Idm=2&IdmStyle=2

7 UN Development Programme (2020), 'Human Development Report 2020 – Belize', available at: <http://hdr.undp.org/sites/default/files/Country-Profiles/BLZ.pdf>

8 Caribbean Community Climate Change Centre and the National Climate Change Office (NCCO) (2015).

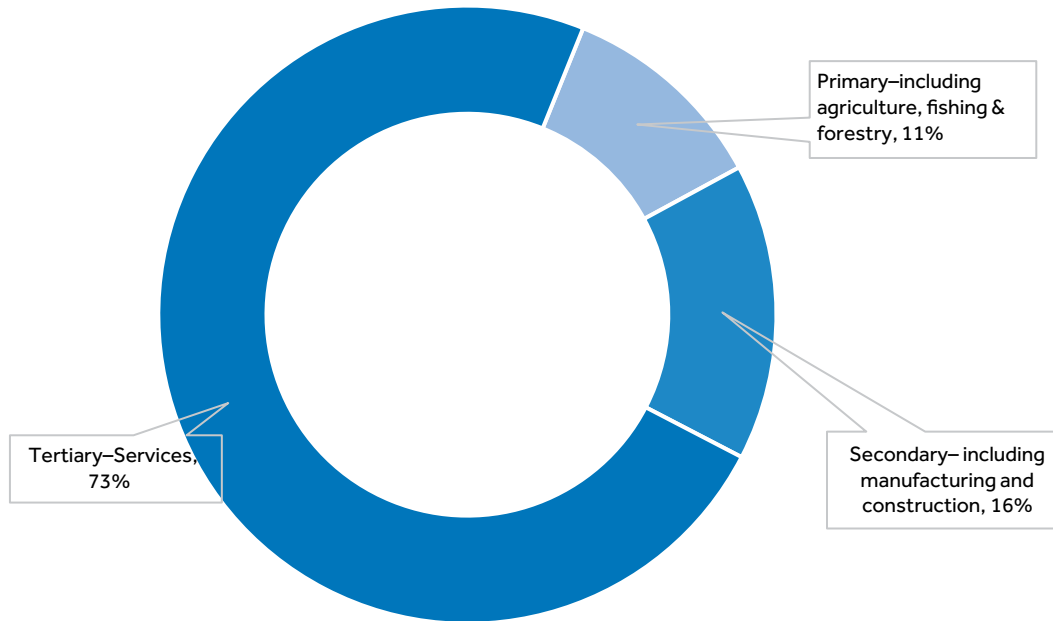
9 See: <https://www.statista.com/statistics/727275/trade-balance-of-belize/>

10 Ibid.

11 See: <https://www.caribbeanationalweekly.com/caribbean-breaking-news-featured/new-government-of-belize-says-the-economy-is-far-worse-than-anticipated/>

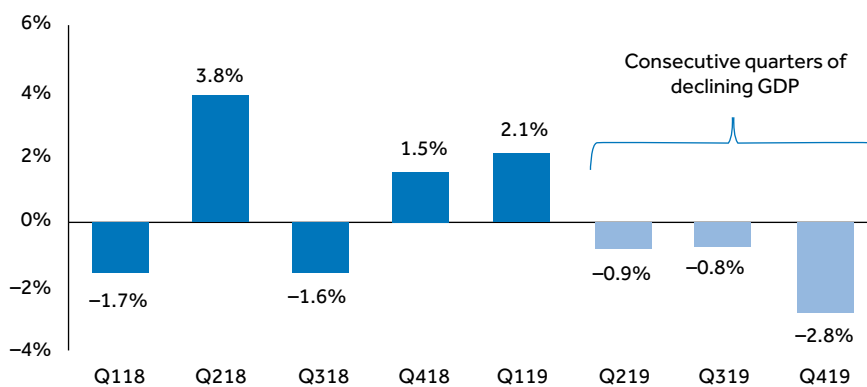
12 See: the Belize Economy, available at: [https://www.liveandinvestoverseas.com/country-hub/belize/economy-in-belize/#:~:text=Primary%20sectors%20\(64%25%20of%20GDP,forestry%2C%20fishing%2C%20and%20mining.](https://www.liveandinvestoverseas.com/country-hub/belize/economy-in-belize/#:~:text=Primary%20sectors%20(64%25%20of%20GDP,forestry%2C%20fishing%2C%20and%20mining.)

Figure 6. The key economic sectors of Belize contributing to GDP (2018)



Source: Statistical Institute of Belize (SIB) – Annual Report 2018–2019.

Figure 7. Quarter on quarter GDP % change (nominal) (2018–2019)



Source: Statistical Institute of Belize (SIB), Central Bank of Belize (CBB), retrieved as of March 2021.

capita GDP of USD4,815 in 2019. In 2019, GDP amounted to USD2 billion and has experienced between 2–3 per cent annual growth over recent years. The economy is dominated by the service sector (70 per cent of output), including a significant tourism sector. Reflecting the importance of tourism to the country's economy, COVID-19 has had a major impact on growth, with an expected 15 per cent contraction estimated in 2020¹³. Tourism, an important engine of economic growth of Belize, showed an increase of over 28 per

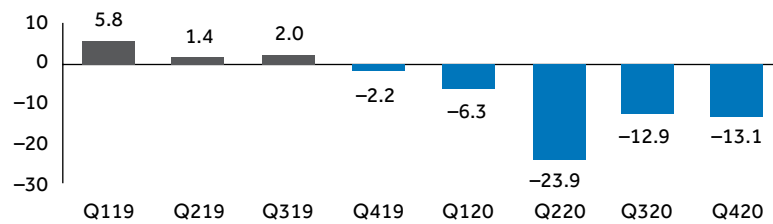
cent from 2016 up to 2019. The tourism flows account for approximately 60 per cent of foreign exchange earnings and approximately 40 per cent of GDP. With all the growth prospects of the Belize economy since 2014, the economy faced a recession from 2019¹⁴.

The historic drought in 2019 was a significant blow to Belize's economy as it made substantial negative implications on the agriculture sector. While Belize started the first quarter of 2019 with positive GDP growth, the drought contributed to a recession by the second half of the year. Estimated crop losses

13 ECLAC (2020), 'Preliminary Overview of the Economies of Latin America and the Caribbean', available at: https://repositorio.cepal.org/bitstream/handle/11362/46504/65/PO2020_Belize_en.pdf

14 Belize Central Bank Statistics, Haver and UNCTAD, retrieved as of February 2021.

Figure 8. Quarter on quarter GDP % change (nominal) (2019–2020)



Source: Statistical Institute of Belize (SIB), Central Bank of Belize (CBB), retrieved as of March 2021.

totalling BZD50 million forced the government to access a BZD1 million loan from Belize's Development Finance Corporation (DFC) to offer tax and duty exemptions on agricultural imports to address the shortfall¹⁵. In 2020 the economy faced a second blow with the COVID-19 pandemic combined with a severe hurricane season. The sudden drop in tourism, quarantine measures and the hurricanes led to three consecutive quarters of double-digit economic contractions as depicted in Figure 2, making Belize one of the hardest hit economies in the region.

3.2 Climate change projections and impacts

Under the Köppen climate classification, the climate in Belize can be described as tropical rainforest (Am)³ in the higher terrain of the central mainland and southern districts, and tropical wet and dry (Aw)⁴ in the remainder of the country, tempered by the Caribbean Sea (World Meteorological Organization, 1997, FAO-SDRN, 1997). The climate also exhibits seasonal subtropical characteristics during the cool period that runs from December through to February.

Like other developing countries, particularly small island developing states, Belize is very vulnerable to the adverse effects and impacts of climate change and climate variability. The main export commodities, bananas, citrus, sugar, and aquaculture, plus commodities accessing emerging markets and the local food crops are all vulnerable to the vagaries of the climate (National Adaptation Strategy and Action Plan [NASAP], 2015). Table 1 summarises the projected climate change scenarios and impacts of Belize.

The low-lying topography of Belize makes it exceptionally vulnerable to sea-level rise: the capital city was moved inland to Belmopan after

the inundation of Belize City during Hurricane Hattie in 1961. Home to the second-largest coral reef system in the world (after Australia's Great Barrier Reef), its habitats are particularly vulnerable to global warming, thereby threatening the local economy and livelihoods (IMF 2018).

The economic impacts of climate change have been phenomenal in recent years in Belize. According to the Caribbean Institute for Meteorology and Hydrology, the drought in 2019 is recognised as among the most intense in the country since 1981. Estimated crop losses total BZD50 million prompting the Government of Belize (GoB) to declare a partial State of Emergency for the affected districts¹⁶. Industry estimates for the 2019–2020 crop season assessed that sugarcane production dropped 30 per cent compared to the previous season. It triggered an economic recession during the second half of the year. With the agriculture sector contributing up to 11 per cent of GDP in Belize and the sugar industry a key part of the sector, the impact of the drought has been far-reaching, and negatively affected employment during 2019. Economic growth slowed, with Belize recording just 0.3 per cent growth in 2019, compared with an average of 2 per cent for the previous five years. The unemployment rate also jumped from 7.6 per cent in April 2019 to 10.4 per cent by September 2019¹⁷.

According to the National Emergency Management Organization (NEMO), the estimated damages experienced by the country for 2020 due to hurricanes are some of the largest seen in recent years. The damages are estimated at USD50 million. During the decade, they are the second-highest damages in monetary terms after Hurricane Earl in 2016. The estimated hurricane damages are depicted in Figure 9.

¹⁵ CARICOM Today 2020.

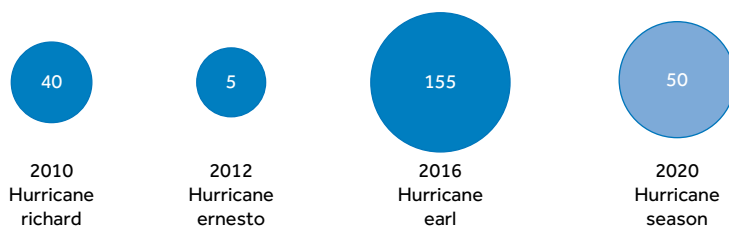
¹⁶ *The San Pedro Sun* 2019.

¹⁷ CARICOM Today 2020.

Table 1. Summary of expected climatic development and consequences for Belize

| | |
|-------------------------------|---|
| Temperature | <ul style="list-style-type: none"> Belize is expected to be warmer by up to 2°C by 2030, and up to 4°C by the end of the century¹⁸. Sea surface temperatures in the Caribbean are projected to go up as much as 2°C by the end of the century. Rising temperatures could exacerbate both the activity and the damage caused by tropical cyclones. Average annual damages in the Caribbean could increase between 22–77% by 2100¹⁹. Disruptions to marine ecosystems (including coral bleaching, seaweed invasion, and fish populations) are likely to exact significant costs to the tourism and fisheries sectors. |
| Precipitation | <ul style="list-style-type: none"> General Circulation Models (GCM)²⁰ predict a median decrease of up to 22% for annual rainfall between 2020 and 2039. Changes in rainfall patterns are projected to increase the likelihood of water shortages and heightened risk of drought. |
| Sea level rise | <ul style="list-style-type: none"> Sea level rise is projected to exceed 10cm by the 2030s in low, medium and high emission scenarios with rises of 22, 23, and 38cm respectively by 2050 and 34, 56 and 120cm respectively by the end of the century²¹. |
| Extreme weather events | <ul style="list-style-type: none"> Projections show increased inter-annual variability, with more intense effects of each severe weather event (particularly strong winds from storms, tropical depressions, and hurricanes)²². Greater intensity could accelerate soil erosion, leading to the contamination of groundwater, the salinisation of water sources, and the sedimentation of dams and reservoirs, adversely impacting the quality of the country’s water resources. |

Figure 9. Estimated damages created by hurricanes during 2010–2020 period (figures are in USD millions)



Source: National Emergency Management Organization (NEMO), Belize (2021).

In an initial report on Belize, the IMF says that the primary deficit rose from 1.4 per cent of GDP in the 2019–20 financial year to 8.3 per cent in 2020–21. Public debt increased from 98 per cent

of GDP in 2019 to 126 per cent in 2020. The IMF also projected a 1.9 per cent increase in real GDP in 2021 and 6.4 per cent in 2022. Due to the climate-related economic implications topped by the COVID-19 effect, the public debt is expected to rise to 133 per cent of GDP this year and reach 128 per cent by 2031, levels that are ‘unsustainable’, according to the IMF (2021). This shows that the climate change impacts have substantially reduced the economic ability of Belize to respond to the COVID-19 pandemic.

18 International Monetary Fund 2018.
 19 Acevedo, S, 2016.
 20 GCMs are climate models used to simulate the response of the global climate system to increasing greenhouse gas concentrations.
 21 World Bank Climate Change Knowledge Portal (original not seen), excerpts from IMF Climate Policy Assessment.
 22 Ibid.

Table 2. Summary of estimated resources required for updated NDCs

| 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.

3.3 Climate finance needs of Belize

The Government of Belize is in the process of updating its NDCs and costing the actions. The costs of updated NDCs will provide a clearer picture of the financing needs to meet the climate change priorities. However, there were several processes and attempts to estimate the climate finance needs of Belize. The Intended Nationally Determined Contributions (INDCs) submitted by Belize in October 2015 stated that the estimated cost of achieving INDCs is approximately USD13 million. The National Climate Resilience Investment Plan (NCRIP) estimates a **USD112.5 million** financing requirement (in addition to a USD348 million existing investment programme) to develop climate adaptation capacity in the country over the next 10 years. Priority needs totalling USD376 million for public sector investments and USD172 million for private sector investment was estimated by the IMF in its 2018 Climate Change Policy Assessment, in line with a total resource requirement of **USD548 million** as set out in the first NDCs.

The Government of Belize has recently updated the NDCs with the support of NDC Partnerships' Climate Action Enhancement Package (CAEP). According to the Resource Requirements Report (November 2020)²³, the total cost of the updated NDCs of Belize is estimated at USD1,906 million. The finance gap for the updated NDCs is costed at USD 1,645 million.

3.4 Institutional mechanism to access climate finance

The Government of Belize has taken a number of steps to prepare the country to access climate finance for the priority climate actions. Figure 11 shows the current institutional mechanism of Belize as far as climate change and climate finance priorities are concerned.

²³ Resource Requirements Report – Summary cost of Draft NDCs, Vivid Economics, November 2020.

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) are also playing 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.

- a. Responsibilities and commitments under the UNFCCC.
- b. 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 multistakeholder committee made up of members at the CEO level from the ministries, representatives of civil society and academia. The Ministry of Sustainable Development, Climate Change and Disaster Risk Management (MSDCCDRM) chair the BNCCC and the Ministry of Finance, Economic Development and Investments (MFEDI) 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)

Therefore, its Terms of Reference (ToR) are being revised, including changes in the governance structure and the composition of its sub-committees, along with the reporting system. According to the draft revised ToR (to be adopted), the specific responsibilities

Figure 10. Depiction of the NCCO's mandate

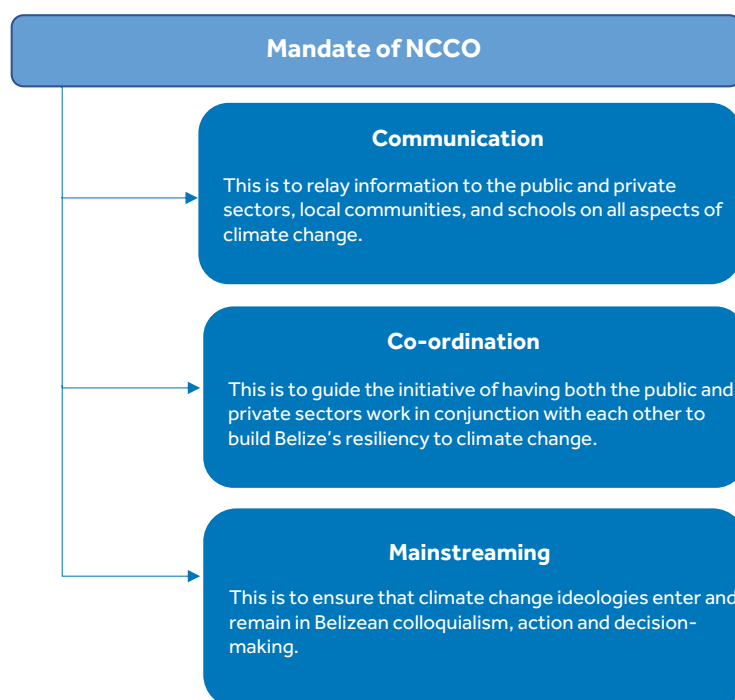
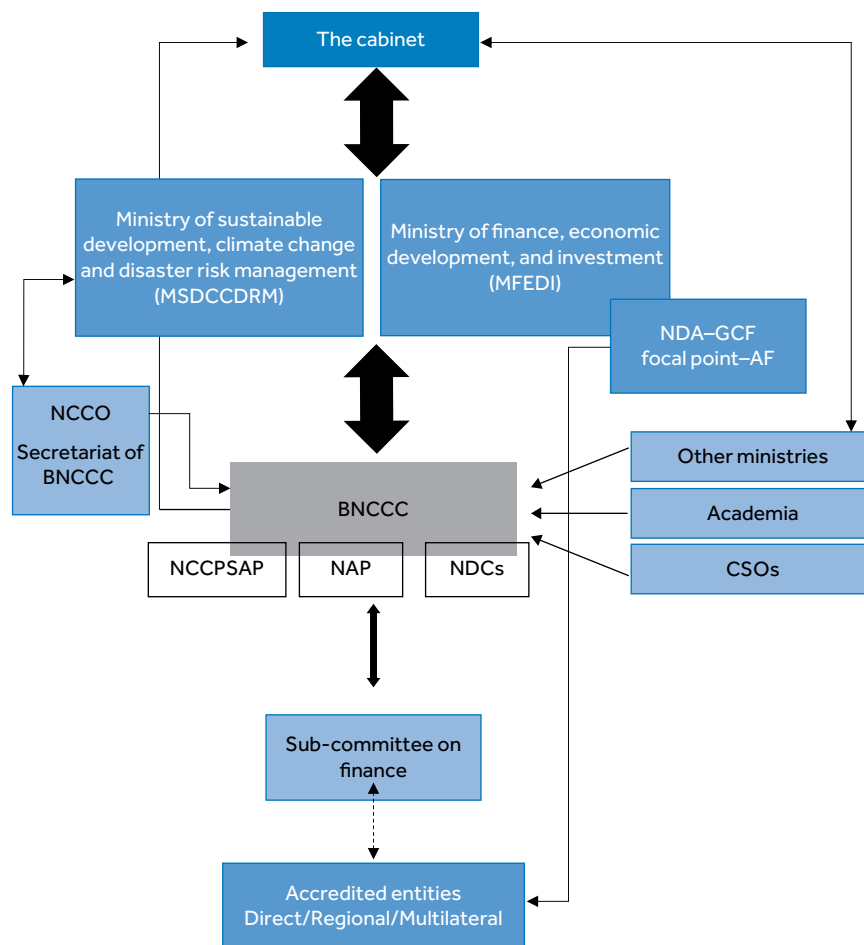


Figure 11. Institutional arrangement of Belize for climate change and climate finance priorities



and functions of the BNCCC would include inter-ministerial co-ordination and oversight of climate change policy in the country. In particular, inter alia: supervising the implementation and co-ordination of the NCCPSAP; provide guidance on the development of national positions on climate change issues; oversee the strategy to ensure that climate change is mainstreamed into national development plans and policies and is fully integrated within the government's national budget; review and advise government on the capacity building, institutional and other resource requirements needed to fully implement the strategy and action plan; ensure that the climate change priorities are aligned with the Growth and Sustainable Development Strategy (GSDS); advise on and facilitate the revision and approval of project concepts and proposals for the implementation of National Adaptation Plans (NAPs) and Nationally Appropriate Mitigation Actions (NAMAs); participate in and monitor

resource mobilisation efforts, to support the implementation of the NCCPSAP; co-ordinate the preparation and presentation of national communications and other legally mandated documentation to the UNFCCC to ensure compliance with the Convention; facilitate Belize's effective participation in the Convention and its mechanisms and other related bilateral and multilateral programmes and activities.

Also, through its relevant sub-committees, the BNCCC would be in charge of supporting the NDA in its functions, including in particular:

- Review and facilitate the approval of concepts notes and funding proposals that are submitted by accredited entities to the Designated National Authority of the GCF, the Adaptation Fund, and other financial mechanisms, including monitoring and evaluating the effectiveness of the no-objection procedure.

- Review and advise on the nomination of delivery partners (DPs) and direct access entities (DAEs) to the GCF, including monitoring and evaluating the effectiveness of the nomination procedure.
- Oversee the general course of the Monitoring, Learning and Reporting Framework's (MLRF) operations to support the NDA in performing its functions regarding the monitoring and evaluation of Belize's Country Programme for engagement with the GCF.

According to the draft revised ToR, the BNCCC has the power to establish two sub-committees composed of technical experts. These include:

- climate finance sub-committee; and
- technical sub-committee.

Membership of the sub-committees would be comprised of appropriate State and non-State actors as defined by the NCCO. The committee may also invite ad-hoc observers and experts to be part of the discussion and decision-making process as needed. For GCF-related activities, the Climate Finance and Technical sub-committees (to be established) would support the NDA in performing the functions related to the no-objection procedure for concept notes and funding proposals to be submitted to the GCF, and the nomination procedure of DAEs and DPs. The appraisal processes for National Adaptation Plans (NAPs) and Nationally Appropriate Mitigation Actions (NAMAs) for which the BNCCC is responsible are under review separately with the MSDCCDRM.

4. Climate Finance Landscape of Belize

Belize has been accessing climate finance from multiple sources and channels to achieve their financial needs to meet the climate change priorities including the public and private finances from both domestic and international sources. The overall climate finance architecture and flows for Belize are depicted in Figure 12, which shows the key actors and flows of climate finance to Belize from different sources and channels. This section of the report summarises the climate finances accessed and channelled from different sources and instruments with special reference to the period 2015–2020. In addition, a detailed analysis has been done for the most recent ongoing interventions for 2019–2020. Since climate change is a cross-cutting theme and some investments, especially the public investments on climate actions, are not properly marked for tracing, the actual climate investments in Belize can be slightly varied.

The section of the report below gives details of the analysis on climate finance flows under the categories of:

1. Domestic public investments
2. Private sector investments
3. Funds under the UNFCCC Climate Finance Mechanism
4. International finance institutions (IFIs) including multilateral development banks (MDBs)
5. Bilateral funding sources

The following table provides a breakdown of the climate investments in Belize from 2015–2019 according to the source of finance.

4.1 Domestic public climate finance investments

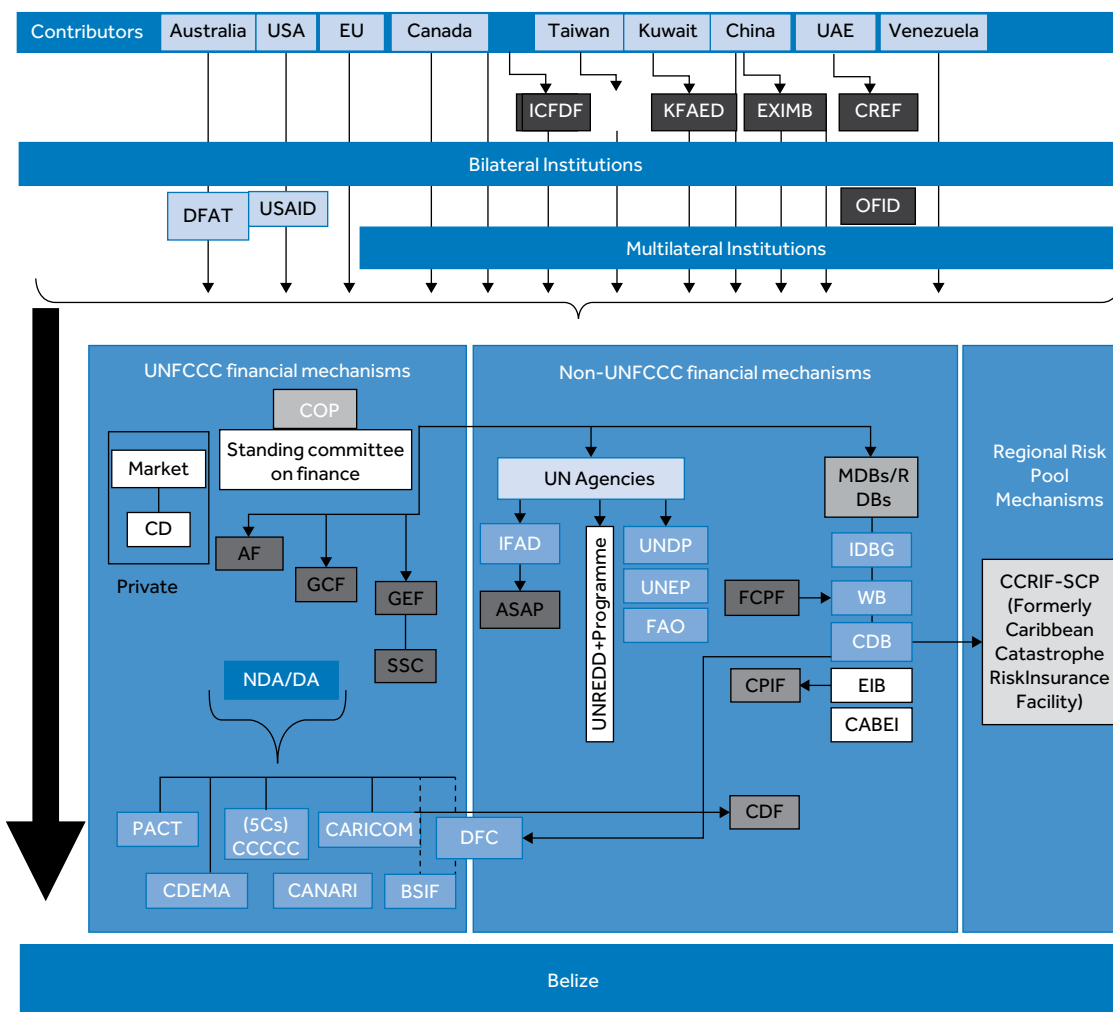
Belize has a robust co-operation programme reflective of the multifaceted relationship it enjoys with its bilateral partners. The MFEDI is the government's Public Sector Investment Programme (PSIP) which is comprised of all the development projects being implemented by the Government of Belize or on behalf of Belize. The PSIP is principally supported by the Government of Belize and international and regional financial institutions (IFIs). According to the ongoing PSIP of Belize, the total investment of the ongoing PSIP is almost BZD1,600 million of which 13 per cent is financed through domestic public funds while the balance is financed by international organisations including IFIs. The balance of 87 per cent (71.6 per cent loans and 15.4 per cent grants) has been funded by international sources. The climate change components of the PSIP have been identified and analysed to assess the climate finance flows to Belize.

The domestic public investments for the climate actions of a country are highly correlated to the country's overall economic performance. Like many countries in the Caribbean region,

Table 3. Climate investments in Belize by the source of finance from 2015 to 2019

| Source of Climate Investments | Amount BZD | % |
|-------------------------------|--------------------|---------------|
| Government of Belize | 42,394,693 | 9.32 |
| MDBs | 179,276,386 | 39.42 |
| Bilateral Donors | 94,940,162 | 20.88 |
| Climate Funds | 49,750,606 | 10.94 |
| Private Investments | 14,034,800 | 3.09 |
| Other | 74,343,700 | 16.35 |
| Total | 454,740,347 | 100.00 |

Figure 12. Climate finance architecture diagram of Belize with key actors



Belize has domestic economic challenges that negatively affect domestic climate investments. Amidst the tight economic situations, the Government of Belize (GoB) makes public investments towards climate change priority actions in the country. The PSIP outlines the overall public sector investment areas that are financed by the government, IFIs and other donors. According to the latest PSIP report released in February 2021, capturing the expenditure up to 30 September 2020, the ongoing PSIP is almost BZD1.526 billion of which the GoB contribution as counterpart finance is approximately BZD198 million. This is 12.98 per cent of the total ongoing PSIP.

The total investments towards climate change by GoB within the overall PSIP are estimated as BZD42,367,741 or 21.39 per cent of the total public investments by the government. It is equivalent to 2.78 per cent of the total ongoing PSIP value.

According to the ongoing PSIP, approximately 86 per cent of the domestic public climate finance has been channelled to climate change adaptation actions while about 10 per cent and 4 per cent have been invested in mitigation and cross-cutting actions respectively, as summarised in Table 4. The domestic public climate finance flows under the ongoing PSIP are depicted in Figure 2. The details of all the climate change investments under the PSIP are given in Annex II.

Table 4. Climate investments by the Belize government from 2015 to 2019

| Focus | Amount BZD | % |
|---------------|----------------------|---------------|
| Adaptation | 36,451,555.00 | 86.04 |
| Mitigation | 4,285,086.00 | 10.11 |
| Cross-cutting | 1,631,100.00 | 3.85 |
| Total | 42,367,741.00 | 100.00 |

However, there are some limitations in analysing the domestic public finance figures and flows based on the PSIP of Belize. The PSIP is comprised of the projects under implementation funded by international donors with counterpart finance from the government of Belize. The projects are added on a rolling basis to the PSIP, and therefore the projects have different timeframes. The ongoing PSIP (as of May 2021) is comprised of projects that will continue beyond 2022 while some are carried forward from 2016 (with extensions). Some projects of the ongoing PSIP that are contributing to climate actions due to the cross-cutting nature of climate change. Due to the lack of budget splits and allocations for climate-specific actions in the above-mentioned projects, the climate finance figures can vary. However, according to the MFEDI, the PSIP gives an average overview of the finances for five years and therefore the analysis provides a generic representative finance landscape for five years.

4.2 Domestic private sector climate investments

Assessing the size of Belize's private sector is important in evaluating its current and potential contribution to the overall economy and investments towards climate action. Quantifying private sector investments and trends in climate change-related areas in Belize is a challenge due to the lack of data. Therefore, this section attempts to assess the trends of potential domestic private sector investments in climate change. According to the IMF, the private sector accounts for about two-thirds of the economy of Belize and the public or state sector the other one-third (2018). The Belize Chamber of Commerce and Industry (BCCI) lists 238 members. However, these are mostly large and medium-scale companies and hence it significantly understates the size of the private sector. Sectors that have traditionally attracted private sector investment include tourism, business processing outsourcing such as call centres, agriculture, telecommunications and renewable energy.

It is a known fact that the financial system plays a crucial role in the process of economic development and that the availability of credit is a binding constraint for both macro and micro-enterprise in the development process. Since the 1980s, Belize's financial system has seen some growth and diversification. Still, it is characterised

as a largely undeveloped and high cost of finance has negative implications for private sector development. The US Department of State in its report, *2020 Investment Climate Statements: Belize*, has indicated that in the post-COVID-19 recovery, initial opportunities may lie in export diversification of agriculture, forestry and renewable energy, and thereafter in investments to jump-start the tourism sector. All these sectors are related to the climate change priorities of Belize directly and therefore potential domestic private sector investments in these areas can envelop climate investments. However, the cost of financing has been recognised by the IMF as well as the US Department of Trade as one of the main barriers for private sector investments by Belize in the priority sectors.

Low-cost financing is the vital catalyst promoting domestic investments, inclusive of climate investments. The Development Finance Corporation (DFC) is the only development bank in Belize and played a key role in providing low-cost financing in promoting domestic private investments. Renewable energy is one of the main areas in which concessional finance products are available for the private sector. These financing products are offered to the private sector to invest in renewable energy (Solar PV) and energy efficiency technologies with 100 per cent financing. By the end of 2019, DFC had **approved BZD829,000 worth of finance for the private sector**²⁴. This was a significant private sector investment during a year in which the economy was badly affected due to the COVID-19 pandemic.

The private sector investments in climate action have also been made by the water and electricity utility companies of Belize with private-sector shareholdings. Belize Electricity Limited (BEL) has a 63.8 per cent government shareholding (32.6 per cent directly by GoB and 31.2 per cent by the Social Security Board [SSB]) while the balance of 36.2 per cent of shares is held by the private sector²⁵. BEL has co-financed the Energy Resilience for Climate Adaptation Project with **BZD6.75 million** along with the GoB (BZD1.2 million) and the GEF (BZD16 million). Belize Water Services Limited (BWS) is the national water and sewerage utility company of which GoB is the majority shareholder, owning approximately 83 per cent of the total shares. The

²⁴ Development Finance Corporation (2020), *Annual Report 2019 of the Development Finance Corporation (DFC)*, Belize, 17.

²⁵ Belize Electricity Limited, Company Profile.

Social Security Board holds 10 per cent and the remaining 7 per cent is held by some 1,400 minority shareholders²⁶. Under the ongoing PSIP, BWS has co-financed **BZD450,000** towards the Third Water Project, which is contributing to the climate resilience-building efforts of Belize²⁷.

Due to a lack of tracking markers, it is challenging to trace all the climate investments by the domestic private sector. However, discussions with the stakeholders including the DFC and Ministry of Finance suggest that there are potentially considerable private sector investments for climate action, especially in agriculture. After the 2019–2020 drought in Belize, farmers have invested in numerous drought resilience measures but have not formally accounted for them.

4.3 International climate finance

Due to domestic financing challenges, international climate finance plays a crucial role in addressing the climate change challenges of Belize. International climate finance will also help to ensure that climate change finance requirements are met without further stretching the country's economy, which is already impacted negatively by higher trade deficits, debt and the COVID-19 pandemic. It is notable that during the last decade, there have been several advancements in Belize to access and utilise climate finance from international sources. This includes climate change strategies, plans, climate finance needs assessments and institutional mechanisms. Belize's experiences in climate finance access from different international sources and channels have been recognised as positive by several assessments and reports.

As of December 2020, Belize has accessed USD34.72 million in international public climate finance²⁸, which is likely to be an underestimate considering the flows from some bilateral and small donor support.

4.3.1 UNFCCC finance mechanism

The funds under the UNFCCC finance mechanism have been a constant and significant contributor to the overall climate finance landscape of Belize. Belize has accessed climate finance from all the relevant funds under the mechanism; the Global

Environment Facility (GEF), the Green Climate Fund (GCF) and the Adaptation Fund (AF). Belize has completed one project funded by the AF, there is an ongoing project funded by the GCF the GEF has supported many climate initiatives in Belize, especially to enhance a conducive environment in the country to scale up climate action and stakeholder participation. The finance mobilisation through the market mechanism within the UNFCCC climate finance mechanism has not been considered in the report, as the new market mechanism under the Paris Agreement is yet to be finalised.

Global Environment Facility (GEF)

GEF, as the first operating entity of the UNFCCC financial mechanism since the Convention entered into force in 1994, has been an important climate finance channel for Belize. Since then, Belize has obtained over **USD335million** in finance from the GEF for 55 projects (23 national projects and 32 regional/global projects). Out of these total GEF funds, USD114 million is from the Special Climate Change Fund (SCCF), which is administered under the GEF. Belize has a total indicative allocation of **USD5,739,281** according to STAR allocation of GEF Cycle 6, out of which USD2 million indicative allocations is for climate change.

Under the ongoing PSIP, there are three GEF financed climate change projects as below.

- *Fourth National Communication and First Biennial Update Report* to the UNFCCC – GEF contribution BZD1.744 million.
- Energy Resilience for Climate Adaptation Project – GEF contribution BZD16 million.
- Energy for Sustainable Development in Caribbean Buildings (ESD) Project – GEF contribution BZD988,740.
- Energy for Sustainable Development in Caribbean Buildings (ESD) Project (Multiple Countries) – GEF contribution (Belize only) BZD10.22million.

Green Climate Fund (GCF)

The GCF country profile of Belize has accessed finance for one adaptation project, five readiness actions and funding for the preparation of two projects from the GCF. The ongoing project co-financed by the GCF, titled 'Be Resilient', is

²⁶ Belize Water Services Limited, Corporate Profile.

²⁷ UNFCCC Regional Collaboration Centre of the Caribbean (2021a).

²⁸ HBF Climate Funds Update (no date).

aiming to introduce climate-resilient agricultural practices that will help rural smallholder farmers. GCF has co-financed USD8 million out of a total project cost of USD20 million. The International Fund for Agriculture Development (IFAD) is the accredited entity for the project.

There are two project preparation processes financed by the GCF that are progressing for Belize. One is a regional project focusing on supporting the access of finance by the private sector while the other is a national level adaptation project development. Belize is included in three regional GCF readiness actions, while there are two ongoing national-level GCF readiness actions. Protected Area Conservation Trust (PACT) is the only direct access entity (DAE) in Belize for the GCF and has yet to submit a proposal to obtain GCF funds. It is accredited for micro size project grant funding but implementing a readiness action. The readiness action is currently progressing to accredit two more DAEs for Belize, namely the Development Finance Corporation (DFC) and Belize Social Investment Fund (BDIF).

As of 2020, GCF financing support to Belize had been mainly through the regional initiatives and the project pipeline projections showed that regional collaborations would play a significant role in accessing GFC funds for climate actions in Belize. A summary of the GCF Readiness and Project Preparatory actions in Belize are given in Table 5.

Adaptation Fund (AF)

Belize has accessed the Adaptation Fund's full country allocation of USD10 million through two marine and coastal conservation projects. The first AF project of Belize was the Marine Conservation and Climate Adaptation Initiative, which obtained **USD6 million**. The International Bank of Reconstruction and Development (IBRD) was the implementing entity (IE) of this project while Protected Areas Conservation Trust (PACT) of Belize was the Executing Entity. In 2020 Protected Areas Conservation Trust (PACT) submitted a proposal titled 'Enhancing the Resilience of Belize's Coastal Communities to Climate Change Impacts', seeking **USD4 million** grant financing. PACT is the national implementing entity (NIE) for the Adaptation Fund, and it has helped PACT to fast track its accreditation to the GCF.

Though there is no immediate opportunity for project finance from AF, it will be important for Belize to engage in AF-related negotiations and

discussions as a long-term option for climate change adaptation initiatives.

4.3.2 International financial institutions (IFIs)

Historically the IFIs have been financing the development actions of Belize through different instruments. Multilateral development banks (MDBs) and Bilateral Financing Institutions have provided significant financial support for development initiatives and climate actions in Belize.

Multilateral development banks (MDBs)

Multilateral development banks (MDBs) have been playing a key role in financing development initiatives of Belize, especially capital investments. The MDBs have supported Belize by not only providing finance but playing the role of implementing entity in accessing finance from main climate funds including the Green Climate Fund (GCF) and Global Environment Facility (GEF). The main MDBs that actively supported Belize during the 2015–2020 period are as follows:

- The World Bank (WB)
- Inter-American Development Bank (IDB)
- Caribbean Development Bank (CDB)

Based on the OECD data, the Inter-American Development Bank (IDB) is the main MDB providing climate finance to Belize. During the 2010–2018 period IDB has funded 12 climate change-related projects in Belize accounting for USD61.27million, of which approximately USD1.6 million is grants while the rest is concessional loans. Tourism, transport, waste management, agriculture and social development are the main sectors focused on by IDB. According to the ongoing PSIP, the IDB has a BZD43 million climate change-related project portfolio of which BZD40 million (93 per cent) are loans, while BZD3 million (7 per cent) are grants. Climate-resilient infrastructure, waste management and climate policy/strategy are the focus areas of IDB climate investments.

The World Bank has also played a considerable role as an MDB investing in climate change-related initiatives. During the 2010–2018 period, three climate change-related projects were financed by the WB accounting for almost USD26 million. Within the ongoing PSIP, the WB contribution is

Table 5. Details of the GCF Readiness and Project Preparatory Actions Approved for Belize

| Title and the Description of the Action | Action Type | Entity Name | Entity Type | Project Focus |
|---|--|---|---------------|---------------|
| <p>Transforming finance to unlock climate action in the Caribbean 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 Sugarcane Farmers in Northern Belize 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: 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 |
| <p>Enhancing adaptation planning and increasing climate resilience in the coastal zone and fisheries sector of Belize 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 |

(Continued)

Table 5. Details of the GCF Readiness and Project Preparatory Actions Approved for Belize (Continued)

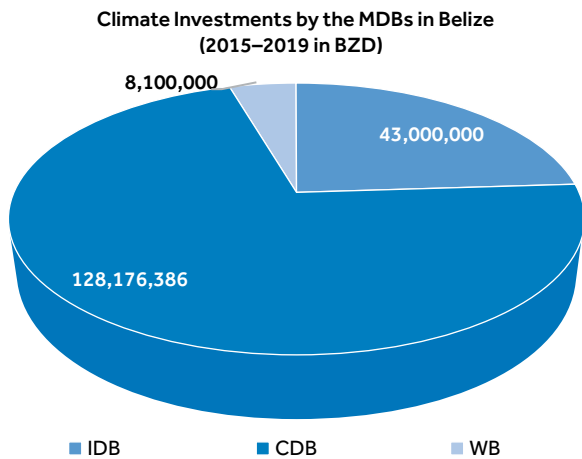
| Title and the Description of the Action | Action Type | Entity Name | Entity Type | Project Focus |
|--|-----------------|--|-------------|---------------|
| <p>Strategic frameworks support for Multi-hazard Early Warning Systems (MHEWS) This proposal seeks to provide support for improving regional 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 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 |
| <p>Enhancing Caribbean Civil Society's Access and Readiness for Climate Finance: 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 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 |

(Continued)

Table 5. Details of the GCF Readiness and Project Preparatory Actions Approved for Belize (Continued)

| Title and the Description of the Action | Action Type | Entity Name | Entity Type | Project Focus |
|--|-----------------|---|-------------|---------------|
| <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 |
| <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 |

Figure 13. Breakdown of climate investments by the multilateral development banks (2015–2019)



BZD8.1 million of which 93.8 per cent (BZD7.6 million) has been channelled as loans for the AFOLU sector, while only 6.2 per cent (BZD500,000) has been channelled as grants for the energy sector of Belize. However, the WB has played a vital role as implementing entity for projects for many donors including the GEF, the AF and Japan Social Development Fund (JSDF). During the 2010–2018 period, total project finance of USD627.11 million was channelled through the WB as climate investments in Belize. The WB has also provided USD3.8 million from its Forest Carbon Partnership Facility (FCPF) to prepare the REDD+ Readiness Proposal to FCPF.

The World Bank has also provided support to Belize on Catastrophe Risk Insurance through the Caribbean Catastrophe Risk Insurance Facility – Segregated Portfolio Company (CCRIF SPC) under the Second Central America and Caribbean Catastrophe Risk Insurance Project. Component three of this project is supporting the CARICOM participating countries including Belize. Further details of this are provided under the Climate Risk Insurance Facilities section of this report.

Caribbean Development Bank (CDB), which is a regional development bank established to support the Commonwealth Caribbean countries, also plays a substantial role in investing in climate change challenges in Belize. According to the current PSIP, CDB climate investment contribution is BZD128.18 million (88.5 per cent loans and 11.5 per cent grants) making it the largest climate investment contributor. Tourism, energy, water, AFOLU,

disaster management and resilient infrastructure development are the main climate investment sectors of the CDB. The CDB has also supported the drought response efforts of the Government of Belize, acted as an implementing entity for many donor agencies and assisted Belize to access GCF readiness actions, apart from investing in projects with climate change relevance. CDB has supported the Caribbean Community Climate Change Centre (CCCCC) to assist the member countries including Belize to have adaptation project pipeline development.

4.3.3. Bilateral donors

Bilateral donor financing has a significant component in overall international financing assistance to Belize. According to the OECD data from 2010–2018, there are 57 climate change-related projects in Belize financed through bilateral funding accounting for almost USD36 million. Japan, Canada, United States, Germany, United Kingdom, Taiwan, Kuwait and the European Union are the main donor countries providing bilateral climate finance. A significant amount (over 99 per cent) of the bilateral climate finance flows to Belize from 2010–2019 has been grants, almost 50 per cent has been on adaptation initiatives, while around 40 per cent was for cross-cutting (both adaptation and mitigation) initiatives.

According to the ongoing PSIP, Germany, Taiwan, United Kingdom, Japan, Canada and United Arab Emirates (UAE) are the main bilateral climate finance providers to Belize. The table below summarises the bilateral donor finances for climate action in Belize according to the ongoing PSIP.

Bilateral donors have provided climate change investments to Belize via UN agencies and other implementing entities. The United Nations Industrial Development Organization (UNIDO), United Nations Development Programme (UNDP), FAO, GIZ, IDB and WB have been acted as the implementing agencies for this bilateral finance assistance for climate action. The double-counting of the bilateral funding support has been eliminated in the assessments of the finance flows by tracing the donor contributions for each project in the PSIP.

The Federal Government of Germany has channelled climate finance through the International Climate Initiative (IKI) apart from GIZ. Belize has become a recipient of IKI through international projects.

Table 6. Details of the sector-wise bilateral donor support for Belize from 2015 to 2019

| Bilateral Donor | Supporting Sectors | Finance Amount BZD | |
|-----------------------|--|--------------------|------------|
| | | Loans | Grants |
| Germany (through GIZ) | AFOLU (REDD+) | 1,584,000 | 251,752 |
| European Union | Water | | 2,960,996 |
| | Energy | | 31,050,000 |
| | Cross-cutting | | 25,600,000 |
| Government of Japan | Climate Policy/Strategy | | 2,549,357 |
| Taiwan | Disaster Management/Early Warning | | 2,400,000 |
| UAE | Energy | | 10,944,000 |
| UK | Climate Policy/Strategy | | 235,809 |
| Canada | Energy AFOLU (Co-financing) Private Sector Development | | 30,403,034 |

4.3.4 Carbon asset-based finance

Belize has not been successful in mobilising finance through the Clean Development Mechanism (CDM). There was a CDM project registered by the Solid Waste Management Authority – Mile 24 Regional Sanitary Landfill LFG Project as a methane recovery & utilisation type project; 18,459 Annual ERs (tCO₂/y)(Source: UNFCCC Home Page) suggesting that there have been efforts to capitalise on carbon financing.

Belize is also not a member of the World Bank's Partnership for Market Readiness (PMR) or any other carbon pricing system. Based on the very low emission profile, the potential for domestic finance mobilisation through carbon pricing or emission trading is low. However, as a country with almost 60 per cent of forest cover, carbon asset-based financing is a potential area for Belize to mobilise climate finance.

Belize has accessed USD3.8 million (excluding the co-financing) from the Forest Carbon Partnership Facility (FCPF) for REDD+ Readiness Proposal Preparation. The project is currently progressing and has come up with the draft REDD+ Strategy for Belize as of June 2021 with the potential to access financing through Results-Based-Payments in the future.

In mid-2021, the Ministry of Blue Economy and Civil Aviation of Belize reached a partnership with Blue Natural Capital Financing Facility for an Innovative Blended Finance Facility to improve the management of Belize's marine protected areas and contribute to its blue economy. The

USD1.2 million facilities allow the Marine Protected Area co-manager, Turneffe Atoll Sustainability Association (TASA), to implement a number of sustainable revenue-generating initiatives and enhance the protection of the 132,000 hectares of spectacular coral reef ecosystems. The investment will have a positive impact on the local economy, including coastal fisher communities²⁹. The establishment of the new Ministry of Blue Economy and the REDD+ strategy has provided a strong basis for carbon asset-based financing options for the country.

4.3.5. Climate risk insurance facilities

Climate-related hazards cause substantial humanitarian and developmental risks. Climate risk management includes identifying and reducing these risks and protecting vulnerable people, communities and countries from climate-induced catastrophes and losses that go beyond the capacity to absorb these risks. According to the World Bank (2020), the climate-related catastrophe situations not only increase the vulnerability of poorer and marginalised groups but also amplify the macro-economic vulnerabilities in the Caribbean region, including Belize³⁰. Climate risk insurance and other forms of climate risk financing are key elements of climate risk management. Therefore, the role of climate risk insurance cannot be neglected within the overall climate finance landscape. Climate risk financing complements risk

²⁹ Blue Natural Capital Financing Facility (BNCFF) (2021).

³⁰ World Bank 2021.

Table 7. Details of Payouts to Belize by CCRIF

| Year and the Disaster Event | Payouts in USD |
|---|----------------|
| Tropical Cyclone Earl, August 2016 | 261,073 |
| Tropical Cyclone Amanda/Cristobal, May/June 2020 | 203,136 |
| Tropical Cyclone Nana, September 2020 | 35,000* |

*Under Aggregate Deductible Cover for Tropical Cyclone.

prevention and risk reduction by compensating for a part of the residual risk that cannot be avoided.

CCRIF-SPC (formerly the Caribbean Catastrophe Risk Insurance Facility – Segregated Portfolio Company) is one of the regional risk pool mechanisms in operation. Belize is one of the member countries of CCRIF and benefited from almost USD500,000 payouts from the facility under tropical cyclone cover from 2016 to 2020³¹. The above table summarises the payout details.

Apart from the payouts, CCRIF has supported Belize through other projects specifically on early warning and disaster preparedness initiatives. In 2017, CCRIF–SPC and the Government of Belize have signed an agreement for CCRIF to provide

USD100,000 to the government to purchase 40–50 automatic weather stations to provide the Meteorological Service of Belize with access to real-time rainfall data³² under the Second Central America and Caribbean Catastrophe Risk Insurance Project. The project was financed by the World Bank and its component for the Caribbean region was USD11 million.

CCRIF is implementing the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) project in partnership with the Munich Climate Insurance Initiative (MCII) and financial support of the International Climate Initiative (IKI). Belize is a recipient country of this project. The project will introduce new insurance products such as Livelihood Protection Plans (LPPs) in Belize³³.

³¹ Climate Risk Adaptation and Insurance in the Caribbean Project (CRAIC II) (2019).

³² See: <https://www.ccrif.org/node/11890>

³³ Climate Risk Adaptation and Insurance in the Caribbean Project (CRAIC II) (2019).

5. Challenges and Opportunities for Climate Finance

Belize has been successful in accessing international climate finance from a number of international sources while blending with domestic resources including government counterpart financing. There are strengths as well as weaknesses in the current climate finance landscape. The correct assessment of these strengths and weaknesses will be valuable in developing strategies to bridge the climate finance gaps in realising the climate priorities. The following section of the report brings an analysis of the strengths, challenges and opportunities for Belize in accessing climate finance, based on the findings of the Climate Finance Landscape report.

5.1. Strengths in accessing climate finance

The Climate Finance Landscape assessment shows that Belize has several strengths in accessing climate finance. Building on these existing investments is important and the climate finance strategy will be focusing on enhancing and building synergies with the strengths of Belize in accessing climate finance.

The existing policy and institutional framework

There is a high level of national commitment from Belize to plan and implement the priority climate actions. The policy framework has been put in place supporting its climate actions and accessing climate finance. This is inclusive of the NDCs of Belize, which are being updated at the moment, National Climate Change Strategy and Action Plan, National Adaptation Plan on the Water Sector, Draft National REDD+ Strategy, 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 a strong climate finance strategy and an action plan.

As described in a previous section of this report, there are notable efforts to establish local

institutional mechanisms to plan, implement and monitor the climate change initiatives in the country. This is a good starting point to have a strong institutional mechanism to support enhanced climate finance access. The presence of a national level accredited entity (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 a broader range and scale of financial instruments.

Readiness supports

Seven GCF readiness support projects are continuing at the moment in Belize, including regional readiness support, which is an impressive level of 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. 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 climate finance options available.

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 2 depicts the level of partnerships and alliances established by Belize to access climate finance. The collaborations with other UN and 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 international private sector investments. BELTRAIDE had a number of investment incentives declared for private sector investments for a number of industries covering the renewable energy and AFOLU sectors. Since 1978, the Belizian dollar (BZD) has been pegged to the USD as BZD2 as USD1 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.

5.2. Challenges in accessing climate finance

Though Belize has various strengths in accessing climate finance, the landscape analysis found that there are also some challenges and bottlenecks. Addressing these bottlenecks will be important to ensure that the gap in climate finance is bridged to achieve the climate change priorities.

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 it a very difficult domestic economic situation. This will be a challenge in domestic public sector investments towards climate actions and a discouraging factor for private sector climate investments.

Co-financing challenges

The co-financing and counterpart contributions have become an important aspect with many of the donors and funds, including the GCF. However, the domestic economic constraints have put additional pressure on the GoB and other prospective national level partners to commit to co-financing. This has slowed down the drive to tap in to existing climate finance opportunities such as the GCF.

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 unit to co-ordinate among the stakeholders will act as a barrier to access climate finance opportunities. A central co-ordination point with 'climate finance dashboard management' capabilities is required to overcome this barrier.

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 with regard to 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 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 some 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 the international investor.

Local capacity gaps

In-country capacity, especially the experts and human resources required to mobilise climate finance, remains low in Belize. This has been widely

accepted by several stakeholders. 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 supportive process.

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

6. Recommendations and Way Forward

Based on the findings of the Climate Finance Landscape study, the following recommendations can be made. These recommendations will be the basis for developing the Climate Finance Strategy for Belize.

Integrated project development

Currently, the climate change project development in Belize is taking place across different ministries, departments and organisations. The project development processes are often reactive as well as focusing on one climate finance source and instrument. The GCF Country Programming process has promoted an integrated approach focusing on GCF. However, this can be expanded to other donors, sources and instruments. The interest in blended financing options is increasing. By adopting an integrated project pipeline development process with enhanced co-ordination across the departments and partners, the potential to access climate finance will be higher. This will also allow blending different finance options, sources and instruments. It is also crucial to ensure all the climate priorities of the country are adequately financed, rather than only limited sectors or areas with high donor interests.

Using MDB investments to leverage international climate finance

The MDB investment in Belize stands as the main climate finance source. The GoB has a higher level of collaborative partnerships with the MDBs in project development. On the other hand, limitations in co-finances have been recognised as a limitation in mobilising international climate finance. Therefore, it is recommended to capitalise on the strengths of working with MDBs to overcome the co-finance limitations by developing strategies to streamline this as an opportunity to leverage international climate finance. The GCF is low-hanging fruit for leveraging, but a strategic blended finance project development process with

MDBs could potentially bring a range of international leveraging options.

Private sector investments

Enhancing the capital base of local development banks is a crucial step towards enhancing private sector engagement in climate investments. This will enable the local financial institutions to develop and market attractive finance products for both mitigation and adaptation options. The successful case on DFC financing instruments for renewable energy and energy efficiency options can be replicated by increasing the capital base with low-cost investments. Local concessional financing instruments play a key role in the financing of mitigation options with low marginal abatement costs and adaptation options with higher potential returns, such as irrigation. Exploring the options of having a local share market will have positive private sector investments, as it is one of the preferred exit strategies.

Enhancing national capacities on climate finance

Belize has been working with international and multilateral partners extensively to access climate finance and they have often played the role of the implementing agency. It is important that the local capacities on climate finance are enhanced to ensure sustainable and adequate access. The capacity enhancement needs to focus on the human resources and institutional mechanisms as well as processes. Capacity building of officials engaged in project development across the sectors will ensure the adoption of a more informed approach. Ideas such as placing 'climate champions' in institutions is a good option to explore. Human resource development in the government, as well as the institutional arrangements, can be reviewed and rearranged appropriately so that it positively contributes to all aspects of accessing climate finance.

Market-based and carbon asset-based financing

Belize being a country endowed with a significant carbon asset base has a higher potential to take advantage of increasing interest in carbon asset-based financing options. Building on the REDD+ strategy and the work on blue carbon, Belize can craft proactive strategies to access more finance. Instruments such as blue bonds, green bonds, off-setting options, etc. can be explored further along with the potential to develop blended finance models.

Strengthening interlinkages with novel climate financing options

Green bonds, debt-for-climate swaps, etc. are emerging as new financing instruments with strong interlinkages with both mitigation and adaptation options. Strengthening these linkages can potentially attract more private sector investments while opening options for 'hard to finance' priorities.

Synergies with climate risk finance mechanisms

Belize is highly vulnerable to climate-induced natural disasters including hurricanes, floods and droughts. This situation poses an imminent threat of losses and damages which exacerbate the climate vulnerabilities. It is important to ensure the climate finance has synergies with climate risk financing instruments that can enhance the overall resilience. Belize has been a beneficiary country of the Caribbean Catastrophe Risk Insurance Facility – SPC (CCRIF-SPC) and has experience in integrating risk financing instruments. This can be further enhanced by having more synergies with the climate financing by linking ex-ante and ex-post disaster situations. Climate proofing of capital investments coupled with risk insurance can build a higher level of resilience. It is recommended to further enhance the initiatives with CCRIF and integrate tools such as Livelihood Protection Plans (LPPs).

Annex I: List of Stakeholders Consulted

| Name | Institution |
|--------------------|---|
| Lennox Gladden | National Climate Change Office |
| Colin Mattis | National Climate Change Office |
| Johanna Pacheco | National Climate Change Office |
| Kareem Reynolds | National Climate Change Office |
| Michael Somerville | REDD+ Readiness Project |
| Hannah Martinez | National Biodiversity Office |
| Rene H. Nunez | Ministry of Finance |
| Karlene McSweeney | Ministry of Economic Development |
| Leroy Almendarez | BELTRAIDE |
| Franklyn Magloire | Development Finance Corporation (DFC) |
| Wilbur F. Dubon | Ministry of Blue Economy & Civil Aviation |
| Beverly Wade | Ministry of Blue Economy & Civil Aviation |
| Emilie Gomez | Ministry of Blue Economy & Civil Aviation |
| Nayari Perez | Protected Area Conservation Trust |
| Denaie Swasey | Protected Area Conservation Trust |
| Edilberto Romero | Programme for Belize |
| Jake Wellman | Vivid Economics |
| Joaquim Leite | NDC Partnership |
| Keith Lawrence | PEW Charitable Trust |
| Courtney Durham | PEW Charitable Trust |
| Moritz von Unger | PEW Charitable Trust |
| Steve Crooks | PEW Charitable Trust |
| Sidney Jules | Rocky Mountain Institute (RMI) |
| Cindy Nguyen | |
| Ryan Zuniga | Caribbean Community Climate Change Centre (CCCCC) |
| Dirk P. Kohler | Munich Climate Insurance Initiative (MCII) |
| Christopher McGann | BIOFIN Project/PPF Capital |
| Vintura Silva | UNFCCC |
| Leonie Routil | UNFCCC |
| Cathal Healy Singh | Consultant, UNFCCC |
| Fabian Berrera | IRENA |
| Gerardo Escamilla | IRENA |
| Diane Wade | UNDP |
| Federico Canu | DTU partnership |
| Karen Douthwaite | WWF |
| Nadia Bood | WWF |
| Suranga Kahandawa | The World Bank |
| Rashmin Gunasekera | The World Bank |

Annex II: List of Climate Change Projects Under the Ongoing PSIP

| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|---|--|--|------------|-----------------------------------|------------|-------------|----------------|-------------|------------|
| Climate Resilient Infrastructure Project (CRIP) | To enhance the resilience of road infrastructure against flood risk and impacts of climate change, and to improve the borrower's capacity to respond promptly and effectively in an eligible crisis or emergency. | Full | Adaptation | Infrastructure – Flood Resilience | Apr 15 | Aug 21 | CDB | Loan | 43,752,818 |
| | | | | | | | GoB | Counterpart | 19,000,000 |
| | | | | | | | OFID | Loan | 24,000,000 |
| Belize City Southside Poverty Alleviation (Phase 3) | To improve the living conditions of approximately 30,000 people through the construction and/or improvement of drainage works and roads, land reclamation activities, renovation/reconstruction of houses and youth centres and implementation of training programmes, among other activities. | Partial | Adaptation | Infrastructure – Flood Resilience | 14 Oct | Dec 17 | OFID | Loan | 30,440,000 |
| | | | | | | Ext. Feb 18 | GoB | Counterpart | 7,600,000 |

(Continued)

| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/ Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|---|--|---|------------|--------------------------------------|---------------|-------------|----------------------|----------------------|----------------------|
| Final Designs and Capacity Building for Climate Vulnerability Reduction in Belize (BLT 1098) | Preparation of final designs for flood control works in Belize City; improvements to institutional capacity for climate adaptation planning in agriculture, tourism, housing and emergency response; and support activities related to improved accessibility of risk information, damage assessment capacities and climate risk financing under the Climate Vulnerability Reduction Program. Operations ATN/JF-16295, 16296-BL. | Partial | Adaptation | Infrastructure – Flood Resilience | Aug 17 | Aug 20 | IDB | Grant | 1,600,000 |
| Climate Vulnerability Reduction Program | Interventions targeting reduced climate-related vulnerabilities of the tourism sector and flood control measures in Belize City. The programme aims to improve Belize's governance for disaster risk management and climate change adaptation. | Full | Adaptation | Infrastructure – Flood Resilience | May 18 | May 22 | IDB | Loan | 20,000,000 |
| Feasibility Study and Final Design – Phillip Goldson Highway (Mls. 24.5 – 92, including Remate Rd.) | Preparation of a feasibility study and preliminary and detailed designs to upgrade the Philip S. W. Goldson Highway incorporating climate change, social inclusion, gender and safety considerations. | Partial | Adaptation | Infrastructure – Flood Resilience | Jun 18 | Jun 20 | CDB/UK CIF GoB | Grant Counterpart | 4,517,568 211,715 |

(Continued)

| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|---|---|--|---------------|--------------------------|------------|----------|----------------|-------------|------------|
| Detailed Designs – San Pedro, A.C. Water and Sewerage Expansion Project | Preparation of detailed designs, bidding documents, cost estimates and technical specifications for the proposed water and sewerage capital works on Ambergris Caye. | Significant | Cross-cutting | Water & Waste Management | Oct 13 | Dec 20 | CDB | Grant | 198,000 |
| | | | | | | | CDB | Loan | 1,440,000 |
| | | | | | | | GIZ | Grant | 251,752 |
| | | | | | | | GoB | Counterpart | 270,100 |
| Water Utility Climate Risk and Vulnerability Assessment | Consultancy services for the development of a Climate Risk and Vulnerability Assessment (CRVA) for 3 BWS systems and formulation of an accompanying adaptation plan of action; and capacity enhancement of the BWS in conducting CRVAs. | Full | Adaptation | Water | Jul 18 | Jun 20 | CDB | Grant | 268,000 |
| | | | | | | | GoB | Counterpart | 68,000 |
| Hopkins Village (Ph. II), Hummingbird and Middlesex Water Systems | Rehabilitation of the existing Hopkins Village well system, installation of 9km of transmission lines; construction of a 55,000-gallon reinforced water tank, new pumphouse and chlorination building and installation of 10km of distribution lines including residential and commercial metering. Hummingbird and Middlesex Works included the rehabilitation of the existing dam site, installation of 0.7 km of transmission lines; construction of a 32,000-gal. service water tank and two 10,000-gal. gravity tanks, new pumphouse and chlorination building and installation of 7 km of distribution lines, including residential metering. | Significant | Adaptation | Water | Feb 18 | Aug 20 | EU/BAM 2013 | Grant | 2,960,996 |

(Continued)

| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/ Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|--|---|---|---------------|---------------------|---------------|-------------|----------------------------------|---|---|
| Third Water (South Ambergris Caye Water and Sewerage Expansion) Project | Acquisition of the privately owned reverse osmosis plant on Ambergris Caye, expansion of water and sewerage systems on the island with climate considerations, installation of a solar energy system at the San Pedro water treatment site, development of a Gender Policy and Operational Strategy for Human Resource Management at BWS, improved communication, public education and stakeholder education. | Partial | Cross-cutting | Water | Feb 19 | Jun 21 | CDB CDB BWS BWS | Loan Grant Counterpart Counterpart | 17,034,000 410,000 450,000 4,361,000 |
| Resilient Rural Belize Programme | Programme to address constraints and improve the profitability of the value chain process within the context of developing climate-smart agriculture while reducing the financial, economic and climate-related vulnerabilities small farmers face; provide necessary drainage and irrigation infrastructure and reduce the physical vulnerability of public infrastructure through retrofitting and rehabilitation of existing rural infrastructure. | Full | Adaptation | Irrigation Drainage | Nov 18 | Mar 24 | IFAD GCF GCF BEN GoB | Loan Loan Grant Counterpart Counterpart | 16,000,000 3,829,600 12,170,400 1,644,800 6,360,000 |

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| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/ Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|---|--|---|------------|-------------|---------------|-------------|-------------------|---------------------|----------------------|
| Enhancing Sugarcane Farmers' Resilience to Natural Hazard Events Jul 20–Dec 21 - , Ministry of Food and Agriculture, and Immigration (MFAI) | Implementation of a Drought Recovery Scheme to facilitate the provision, through a specially designed voucher programme, of inputs (planting material and agrochemicals) and services (land clearing and preparation) to sugarcane farmers in northern Belize impacted by the 2019 drought; as well as technical assistance to some 1,200 farmers in climate-smart agriculture practices and general sugarcane agronomy by the sugarcane farmers' associations, Ministry of Food and Agriculture, and Immigration (MFAI), Belize Sugar Industries Limited (BSI) and Sugar Industry Research and Development Institute (SIRDI). | Full | Adaptation | Agriculture | Jul 20 | Dec 21 | CDB GoB | Loan Counterpart | 2,026,000 351,200 |

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| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|--|--|--|------------|-----------------------------------|------------|----------|----------------|----------------------|-----------------------|
| DFC 8th Consolidated Line of Credit | Funds provided to DFC for lending in priority areas – student loans, SMEs, mortgage finance, agriculture and industrial credit, energy efficiency/ renewable energy and technical assistance for capacity building. The grant will finance consultancy services for strengthening DFC’s due diligence for climate risk assessment of sub-projects and institutional strengthening and capacity building. | Full | Mitigation | Energy | Dec 16 | | CDB CDB | Loan Grant | 40,000,000 370,000 |
| Belize Seaweed Mariculture Project | Project lasted 24 months and aimed to support increased fisheries productivity for traditional fishers in Belize, and support the employment of fishers, women and other persons in fishing communities who are being displaced by climate change impacts. | Full | Adaptation | Fisheries/ Livelihoods | Jul 19 | Jul 21 | CCPF GoB | Grant Counterpart | 417,000 203,700 |
| Biodiversity Financing Project II (BIOFIN) | To implement priority ecosystem-based marine conservation and climate adaptation measures to strengthen the climate resilience of the Belize Barrier Reef System. | Full | Adaptation | Ecosystem- Based Adaptation | Jan 19 | Jan 23 | UNDP | Grant | 540,000 |

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| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|--|---|--|---------------|-------------------|------------|----------|----------------------|-----------------------------|-------------------------------------|
| REDD+ Readiness Preparation Proposal (RPP) | The project sought the establishment of a National Reference Scenario based on historical emissions from deforestation and forest degradation. A comprehensive REDD+ Strategy and a comprehensive framework for measuring results was developed. | Full | Mitigation | Forestry | Dec 17 | Jun 21 | WB GoB GIZ/KBA | Loan Counterpart Loan | 7,600,000 1,132,000 1,584,000 |
| Japan Caribbean Climate Change Partnership (JCCCP) | The JCCCP is a regional initiative targeting Belize and seven other Caribbean countries and is in line with the Paris Agreement on Climate Change, to keep global warming below 2°C and drive efforts to limit the temperature increase to 1.5°C above pre-industrial levels. Activities in Belize include supporting the development of Belize's National Climate Change Communications Strategy, National Adaptation Plan (NAP) and Nationally Appropriate Mitigation Actions (NAMA); and implementing sustainable agriculture and water resources management pilot projects to advance inclusive low-emission climate-resilient development in Belize. | Full | Cross-cutting | Policy – Strategy | | | GoJ/ UNDP | Grant | 2,549,357 |

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| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|---|---|--|---------------|-------------------|------------|----------|----------------|-------------|------------|
| Solid Waste Management Project II | Expansion of waste management infrastructure to areas of the country that were not addressed under the SWMP. The programme aimed to improve solid waste management practices and reduce environmental pollution in the emerging tourism destinations of northern and southern Belize. | Significant | Mitigation | Waste Management | Sep 16 | Sep 21 | IDB | Loan | 20,000,000 |
| | | | | | | | GoB | Counterpart | 400,000 |
| Design and Preparation of Sustainable Development Plan for the Caracol Region | Design and prepare a sustainable development plan for the entire Caracol Region, including a participatory ecosystem-based land use planning process, to prepare the area and local populations for the change that will accompany the rehabilitation of the Caracol Road and ensure its sustainable development. | Partial | Adaptation | Policy – Strategy | Oct 17 | Oct 20 | IDB | Grant | 1,400,000 |
| | | | | | | | | | |
| Fourth National Communication and First Biennial Update Report to the UNFCCC | The project sought to assist the country of Belize in meeting reporting requirements under Article 12 of the UNFCCC. | Full | Cross-cutting | Policy – Strategy | Aug 17 | | GEF | Grant | 1,744,000 |
| | | | | | | | GoB | Counterpart | 161,000 |

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| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|---|--|--|---------------|--|------------|----------|-----------------------------------|-------------------------------------|--------------------------------------|
| Belize Urban Resilience and Disaster Prevention Project | Establish an early warning system using GIS technology, improve flood preparedness and disaster response efficiency and improve infrastructure at the demonstration site. Activities include: Strengthening overall flood preparedness and prevention and update basic maps; apply advanced monitoring techniques; recommend flood control improvements in flood-prone areas and raise awareness and knowledge of disaster prevention. | Full | Adaptation | Early Warning – Flood | Apr 19 | Dec 21 | Republic of China (Taiwan) GoB | Grant Counterpart | 2,400,000 40,000 |
| HCFC Phase-Out Management Plan Second Tranche Stage One | Implementation of the plan to reduce the controlled use of specified ozone-depleting substances HCFC-22 and HCFC-141b in Belize. | Significant | Mitigation | Policy – Strategy | | | UNEP GoB | Grant Counterpart | 231,130 196,352 |
| Energy Resilience for Climate Adaptation Project | To enhance the resilience of the energy system to adverse weather and climate change impacts through long-term planning and capacity building for adaptation and implementation of demonstration measures targeting the electricity transmission and distribution networks. | Full | Cross-cutting | Energy Infrastructure – Floor Resilience | Sep 16 | May 22 | GEF/WB BEL GoB | Grant Counterpart Counterpart | 16,000,000 6,750,000 1,200,000 |

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| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/ Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|--|---|---|------------|--------------------------|---------------|-------------|-------------------|----------------------|------------------------|
| Provision of Modern Energy and Support Services to Rural Communities | Alleviation of poverty through rural electrification, energy efficiency and strategic energy planning, including the development of a regulatory framework. | Full | Mitigation | Energy | Jul 19 | Jul 24 | EU (EDF 11) | Grant | 31,050,000 |
| Caribbean Energy Statistics Capacity Enhancement Project | To enhance energy statistics planning and management capacity within five Caribbean countries: Belize, Grenada, Guyana, Jamaica and Suriname. | Partial | Mitigation | Energy Policy – Strategy | Sep 16 | Dec 20 | WB | Grant | 500,000 |
| Energy for Sustainable Development in Caribbean Build-ings (ESD) Project | Sustainable energy use through energy efficiency and renewable energy intervention technologies within the project territories: Antigua & Barbuda, Belize, Grenada, St Lucia and St Vincent and the Grenadines. | Full | Mitigation | Energy | Feb 17 | Jun 20 | GEF/UNEP | Grant | 988,740 |
| emPOWER Rural Electrification Project | Installation of hybrid PV system in Indian Creek, Golden Stream and Medina Bank. | Full | Mitigation | Energy | | | UAE-CREF GoB | Grant Counterpart | 5,472,000 2,556,734 |

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| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|--|---|--|---------------|-----------------------------|------------|----------|----------------|---------------------|------------------------|
| Health Sector Support Programme. Belize (formerly Improvements to the Health Sector) | Development of efficient, effective, disaster-resilient and environmentally friendly health facilities (SMART Health Facilities) and improvements to the structure, organisation and management of health services through the upgrade of five hospitals and the Central Medical Lab, adoption of the Integrated Health Service Delivery Network approach in all primary care facilities, reorganisation of the sector to improve efficiency and overall management, and expansion of the BHIS to cover 90% of health care facilities (Health Systems Strengthening Project). | Partial | Cross-cutting | Health, Disaster Management | Sep 18 | Sep 22 | EU (EDF 11) | Grant | 25,600,000 |
| Belize Social Investment Fund III Loan | Financing for small/medium-sized community projects; design and supervision services; institutional strengthening; technical assistance and project management. Focal areas were education, water and sanitation, health, social services and organisational strengthening. | Partial | Adaptation | Water-Sanitation | Sep 17 | Jun 21 | CDB GoB | Loan Counterpart | 9,080,000 1,308,470 |

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| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|---|--|--|------------|---------------------|------------|----------|--|----------------------|------------------------|
| Basic Needs Trust Fund IX | Financing for sub-projects in the areas of education and human resource development, water and sanitation and basic community access and drainage; project monitoring and evaluation; institutional development and project management and implementation support. | Partial | Adaptation | Water-Sanitation | Mar 18 | Sep 21 | CDB GoB | Grant Counterpart | 9,080,000 1,308,470 |
| Bilateral and International Co-operation Projects | | | | | | | | | |
| Strengthen emergency and disaster response in vulnerable communities by building capacities and improving collaboration and service delivery in Southern Belize | The project aimed to collaborate with the government to conduct baseline surveys, develop the first Multi-hazard Operation Plans for the country, and identify training as well as materials/supplies needed to aid in strengthening the natural disaster response systems within 30 vulnerable communities in the Stann Creek and Toledo districts. | Significant | Adaptation | Disaster Management | Oct 18 | Dec 20 | Central America Regional Security Initiative – Economic Support Fund - (CARSI-ESF) | Grant | 367,740 |

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| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|---|--|--|---------------|-------------------|------------|----------|--|----------------------|-------------------|
| emPOWER Rural Electrification Project | The project plans to install 244 kW of solar photovoltaic and battery storage in villages that do not have access to the national electricity grid. | Full | Mitigation | Energy | TBD | TBD | UAE-CRF | Grant | 5,472,000 |
| Strengthening National Capacity for Measuring and Monitoring Marine Pollution and Studying the Effects of Ocean Acidification on Marine Ecosystems (BZE 7002) | This project provided strengthened national research and monitoring capacity for the production of data to inform effective marine conservation policies and management programmes. | Significant | Adaptation | Policy – Strategy | Mar 16 | Mar 19 | International Atomic Energy Agency (IAEA) GoB | Grant Counterpart | 512,078 26,952 |
| Regional Projects (Multi-Country) | | | | | | | | | |
| Climate Change Action for Gender Sensitive Resilience – Belize (EnGenDER) | To help nine Caribbean countries advance the development and implementation of national climate change adaptation plans (NAPs) and climate change mitigation actions (NAMAs) in sectors with the greatest beneficial impact on women and girls, including agriculture and tourism. The project builds on the work of other partners to help strengthen, in a gender-responsive manner, countries' natural disaster recovery mechanisms, risk reduction and climate change plans and adaptation response. | Full | Cross-cutting | Policy – Strategy | 2019 | 2023 | DFID/ UNDP | Grant | 235,809 |

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| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/ Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|---|--|---|---------------|---------------------|---------------|-------------|-------------------|------------|---------------|
| Targeted Support to the Caribbean Disaster Emergency Management Agency – Belize | To improve comprehensive disaster management in the Caribbean region with a focus on vulnerable populations, particularly women and girls. | Significant | Adaptation | Disaster Management | 2019 | 2023 | GoC | Grant | 12,000,000 |
| Gender – Responsive Community Resilience Building – Belize | The project aimed to improve the resilience of vulnerable populations, including boys, girls, men and women especially in times of crisis and disaster. The project worked with communities to increase preparedness and response capacities and develop, strengthen and enhance collaboration to better support the communities (Belama Ph. 4 and 5, Salvapan, Maya Mopan, More Tomorrow, St Matthews, and Cotton Tree) | Significant | Adaptation | Disaster Management | 2018 | 2020 | GoC, CRCS | Grant | 7,200,000 |
| EcoMicro Caribbean – Belize | EcoMicro is a technical assistance facility established to pilot green finance for Micro, Small and Medium Enterprises (MSMEs) including small farmers and low-income households in countries across the Caribbean. | Significant | Cross-cutting | MSMEs Agriculture | 2018 | 2022 | GoC/IDB | Grant | 10,800,000 |

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| PROJECT NAME | DESCRIPTION | Climate Relevance Full/Significant/Partial | Focus | Sector | START DATE | END DATE | FUNDING AGENCY | Instrument | Amount BZD |
|--|--|--|------------|----------------------------|------------|----------|-----------------|------------|------------|
| Pipeline (but approved) projects | | | | | | | | | |
| Integrated Management of Production Landscapes to deliver Multiple Global Environmental Benefits | Mainstream Biodiversity Conservation and Sustainability use in production landscapes and seascapes and sectors. Maintain or improve the flow of agro-ecological intensification. Reduce pressure on natural resources by managing competing land uses in broader landscapes and scaling up sustainable land management through a landscape approach. | Significant | Adaptation | Ecosystem-Based Adaptation | TBA | | GEF | Grants | 10,217,866 |
| Enhancing the Resilience of Belize's Coastal Communities to Climate Change Impacts | Enhancing the resilience of Belize's Coastal Communities to Climate Change Impacts. | Full | Adaptation | Ecosystem-Based Adaptation | TBA | | Adaptation Fund | Grants | 4,000,000 |

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