



Disaster Risk Financing Policy and Implementation Plan

Belize, 2025 - 2030

Table of Contents

Table of Contents	2
List of Acronyms and Abbreviations	3
List of Figures and Tables	4
Preface and Acknowledgements	5
Background Note	7
Belize's Disaster Risk Profile	7
Legal and Institutional Framework for Disaster Risk Management and Financing	7
Disaster Risk Finance Framework	8
Objectives and Guiding Principles	9
General Objectives	9
Guiding Principles	10
Policy Areas, Objectives, and Strategies	12
Policy Area 1: Evidence-Based Fiscal Management and Resilient Investments	12
Policy Area 2: Financial Strategies for Disaster Risk and Climate Resilience	18
Policy Area 3: Institutional Strengthening and Coordination	26
Implementation Plan	28
Governance and Institutional Framework	28
Monitoring and Evaluation Framework	32
Critical Success Factors for Implementation of the DRF Policy	32
Appendix	34

List of Acronyms and Abbreviations

APSSS	Automated Payment and Securities Settlement System
BAIMS	Belize Agriculture Information Management System
Cat-DDO	Catastrophe Deferred Drawdown Option
CCF	Contingent Credit Facility
CCRIF SPC	Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company
CoA	Chart of Accounts
DRF	Disaster Risk Financing
DRM	Disaster Risk Management
GDP	Gross Domestic Product
GoB	Government of Belize
GRM	Grievance Redress Mechanism
IDB	Inter-American Development Bank
MAFSE	Ministry of Agriculture, Food Security, and Enterprise
MHD	Ministry of Human Development, Families, and Indigenous Peoples' Affairs
MIDH	Ministry of Infrastructure Development and Housing
MoF	Ministry of Finance
NDRF	National Disaster Risk Fund
NEMO	National Emergency Management Organization
NMS	Belize National Meteorological Service
PDNA	Post-Disaster Needs Assessment
PPP	Public-Private Partnership
SISB	Single Information System for Beneficiaries
UNDP	United Nations Development Programme
USD	United States Dollar
VfM	Value for Money

List of Figures and Tables

Table 1	Implementation Plan for the Belize DRF Policy
Table A1	Summary of DRF Policy Areas, Objectives, and Strategies

Preface and Acknowledgements

Belize is one of the most disaster-prone nations in the Caribbean region. Its economy and population are significantly exposed to hurricanes, floods, forest fires, and other hazards. The fiscal impact of these disasters is profound, creating substantial economic disruptions and social challenges. This Disaster Risk Financing (DRF) Policy represents a vital step forward in Belize's journey to enhancing financial resilience for preparedness and response, while ensuring sustainable development in the face of increasing disaster risks.

The Government of Belize (GoB) recognizes the critical need for robust DRF mechanisms to mitigate disasters' economic and social impacts. The policy builds on the findings of the “*Disaster Risk Finance in Belize: Progress and Perspectives*” report, which highlighted significant funding gaps, emphasized the need for an evidence-based approach to DRF, and recommended strategies to ensure timely and cost-effective access to financial resources during emergencies.¹

This policy aims to:

- Provide a comprehensive framework for DRF.
- Promote data-driven decision-making for effective fiscal planning and disaster contingent liabilities management.
- Strengthen institutional capacities to address disaster risks proactively.
- Reduce the fiscal burden of disasters while safeguarding development gains.

The development of this policy has been a collaborative effort. The GoB extends its gratitude to the Ministry of Finance (MoF), the National Emergency Management Organization (NEMO), and other government agencies for their contributions. Special thanks are extended to international partners, including the World Bank and the Inter-American Development Bank (IDB), for their technical assistance and support in preparing the “*Disaster Risk Finance in Belize: Progress and Perspectives*” report, which has been instrumental in shaping this policy framework.²

We also acknowledge the contributions of local stakeholders, including municipal governments, private sector representatives, and civil society organizations, whose insights have ensured the policy reflects the nation's needs at all levels.

As Belize implements this DRF Policy, the GoB is committed to fostering a culture of resilience and sustainability. This policy will be a living document, reviewed and updated periodically to align with emerging global best practices and the evolving needs of the Belizean people.

¹ Government of Belize, World Bank, and Inter-American Development Bank, “Disaster Risk Finance in Belize: Progress and Perspectives”, forthcoming publication, 2024.

² Ibid.

The GoB remains steadfast in its commitment to building a fiscally and financially resilient nation, ensuring that today's challenges are met with innovative and sustainable solutions for tomorrow.

Background Note

Belize's Disaster Risk Profile

Belize faces significant disaster risks due to its location within the Atlantic Hurricane Belt and low-lying coastal geography. These factors make the country susceptible to hurricanes, tropical storms, floods, and other hazards. The impacts of climate change further amplify these threats, increasing the frequency, intensity, and unpredictability of extreme weather events. Hydrometeorological events such as hurricanes have caused devastating damage, as evidenced by events like Hurricane Earl in 2016 and Hurricane Lisa in 2022, which collectively resulted in hundreds of millions of dollars in damages. Prolonged droughts, such as the one experienced in 2019, have also severely impacted Belize's agricultural output, a critical sector for the economy and rural livelihoods.

The fiscal and economic consequences of natural disasters are profound. From 2016 to 2023, the average annual direct damage from disasters was approximately USD 34 million, with Hurricane Lisa alone causing USD 66 million in damages and USD 31 million in economic losses. Agriculture and tourism, two of Belize's primary economic drivers, are particularly vulnerable. Agriculture contributes 12% of GDP, employing 16% of the labor force, while tourism accounts for 39% of GDP and is centered around the coastal and island regions most exposed to natural disasters. Rising sea levels, intensified storms, droughts, and temperature increases due to climate change are expected to exacerbate these vulnerabilities, posing long-term risks to the country's economic stability and fiscal resilience.

Belize's risk exposure has been assessed using various disaster risk models, including probabilistic models from the World Bank Country Disaster Risk Profile, Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF SPC), and AIR Worldwide, which provide critical insights into the potential fiscal and economic impacts of natural hazards. These models estimate Belize's average annual contingent liability for tropical cyclones alone between USD 6.8 million and USD 10.5 million, with potential losses reaching USD 168-285.7 million in a 1-in-100-year event. This equates to approximately 5.5% to 9.3% of Belize's 2023 GDP (USD 3.07 billion), highlighting the significant macroeconomic threat of severe disasters (World Bank national accounts data). While these estimates provide a strong basis for financial planning, they reflect inherent uncertainties due to modeling assumptions and data variability, underscoring the need for continuous refinement as new data becomes available.

Legal and Institutional Framework for Disaster Risk Management and Financing

Belize has established a legal framework for disaster risk management focusing on preparedness, response, and resource mobilization during emergencies. The Disaster Preparedness and Response Act of 2000 serves as the cornerstone of these efforts,

defining the roles and responsibilities of government agencies, particularly the NEMO, the lead agency for disaster preparedness and response. The Act provides mechanisms for declaring emergencies, coordinating response efforts, and mobilizing resources during disasters. The Finance and Audit (Reform) Act of 2021 complements this by enabling financial flexibility during emergencies, including establishing a contingency fund to finance urgent, unforeseen expenditures.

Institutionally, disaster risk management in Belize is driven by NEMO, which oversees coordination among sectoral ministries and local governments to ensure timely and effective disaster responses. The MoF is central in mobilizing financial resources and implementing DRF strategies. The MoF also engages with international partners to secure additional financial and technical support for disaster resilience. Sectoral ministries, such as those responsible for agriculture, infrastructure, and health, integrate disaster risk considerations into their development plans, while local governments implement response measures at the community level. Despite these institutional arrangements, there is room to enhance coordination and preparedness across all levels of government. Future strategies should prioritize strengthening financial and fiscal resilience by implementing disaster risk financing mechanisms tailored to Belize's needs.

Disaster Risk Finance Framework

A DRF policy aims to reduce disasters' economic and fiscal impact by ensuring timely access to financial resources through a cost-effective mix of instruments. Given budgetary constraints, no single financial tool can fully cover all levels of risk. Instead, a risk-layered approach is needed to align financing mechanisms with the frequency and severity of disasters, balancing risk retention and risk transfer strategies to optimize resilience.

The DRF framework includes ex-ante instruments, such as contingency funds, budget allocations, contingent credit lines, and sovereign risk transfer mechanisms like parametric insurance. These provide pre-arranged financing for immediate response and recovery and anticipatory actions such as evacuations and emergency logistics, reducing reliance on reactive and often inefficient budget reallocations. In contrast, ex-post instruments, including emergency borrowing and international aid, provide additional liquidity but can create fiscal strain. A structured DRF strategy ensures these instruments are used efficiently and holistically, optimizing financial resources while minimizing economic disruption.

Beyond financing, DRF should be integrated into a broader disaster risk management (DRM) framework, which includes governance, risk identification, risk reduction, and emergency preparedness. Strengthening financial preparedness complements investments in resilient infrastructure, climate adaptation, and institutional capacity, ensuring that countries can effectively manage disaster risks while maintaining economic and fiscal stability.

Objectives and Guiding Principles

General Objectives

Belize's DRF Policy aims to establish a comprehensive and sustainable financial framework that strengthens the nation's fiscal and financial resilience against disasters. By ensuring timely and predictable access to resources, the policy seeks to protect Belize's economic stability, safeguard its population, enable rapid recovery and reconstruction following disasters, and strengthen fiscal sustainability.

Specific objectives include:

1. **Strengthen Financial Preparedness:** Integrate DRF into national, subnational, and sectoral budgeting processes, ensuring that all levels of government are prepared to manage disasters' financial impacts.
2. **Leverage Data and Technology:** Establish a robust system for collecting, analyzing, and utilizing disaster-related data to support evidence-based policy decisions and financial planning. This includes estimating the GoB's exposure to disasters, assessing contingent liabilities, determining the financing gap for the existing financial strategy, and designing a comprehensive finance needs assessment to align with specific recovery and resilience-building priorities.
3. **Develop a Multi-Layered Financial Strategy:** Implement a risk-layered approach using a combination of risk retention mechanisms (e.g., contingency funds) and risk transfer instruments (e.g., catastrophe insurance) to optimize cost efficiency and financial coverage, guided by the fiscal risk assessment and prioritization framework.
4. **Enhance Institutional Capacities:** Build public institutions' technical and operational capabilities to implement and monitor DRF initiatives effectively. This includes fostering inter-agency coordination and public-private partnerships. Additionally, provide capacity-building, training in allocating climate finance and grants, and technical assistance to reduce vulnerability to climate-related and economic shocks.
5. **Promote Financial Inclusion:** Expand access to appropriate disaster risk finance solutions, including risk transfer (insurance) and risk retention (self-insurance), for small businesses and vulnerable groups to ensure comprehensive coverage and shared responsibility. Additionally, enhance financial inclusion by ensuring that disaster risk solutions enable fast, frequent, and digital disbursements of disaster-related funds.
6. **Mainstream Risk into Investments:** Incorporate disaster risk and climate change considerations into public and private investment decisions, promoting resilience in infrastructure and economic planning through principles like "build back better."
7. **Foster National, Regional, and International Partnerships:** Collaborate with national, regional, and international stakeholders to share best practices, access technical expertise, and mobilize funding for DRF initiatives.

These objectives will be achieved through short-, medium-, and long-term policy strategies. This set of strategies is informed by a thorough analysis of Belize's fiscal vulnerabilities, gaps in the current approach to financing disaster risk, public financial management systems, the domestic insurance market, sector specific conditions, and national priorities. The policy aligns with international best practices in DRF and is tailored to Belize's legal and policy framework, specific hazard profile, and fiscal position. The "*Disaster Risk Finance in Belize: Progress and Perspectives*" report contains the complete analysis and recommendations.³

The MoF will drive the policy implementation in collaboration with other key stakeholders, including NEMO, relevant ministries, subnational governments, non-governmental organizations, civil society, and the private sector. Supported by technical assistance from international and regional organizations, the MoF will continue to build capacity in critical areas such as fiscal risk assessment, public-private partnerships, and DRF instruments.

The implementation plan will outline specific actions to be taken over the short, medium, and long term and detail the required human, technical, and financial resources. Designed as a dynamic framework, the DRF Policy will remain adaptive to changes in Belize's operating environment and evolving resilience needs. It is part of a broader disaster risk management framework to increase the country's resilience. The policy will be reviewed and updated periodically to remain relevant and practical as Belize advances its DRF and resilience-building efforts.

Guiding Principles

The DRF Policy for Belize is built on foundational principles ensuring sustainability, inclusivity, and effectiveness. These principles guide the implementation of the policy and align it with global best practices and national priorities:

1. **Timeliness of Funding and Predictability:** Financial resources must be available quickly and predictably to address both pre-disaster preparedness and immediate post-disaster needs and ensure recovery efforts are not delayed. Not all resources are needed simultaneously: anticipatory funding may be required for evacuation logistics, emergency shelter activation, and pre-positioning of critical supplies, while immediate liquidity is essential for rapid response, recovery, and rehabilitation. More significant amounts may be required later for resilient reconstruction. This includes pre-arranged financial instruments, contingency mechanisms, and dedicated budget allocations that ensure timely access to funds before, during, and after disasters.
2. **Risk Layering:** Considering the frequency and severity of disaster events, a strategic mix of financial instruments will be employed, using cost-effective tools for frequent, low-severity events and robust mechanisms for rare, high-impact disasters while ensuring alignment with the GoB's priorities and risk tolerance.

³ Ibid.

3. **Inclusivity and Equity:** The process of executing funds and response actions is just as crucial as the availability of those funds. The policy prioritizes the needs of the most vulnerable populations, ensuring equitable access to DRF. It emphasizes inclusive processes that engage women, youth, persons with disabilities, and other marginalized groups as active participants in decision-making and response mechanisms.
4. **Evidence-Based Decision-Making:** Robust data and risk assessments will underpin all decisions, ensuring financial strategies are tailored to actual risk profiles, contingent liabilities, and fiscal realities. This includes leveraging probabilistic risk analysis, participatory foresighting, indigenous knowledge, and other tools.
5. **Sustainability and Fiscal Responsibility:** All financing mechanisms will align with national fiscal strategies and debt profile, ensuring disaster response measures do not compromise long-term economic stability.
6. **Coordination and Collaboration:** The policy promotes partnerships among government agencies, local authorities, private sector actors, civil society, and international partners to strengthen DRF efforts. These collaborations will ensure coherence and maximize resource mobilization.
7. **Adaptability and Resilience:** The policy will remain adaptive, integrating new insights, innovations, and lessons learned to enhance Belize's financial resilience. It will also recognize the evolving nature of disaster risks due to climate change and improvements in risk exposure models to ensure more accurate financial planning and response strategies.

By adhering to these objectives and principles, the DRF Policy will enable Belize to build a resilient and financially sustainable future, protecting its citizens and economic stability from the escalating impacts of disasters.

Policy Areas, Objectives, and Strategies

Belize's DRF policy implementation will be guided by three core policy areas, each encompassing specific objectives and aligned strategies. These policy areas reflect the multifaceted nature of DRF and are designed to address gaps, leverage opportunities, and strengthen financial resilience across all levels of government and society.

1. **Evidence-Based Fiscal Management and Resilient Investments:** This policy area focuses on strengthening the collection, understanding, management, and integration of disaster-related data to support evidence-based decision-making and fiscal planning. It also promotes the incorporation of disaster and climate change risk considerations into public investment decisions, enhancing resilience and optimizing resource allocation.
2. **Financial Strategies for Disaster Risk and Climate Resilience:** This area emphasizes the development and optimization of a balanced portfolio of risk retention instruments (such as contingency funds and contingent credit lines) and risk transfer mechanisms (such as parametric or indemnity-based insurance instruments) to ensure sustainable, timely, and cost-effective financial responses to disasters. It also addresses broader climate resilience by integrating DRF with adaptation measures and leveraging national and international resources.
3. **Institutional Strengthening and Coordination:** This area focuses on enhancing institutional expertise, coordination, and preparedness to effectively identify and understand fiscal risk due to disasters and implement and manage DRF measures. It includes building technical capacity, providing training in allocating climate finance and grants, and establishing inter-agency coordination mechanisms. Additionally, it emphasizes fostering partnerships with regional and international organizations and private sector stakeholders to reduce vulnerability to climate-related and economic shocks.

This structured approach ensures a comprehensive and cohesive framework for enhancing Belize's disaster resilience. By addressing the key areas of data systems, financial strategies, and institutional capacity, the DRF Policy provides a robust foundation for fiscal and economic stability in the face of increasing disaster risks.

Policy Area 1: Evidence-Based Fiscal Management and Resilient Investments

A strong foundation of data-driven fiscal management is essential for building resilience to disasters and managing their economic and fiscal impacts. Policy Area 1 enhances Belize's capacity to identify, understand, and manage disaster risks and contingent liabilities by integrating evidence-based decision-making into fiscal planning and public investment strategies. By addressing gaps in data collection, financial reporting, and public investment evaluations, this policy area ensures that disaster risk and climate change considerations are systematically embedded in national and subnational planning processes. In addition to quantitative data, participatory foresighting, indigenous knowledge, case studies, and qualitative insights will complement existing datasets and address data gaps, ensuring a more holistic understanding of risks and

vulnerabilities. Through proactive and transparent fiscal management, Belize will strengthen its ability to allocate resources efficiently, reduce contingent liabilities, and foster long-term economic stability and growth.

Policy Objective: Identify, understand, and quantify the economic and fiscal impacts of disasters in Belize on the government, businesses, and people to facilitate analysis and decision-making.

Effective management of disaster risk information and a comprehensive understanding of responsibilities across public and private sectors are critical to identifying the GoB's contingent liabilities and planning appropriate responses. Accurate data collection and risk modeling enable the GoB to evaluate the financial implications of disasters, allocate resources efficiently, and integrate disaster risk considerations into broader economic and fiscal strategies.

A data-driven approach is essential for quantifying risks, assessing vulnerabilities, estimating contingent liabilities, and designing robust financial strategies that mitigate the fiscal and economic impacts of natural disasters and climate risks. Providing more precise insights into risk exposure helps identify and prioritize key areas for intervention, ensuring that disaster risk financing efforts are both targeted and efficient. Enhanced risk metrics strengthen preparedness and improve Belize's ability to attract international partnerships and access funding mechanisms.

Strategies

1. *Streamline and institutionalize damage and loss data collection and reporting systems across ministries and all levels of government for all events.*

Belize has made progress in disaster assessment through collaborations with international organizations, as demonstrated in the Post-Disaster Needs Assessment (PDNA) conducted after Hurricane Lisa (2022). Building on this experience, the GoB will standardize and institutionalize damage and loss reporting across all ministries, subnational governments, and agencies. This includes establishing clear protocols for data collection, integrating existing reporting systems, and ensuring regular training for government personnel.

Moreover, a centralized disaster data management system will be developed to manage and store disaggregated damage and loss data, ensuring accessibility for analysis and decision-making. This data management system will enable a consistent approach to understanding the economic impacts of disasters and tracking trends over time, aligning with best practices highlighted by other countries in the region. Recognizing that disaster exposure varies across the country, the GoB will ensure that databases incorporate geographical heterogeneity to improve risk assessments.

2. *Assess existing risk models and develop or invest in adaptable models that can be continuously updated to reflect changes in exposure and vulnerability.*

Probabilistic catastrophe risk models provide critical insights into disaster risks by estimating the likelihood of losses and their potential severity. These tools enable policymakers to assess financial vulnerabilities, identify contingent liabilities, and plan for extreme events. However, current contingent liability estimates primarily focus on damages to physical assets, often driven by insurance sector modeling. While valuable, such models do not fully capture the GoB's fiscal exposure, including implicit liabilities such as emergency response costs, social protection needs, and impacts on critical public services.

To enhance risk assessments, the GoB will prioritize further developing an exposure database, incorporating validated risk assessment reports and key findings from the public asset survey conducted under the Value for Money (VfM) analysis in collaboration with the World Bank. This database will serve as a key input for contextualizing global risk models to Belize's realities, improving the accuracy of fiscal risk estimates. The database will be regularly updated, ensuring gaps in exposure data are identified and addressed over time.

Recognizing the need for specialized expertise, the GoB will collaborate with regional stakeholders and global development partners to conduct a comprehensive inventory of existing risk models and assess their relevance and limitations for Belize. These findings will inform investments in a tailored risk modeling system that integrates historical expenditure data, disaster-related costs, and local infrastructure information to provide a more comprehensive picture of fiscal risks. The modeling approach will incorporate geographical heterogeneity, addressing the limitations of national-level data aggregation, which can obscure vulnerabilities in high-risk regions.

Capacity-building efforts and training modules will ensure that government agencies can effectively interpret and apply model outputs in planning and policymaking. Collaboration with international technical experts will facilitate access to advanced methodologies and ensure alignment with global best practices. These efforts and broader institutional strengthening through training and strategic partnerships are further detailed under Policy Area 3.

Policy Objective: Achieve greater efficiency and transparency in the mobilization and execution of public expenditure in disaster risk management.

This objective seeks to strengthen Belize's public financial management systems to ensure timely resource mobilization and efficient execution of post-disaster expenditures. By reinforcing accountability and transparency in fiscal processes (including disbursement and monitoring), GoB can enhance its ability to respond effectively to disasters while maintaining public trust. Transparent systems also bolster

confidence among international donors and partners, paving the way for greater collaboration and financial support. Efficient expenditure tracking ensures that funds are allocated and utilized for their intended purposes, minimizing delays and maximizing impact.

Strategies

1. *Reinforce budgetary and medium-term fiscal planning for disaster-related contingent liabilities across ministries and all levels of government.*

Budgetary and medium-term fiscal planning ensures adequate resources for disaster response and recovery. MoF and NEMO have demonstrated leadership by pre-allocating USD 1 million annually for emergency supplies. However, gaps persist in integrating budgetary planning for disaster-related expenditures across ministries and subnational governments. Municipalities and line ministries often lack robust processes to identify, quantify, and incorporate contingent liabilities into budget preparations, leaving potential fiscal risks unaddressed.

To address these gaps, the GoB will develop comprehensive guidelines to standardize the inclusion of disaster-related liabilities in medium-term fiscal planning and budgetary processes across all government levels. Municipalities and line ministries will be trained to assess potential liabilities, such as public asset damage and emergency service costs, and incorporate these into annual budgets. Additionally, technical support will be provided to ensure that decentralized entities align with national fiscal resilience strategies.

Belize will strengthen its fiscal framework for disaster response by enacting a Fiscal Responsibility Law (FRL) that establishes clear rules for managing disaster-related expenditures while maintaining debt sustainability. The FRL will mandate dedicated allocations for disaster risk financing, including the systematic replenishment of the National Disaster Reserve Fund (NDRF) with a minimum annual allocation of 1% of GDP, ensuring funds are readily available for immediate emergency preparedness, response and recovery. The FRL will include an escape clause mechanism to balance fiscal discipline with emergency needs, allowing temporary fiscal flexibility during major disasters to cover critical expenditures without compromising long-term financial stability.

2. *Streamline reporting of disaster response expenditures by including explicit programs within the Chart of Accounts (CoA).*

Accurate tracking of disaster-related expenditures is critical for transparency, accountability, and informed decision-making. Belize's current Chart of Accounts (CoA) lacks detailed categorization for disaster expenditures, complicating the monitoring and reporting of relief, recovery, and reconstruction costs. To address this, the MoF's Budget Unit is revising the CoA to include explicit programs for disaster response, categorized by event and affected regions and sectors, such as housing, agriculture, and tourism. Once fully implemented, this updated system

will enable the GoB to differentiate expenditures across disaster phases (i.e., relief, recovery, and reconstruction), regions, and sectors, allowing for improved analysis and reporting.

3. *Establish or re-establish the enforcement of laws allowing for a fast, effective, and transparent disbursement mechanism to finance post-disaster expenses.*

The Finance and Audit (Reform) Act provides a legal framework for the MoF to issue special warrants, expediting disaster-related expenditures. This mechanism has proven effective in previous responses; however, continuous monitoring, accompanied by accountability and transparency mechanisms, is essential to ensure resources reach those who need them promptly and are aligned with the evolving needs of affected communities. To maintain their effectiveness, the GoB will review and strengthen the enforcement of these laws. This includes conducting regular audits and evaluations of disbursement processes and engaging stakeholders to address bottlenecks.

Policy Objective: Incorporate disaster risk analysis in public sector investment financing and planning.

This objective underscores the importance of integrating hazard risk and climate change considerations into the design, evaluation, and implementation of public investment projects. By embedding DRM principles into public financial planning, Belize can promote resilience in its infrastructure, reduce the financial burden of rebuilding after disasters, and align with sustainable development goals. Proactive risk-based decision-making in public investment planning ensures that resources are allocated efficiently, assets are protected, and long-term economic growth is safeguarded.

Strategies

1. *Incorporate hazard risk assessments in the evaluations of public investment project feasibility.*

Hazard risk assessments are essential for understanding potential vulnerabilities in proposed public investment projects. These assessments will be mandatory at the feasibility stage of all public sector projects, ensuring that disaster risk considerations are systematically integrated into design and implementation. For example, infrastructure projects like schools, hospitals, and transportation networks will include DRM principles to ensure resilience to floods, hurricanes, and other hazards.

To achieve this, the GoB will develop guidelines for conducting hazard risk assessments for public investment management. These guidelines will include risk screening tools, vulnerability analyses, and exposure mapping to evaluate the potential impacts of natural hazards on proposed projects. Emphasis will be

placed on ensuring infrastructure resilience and integrating disaster risk considerations into project design to minimize future damage and avoid costly post-disaster repairs or reconstruction.

These efforts will be complemented by technical training for government officials and strategic partnerships—key strategies under Policy Area 3. Capacity-building initiatives will ensure that all ministries and agencies involved in public investment planning have the expertise to apply risk-informed decision-making processes. Furthermore, collaboration with development partners and technical experts will facilitate access to best practices and innovative tools for risk analysis.

Policy Area 2: Financial Strategies for Disaster Risk and Climate Resilience

This policy area considers the principles of cost-effectiveness, temporality, and sound administrative arrangements for the reduction of the fiscal impact of natural disasters by proposing a risk-layering strategy consisting of a combination of ex-ante and ex-post risk retention and risk transfer instruments, noting the importance of timely disbursements, and prioritizing spending for different needs over time. Additionally, the policy addresses the critical area of risk mitigation by considering financial options for building resilience to natural disasters and relies on principles of optimization, efficiency, operationality, absorption capacity and flexibility.

Policy Objective: Implementing a cost-efficient risk layering strategy of financial instruments.

The time dimension of the need for resources and the expected frequency and severity of future events are to be considered. The financial cost-benefit analysis considers the cost-effective combination and sequence of using different instruments. This will allow greater efficiency in using public resources to meet the needs of the affected sectors in each stage of the post-disaster response.

Strategies

1. *Conduct a comprehensive analysis on an ongoing basis to inform the country's risk layering strategy and enhance the value for money of sovereign risk financing.*

In 2024, the GoB, with support from the World Bank, undertook a financing gap and VfM analysis to optimize its DRF strategy. This analysis revealed that while the GoB utilizes various instruments, such as the USD 2.5 million annual allocation through the NDRF for immediate emergency preparedness and response, CCRIF SPC parametric insurance policies, a USD 10 million contingent credit facility (CCF) loan from the IDB, and USD 5.4 million in rapid liquidity from the World Bank's Crisis Preparedness and Response Toolkit (Climate Resilience Debt Clause and Rapid Response Option), significant gaps remain in financing for low-frequency, high-impact events. The current reliance on budget reallocations, estimated at USD 117 million for post-disaster needs, carries substantial opportunity costs and may not always be feasible depending on a disaster's timing and fiscal context.

The VfM analysis highlighted the importance of contingent credits, such as Cat-DDOs and CCF loans, as a cost-effective mechanism for moderate-severity events. It also emphasized that increasing the attachment point of parametric CCRIF SPC insurance could lead to larger payouts for severe disasters, improving value for money. Additionally, the analysis underscored the need for a balanced

approach that combines contingency funds, contingent credit, and insurance to effectively address varying risk layers.

Building on this foundational analysis and based on identifying, understanding, and quantifying the economic and fiscal impacts of disasters in Belize, the GoB, supported by development partners, will institutionalize a structured and ongoing process for assessing its risk layering strategy. This process will involve periodic updates incorporating new data, evolving risk landscapes, and lessons learned from past disasters. The outputs will guide the selection and sequencing of financial instruments to optimize cost-efficiency and ensure timely resource mobilization.

2. Institutionalize capacity for continuous disaster risk finance analysis and integration into decision-making.

To ensure Belize's DRF policy remains effective and responsive to evolving risks, the GoB will establish a dedicated DRF unit within the MoF to oversee continuous disaster risk finance analysis. This unit will leverage tools like financing gap assessments, probabilistic models, contingent liability quantification methodology, and value-for-money frameworks to inform fiscal planning and DRF strategies.

Building on the findings of the VfM analysis, this unit will ensure that risk layering strategies are not static but evolve alongside changes in risk exposure, available financing, and disaster impacts. This includes refining assumptions, testing different strategy options, aligning financing instruments with national objectives and priorities, GoB's risk tolerance, and principles of cost-efficiency.

The unit will also play a critical coordination role in collaborating with key agencies such as the Office of the Supervisor of Insurance and Pensions, the Central Bank, NEMO, and sectoral ministries to ensure a cohesive approach to disaster risk financing. By working closely with these entities, the unit will enhance data-sharing mechanisms, align insurance and financial regulations with national DRF objectives, and ensure consistency in risk management strategies across sectors. Additionally, it will engage development partners to integrate technical expertise and best practices.

3. Implement DRF instruments based on financing gap and VfM analysis.

Belize has made progress in developing its DRF framework, utilizing a range of instruments to address post-disaster recovery needs. Guided by the financing gap and VfM analysis, the GoB will implement its risk-layered financial strategy by adjusting and/or adding appropriate DRF instruments. For instance, based on the findings of the 2024 VfM analysis, there will be a focus on maximizing the use of contingent credit, as it offers value for money for moderate severity events, and on optimizing the existing CCRIF SPC policies by recalibrating trigger thresholds

and coverage levels to maximize payouts for severe disasters while ensuring cost efficiency.

4. *Engage external development partners in establishing contingent financing arrangements to finance public contingent liabilities.*

Belize has actively engaged with international development partners, including the World Bank and the IDB, to access financial instruments such as contingent loans and grants for disaster response and recovery. While the World Bank's Cat-DDO has been identified as a key component of Belize's DRF strategy, the facility still needs to be formalized.

Additionally, since the IDB CCF Contingent Loan of USD 10 million was approved in 2019, the GoB's contingent liabilities have increased substantially, driven by greater disaster risk exposure and expanded public sector responsibilities. The current loan amount is below the maximum allowable limit, and Belize has requested an expansion of the contingent loan by an additional USD 15 million.

5. *Establish a robust financial protection program for public assets and parastatals.*

The GoB will develop a comprehensive financial protection program for public assets, combining risk retention (self-insurance) and risk transfer (catastrophe insurance) strategies to ensure cost-effective and sustainable coverage. This approach will be guided by a detailed understanding of exposure and risk, enabling the GoB to determine which assets should be insured, which risks can be retained, and how financial instruments can be optimally structured based on fiscal space, insurance costs, and long-term resilience objectives.

Building on its existing insurance framework, the GoB will expand coverage to additional public assets where feasible and evaluate the incorporation of indemnity-based insurance solutions for reconstruction costs. To support this effort, technical capacity within public institutions will be strengthened to manage and monitor catastrophe risk financing effectively. Training programs and technical assistance will ensure that agencies and parastatals can assess coverage needs, optimize risk layering, negotiate terms with providers, and efficiently utilize payouts, enhancing transparency and fiscal sustainability in public asset risk management.

Policy Objective: Develop the local insurance market through increased access to affordable and appropriate insurance for households, businesses, and government.

Enhancing the local insurance market will improve the financial resilience of both the private and public sectors to natural disasters, reducing the implicit contingent liabilities of the GoB. The GoB will play a pivotal role in this effort, promoting insurance as a cultural practice, supervising and regulating the market, and acting as a purchaser of insurance

policies where applicable. By increasing insurance penetration and affordability, Belize will build a stronger safety net against disasters for individuals, businesses, and public entities.

Strategies

1. *Evaluate the potential for PPPs to improve insurance adoption and explore potential micro-insurance schemes.*

The New Insurance Act of 2023 is a positive step toward expanding access to affordable insurance, mainly through its provisions for micro-insurance. However, penetration rates for residential property insurance remain low, leaving households vulnerable to disaster risks and increasing GoB's contingent liabilities. To address this, the GoB will evaluate opportunities for PPPs that integrate insurance, leveraging public and private sector resources to improve affordability.

In parallel, the GoB will collaborate with insurers and development partners to explore and develop micro-insurance products tailored to low-income households and vulnerable populations. These products will offer affordable coverage for common hazards, such as hurricanes and floods, providing a safety net that reduces the financial burden on individuals and the government.

However, insurance may not be the most effective solution for some households. In such cases, the GoB may retain and manage this risk through alternative means. This approach will ensure that all vulnerable households have access to appropriate financial protection through insurance-based solutions or government-supported risk retention strategies.

2. *Enhance agricultural risk financing and develop more robust and affordable financing solutions for smallholder farmers.*

Agriculture is vital to Belize's economy, but farmers, especially smallholders, remain highly vulnerable to climate risks. There is a pressing need to enhance financial protection mechanisms by integrating agricultural insurance and microfinance solutions to support climate adaptation and disaster recovery. Strengthening data sharing between government agencies, insurers, and financial institutions will help inform the development of cost-effective risk-based financing solutions tailored to the needs of smallholder farmers.

The GoB will collaborate with insurers to design insurance products that address the unique needs of smallholder farmers, including coverage for crop damage and loss due to extreme weather events. Expanding the availability of parametric and index-based insurance will ensure timely payouts, helping farmers recover more quickly from disasters. At the same time, improving access to microfinance and low-cost credit will enable smallholder farmers to invest in climate-smart agricultural practices and strengthen their resilience to climate shocks.

Additionally, partnerships with regional and international stakeholders will be pursued to access technical assistance and funding for pilot programs.

3. Develop a comprehensive public awareness and education program on DRF.

Public awareness of DRF, including insurance benefits and other risk transfer mechanisms, remains limited in Belize. To increase insurance penetration and strengthen financial resilience, the GoB will implement a structured education and awareness campaign in collaboration with insurance providers, educational institutions, and community organizations.

This program will explain the importance of insurance for households, businesses, and public entities in managing disaster risks. It will use multiple platforms to reach diverse audiences, including media campaigns, workshops, and school curricula. The GoB aims to foster a cultural shift toward proactive financial risk management by demystifying DRF concepts and highlighting insurance's affordability and benefits.

Policy Objective: Enhance management of implicit contingent liabilities related to social protection.

Social protection is critical in Belize's disaster response, particularly in supporting vulnerable populations before, during, and after disasters. Adaptive social protection systems that are disaster-triggered and linked to DRM systems and contingent financing mechanisms can reduce the administrative and financial burden on the GoB. Scalable programs that integrate risk mitigation and financing measures can provide immediate assistance to all who need it, protect development gains by preventing people from falling back into poverty, and address underlying inequalities.

Strategies

1. Strengthen the coordination system between social protection and DRM initiatives.

The GoB will establish a process for regularly updating household data in the Single Information System for Beneficiaries (SISB) to ensure that social protection programs are based on accurate and up-to-date information. This aligns with Belize's broader social protection policy and strategy and addresses the need for a systematic approach to maintaining beneficiary records.

The GoB will strengthen the interoperability of existing data systems and establish clear protocols for data sharing across government agencies and financial infrastructures to enhance the effectiveness of disaster response. Integrating the SISB with other registries, such as the Belize Agriculture Information System (BAIMS), will improve the identification and targeting of vulnerable populations, including poor farmers, enabling timely and appropriate support following shocks.

Additionally, regular updates between SISB and financial infrastructures, such as Belize's Automated Payment and Securities Settlement System (APSSS), will ensure that accurate and up-to-date payment information is readily available for the swift disbursement of assistance to disaster-affected populations.

The GoB will introduce a unique national ID system to improve identity verification and facilitate seamless data sharing across registries. This initiative will reduce duplication, enhance the accuracy of beneficiary identification, and enable more targeted assistance during disasters. Regularly updated social registries and interoperable databases will also provide better assessments of potential losses, helping to inform disaster response planning and resource allocation.

To strengthen the evidence base for decision-making, relevant government agencies will be enhanced in their ability to generate and analyze data on disasters' direct and indirect impacts on the socioeconomic well-being of affected populations. This evidence will inform policy development and improve the design of social protection interventions, ensuring they are tailored to the needs of disaster-affected groups.

2. Develop scalable social protection systems to support vulnerable populations quickly post-disaster.

To enhance disaster response effectiveness, the GoB will shift from ad-hoc and temporary programs to a more integrated and structured approach, leveraging existing social protection systems to expand cash assistance during shocks. Current social protection programs have limited adequacy and coverage, restricting their ability to scale effectively and provide timely support to all affected populations after disasters. In alignment with the ongoing development of the Social Protection Policy and Strategy, this approach will ensure that emergency assistance strengthens and complements broader efforts to build a more shock-responsive and inclusive social protection system.

To improve efficiency and cost-effectiveness, the GoB will institutionalize a scalable emergency cash transfer mechanism within the broader social protection framework, ensuring that disaster-related assistance is delivered through pre-established systems. This mechanism will be activated in alignment with government-declared emergencies, allowing for temporary cash transfers that adjust based on the severity of the shock and identified needs. The transfer amount and population will remain flexible, informed by needs assessments and social registry data. While eligibility criteria and benefit levels will be determined in real time, the operational framework, payment mechanisms, and delivery systems will be pre-defined in an operational manual to ensure rapid yet sustainable deployment.

Strengthening the effectiveness and responsiveness of social protection systems will require investments in operational protocols and delivery mechanisms. The

GoB will establish a robust grievance redress mechanism (GRM) to enhance accountability and transparency in benefit distribution.

To improve efficiency and accessibility, the GoB will modernize payment systems, integrating digital payment solutions such as the DigiWallet-MHD partnership to enable faster and more reliable cash transfers. At the same time, safeguards will be implemented to prevent the exclusion of vulnerable populations who may face barriers to digital access.

3. *Explore the feasibility of a DRF mechanism that supports social protection systems.*

Linking DRF mechanisms directly to social protection systems will enhance the GoB's ability to provide timely and targeted assistance to affected populations during disasters. Building on lessons from the CCRIF model, integrating parametric insurance payouts with social protection measures—such as directing a portion of payouts toward emergency cash transfers for vulnerable families—can further strengthen Belize's shock-responsive social protection system. By securing pre-arranged financing, the GoB can ensure the necessary resources to scale up emergency cash transfer programs without relying on budgetary reallocations.

To implement this strategy, the GoB will evaluate the feasibility and cost-effectiveness of linking DRF mechanisms to social protection systems. This includes modeling financial requirements for different disaster scenarios and assessing administrative and transaction costs. Collaboration with development partners will help identify suitable financing mechanisms and integrate them into Belize's broader DRF strategy, ensuring they align with the country's fiscal and social resilience goals.

4. *Leverage Digital Payment Systems for Swift and Direct Post-Disaster Disbursements.*

This strategy seeks to support the adoption and integration of digital payment systems to ensure the rapid and efficient disbursement of disaster-related funds. The GoB will explore leveraging existing digital services, such as Digiwallet, alongside traditional payment infrastructure, including APSSS, to facilitate rapid electronic transactions.

The GoB will ensure that all financial institutions—including banks, credit unions, and digital payment providers—can access core financial infrastructures like APSSS to enhance efficiency. This will enable a single digital payment transfer request from the government to be executed quickly and interoperable across multiple institutions, ensuring that funds reach beneficiaries without delays. To implement this strategy, the GoB will collaborate with the Central Bank and financial institutions to establish protocols for digital emergency payments.

Policy Area 3: Institutional Strengthening and Coordination

Policy Objective: Strengthen the institutional capacity and coordination across agencies concerning DRF.

A robust institutional framework is critical for effectively implementing DRF strategies. This policy area focuses on building institutional capacity, fostering inter-agency collaboration, and leveraging technical expertise to enhance DRM and financial resilience. By strengthening the competencies of key government institutions, particularly the MoF, and improving coordination across sectors, Belize can ensure a cohesive and efficient approach to DRF implementation.

Strategies

1. *Build technical capacity within government institutions to manage DRF effectively.*

The GoB, through the dedicated DRF unit, will implement targeted training programs to enhance government officials' technical expertise in DRF and DRM. These programs will cover key areas such as risk modeling, financing gap assessments, value-for-money analysis, and probabilistic catastrophe risk models. Training will also ensure that officials can effectively generate, analyze, and interpret data outputs and integrate findings into fiscal planning and policy development.

The dedicated DRF unit will oversee ongoing DRF analysis and strategy implementation. This will include expanding expertise through specialized staffing and strengthening inter-agency collaboration to ensure an integrated approach to DRF. The unit will coordinate capacity-building initiatives, ensure consistent application of DRF tools, and engage with development partners to align Belize's strategies with global best practices.

Additionally, technical training will be provided to officials involved in hazard risk assessment and public asset management to support public investment resilience. This will enable them to incorporate disaster risk and climate change considerations into infrastructure planning and project feasibility evaluations.

2. *Strengthen inter-agency coordination mechanisms.*

Adequate DRF requires seamless collaboration across government agencies and sectors. The GoB will establish inter-agency coordination mechanisms to facilitate data sharing, joint planning, and unified disaster response. A centralized platform will enable interoperability between key systems, such as SISB and BAIMS, ensuring that DRM and SP initiatives are integrated and mutually reinforcing.

Regular multi-agency workshops and scenario-based planning exercises will foster alignment and improve decision-making processes. These efforts will include clear protocols for data sharing and regular updates to beneficiary registries.

3. *Enhance collaboration with development partners and stakeholders.*

The GoB will deepen its engagement with international development partners, regional organizations, civil society, and the private sector to access technical assistance, knowledge sharing, and financial support. Partnerships with institutions such as the World Bank, IDB, and CCRIF SPC will be strengthened to leverage global expertise and innovative tools for DRF.

Additionally, structured stakeholder engagement forums will be established to involve private sector actors, community organizations, and technical experts in identifying risks, sharing best practices, and exploring collaborative financing solutions. These forums will ensure that the perspectives of key sectors, such as agriculture, tourism, and real estate, are incorporated into DRF policies.

Implementation Plan

Governance and Institutional Framework

The implementation plan serves as a roadmap to operationalize Belize's DRF Policy. It provides a structured approach to translating policy objectives and strategies into action, ensuring clarity, accountability, and effective execution. The plan aligns with Belize's national priorities and leverages best practices in DRF, emphasizing coordination among government agencies, stakeholders, and development partners.

A Policy Steering Committee (PSC) will oversee the implementation. This committee will ensure effective governance and alignment with national development priorities. Representatives from key stakeholders will also be included in the PSC. The PSC will monitor implementation progress, address challenges, and maintain stakeholder engagement. The MoF owns the policy and will provide overall direction and leadership for implementation.

To enhance coordination and accountability, Thematic Working Groups (TWGs) will be formed under the PSC to oversee each of the three broad policy areas. These groups will ensure focused attention on the specific objectives and strategies, facilitating collaboration across sectors and agencies.

The PSC's terms of reference will include:

- Oversight of the policy implementation, ensuring alignment with timelines and objectives.
- Establishment and management of TWGs to guide the detailed execution of strategies.
- Development of a Monitoring and Evaluation (M&E) mechanism to track implementation progress through periodic reviews and reporting.

The plan, presented in Table 1, is organized into strategies, each with defined responsibilities, timelines, performance indicators, and required resources. To maintain focus and adaptability, a phased approach has been adopted, addressing short-, medium-, and long-term actions.

Table 1: Implementation Plan for the Belize DRF Policy

Strategy	Lead Agency	Partner Agencies	Timeline	KPI	Additional Staff Required	Budgetary Resources
1.1.1 Streamline and institutionalize damage and loss data collection and reporting systems across ministries and all levels of government for all events.	NEMO	MoF, SIB, MED, NMS, Ministry of Sustainable Development, MAFSE, UNDP	Short-term	- Centralized disaster data management system established, including exposure dataset with sufficient granularity. - Data collection protocols implemented. - Number of personnel trained. - Annual disaster loss reports produced.	Yes, data analysts and system administrators	Moderate
1.1.2 Assess existing risk models and develop or invest in adaptable models that can be continuously updated to reflect changes in exposure and vulnerability.	MoF	SIB, NMS, Ministry of Sustainable Development, MAFSE, CCRIF SPC, IDB, World Bank, and other Development Partners	Medium-term	- Development and operationalization of a risk model that leverage better datasets on exposure for Belize. - Staff trained on usage of the revised risk model.	Yes, risk modeling experts and data analysts	Moderate to High
1.2.1 Reinforce budgetary and medium-term fiscal planning for disaster-related contingent liabilities across ministries and all levels of government.	MoF	NEMO, MED, Line Ministries, Municipal Governments	Short-term	- Guidelines for including contingent liabilities in budgets published. - Ministries submitting disaster-related liabilities in budget plans. - Number of capacity-building workshops held. - FRL enacted and implemented. - NDRF funded annually at 1% of GDP.	No	Moderate
1.2.2 Streamline reporting of disaster response expenditures by including explicit programs within the CoA.	MoF	NEMO, MED, MAFSE, SIB, Line Ministries	Short-term	- Revised CoA published with disaster expenditure categories. - Number of agencies using updated CoA for reporting. - Percentage of disaster-related expenditures tracked accurately.	No	Moderate
1.2.3 Establish or re-establish the enforcement of laws allowing for a fast, effective, and transparent disbursement mechanism to finance post-disaster expenses.	MoF	NEMO, Office of the Auditor General, Attorney General's Ministry	Short-term	- Legal framework reviewed and updated. - Number of special warrants issued and tracked. - Annual audits of disbursement processes conducted.	No	Low to Moderate
1.3.1 Incorporate hazard risk assessments in the evaluations of public investment project feasibility.	MED	MIDH, MAFSE	Medium-term	- Hazard risk assessment guidelines developed. - Percentage of public investment projects incorporating risk assessments. - Number of government officials trained in risk assessment methodologies.	Yes, technical specialists for risk assessments	Moderate to High
2.1.1 Conduct a comprehensive analysis on an ongoing basis to inform the country's risk layering strategy and enhance the value for money of sovereign risk financing.	MoF	World Bank, IDB, CCRIF SPC, NEMO	Short-term	- VfM analysis performed at least annually.	Yes, risk modeling experts and data analysts	Low to Moderate
2.1.2 Institutionalize capacity for continuous disaster risk finance analysis and integration into decision-making.	MoF	World Bank, IDB, CCRIF SPC, NEMO, MAFSE	Medium-term	- Dedicated DRF unit established in MoF. - Regular risk finance reports published. - DRF policy formally adopted.	Yes, financial analysts and technical staff	Moderate to High
2.1.3 Implement DRF instruments based on financing gap and VfM analysis.	MoF	World Bank, IDB, CCRIF SPC, NEMO	Short-term	- Greater use of contingent credit in risk layered financial strategy - Optimized CCRIF SPC policies implemented, with a focus on less frequent events.	No	Moderate to High
2.1.4 Engage external development partners in establishing contingent financing	MoF	NEMO, World Bank, IDB, and other Development Partners	Short-term	- Cat-DDO secured and operational. - IDB Contingent Loan Facility expanded. - Explore further contingent credit alternatives.	No	Low to Moderate

arrangements to finance public contingent liabilities.						
2.1.5 Establish a robust financial protection program for public assets and parastatals.	MoF	NEMO, MIDH, CCRIF SPC, Insurance Providers, World Bank	Long-term	- Percentage of public assets insured. - Feasibility study for indemnity-based insurance completed. - Number of staff trained in insurance program management.	Yes, insurance specialists and asset valuation experts	High
2.2.1 Evaluate the potential for PPPs to improve insurance adoption and explore potential micro-insurance schemes.	MoF	NEMO, MIDH, MAFSE, Insurance Providers, IDB, World Bank	Medium-term	- Feasibility study for PPPs and micro-insurance completed. - Number of pilot micro-insurance schemes launched. - Percentage of low-income households covered by insurance.	Yes, housing policy analysts and micro-insurance experts	Moderate to High
2.2.2 Enhance agricultural risk financing and develop more robust and affordable financing solutions for smallholder farmers.	MAFSE	NEMO, MoF, MAFSE, Local Insurance Providers, IDB, World Bank	Medium-term	- Data-sharing protocols established between agencies and insurers. - Number of new agricultural insurance products developed. - Percentage of smallholder farmers insured.	Yes, agricultural risk specialists and data analysts	Moderate to High
2.2.3 Develop a comprehensive public awareness and education program on DRF.	MoF	NEMO, Ministry of Education, Community Organizations, Local Media Outlets	Short-term	- Number of DRF awareness campaigns conducted. - Number of workshops and outreach events conducted. - Percentage of surveyed population with increased DRF awareness.	No	Moderate
2.3.1 Strengthen the coordination system between social protection and DRM initiatives.	MHD	MoF, NEMO, MAFSE, SIB	Medium-term	- Interoperable systems established between different systems. - Data sharing protocols in place that allow sharing of personalized data when needed for programming purposes. - Unique national ID system implemented. - Percentage of disaster-affected populations covered by updated SIBS.	Yes, technical specialists	Moderate to High
2.3.2 Develop scalable social protection systems to support vulnerable populations quickly post-disaster.	MHD	MoF, NEMO, SIB, Development Partners	Medium-term	- Approved social protection policy and strategy. - Formalized policy for disaster-responsive social protection. - Percentage of vulnerable populations reached during disasters. - Time taken to deliver cash transfers post-disaster.	Yes, technical specialists	High
2.3.3 Explore the feasibility of a DRF mechanism that supports social protection systems.	MHD	MoF, NEMO, WFP, World Bank, IDB	Short-term	- Feasibility study completed. - Pre-arranged financing mechanisms established.	Yes, financial analysts and program designers	Moderate
2.3.4 Leverage digital payment systems for swift and direct post-disaster disbursements.	MoF	Central Bank, MHD, NEMO, Financial Institutions	Medium-term	- Percentage of disaster relief payments processed digitally.	Yes, technical specialists	Moderate to High
3.1.1 Build technical capacity within government institutions to manage DRF effectively.	MoF	NEMO, MED, Ministry of Sustainable Development, World Bank, IDB	Short-term	- Number of training programs completed. - Number of government officials trained in DRF and DRM - DRF analysis unit established and operational	Yes, DRF unit and technical trainers	Moderate
3.1.2 Strengthen inter-agency coordination mechanisms.	MoF	NEMO, MHD, MAFSE, SIB	Medium-term	- Centralized data-sharing platform operational. - Number of multi-agency workshops conducted annually.	Yes, coordination specialists and IT experts	Moderate
3.1.3 Enhance collaboration with development partners and stakeholders.	MoF	NEMO, MED, Private Sector Entities, Community Organizations, Development Partners	Short-term	- Number of formalized partnerships with development partners. - Annual stakeholder forums conducted.	No	Low to Moderate

*Note: The columns are defined as follows: **Lead Agency:** The lead agency is the primary organization responsible for implementing the strategy. It provides oversight, ensures timeliness, and coordinates with supporting agencies and stakeholders. **Supporting Agencies:** Supporting agencies provide technical, financial, or operational assistance to the lead agency. These include government institutions, private sector entities, and development partners whose collaboration is crucial for the strategy's success. **Timeline:** The timeline categorizes the strategy into short-term (1–2 years), medium-term (3–5 years), or long-term (6+ years) actions. **Key Performance Indicators (KPIs):** KPIs are measurable outcomes that track the progress and effectiveness of each strategy. **Additional Staff Required:** This column identifies whether new staff need to be hired or if existing personnel can be trained to execute the strategy. **Budgetary Resources:** This section outlines the financial resources required to implement the strategy, categorized as low, moderate, or high. It includes costs for training, system upgrades, capacity building, and stakeholder engagement.*

Monitoring and Evaluation Framework

The M&E Framework is integral to Belize's DRF Policy and is designed to ensure effective implementation, alignment with national priorities, and responsiveness to evolving challenges. This framework enables structured progress tracking, measurement of outcomes, and timely adjustments to strategies. It promotes accountability, transparency, and evidence-based decision-making, ensuring the policy achieves its objectives.

The MoF will coordinate annual monitoring in collaboration with relevant agencies and produce detailed progress reports. These reports will assess the extent to which strategies are implemented, identify challenges, and recommend corrective actions where necessary. The PSC will oversee the monitoring process, reviewing annual findings and endorsing or revising recommendations as needed. This process ensures that the policy remains relevant and adaptive over time.

Mid-term and end-term evaluations will provide a deeper assessment of the policy's impact, guided by measurable KPIs identified in the implementation plan. These evaluations will engage stakeholders across government, development partners, and civil society, ensuring a comprehensive and inclusive assessment.

Critical Success Factors for Implementation of the DRF Policy

Addressing specific challenges identified in the planning phase—including financial, operational, technical, and political risks—is crucial for successfully implementing Belize's DRF policy. Below are the critical success factors necessary to mitigate these risks and ensure effective execution.

Improved Data and Understanding of Risks

Better data infrastructure will improve the measurement of disaster risk and exposure. The development of processes and capacity building to gather data and interpret it is therefore crucial to understand risk and ultimately develop a risk-layered financial strategy that is tailored to the needs of the country.

Strong Institutional Leadership and Coordination

Leadership from the MoF is essential to provide clear direction and maintain momentum. A robust governance framework, including a PSC and TWGs, will enhance inter-agency coordination and accountability. Regular multi-agency workshops and scenario-based exercises will help streamline efforts across all levels of government.

Political Support and Advocacy

Strong political commitment is critical to integrating DRF strategies into national planning and development frameworks. High-level advocacy will ensure legislative support for key initiatives, such as establishing a Cat-DDO facility and expanding contingency financing agreements, as well as shifting the focus of CCRIF SPC insurance

policies to less frequent events. This political will is essential to prioritize DRF initiatives within broader development goals.

Enhanced Technical Capacity

Successful implementation requires building technical expertise across institutions. Targeted training programs will ensure that officials can utilize DRF tools, conduct probabilistic risk modeling, and manage post-disaster expenditures effectively. Establishing dedicated DRF units within key agencies, supported by technical experts and development partners, will address capacity gaps and promote sustainability.

Effective Resource Mobilization

Domestic and international financial resources must be mobilized to support policy actions. A phased approach to resource allocation will prioritize critical short-term actions while securing long-term investments. Leveraging existing relationships with partners such as the World Bank, IDB, and CCRIF SPC will facilitate access to technical assistance, grants, and loans.

Stakeholder Engagement and Public Awareness

A structured engagement with private sector actors, community organizations, and technical experts will ensure alignment with national DRF priorities. Public awareness campaigns, conducted in partnership with local media and educational institutions, will enhance understanding of DRF mechanisms and foster societal support for risk management initiatives.

Monitoring, Evaluation, and Adaptive Management

A comprehensive monitoring and evaluation framework will track progress, assess impact, and identify areas for improvement. Annual reporting to a PSC will ensure transparency and allow for course corrections as needed.

Appendix

Table A1: Summary of DRF Policy Areas, Objectives, and Strategies

Policy Area	Policy Objective	Strategy
1. Evidence-Based Fiscal Management and Resilient Investments	Identify, understand, and quantify the economic and fiscal impacts of disasters in Belize on the government, businesses, and people to facilitate analysis and decision-making.	- Streamline and institutionalize damage and loss data collection and reporting systems across ministries and all levels of government for all events. - Assess existing risk models and develop or invest in adaptable models that can be continuously updated to reflect changes in exposure and vulnerability.
	Achieve greater efficiency and transparency in the mobilization and execution of public expenditure in disaster risk management.	- Reinforce budgetary and medium-term fiscal planning for disaster-related contingent liabilities across ministries and all levels of government. - Streamline reporting of disaster response expenditures by including explicit programs within the Chart of Accounts. - Establish or re-establish the enforcement of laws allowing for a fast, effective, and transparent disbursement mechanism to finance post-disaster expenses.
	Incorporate disaster risk analysis in public sector investment financing and planning.	- Incorporate hazard risk assessments in the evaluations of public investment project feasibility.
2. Financial Strategies for Disaster Risk and Climate Resilience	Implementing a cost-efficient risk layering strategy of financial instruments.	- Conduct a comprehensive analysis on an ongoing basis to inform the country's risk layering strategy and enhance the value for money of sovereign risk financing. - Institutionalize capacity for continuous disaster risk finance analysis and integration into decision-making. - Implement DRF instruments based on financing gap and VfM analysis. - Engage external development partners in establishing contingent financing arrangements to finance public contingent liabilities. - Establish a robust financial protection program for public assets and parastatals
	Develop the local insurance market through increased access to affordable and appropriate insurance for households, businesses, and government.	- Evaluate the potential for PPPs to improve insurance adoption and explore potential micro-insurance schemes. - Enhance agricultural risk financing and develop more robust and affordable financing solutions for smallholder farmers. - Develop a comprehensive public awareness and education program on DRF.
	Enhance management of implicit contingent liabilities related to social protection.	- Strengthen the coordination system between social protection and DRM initiatives. - Develop scalable social protection systems to support vulnerable populations quickly post-disaster. - Explore the feasibility of a DRF mechanism that supports social protection systems. - Leverage digital payment systems for swift and direct post-disaster disbursements.
3. Institutional Strengthening and Coordination	Strengthen the institutional capacity and coordination across agencies concerning DRF.	- Build technical capacity within government institutions to manage DRF effectively. - Strengthen inter-agency coordination mechanisms. - Enhance collaboration with development partners and stakeholders.