

POLICY ON
**FINANCING AND OPERATIONS OF THE
CONTINGENCIES FUND**

FEBRUARY 2026



MINISTRY OF FINANCE
GOVERNMENT OF BELIZE

Policy on Financing and Operations of the Contingencies Fund

1. Purpose

The purpose of this policy is to establish rules for financing and operations of the Contingencies Fund established to provide financial resources for relief, recovery and reconstruction costs from a natural disaster.

2. Payments Into the Fund

There is payable into the Fund:

- Annual budget allocations for the Fund to attain the equivalent of 1.0% of GDP by fiscal year 2028/2029
- Grants specifically earmarked for the Contingencies Fund from development partners obtained under GRIF and others.
- Annual budget allocations of 0.30% of GDP from 2029/2030 onwards until the Fund amounts to 1.5% of GDP at which time a Resilience Fund could be created to provide financing to the budget for disaster resilience related projects. If the Fund falls under 1.5% of GDP, the annual budget allocations shall be resumed until the Fund reaches the equivalent of 1.5% of GDP.
- All money directed or authorized to be saved into the Fund under any Act
- The proceeds of all investments made by the Fund
- All payments into the Fund shall be made from the Consolidated Fund and processed through the government's financial management information system.
- All payments into the Fund shall be registered below the line as (-) financing operations.

3. Payments From the Fund

There is payable from the Fund:

- Up to a maximum of 0.5% of GDP per year for a period of three years, or the costs of the natural disaster over a period of three years, whichever is smaller, for the costs of a natural disaster that exceeds the use of contingent lines of credit and

payments received under CRRFIF SPC and any other catastrophic insurance policy.

- Up to a maximum of 0.10% of GDP for the social expense stemming from a natural disaster.
- Declaration of a period of public emergency derived from a natural disaster triggers the authorization process for payments from the Fund.
- Payments from the Fund for relief from a natural disaster, and after the release/use of the Fund resources has been triggered, made to line ministries in need of disaster related resources and expenditures under the post-disaster provision for faster disbursement from the Contingencies Fund.
- Payments from the Fund for recovery and reconstruction from a natural disaster to follow established government expenditure and procurement rules and regulations.
- All payments from the Fund made from the consolidated fund and processed through the government's financial management information system called Smart Stream.
- All payments out of the Fund shall be registered below the line as (+) financing operations.
- The parameters for payments from the Fund shall be revised every three years

4. Governance Structure of the Fund

Assets of the Fund

The assets of the Fund are the property of the Government of Belize and are held by the Fund on behalf of the Government of Belize.

Management of the Fund

- (a) The Government of Belize delegates to the Minister of Finance the representation of the ownership of the assets of the Fund.
- (b) The Minister shall designate an Investment Committee comprised of the Financial Secretary, the Governor of the Central Bank of Belize, and the CEO in the Office of the Prime Minister to carry on the operational execution of the investment decisions of the assets of the Fund in compliance with sub-section 5.

5. Investment Directives for the Assets of the Fund

Investment of the Assets of the Fund

- 1) The assets of the Fund may be invested:
 - a) with a bank, whether at call or subject to notice not exceeding twelve months.
 - b) in deposits with the Central Bank of Belize; or
 - c) in a manner authorized for investments of property in the hands of trustees by any law for the time being in force.
- (1) The Investment Committee shall prepare an annual investment plan in line with the investment directives issued by the Minister.

Borrowing and Lending

- (1) The Fund is not permitted to borrow.
- (2) Despite Regulation (1), the Fund may invest in corporate entities that undertake borrowing on their own behalf.
- (3) The Fund is not permitted to lend money to the Government of Belize, any State-Owned Enterprise or Statutory Body.

6. Accountability Framework

Financial Year

The Financial Year of the Fund shall commence on April 1 and finish on March 31.

Accounts

- (1) The Ministry shall—
 - a) keep proper books of account of the payments into and out of the Fund; and
 - b) ensure that—
 - i) all monies received are promptly brought to account,
 - ii) all payments out of its money are correctly made and properly authorized,
- and

iii) adequate control is maintained over the assets of the Fund.

(2) The books of account kept under Regulation (1) shall—

- (a) be sufficient to record and explain the Fund's transactions.
- (b) enable the Fund's financial position to be determined with reasonable accuracy at any time; and
- (c) be sufficient to enable financial statements to be prepared and audited in accordance with this section.

(3) Within three months after the end of each financial year, the Ministry shall prepare the following financial statements together with proper and adequate explanatory notes—

- (i) a statement of the assets and liabilities of the Fund at the end of the financial year,
- (ii) a statement of the payments into and out of the Fund during the financial year, and
- (iii) such other financial statements for the financial year as may be requested by the House of Representatives.

(4) Without delay, after the completion of the financial statements and the annual report, the Ministry shall furnish a copy of each to the Auditor General.

Audit

(a) Not later than three months after receipt of the financial statements and annual report from the Ministry, the Auditor General shall audit the financial statements in accordance with the Finance and Audit Reform Act, Revised Edition 2020.

(b) Without delay after the completion of his or her audit of the Fund, the Auditor General shall submit a copy of his or her report together with the financial statements and annual report to the Minister.

(c) The Minister of Finance shall, not later than seven days after the House of Representatives first meets after he or she has received the report together with the financial statements and the annual report of the Fund, lay it before the House of Representatives.

7. Transparency Framework

Website

The Ministry of Finance shall publish the following information relating to the Fund on the Ministry's website:

- (a) A description of the Fund and its objectives;

- (b) The contact details for the Fund;
- (c) The details on the investment of the assets of the Fund; and
- (d) The audited financial statements of the Fund.