This report was prepared by Belize Blue Investment Company, LLC (BZBIC), the lender under the Belize Blue Loan Agreement. BZBIC is a subsidiary of The Nature Conservancy. This report covers activities undertaken collectively by the Government of Belize, the Belize Fund for a Sustainable Future, and The Nature Conservancy under the Belize Blue Bonds for Ocean Conservation Project.

Report Date: March 31, 2023
Glossary

BBFP . . . . Belize Blue Bond and Finance Permanence Unit
BFSF . . . . Belize Fund for a Sustainable Future
BSOP . . . . Belize Sustainable Ocean Plan
BZBIC . . . . Belize Blue Investment Company, LLC
BZD . . . . Belize Dollar
CEO . . . . Chief Executive Officer
CZMAI . . . . Coastal Zone Management Authority and Institute
DFC . . . . United States International Development Finance Corporation
GAP . . . . Grant Awards Program
GDP . . . . Gross Domestic Product
GIS . . . . Geographic Information System
GSA . . . . Government Strategic Allocation
MSP . . . . Marine Spatial Plan (or Marine Spatial Planning)
TNC . . . . The Nature Conservancy
USD . . . . United States Dollar

NOTE ON CURRENCY CONVERSION

The Belize Blue Bonds for Ocean Conservation Project includes both US Dollars (USD) and Belize Dollars (BZD) cashflows. All financial figures included in this report are presented in USD. BZD payments have been converted to USD using the currency conversion rate below.

USD to BZD Currency Conversion Rate:

1 USD → 2.0175 BZD

ACKNOWLEDGEMENTS

The Belize Blue Bonds for Conservation Project, and the progress to date outlined in this report, have been made possible through the strong collaboration of many participants. They include the Government of Belize, the Belize Fund for a Sustainable Future, the US International Development Finance Corporation, and Credit Suisse. Special thanks are due to all the partner and grant recipient organizations and the many individuals who have committed, and continue to commit their time, energy, and resources to ensure the program delivers against its ambitious objectives.

Philanthropy is instrumental in supporting innovative debt strategies and allowing TNC to help countries access millions of dollars in long-term funding for conservation. Donors who made TNC’s Blue Bonds strategy possible include the Becht Family Charitable Trust, Oceans 5, MacKenzie Scott, TED Audacious Project, Jeff and Laurie Ubben, and the Wyss Foundation.
WELCOME FROM TNC’S BELIZE COUNTRY PROGRAM DIRECTOR

March 31, 2023

On November 4, 2021, The Nature Conservancy closed on the transformational Belize Blue Bonds for Ocean Conservation agreement with the Government of Belize. At the time of completion, this deal was the largest existing debt conversion for marine conservation. It provided immediate economic relief to Belize with a debt to GDP reduction of 12 percent, in exchange for governmental commitment to the protection of 30 percent of Belize’s oceans and an estimated USD 180 million towards conservation on the ground over a 20-year period. The people and organizations who have come together to support the creation of a sustainable future for Belize can be proud of the tangible progress we have made over the last 17 months.

Our inaugural annual Belize Blue Bonds for Ocean Conservation Impact Report is a demonstration of our commitment to transparency. It is also an invitation to all stakeholders to learn about and engage with our work. We welcome feedback, as these reports will provide a mechanism for holding us accountable and ensuring we repay the trust shown in us.

Our efforts in Belize are particularly important because of the tremendous riches that our coastal environment contains. It is an irreplaceable area, a jewel of extraordinarily rich biodiversity but it is also an environment under threat from climate change, habitat destruction, pollution, and unsustainable practices. Over the past 17 months, we have seen growing awareness amongst all Belizens of the need...
to protect the ecosystems we all depend on. There is now a strong and shared understanding that these precious natural resources are vital for our future economic and social wellbeing.

The work we are doing under the Belize Blue Loan and Conservation Funding Agreements is also important because the framework represents a model—an important example of how financial, environmental, and social stakeholders can come together to create a structure to drive long-lasting change. It is no exaggeration to say that the Blue Bonds debt conversion has had a transformative effect on the country’s economy, giving immediate fiscal space and creating an economic climate in which complementary measures could be taken to stabilize and invigorate our economy.

The debt conversion transaction has not only been important to Belize. Since financial close in November 2021, we are delighted that other countries have executed similar transactions—in Barbados and in Ecuador. We believe there is scope to share the learning from these pioneering efforts and deploy more debt conversions in the future.

That is why, as we move fully into implementation, the eyes of the world remain on us in Belize. We have the responsibility to make this work and to deliver the conservation outcomes that are built into the Blue Bonds framework. Our hope is that we can successfully fulfill our commitments, deliver the desired impacts, and demonstrate that frameworks like this—underpinned by principles of engagement, active stakeholder participation, open consultation, information sharing, sound science, and long-term planning—can deliver on a significant scale.

TNC will continue to support Belize by providing the latest scientific knowledge so that the Marine Spatial Planning process, which will deliver the Belize Sustainable Ocean Plan, is conducted using state-of-the-art methods. Our country program is composed of talented and experienced Belizeans who will work with local stakeholders to develop an equitable plan that meets the country’s conservation and development needs.

Together with the Belize Fund for a Sustainable Future, the entity established for the distribution of conservation payments, we are contributing to financial sustainability and building the capacity of smaller civil society organizations in Belize, providing them with training and shared resources that will enable them to become active participants in future grant applications and projects. These efforts, and those of the many others who are giving their expertise, fill me with hope.

I would like to thank all those who have dedicated their time and effort, especially the Board members and staff of the Belize Fund for a Sustainable Future, and the staff of the Belize Government’s Blue Bond and Finance Permanence Unit, who have worked tirelessly to bring us this far, this fast. I would also like to thank the Government of Belize and civil society partners who have supported and collaborated with us to make this a reality. Finally, I’d like to thank my TNC colleagues who spearheaded the closing of the landmark Belize Blue Bond and are working energetically on implementation. We are all looking forward to the challenges ahead with optimism.
EXECUTIVE SUMMARY

Significant progress has been made in implementing the Blue Bonds for Ocean Conservation Project in Belize. Since signing the Blue Loan and Conservation Funding Agreements in November 2021, the program participants have put key foundations in place and achieved important initial milestones.

The Government of Belize completed the first three of eight milestones contained in Belize’s conservation commitments under Blue Bonds agreements. This has involved expansion of the area of Belize’s ocean in Biodiversity Protection Zones, the designation of public lands as Mangrove Reserves, and the initiation of the Marine Spatial Planning (MSP) process. This has created momentum for work to begin on the longer-term commitments which will draw on the capacity building and developmental efforts being carried out currently.

The MSP process was successfully launched in October 2022. Named the Belize Sustainable Ocean Plan (BSOP), it is a vital element in determining the future direction of coastal management activity and features wide stakeholder involvement.

An independent conservation fund, the Belize Fund for a Sustainable Future (BFSF), has been established and is now operational—a foundational step in delivering funding and providing oversight and governance over program activities. The BFSF has already overseen an initial call for proposals, technical review, and grant award process. This has resulted in the allocation of approximately USD 7.6 million (in BZD equivalent) to be disbursed under its two principal programs: the Government Strategic Allocation and the Grants Award Program. Funded projects are underway, and BFSF is developing a monitoring and evaluation framework, which represents one of the organization’s strategic priorities for the year ahead.

In all these activities, the program participants have taken an inclusive and participatory approach. The Project has engaged with a wide range of government bodies and representatives from many sectoral organizations and civil society groups.

There are clear priorities for the year ahead, which include: taking action to complete Milestone 4 (to expand Biodiversity Protection Zones to 25 percent of Belize’s ocean) by November 2024; completing work on BFSF’s strategic vision and financial plans; engaging in key partnerships that support capacity building, outreach and science; and continuing to develop the systems and frameworks that underpin the program’s administration.
BELIZE BLUE BONDS FOR
OCEAN CONSERVATION

The Nature Conservancy’s (TNC) “Blue Bonds for Ocean Conservation” program is an ambitious plan that aligns with national and international commitments to scale up ocean conservation around the world and address urgent biodiversity losses through improved ocean management. The Blue Bonds program combines conservation finance with science and marine planning expertise to assist governments unlock funds at scale to help finance their conservation and climate goals while also supporting the well-being of their people and economies. Through this innovative program, TNC:

1. Works with countries to identify conservation priorities and develop a timebound plan to meet conservation targets.

2. Brings together investors, public funders, and international development organizations to help nations refinance a portion of their debt with more favorable conditions, such as lower interest rates and longer loan maturities.

3. Provides technical assistance to support the design and establishment of an independent conservation trust fund to manage and disburse the conservation funding unlocked by the transaction to local conservation practitioners and government agencies.

4. Works with stakeholders in transparent, participatory conservation planning to create new protections and management plans that meet the needs of people and nature.

TNC piloted this model in 2015 in partnership with the Government of the Republic of Seychelles to conclude the first ever debt conversion for marine conservation and climate change adaptation. This initiative resulted in the commitment to expand protected areas to 30 percent of the country’s Exclusive Economic Zone (EEZ) and the creation of approximately USD 12.2 million to fund conservation over 20 years. The model was brought to scale in Belize.

In November 2021, the Government of Belize and TNC announced the completion of a USD 364 million debt conversion that reduced Belize’s debt by 12 percent of GDP, created long-term sustainable financing for conservation, and locked in commitment to protect 30 percent of Belize’s ocean, which will be achieved using a participatory, stakeholder-driven marine spatial planning process. This landmark transaction enabled the Government of Belize to repurchase USD 553 million of existing debt at a deep discount, which reduced principal outstanding by USD 189 million, and is set to generate an estimated USD 180 million in conservation funding over 20 years.

The announcement of this transaction marked the beginning of a long-term national-scale conservation project that will be carried out by the Government of Belize, TNC, and a wide network of implementation partners in country. TNC remains involved in this project by overseeing asset management, reporting, and compliance with transaction agreements (under a contract with its subsidiary, Belize Blue Investment Company, LLC), and providing technical assistance to the Government of Belize to support Marine Spatial Planning and to establish and operationalize the conservation trust fund, the Belize Fund for a Sustainable Future (BFSF).

More detailed information on the transaction is available in the case study ‘Belize Blue Bonds for Ocean Conservation,’ which is available here.
BLUE LOAN AND CONSERVATION FUNDING AGREEMENTS COMPLIANCE AND PROGRESS

As of March 31, 2023, the Government of Belize is in compliance with all obligations under the Blue Loan and Conservation Funding Agreements.

Progress on Conservation Commitments

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Milestone Description</th>
<th>Due Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Expand Biodiversity Protection Zones to 20.5% of Belize’s Ocean</td>
<td>5/4/2022</td>
<td>Complete</td>
</tr>
<tr>
<td>2</td>
<td>Designate Public Lands within the Belize Barrier Reef Reserve System as Mangrove Reserves</td>
<td>5/4/2022</td>
<td>Complete</td>
</tr>
<tr>
<td>3</td>
<td>Initiate the process of developing a Marine Spatial Planning (MSP) for Belize’s Ocean</td>
<td>11/4/2022</td>
<td>Complete</td>
</tr>
<tr>
<td>4</td>
<td>Expand Biodiversity Protection Zones to 25% of Belize’s Ocean</td>
<td>11/4/2024</td>
<td>In progress</td>
</tr>
<tr>
<td>5</td>
<td>Approve, sign into law, and gazette the revised Coastal Zone Management Act and Integrated Coastal Zone Management Plan</td>
<td>11/4/2025</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Expand Biodiversity Protection Zones up to 30% of Belize’s Ocean; MSP completed, approved, signed into law, gazetted and implemented</td>
<td>11/4/2026</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Apply to have at least 3 designated marine protected areas in Belize listed as IUCN Green List Areas</td>
<td>11/4/2027</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Approve Management Plans for the Biodiversity Protection Zones</td>
<td>11/4/2029</td>
<td></td>
</tr>
</tbody>
</table>

The Government of Belize has successfully achieved Milestones 1, 2, and 3; work toward completing Milestone 4 is currently underway. Through the achievement of Milestone 1, the Government of Belize gazetted 1,295.60 km² of its ocean area in new protection zones. This was in addition to the 5,555.82 km² of ocean area that Belize had already designated in protection zones prior to the Blue Bonds agreements. Currently, 20.3 percent, or 6851.42 km² of Belize’s total ocean area is under legal protections.1

Figure 1: Progress Against Conservation Milestones

1 Belize has legally designated marine protection for 20.3% of its total ocean, very close to the 20.5% goal. The difference of -0.2% is within a reasonable margin of error at this point in a MSP process with respect to the delimitation of the EEZ and gazetted areas to date, confirmed in a detailed analysis of existing protected areas for the BSOP process.

Figure 2: Progress towards 30 percent ocean protection goal.
Financial Performance

The Government of Belize has the obligation to make scheduled semi-annual interest payments under the Blue Loan Agreement and quarterly payments under the Conservation Funding Agreement. All such payments have been made on time and in full. This has resulted in approximately USD 4.6 million (in BZD equivalent) in funding made available for conservation activities to date.

At financial close, the Government of Belize capitalized an endowment with USD 23.5 million. These funds have been invested according to the investment policy agreed by all parties. Due to market performance, the value of the endowment as of March 31, 2023 is approximately USD 20 million.

Cumulative Planned Conservation Payments
AS OF MARCH 31, 2023

| $4.6M | $87M |

- Cumulative payments to date (USD)
- Total planned payments over time (USD)

Figure 3: Conservation Payments made to date, excluding the endowment

Annualized Returns

<table>
<thead>
<tr>
<th>Account Returns</th>
<th>Market Value</th>
<th>Inception Date</th>
<th>One Month</th>
<th>Year to Date</th>
<th>One Year</th>
<th>Three Years</th>
<th>Five Years</th>
<th>Ten Years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBCT*</td>
<td>$19,966,335</td>
<td>Dec 21</td>
<td>2.53</td>
<td>6.22</td>
<td>-8.92</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Benchmark</td>
<td>1.59</td>
<td>5.31</td>
<td>-7.21</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>-7.06</td>
</tr>
</tbody>
</table>

Figure 4: Endowment performance vs. benchmark

* Belize Blue Conservation Trust Fund
A Case Study in Effective Inter-Ministerial Management and Collaboration: The Government of Belize Blue Bond & Finance Permanence (BBFP) Unit

The effective management of the multi-sectoral and cross-ministerial commitments within the Conservation Funding Agreement requires active coordination and clear political backing.

To meet this need, the Blue Bond & Finance Permanence (BBFP) Unit was established under the Office of the Prime Minister in February 2022, with the express purpose of ensuring that the Government of Belize meets all of its obligations under the Blue Loan and Conservation Funding Agreements. The BBFP Unit has played a central role in coordinating the various ministries and agencies tasked with delivering all aspects of the work and ensuring Government compliance with all obligations under the Agreements.

The BBFP Unit is headed by the CEO of the Office of the Prime Minister and consists of a director and technical staff. Its work is supported by a high-level Blue Bond CEO Committee, which has been established to ensure necessary coordination at the highest level of all Ministries involved in the successful implementation of the Blue Bonds program.

Developing and Implementing the Government Strategic Allocation

The BBFP Unit works closely with all relevant government agencies to coordinate the proposals made for BFSF funding and consolidate them into one overarching proposal for government-led conservation initiatives aligned with the Conservation Commitments under the Conservation Funding Agreement. This involves budgeting, documenting workplans, coordinating external and internal reporting requirements, and ensuring all relevant government and program management standards are adhered to.

Overseeing Compliance with Blue Loan and Conservation Funding Agreements

The BBFP Unit developed and manages a compliance calendar outlining the Government’s policies, procedures, and responsibilities for implementing the program across all relevant ministries. The Unit is responsible for monitoring program progress and communicating program status to all relevant internal and external stakeholders. This role includes overseeing compliance with all reporting requirements and leading the preparation all necessary reports, including Conservation Milestone reports and grant reports on the BFSF Government Strategic Allocation. Additionally, the BBFP Unit oversees all applicable payment schedules, ensuring on-time payment of all financial obligations under the Blue Loan and Conservation Funding Agreements.

© Jennifer Adler
EXPANDING OCEAN PROTECTION AND MANAGEMENT THROUGH MARINE SPATIAL PLANNING

Marine Spatial Planning (MSP) is a comprehensive and strategic process of analyzing the uses of Belize's ocean in order to coordinate where activities occur. The process addresses many sectors, exploring their complementarities and conflicts to create measures to guide the many uses of marine resources. It is intended to be complementary to the existing management structures, and in Belize's case, will add new elements to sectoral management measures to aid the country in achieving its environmental, economic, and social objectives.

The Government of Belize and TNC launched the MSP process in Belize on October 19, 2022. The process is a critical element in determining where to expand ocean protection and improve ocean management.

EXPANDING OCEAN PROTECTION AND MANAGEMENT THROUGH MARINE SPATIAL PLANNING

“Through the Marine Spatial Plan, the Blue Bond will allow us to develop a blueprint for sustainable development and growth, as well as see the protection of up to 30 percent of our total Ocean Space.”

—Prime Minister, JOHN BRICEÑO

Successful Launch

The development of the MSP process has been participatory, inclusive, and stakeholder-driven.

The MSP launch event in October 2022 involved representatives from government, including Belize’s Prime Minister, the Hon. John Briceño, civil society and private sector organizations, as well as representatives from the Embassies of the United States and Taiwan. Members of the public could view and participate virtually in the launch, which was streamed live on Facebook, where public participants were invited to comment and ask their questions. Another example of public involvement in the MSP process was in the selection of its official name—the Belize Sustainable Ocean Plan (BSOP)—which was chosen by the public in an online poll and announced at the launch event.

The initiation of the MSP process marked the achievement of Milestone 3 under the Conservation Funding Agreement.
Administration and Governance

The Belize Coastal Zone Management Authority and Institute (CZMAI), a Belize Statutory Body, is the lead agency for the MSP process. A Steering Committee, chaired by the CZMAI and comprising 19 representatives and their alternates from government and non-governmental sectors, has also been established. The committee is supported by an MSP Core Team, which was established in February 2022 to design, organize and oversee day-to-day management of the MSP process.

The MSP Steering Committee, which included senior level government officials and non-governmental stakeholders, held its inaugural meeting in August 2022. The MSP Steering Committee is comprised of representatives from sectors including fisheries, coastal zone management, tourism, water resources, shipping, the environment, finance, academia, and energy.

The MSP Steering Committee crafted a vision and established detailed goals and objectives under an overarching goal to enact and publish the legislation required to give legal backing to the MSP. The detailed goals fall within four areas:

» **A Process Governance Goal** to design and implement a science-based, data-driven, participatory, equitable, and inclusive MSP process.

» **A Marine Conservation Goal** to legally protect up to 30 percent of Belize’s Ocean as Biodiversity Protection Zones.

» **A Blue Economy Goal** to support the sustainable growth and development of Belize’s blue economy in alignment with legislation, policy, and planning frameworks.

» **An Equity Goal** to ensure fair and equitable access for all Belizeans to benefits derived from ocean resources and spaces, with respect for traditional social, environmental, cultural, and economic uses.

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**GOVERNANCE FRAMEWORK FOR BELIZE MSP PROCESS**

**EXECUTIVE MANAGEMENT**

**Government of Belize**  
MSP Lead Agency: Coastal Zone Management Authority and Institute

**Executive Committee**  
Chair: CEO Office of the Prime Minister  
Members: Ministry of Blue Economy & Civil Aviation; Ministry of Sustainable Development, Climate Change & Disaster Management; Ministry of Natural Resources; Ministry of National Defense and Border Security; Attorney General; and the Financial Secretary

**DEVELOPMENT LEVEL FOR DECISION-MAKING**

**MSP Steering Committee (SC)**  
Chair: Coastal Zone Management Authority and Institute  
Members: Senior level government officers, non-governmental stakeholders from sectors/areas including fisheries, coastal zone management, tourism, water resources, shipping, environment, finance, academia, and energy

**MSP Core Team**  
Blue Bonds & Finance Permanence Unit, Coastal Zone Management Authority and Institute, Fisheries Department, Ministry of Blue Economy and Civil Aviation, The Nature Conservancy (Belize program and Global team), World Wildlife Fund

**PUBLIC INPUT MECHANISMS**

**Stakeholder Engagement**  
Community meetings, consultations, focus groups, forums, open houses, website

**TECHNICAL ADVISORY GROUPS**

**Technical Working Groups**  
Energy, Finance and Investment, Fisheries and Aquaculture, Marine and Coastal Development, Marine and Coastal Ecosystems, Maritime Administration, Tourism

Figure 5: Belize Sustainable Ocean Plan Governance Framework
**Stakeholder Engagement**

Stakeholder engagement is integral to the BSOP process and is being undertaken in phases.

A first phase of engagement took place from August to October 2022 and focused on sharing information about the Belize MSP process. This involved the public and 35 organization and groups representing the 7 key sectors identified by the MSP Core Team, as represented within the Technical Working Groups. Engagement methods incorporated information sessions (including awareness raising discussions on national radio), mailings, social media messaging, and feedback to support the development of a website dedicated to BSOP.

In a second phase of stakeholder engagement, the MSP Core Team will begin a process of longer-term interaction with all 20 coastal communities and focus on public participation with the public to build awareness of the process and on how communities and sectors can get involved.

**Capacity Building**

The scope and scale of the MSP process has necessitated an increase in staff capacity for both TNC and the Government of Belize. The TNC Belize Country Program hired two new positions in 2022—an MSP Specialist and Stakeholder Engagement Specialist. CZMAI, with the support of the BBFP Unit, has hired five new staff members—an MSP Process Lead, an MSP Coordinator, a Geographic Information System (GIS) Mapping and Spatial Analyst, a Communications and Public Relations Officer, and an MSP Science Lead. TNC’s Global Ocean Planning and Mapping team have also provided ongoing planning and technical support to the MSP process.

**Developing Public Information Systems**

CZMAI has developed a prototype data viewer, which provides direct, online access to spatial data depicting key ecosystems and current human uses of Belize’s oceans, including the key sectors that derive benefits from the country’s marine resources and ocean spaces. The data viewer enables users to visualize selected datasets characterizing these sectors. Tools like this increase transparency by allowing stakeholders and the public to view information and provide feedback that informs the MSP process. Additional datasets and features will be added to the data viewer as they become available and other participatory and data sharing tools will be developed and shared throughout the process. These prototype tools will be available on the BSOP website once launched to provide a central platform for public information.

**VISION FOR THE BELIZE SUSTAINABLE OCEAN PLAN**

A healthy, resilient, and equitably shared ocean that supports a thriving national economy and nurtures the culture and well-being of all Belizeans.
The Belize Fund for a Sustainable Future (BFSF) has been established as a non-profit company with a non-government majority Board of Directors that includes representatives from government and non-government sectors. The BFSF has begun distributing funds generated through the Conservation Payments from the Government of Belize through two main programs—the Grants Award Program (GAP) and the Government Strategic Allocation (GSA).

Establishing the Belize Fund for a Sustainable Future

The BFSF was developed through a stakeholder engagement process that included public input to determine the governance structure, name, and the main thematic areas covered by the Fund.

On November 24, 2021, the Ministry of Blue Economy & Civil Aviation and TNC co-hosted a two-hour virtual information workshop that was attended by approximately 150 stakeholders to outline timelines and key milestones, the stakeholder engagement process, and to announce upcoming surveys for stakeholders to help choose the Board and the name of the conservation fund.

Following receipt and analysis of survey data, a subsequent workshop was hosted on January 20, 2022, to discuss the survey results and collect further input on the Board structure and program operations. Through this workshop, which was attended by at least 115 participants, stakeholders agreed on the composition of the Board of Directors, including four Government and five non-Government entities, and core components of the operational structure of the Fund, including the thematic areas, grant cycle, and grantee eligibility requirements.

In February 2022, a national competition was announced to select the name of the Fund, resulting in the official selection of “Belize Fund for a Sustainable Future.”

**FUNDING IMPACT THROUGH AN INDEPENDENT CONSERVATION TRUST FUND**

**BFSF’s Four Thematic Areas**

- **Protection for Biodiversity** managing marine protected areas, protecting species of concern, and of crucial ecosystems.
- **Sustainable Fisheries** supporting fisheries management, building capacity, sustainable and new fisheries and value chains.
- **Climate Resilience** creating resilient coastal and marine ecosystems and community livelihoods.
- **Blue Business Innovation** incubating and supporting the emergence of new coastal and marine businesses.
Following a competitive recruitment process facilitated by the BFSF Board of Directors, Dr. Leandra Cho-Ricketts was hired as Executive Director. Since her appointment, Dr. Cho-Ricketts has set up BFSF’s office, hired three full-time staff members—a Program Manager, Program Officer, and Administrative Assistant—and secured outsourced services, such as accounting and communication support. In their short time as a functional operation, the BFSF team has worked quickly and efficiently to progress on its mission:

**To create a transparent and inclusive financing mechanism that is successfully mobilizing investments for the conservation and responsible development of Belize’s marine and coastal resources.**

Critical achievements to date include the establishment of a BFSF website, development of an operational handbook and administrative framework, establishment of an Environmental and Social Safeguard Framework, and the launch and award of grants under its first call for proposals.

**Grants Awards Program (GAP):** 40 percent of funding generated through the Conservation Payments made under the Conservation Funding Agreement is available to support projects aligned with BFSF’s four thematic areas. This grant program targets non-governmental organizations, community-based organizations, academia, local associations, and private sector entities. There are three categories of grants that can be applied for: small, medium, and large grants.

**Government Strategic Allocation (GSA):** 40 percent of funding generated through the Conservation Payments made under the Conservation Funding Agreement is available to support the Government of Belize in meeting its conservation milestones and general conservation undertakings. GSA applications are coordinated through the Belize Blue Bond and Finance Permanence Unit (BBFP) under the Office of the Prime Minister.

**General and Administrative Expenses:** BFSF may use up to 20 percent of the funding generated through the Conservation Payments to support its general and administrative expenses, with all remaining funds not spent under the 20 percent cap being divided between the GSA and GAP. During this reporting period, BFSF used 4.5 percent of revenue for this purpose, though general and administrative expenses may vary from year to year. This reporting period included start-up expenses that will not be incurred on an annual basis and less than six months of recurring administrative expenses.

All grant applicants regardless of Grant Program must follow a similar grant application, approval, and ongoing implementation process:

1. Submit grant application that outlines a clear scope of work and budget that demonstrates alignment with the thematic areas supported by BFSF and/or the conservation milestones and general conservation undertakings outlined in the Conservation Funding Agreement.
2. BFSF screening and review by the Technical Review Committee and approval by the BFSF Board.
3. Enter into a grant agreement with clear compliance, reporting guidelines, and disbursement schedule.
4. Regular technical and financial reporting, inspection, and adaptive management.

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2 For more information on board composition, governance structure, grants, and other progress, visit the BFSF website at www.BFSF.bz
BFSF Grant Funding To Date

To date, BFSF has committed approximately USD 7.6 million in grant funding to nine civil society partners and the Government of Belize. In December 2022, approximately USD 277,000 was distributed under the Grants Award Program (GAP) to five non-profit institutions that make up the Belize Marine Protected Areas Network to support urgent funding needs for effective protected area management activities. Subsequently, the first call for proposals resulted in the allocation of USD 7.3 million in grant funding to six non-profit institutions under the GAP and six government agencies through the Government Strategic Allocation (GSA). The disbursement of funds will follow a pre-determined schedule as depicted in Figure 7 below. GAP disbursements will occur over calendar years 2023 and 2024. GSA disbursements will occur through October 2025.

3 All BFSF grant funding is disbursed in local currency (BZD). All financial figures have been converted to USD for the purpose of this report.

4 In April 2022, the BFSF Board voted to approve retroactive spending related to the GSA to ensure timely delivery of the Conservation Milestones under the Conservation Funding Agreement. Therefore, the GSA funding approved under the first call for proposals covers a 4-year period, beginning in 2022 and ending in 2025.
Grant Award Projects Snapshot

Helping Secure the Future for Belize’s Iconic Manatee

**Wildtracks**  USD 74,349: 12 months

**Thematic Area**  Protection for Biodiversity

This project contributes to the long-term viability of the Antillean manatee in Belize by strengthening the capacity for managing manatees in protected areas and building the capacity of wildlife management authorities. A key goal is to ensure that rescued manatees have the opportunity to return to the wild population.

Safeguarding Biodiversity and Species Abundance in Corozal Bay Wildlife Sanctuary

**Sarteneja Alliance for Conservation and Development**  USD 173,482: 24 months

**Thematic Areas**  Protection for Biodiversity; Sustainable Fisheries; Climate Resilience; Blue Business Innovation

The project prevents losses in biodiversity and safeguards the continued managed access to traditional livelihoods in the Corozal Bay Wildlife Sanctuary. It involves the development and use of high-quality monitoring and enforcement data, strengthening the management and sustainability of the traditional beach trap fishery, and ensuring the alliance's financial sustainability.

Improving Management of the Turneffe Atoll Marine Reserve through Technological Solutions

**Turneffe Atoll Sustainability Association**  USD 412,286: 24 months

**Thematic Area**  Protection for Biodiversity; Sustainable Fisheries

The project protects biodiversity and contributes to sustainable fisheries in the marine reserve by developing and implementing a range of digital tools that will enhance data collection and analysis, improve communication, education and outreach, and enable spatial monitoring and reporting for enhanced visitor management.

Continued Active Restoration of Critically Endangered Coral Species with a Focus on Acroporids

**Fragments of Hope Ltd.**  USD 397,209: 36 months

**Thematic Area:** Protection for Biodiversity; Climate Resilience

The project continues the active restoration of critically endangered coral species in Belize by replenishing coral genets from endangered species, and quantifying the effects of local environment, genotype, and acclimation capacity from out-planted corals.

Population Structure Assessment of Fished Marine Species within Belize

**University of Belize Environmental Research Institute**  USD 144,039: 36 months

**Thematic Area**  Protection for Biodiversity; Sustainable Fisheries

This project is incorporating genetics data into fisheries management in Belize. The specific objectives include determining the population structure of four finfish indicator species, gathering knowledge of population connectivity, aligning insight of population structures with fishers’ knowledge and perceptions, and determining whether deep-water conch populations are serving as a source population for fished, shallow-water queen populations.

Restoring Science, Community Engagement and Megafauna Tourism at Gladden Spit Marine Reserve

**MarAlliance**  USD 323,342: 36 months

**Thematic Area**  Protection for Biodiversity; Sustainable Fisheries; Blue Business Innovation

The project seeks to improve the status of commercial fish and support a basis for marine wildlife encounter tourism in Southern Belize. Its objectives include assessing existing resources, improving the capacity for rewilding important marine species, and developing communication tools that informs stakeholders and the public about findings, activities, and proposed initiatives at Gladden Spit.
Government Strategic Allocation Grant Components Snapshot

1. Strengthened Fisheries Governance and Management Effectiveness in the Belize’s Blue Space

*Belize Fisheries Department:* USD 1,506,815

This initiative seeks to enable the sustainable use of Belize’s ocean by strengthening governance and management regimes that foster sustainable and economic expansion.

2. Electronic Observer Program for High Seas Fisheries

*Belize High Seas Fisheries Unit:* USD 570,788

This work will use an electronic monitoring system to improve the collection of electronic observer data to meet the reporting requirement of Regional Fisheries Management Organizations and enhanced monitoring, control, and surveillance of Belize’s distant water fishing vessels.

3. Enhanced Enforcement and Protection of Belize’s Marine Resources

*Belize Coast Guard:* USD 495,663

The project will enhance operational capabilities by using an unmanned air system to conduct long-range aerial patrols in Belize’s internal waters, territorial seas, and parts of the exclusive economic zone for fisheries enforcement and protection of Belize’s marine resources.


*Coastal Zone Management Authority and Institute:* USD 1,006,196

This funding will support the development and implementation of a Marine Spatial Plan and Integrated Coastal Zone Management.

5. Improved Monitoring, Reporting, and Socialization of Mangroves and Reserves

*Belize Forest Department:* USD 872,188

The project will improve the monitoring and reporting of mangrove cover and ongoing restoration activities while supporting the compliance of newly designated mangrove reserves and regulations.

6. Adaptive Management, Implementation, and Socialization of Belize’s Blue Bond

*Belize Bond & Finance Permanence Unit:* USD 1,344,045

This project will implement the commitments outlined within the Blue Loan and Conservation Finance Agreements and to facilitate the necessary interface and coordination with the design of the Project Finance for Permanence.
Looking Ahead

BFSF has established clear priorities for the year to come. These are: completing work on the organization’s strategic vision and financial plans, engaging in key partnerships that support capacity building, outreach, and science, and continuing to develop the systems and frameworks that underpin its administration. In addition, BFSF will make funding available for a second call for proposals, while establishing a monitoring and evaluation framework to aggregate the results of the initiatives already in progress.

These priorities are set within the broader organizational goals of meeting the Project’s conservation targets—stewarding Belize’s marine and coastal resources for future generations.

“We are here to celebrate the investments being made by the Belize Fund for a Sustainable Future to support the continued management and to guide the future of the blue space that supports our economy [and] provides for a great percentage of the livelihoods and jobs for many of our Belizeans. It is intrinsically connected to many of our cultures and it is the backbone of the natural space that must be managed”

—VALDEMAR ANDRADE, Executive Director of TASA, Grant Award Ceremony