

Enhancing the National Capacities in Belize to Track and Report on Climate Finance

Initiative for Climate Action Transparency - ICAT

Draft a formalization instrument to allow for climate finance tracking; Formalize the reporting processes and requirements between and within the relevant institutions

Deliverable D.4 and D.5.

AUTHORS

ARCH Consulting Group Ltd.

- Victor Viñas, PhD, Technical Team Lead
- Audrey Robin, Managing Partner
- Hugo Ortega, Climate Finance and Governance Analyst

13th of May 2025

DISCLAIMER

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, for commercial purposes without prior permission of the National Climate Change Office (NCCO) of the Ministry of Sustainable Development and Climate Change (MSDCC) of Belize. Otherwise, material in this publication may be used, shared, copied, reproduced, printed and/or stored, provided that appropriate acknowledgement is given of the NCCO and ICAT as the source. In all cases the material may not be altered or otherwise modified without the express permission of the NCCO.

PREPARED UNDER

The Initiative for Climate Action Transparency (ICAT), supported by Austria, Canada, Germany, Italy, and the Children's Investment Fund Foundation.

Supported by:



Environment and
Climate Change Canada

Environnement et
Changement climatique Canada

The ICAT project is hosted by the United Nations Office for Project Services (UNOPS).



Table of contents

<i>Background</i>	4
MEMORANDUM OF UNDERSTANDING	5
ARTICLE I — SUBJECT	5
ARTICLE II — PREAMBLE	5
ARTICLE III — SCOPE OF WORK	6
ARTICLE IV — PURPOSE AND OBJECTIVE	6
ARTICLE V — GUIDING PRINCIPLES	7
ARTICLE VI — KEY AREAS OF COLLABORATION	7
ARTICLE VII — ROLES AND RESPONSIBILITIES	7
ARTICLE VIII — GOVERNANCE AND COORDINATION	8
ARTICLE IX — MONITORING AND EVALUATION	8
ARTICLE X — LIMITATIONS	8
ARTICLE XI — FORCE MAJEURE	9
ARTICLE XII — AMENDMENTS AND TERMINATION	9
ARTICLE XIII — DURATION	9
SIGNATORIES	10
ANNEX 1 – DEFINITIONS AND ACRONYMS	11
ANNEX 2 – INSTITUTIONAL ROLES	12
ANNEX 3 – CLIMATE FINANCE DATA ESTIMATIONS	13

Background

In the framework of the consultancy “Enhancing National Capacities in Belize to Track and Report on Climate Finance”, this Memorandum of Understanding was redacted. This deliverable aimed to comply with the Activity 5 - Output D: *Draft a formalization instrument to allow for climate finance tracking.*

MEMORANDUM OF UNDERSTANDING

Between

The National Climate Change Office, Ministry of Sustainable Development and Climate Change (MSDCC)

(Hereinafter referred to as "NCCO")

And

[Insert Stakeholders]

(Hereinafter referred to as *[Insert Stakeholders]*)

Collectively referred to as “the Parties”

ARTICLE I — SUBJECT

Collaboration on tracking and reporting of national, regional, and international climate finance flows (MRV-CF) to ensure that Belize has a unified national reporting mechanism to be implemented in order to improve transparency and trust with donors, while allowing Belize to access increased funding to meet its commitments under the Paris Agreement.

ARTICLE II — PREAMBLE

Recognizing the critical importance of addressing climate change and its impacts and acknowledging Belize’s commitments under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, this Memorandum of Understanding (MoU) establishes a cooperative framework between the NCCO, *[Insert Stakeholders]*.

This collaboration agreement allows for the future inclusion of additional Climate Finance data providers as signatory parties of this MoU, as needed.

This MoU aims to enhance coordination, data sharing, and mutual support in the development and implementation of robust systems for monitoring, reporting, and verification (MRV) of Climate Finance (CF), its flows and other indicators to meet both national and international obligations.

ARTICLE III — SCOPE OF WORK

The scope of this MoU includes but is not limited to:

1. Developing methodologies and instruments for CF preparation, including a Climate Finance Module, to be used as the base for reporting, as a way forward on a standardized National Integrated Online MRV Platform.
2. Establishing and adding the Climate Finance MRV Component (Module) to the existing centralized data repository on the National Integrated Online MRV Platform.
3. Ensuring the systematic collection, processing, and exchange of climate finance-related data and information between the Parties and NCCO, facilitating accurate and timely reporting under the UNFCCC and at national level.
4. Conducting periodic reviews of climate finance flows, identifying gaps in funding and resource mobilization towards NDC implementation.
5. Conducting periodic reviews of progress towards Belize's *National Climate Change Policy, Strategy and Master Plan* for the period 2021–2025, which may be subject to periodic review and revision to reflect evolving priorities.

ARTICLE IV — PURPOSE AND OBJECTIVE

The primary objectives of this MoU are to:

1. Establish a Collaborative Framework: To create a structured system for data sharing and reporting, and joint actions to track and report both national and international climate change financial flows in Belize.
2. Facilitate Compliance with International Obligations: To ensure timely and accurate reporting under the Enhanced Transparency Framework (ETF) of the Paris Agreement.
3. Strengthen National Capacity: To enhance technical capacity, promote knowledge sharing, and foster innovation in tracking climate change financial flows within Belize's economy and beyond.
4. Promote Policy Alignment and Integration: To enhance policy alignment and integration between the Government of Belize institutions and the climate change sectors, to maximize synergies.
5. Optimize Resource Utilization: To facilitate and generate further efficiency in the utilization of the national budget on climate finance projects plus mobilization of financial and technical resources for implementing climate change actions.
6. Increase Public Awareness and Stakeholder Engagement: To promote public awareness and stakeholder engagement in the implementation of climate strategies and related financial flows.

ARTICLE V — GUIDING PRINCIPLES

The collaboration under this MoU shall adhere to the following principles:

1. **Transparency:** Ensure open communication and data accessibility between the Parties and the NCCO.
2. **Accountability:** Uphold shared responsibilities to fulfil climate action commitments.
3. **Sustainability:** Promote the development and implementation of climate finance solutions that are both financially viable and impactful, contributing to long-term climate resilience.
4. **Inclusivity:** Engage relevant stakeholders to ensure a comprehensive approach to mobilizing and utilizing climate finance effectively.

ARTICLE VI — KEY AREAS OF COLLABORATION

1. **Monitoring, Reporting, and Verification on Climate Finance (MRV-CF):** Develop and implement robust MRV systems for Climate Finance Flows and other indicators. Align reporting methodologies with the guidelines set forth by the Intergovernmental Panel on Climate Change (IPCC) and the UNFCCC.
2. **Data Sharing and Management:** Establish secure and efficient protocols for sharing climate finance data, methodologies, and progress indicators. Utilize a Climate Finance MRV Component (Module) to streamline data collection and reporting processes.
3. **Capacity Building:** Organize joint training sessions, workshops, and seminars to enhance technical expertise in MRV-related activities. Share tools, resources, and best practices for data analysis and reporting.
4. **Reporting Framework:** All Parties of this MoU agree to use the Climate Finance Module, to track and report the following:
 - a. Climate Financial Flows: Climate finance needs (Ex-ante) and climate finance flows received (committed and/or disbursed) (Ex-post).
 - b. Climate Financial Flows: Other key information of the activity, programme, or project to be implemented such as, among others, type, source of financing, etc.

ARTICLE VII — ROLES AND RESPONSIBILITIES

National Climate Change Office (NCCO):

1. Coordinate the overall MRV framework, including CF and engage with sector leads, including seeking the advice and guidance as required from proper entities.
2. Oversee the preparation and submission of national climate reports.
3. Ensure data accuracy and resolve discrepancies during the internal verification process.
4. Disseminate and upload reports to stakeholders and the UNFCCC and its Enhanced Transparency Framework (ETF) including the Belize's BTR.

[Insert Stakeholders]:

[Insert Stakeholders]: Shall provide the Climate Finance data to the NCCO in the format and content in accordance with the Climate Finance Module. This data will be used and integrated into the existing centralized data repository on the National Integrated Online MRV Platform.

ARTICLE VIII — GOVERNANCE AND COORDINATION

1. Meetings: The Parties will convene quarterly meetings to evaluate progress, resolve challenges, and plan future actions.
2. Communication: The Parties agree to maintain open lines of communication and respond promptly to correspondence.
3. Decision-Making: Any amendments to this MoU will require mutual written consent.

ARTICLE IX — MONITORING AND EVALUATION

The success of this MoU shall be periodically assessed through the following mechanisms:

1. Establishing Key Performance Indicators (KPIs) to track progress against defined objectives.
2. Conducting annual joint reviews to evaluate collaboration effectiveness and to identify areas for improvement.
3. Preparing a consolidated annual report summarizing MRV-CF activities, challenges, and achievements.

ARTICLE X — LIMITATIONS

This MoU does not create binding legal obligations. All actions are contingent upon the availability of funds and alignment with each Party's budgetary priorities.

ARTICLE XI — FORCE MAJEURE

Neither Party shall be held liable for delays or failures caused by unforeseeable events beyond their control, such as natural disasters or pandemics. In such cases, the affected Party must notify the other within 10 days, detailing the nature and anticipated duration of the disruption.

ARTICLE XII — AMENDMENTS AND TERMINATION

This MoU may be amended by mutual written agreement. It may also be terminated by either Party upon 30 days' written notice. In addition to natural disasters and pandemics, events such as significant political unrest, cyber-attacks, and supply chain disruptions shall also be considered force majeure.

ARTICLE XIII — DURATION

This MoU will take effect upon the date of signature by all Parties and shall remain valid for a term of ___ years, subject to renewal.

SIGNATORIES

**For the National Climate
Change Office (NCCO):
Ministry of Sustainable
Development and Climate
Change (MSDCC)**

*For the [Insert
Stakeholders]*

ANNEX 1 – DEFINITIONS AND ACRONYMS

For the purposes of this Memorandum of Understanding (MoU), the following definitions and acronyms shall apply:

- MRV (Monitoring, Reporting, and Verification): A comprehensive system used to assess the implementation and impact of climate change actions.
- MRV / Climate Finance (Monitoring, Reporting, and Verification on Climate Finance): A specific system used to assess and track the country's climate finance flows from all sources and under all modalities.
- NDC (Nationally Determined Contributions): Commitments made by countries under the Paris Agreement to reduce national emissions and adapt to climate change.
- GHG (Greenhouse Gas): Gases that contribute to the greenhouse effect by absorbing infrared radiation, e.g., CO₂, CH₄, N₂O.
- "Climate finance" refers to local, national or international financing mobilized from public, private or alternative funding sources seeking to support mitigation, adaptation and loss and damage actions that will address negative climate change impacts. These actions seek to, but are not limited to, reducing vulnerability for at-risk areas, developing resilience of human and ecological systems, enhancing our agricultural sectors, increasing renewable energy usage, improving our transport and waste management system and upgrading the health and wellness sector to continue to support Belize's national efforts to move to a low greenhouse gas emissions pathway, enhancing greenhouse gas sinks and emphasizing on resilient development to reduce the adverse effects of climate change.

ANNEX 2 – INSTITUTIONAL ROLES

For the purposes of this Memorandum of Understanding (MoU), the following institutional roles shall apply:

- NCCO – The National Climate Change Office shall serve as the overall national coordinator of the Climate Finance MRV System and ultimately will be the one in charge of submitting its reporting to the UNFCCC.
- *[Insert Stakeholders]*: – *[Stakeholders]* shall serve in a supportive role and act as a clearinghouse for the Climate Finance MRV System. All data collected and received from all sources and under all modalities shall be passed to the NCCO, using the Climate Finance Module.

ANNEX 3 – CLIMATE FINANCE DATA ESTIMATIONS

For the purposes of this Memorandum of Understanding (MoU), the following definitions related to climate finance data shall apply:

- National Climate Finance Needs (Ex-ante): the ex-ante perspective of climate finance refers to a forward-looking approach that quantitatively assess the implementation costs associated with the country's mitigation and adaptation climate actions. This encompasses the estimated financial requirements for achieving national climate objectives, as identified in the NDCs and the Belize's Long-Term Strategy (LTS).
- National Climate Finance Received (Ex-post): The ex-post perspective of climate finance refers to the quantitative assessment of allocated public spending and climate finance support (e.g., loans, grants, other.) received by the country from international donors and investors for national climate-related activities identified in the NDCs and the Belize's Long-Term Strategy (LTS).