

# PARTNER COUNTRY QUESTIONNAIRE ON AID FOR TRADE

- We advise you to read the Explanatory Notes starting on page 10 before answering the questionnaire.
- When completed, this form should be returned by 20 February 2009 via e-mail to [aft.monitoring@oecd.org](mailto:aft.monitoring@oecd.org) and [aft.monitoring@wto.org](mailto:aft.monitoring@wto.org).
- The questionnaire can be downloaded from the OECD website at <http://www.oecd.org/dac/trade/aft> or from the WTO Members' website at <http://members.wto.org/members/>.
- All the boxes in this form are expandable.

## 1 IS YOUR TRADE STRATEGY MAINSTREAMED?

### Q1.1 Does your country have a national development plan or strategy?

- Yes  No

If YES, does this development plan include trade as a lever for growth and poverty reduction? (*please tick the most accurate description below*)

- Trade is a key priority and the plan includes well developed trade-related priorities and implementation actions (*please attach*).
- Trade is mentioned but the plan does not include operational objectives and action plans.
- No.
- Other, please describe:

If your Government does NOT have an articulated national development plan or strategy, or if trade is not strongly present in it, are there other separate strategies/plans addressing trade-related objectives? (*feel free to tick more than one box*)

- Government priority areas are not systematically subject to a documented strategy.
- In the annual government budget.
- In various sectoral strategies (e.g. one per relevant ministry, or per sector). Please describe and attach: There are several sectoral strategies/plans that would address

trade-related objectives. There is for example, the Medium Term Economic Strategy, National Poverty Alleviation Strategic Plan; Sector papers from different ministries; Food and Nutrition Security Commission, National Export Strategy (still in draft stage), Current Trade Poverty Assessment, Needs Assessment for MDGs. These are some and because of time constraints, all sectoral strategies are not listed.

- In one single trade development/competitiveness strategy document encompassing all trade-related priorities across different government departments (*please attach*).
- Other, please describe: Recognizing the need for a broader country vision, the Ministry of Economic Development, in collaboration with stakeholders have embarked on defining such a vision entitled: Horizon 2030. It is still in its formative stage.

**For Least-Developed Countries participating in the Enhanced Integrated Framework (EIF), former Integrated Framework (IF):**

**Do the Diagnostic Trade Integration Study (DTIS) and Action Matrix reflect your Government trade strategy? (please tick the most accurate description below)**

- The DTIS and accompanying action matrix reflect well my country's trade-related needs and my Government's priorities.
- The DTIS and accompanying action matrix partly reflect my Government's analysis of trade needs and priority areas.
- The DTIS and accompanying action matrix are not (or are no longer) a good indication of my country's trade-related needs and priorities.
- The DTIS and accompanying action matrix are not currently a good indication of my country's trade-related needs/priorities, but they are in the process of being updated.
- Other, please describe:

**Q1.2 What are your Government's priority areas of intervention to improve your country's capacity to benefit from trade expansion and integration into the world economy?**

*(Below are listed the most common areas grouped according to broad aid category – please rank the top 3 priority areas among the 12 listed)*

<b>Trade Policy and Regulations</b>	_ Trade Policy Analysis, Negotiation and Implementation	<b>Economic Infrastructure</b>	_ Network infrastructure (power, water, telecom)
	_ WTO Accession costs		_ Other transport
	<b>1</b> Trade Facilitation		_ Cross-border Infrastructure

<b>Building Productive Capacity</b>	_ Competitiveness	<b>Other</b>	_ Adjustment costs
	_ Value Chains		<b>3</b> Regional Integration
	<b>2</b> Export Diversification		_ Other, please describe:

**Q1.3 Does your Government have an operational strategy (with action plans, timelines and budgets) for its priority areas?**

**Priority 1: Trade Facilitation**  Yes  Being formulated  No

*If Yes or Being formulated, please describe:*

It is in its formative stages, with an informal meeting already convened for the selected members.

**Priority 2: Export Diversification**  Yes  Being formulated  No

*If Yes or Being formulated, please describe:*

In some areas, export diversification is already happening with certain industries such as for example sugar. Other non-traditional areas have sprung up as a result of diversification efforts such as for example, growing of papayas, cobia fish farming et cetera. The Belize Rural Development Project being funded by the European Union also seeks to further enhance diversification efforts currently underway. In the services sector, the focus is still heavily skewed toward tourism although there is a recognition of the need to diversify in this sector as well.

**Priority 3: Regional Integration**  Yes  Being formulated  No

*If Yes or Being formulated, please describe:*

Belize is an active member of the Caribbean Community and as part of the integration scheme of the CARICOM Single Market and Economy. It is also a part of the Central American Integration System although economic and political integration is much more visible with CARICOM.

**Q1.4 Are the financing needs of these trade-related priorities included in your national dialogue with donors?**

Yes  No  Not sure

**If YES, which structures do you use to discuss the financing needs of your trade-related priorities with your donors? (feel free to tick more than one box)**

PRSP/CAS  Bilateral dialogues  Regional-wide dialogues  Other, please describe:

**Please describe the type of dialogue or alternative method, its level, its frequency, and its specificity to trade matters:**

**If NO, do you have plans to include trade-related priorities in your dialogue with donors in the next two to three years?**

Yes       No       Not sure

- End of Section 1 -

**Please feel free to provide additional information about your trade strategy**

While there is not a formal trade strategy, the need for one is becoming much more evident. It is likely that this will be an area where some external assistance would be required.

## 2 HOW IS YOUR TRADE STRATEGY FINANCED?

**Q2.1 Does the attached CRS<sup>1</sup> profile accurately quantify the Aid for Trade you received in 2006 and 2007?**

Yes       No       Not sure/ NA

**If NO, please provide details of the Aid for Trade you received in 2006 and 2007.**

*[Please describe with figures, and include any activities that may fall under 'other trade-related needs']*

- End of Section 2 -

**Please feel free to provide any additional information on aid-for-trade flows**

Due to the limited time frame and late receipt of the questionnaire, we were not in a position to compare our data with that contained in the CRS profile.

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<sup>1</sup> The CRS profile summarises the commitments and disbursements reported by donors to the OECD Creditor Reporting System on the aid categories most closely associated with Aid for Trade as defined by the WTO Task Force, specifically support for trade policy and regulations, trade development, trade-related infrastructure, building productive capacity and trade-related adjustment (available from 2008 only).

### 3 HOW DO YOU IMPLEMENT YOUR TRADE STRATEGY?

#### Ownership

##### **Q3.1 Who is responsible for overseeing and coordinating the implementation of your trade strategies including activities funded by ODA?**

- A national committee is responsible for coordination and implementation.
- The Trade Department has a coordinating role but implementation is overseen by each relevant department separately.
- The national aid agency has the main coordinating role but implementation is overseen by each relevant department separately.
- There is no central coordination department. Each relevant department is separately responsible for implementation.
- Other, please describe:

The Ministry of Economic Development has the coordinating role between donor and Ministry, nonetheless, each ministry, department and statutory body is separately responsible for implementation fo activities funded by ODA.

**If you have (or are in the process of establishing) a national committee, please describe its main functions, its membership (e.g. ministries, private sector), frequency of its meetings and to whom the committee reports. [Please describe and exemplify below.]**

It is anticipated that with the establishment of an oversight Committee responsible for the implementation of the Economic Partnership Agreement, this national committee would also be able to include monitoring of donor assistance in order to achieve an improved and coordinated approach to donor assistance. It is expected that this body would become functional by at least March. It is still in its formative stage.

##### **Q3.2 Do you engage in dialogue with the private sector and other key domestic stakeholders about the formulation and implementation of your trade strategy?**

- Nearly always
- Regularly
- Rarely
- Not sure/ NA

**If you do, please describe your main stakeholders and the focus and frequency of your dialogue. [Please describe and exemplify below.]**

The Ministry of Trade consults regularly with stakeholders at sectoral meetings and at wider group meetings particularly as it relates to trade negotiations and trade policy. Interactions with stakeholders are done at least every two months. It is anticipated that with the EPA Implementation Committee activated, the frequency of these meetings are likely to increase.

*For Least-Developed Countries participating in the Enhanced Integrated Framework (EIF):*

**Q3.3 Is your EIF focal point and committee responsible for overseeing and coordinating all your trade agenda?**

Yes       No       Not sure/ NA

If no, please describe the different arrangements:

**Working with external partners: harmonisation and alignment**

**Q3.4 In your Aid for Trade programs, how often do donors co-ordinate and align through:**

	Regularly	Sometimes	Rarely or Never	Not Sure
Joint needs assessments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Co-financing	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sector-wide approaches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Joint Implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Joint Monitoring and Evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other, please describe:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

There was not enough time to consult with a view to obtaining accurate responses to these questions.

**Monitoring and evaluation**

**Q3.5 Do you monitor or evaluate your donor supported trade-related programmes?**

Nearly always       Regularly       Rarely or Never       Not Sure

If you monitor and evaluate your donor supported trade-related programmes, do you use:

	Regularly	Sometimes	Rarely or Never	Not Sure
Donors' monitoring and evaluation results	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joint monitoring and evaluation arrangements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Own monitoring and evaluation arrangements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Own monitoring but joint/donor evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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If you use nearly always or frequently your own monitoring and/or evaluation arrangements, can you please provide examples of your methodology and results? *[Please describe and exemplify below.]*

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### Mutual Accountability

**Q3.6 Have you established mechanisms/procedures to discuss with the relevant donors the outcome and impact of your trade-related programmes?**

Yes       No       Not sure/ NA

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If yes, please can you describe and exemplify them?

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### Priorities for improvement

**Q3.7 What are your government's priorities to improve the implementation and effectiveness of the aid for trade it receives? Please rank the top three in order of importance.**

- |   |                                     |
|---|-------------------------------------|
| Greater say in the design of aid for trade interventions:                   | <input checked="" type="checkbox"/> |
| Stronger donor focus on capacity development:                               | <input checked="" type="checkbox"/> |
| Better predictability of aid for trade funding:                             | <input checked="" type="checkbox"/> |
| More extensive use of Budget Support<br>(or Trade Sectoral Wide Approaches) | <input type="checkbox"/>            |
| More regular joint-donor implementation actions                             | <input type="checkbox"/>            |
| More harmonised reporting requirements                                      | <input type="checkbox"/>            |
| More frequent joint donor-partner implementation efforts                    | <input type="checkbox"/>            |
| More systematic use of joint donor-partner monitoring<br>and evaluation     | <input type="checkbox"/>            |
| Other, please describe:   | <input type="checkbox"/>            |
-

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**Please, describe in detail the improvements needed in your top priority area**

It is very important for Belize to ensure that it has a "Greater say in the design of aid for trade intervention" with the objective of ensuring that parameters are in place to ensure that the aid received is in line with national programmes and are more recipient rather than donor driven.

Stronger Donor Focus on development: this is to ensure that there is ownership and sustainability long after the direct aid has been terminated.

Better predictability for aid for trade funding: this will allow countries to plan more effective and to be strategic when seeking assistance.

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### Sharing Knowledge

**Q3.8 Please identify and rank three areas of interventions (see Question 1.2 for a list of examples) where aid for trade has been most effective at raising trade capacity in your country.**

*(Please explain your choice)*

Area 1 The Banana Special Framework of Assistance: This EU funded programme was very effective in improving the relative competitiveness of the banana industry. It included the provision of technical assistance, provided stock supplies, infrastrucure, land preparation, building schools (two high level buildings); training of teachers, and increase in yield production per acreage. The single yet important difficulty was the disbursment procedures of the EU which to a certain extent delayed some reform measures.

Area 2 Modernization of Agricultural Health and Food Safety in Belize: Belize received a loan from the Inter-American Development Bank to modernize its agricultural health and food safety programmes. Due to the improvements and recognition of the authority as the Competent Authority Belize was able to attain List I by the EU and Belize was able to obtain market access for shrimp and other products. Additionally, Belize was able to diversify into other products which have gained access into the USA and Canadian market .

Area 3

**Q3.9 Are there any particular examples of your aid-for-trade processes, programmes or projects that have obtained good results that you think could contribute to the development of good practices?**

*[If so, please describe them below and attach any relevant documents.]*

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- End of Section 3 -

Please feel free to provide additional information on the implementation of your donor supported trade-related programmes and projects, *i.e.* aid for trade.

## 4 ADDRESSING TRADE CAPACITY CONSTRAINTS AT THE REGIONAL LEVEL

**Q4.1 Do your trade strategies specifically address regional trade capacity challenges?**

Yes  No  Not sure/ NA

**If YES, please describe them:**

We do not have a national trade strategy.

**Q4.2 Do you participate in regional dialogues, programmes or activities aimed at promoting regional integration?**

Yes  No  Not sure/ NA

**If YES, can you tell us in how many of these you participate in and describe the most important ones to you? [Please describe below.]**

Time did not allow us to consult with all and to do necessary stocktaking to be able to list all the regional programmes we are involved in. However, in CARICOM, as an active Member, we participate in most of the regional meetings at the different levels. In SICA, while we are not as active, we nonetheless participate.

**Q4.3 Do you know if these regional dialogues, programs, and/or institutions receive aid for trade?**

Yes, they do  No, they don't  I don't know/ NA

**If YES, are you an active participant in the regional dialogues, programs and/or institutions?**

Yes  No  Not sure/ NA

**Q4.4 Do you participate in or benefit from aid-for-trade programmes implemented at the regional level?**

Yes  No  Not sure/ NA

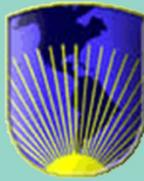
**If YES, please describe the main benefits. [Please describe and quantify whenever possible.]**

In the matter of updating our domestic legislation to reflect our regional commitments, we benefit from this legal drafting through technical assistance. When it comes to participation in trade negotiating meetings, funding is normally provided for officials to attend and participate. Technical training is also provided for officers in different areas of specialization, for example, government procurement, rules of origin et cetera.

- End of Section 4 -

**Please feel free to provide any additional information concerning the regional dimension of your trade strategies:**

-- Thank you --



# **NATIONAL POVERTY ELIMINATION STRATEGY**

**NPES 2007 - 2011**

**National Human Development Advisory Committee  
Ministry of National Development, Investment and Culture**

**January 2007  
BELIZE**



# **National Poverty Elimination Strategy (NPES) 2007-2011**

**January, 2007**

**BELIZE**



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## List of Acronyms

ACE	Adult and Continuing Education
ACP	African, Caribbean & Pacific group
BTB	Belize Tourism Board
CARICOM	The Caribbean Community and Common Market
CBO	Community Based Organizations
CDB	Caribbean Development Bank
CDI	Commonwealth Debt Initiative
CMR	Child Mortality Rate
CPA	Country Poverty Assessment
CSO	Central Statistical Office
DFC	Development Finance Corporation
EU	European Union
FY	Fiscal Year
GDP	Gross Domestic Product
GOB	Government of Belize
HCI	Head Count Index
HIV/AIDS	Human Immune Virus/Acquired Immune Deficiency Syndrome
IDB	Inter American Development Bank
ILO	International Labour Organization
IMR	Infant Mortality Rate
LSMS	Living Standards Measurement Survey
MDGs	Millennium Development Goals
MIC	Middle Income Country
MHD	Ministry of Human Development
MNDIC	Ministry of National Development, Investment and Culture
MNR	Ministry of Natural Resources
M&E	Monitoring and Evaluation
MOH	Ministry of Health
MOSC	Management and Oversight Sub-Committee
MOW	Ministry of Works
MTES	Medium Term Economic Strategy
NAC	National AIDS Commission

NAVCO	National Association of Village Councils
NGO	Non-Governmental Organization
NHDAC	National Human Development Advisory Committee
NPEAP	National Poverty Elimination Action Plan
NPES	National Poverty Elimination Strategy
NPESAP	National Poverty Elimination Strategy and Action Plan
OPEC	Organization of Petroleum Exporting Countries
PUP	Peoples United Party
PRTF	Poverty Reduction Task Force
SIB	Statistical Institute of Belize
SIF	Social Investment Fund
TDC	Toledo Development Corporation
TSAP	Toledo Strategy and Action Plan
TVET	Technical Vocational Education and Training Project
UDP	United Democratic Party
UK	United Kingdom
UN	United Nations
US	United States
VAT	Value Added Tax
WTO	World Trade Organization

## EXECUTIVE SUMMARY

### Background and Socio Economic Analysis

Belize's strategic location in Central America facing the Caribbean Sea endows it with a rich terrestrial and coastal biodiversity that is important to its major economic exports, which are mainly commodities and, of late, tourism services. Since gaining independence in 1981, the country has experienced significant growth, though at uneven rates. Measured by changes in the real GDP, Belize's output levels rose by 38.6% between 1981 and 1989, and then by more than double its 1990 level by 2005. Real output during this latter period was measured in 2000 prices. Since 1981, the export base has also widened from the pre-independence sugar, citrus and bananas to include aquaculture products (mainly farmed shrimp and fish), tourism and more recently marketable quantities of high grade crude oil.

Belize has a low population density and high level of ethnic diversity. Notably, historical ties have led to concentrations of each of Belize's main ethnic groups in one or two of its six administrative districts. The 2000 Census show Mestizos concentrated predominantly in the Northern Corozal and Orange Walk and Western Central Cayo District, whilst the Creoles are reside mainly in the Belize (East Central) District, the Garinagu in the Stann Creek District and the Maya and East Indians in the Toledo Districts.

Notwithstanding the recorded economic growth, the rich biodiversity and low population density, poverty has remained persistent in Belize. This is evidenced by a comparison of the Country Poverty Assessments of 1995 and 2002. The assessments show that whilst the level of indigence declined from 13.4% of the population in 1995 to 10.8% in 2002, there was virtually no change in the level of poverty, estimated at 33.5% in 2002. Furthermore, poverty in the Toledo District was recorded at 79.0% in 2002 and is a stark contrast to the next highest level of 34.9 % in the Orange Walk District and the level of 33.6% overall.

Other measures of poverty, as well as of inequality, were estimated based on 2002 data. These included the Gini Coefficient and the Poverty Gap. The latter is an indicator of the distance between the poverty line and the annual income of each poor person. Permutations of this indicator showed a required increase in yearly income of Bz \$1,261 to move each poor person above the poverty line in Toledo compared to a required increase of Bz \$165 in the Belize District. Notably, the level of disparity as measured by the Gini coefficient was lower in the poorer districts—Toledo and Orange Walk—than in the rest of the country. Disparity levels were highest in the Belize District where a median level of poverty was estimated<sup>1</sup>.

### The Planning Process and Public Participation

The National Poverty Elimination Strategy and Action Plan (NPESAP) for the 2007-2011 period aims to address challenges associated with formulating policies to respond to a wide range of

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<sup>1</sup> The Gini coefficient is an indicator of the distribution of income or income inequality. A coefficient of 1 indicates perfect inequality whilst a coefficient of 0 indicates perfect equality, so that the lower the coefficient, the more evenly distributed is income.

issues arising out of broad consultation with a wide spectrum of stakeholders, including the poor and the vulnerable. Planning was conducted in accordance with a framework for public participation comprised of the following four areas of activities:-

- Review of current social policy and poverty reduction literature in Belize
- A public awareness/ advocacy campaign
- A capacity building process
- A consultative process

The most important area, which is that of the consultation process, was very intensive and was conducted through focus group discussions and public consultations across the country. Participants viewed poverty as multi-faceted and identified several major issues which they regarded as priorities to be addressed in the NPESAP and in the fight against poverty generally. These include:-

- ***Employment and income generation:*** the need for investment in rural areas to generate employment, access to micro finance and improvement in labour and wage regulations.
- ***Leadership and governance:*** the lack of confidence in the political system, doubt as to government's commitment to address poverty reduction, lack of transparency in the budget process and little accountability in the public sector generally.
- ***Education and training:*** the high cost of education, the need for employable skills training and unequal distribution of resources for education.
  - ***Health provision and physical wellbeing:*** the need for significant improvement in the delivery of quality basic health care, especially in the rural areas and for further expansion of access to potable water.
- ***Physical assets:*** the need to improve access to land and shelter, especially in the south side of Belize City and in the Toledo District.
- ***The Institutional framework, monitoring and evaluation:*** the need for strengthening of agencies implementing poverty reduction programmes and for the poor to be given information on these programmes and how to access them. Also, the importance of effective and participatory monitoring and evaluation mechanisms was emphasized.

### The Strategy

The results of the consultative process were factored into the further assessment and articulation of a Poverty Elimination Strategy. A key aspect identified in the assessment, as well as in the preparation process for the formulation of this strategy, is the extent to which the macroeconomic and fiscal policy environment impacts on the national level capacity to implement poverty elimination measures. Moreover, the disparity in terms of recorded economic growth, persistent poverty levels and marked income inequality strongly suggest the need to craft poverty elimination measures aimed at a fundamental or structural level. As a consequence, the National Poverty Elimination Strategy (NPES) 2007-2011 is to be crafted around four policy pillars. These are 1) Economic Policies for Growth, 2) Good Governance and Sustainable Development, 3) Investment

in Human Capital and 4) Infrastructure to Support Poverty Reduction. The strategies around which an action plan is to be implemented are clustered around these pillars, as set out below.

***Policy Pillar 1: Economic Policies for Growth***

- 1.1 Implement policies for monetary and fiscal reform and debt management.
- 1.2 Adopt policies that promote private sector investment and employment.
- 1.3 Provide better access to financial services to the poor for micro enterprise.

***Policy Pillar 2: Good Governance and Sustainable Development***

- 2.1 Pursue Governance Improvement and Public Sector Reform.
- 2.2 Strengthen the Integrity Commission.
- 2.3 Establish an institutionalized mechanism for public consultation.
- 2.4 Strengthen the local government institutional framework.
- 2.5 Actively support national gender policy, with particular attention to political representation targets and adherence to international conventions.
- 2.6 Consolidate and strengthen existing environmental laws and land and protected areas management legislation.
- 2.7 Expand the area of registered land and strengthen land administration at district level.

***Policy Pillar 3: Investment in Human Capital and Services***

- 3.1 Pursue a policy of maintaining budgetary targets for education and health no less than that committed in the 20/20 Initiative.
- 3.2 Implement reforms to the education sector per recommendations of the 2004 Education Summit.
- 3.3 Implement the National Health Plan and Health Reform Programme, including National Health Insurance.
- 3.4 Prevent and treat HIV/AIDS through collaboration between International Agencies, NGO partners and the National Aids Commission.
- 3.5 Enhance and develop policies relating to the legal, economic and social protection of groups vulnerable to poverty.
- 3.6 Enhance the mechanism for public/private partnerships in social protection and social dialogue.

***Policy Pillar 4: Infrastructure to Support Poverty Reduction***

- 4.1 Target isolated or especially vulnerable communities to improve access to larger population centers.
- 4.2 Promote continued improvement or expansion of water supply systems, especially in rural areas.

- 4.3 Regulate the housing sector and promote affordable housing.
- 4.4 Expand the number of rural schools and health facilities.
- 4.5 Promote alternative energy in rural areas.

### *Policy Pillar 5: Strategic and Comprehensive Intervention in Special Attention Areas*

- 5.1 Target activities to the rural populations.
- 5.2 Coordinate implementation of Toledo Strategy and Action Plan (TSAP).
- 5.3 Formulate and implement a comprehensive development plan for Southside Belize City.

### *Identified Constraints and Risks to the NPES and NPEAP 2007-2011*

In the current environment, successful implementation of the NPESAP is subject to five serious internal and external threats:-

- Failure to achieve national consensus on the goals of the NPESAP
- Inadequate implementation capacity
- Limited availability of external financial resources
- Global economic realities
- Natural disasters

The NPESAP has been prepared in an atmosphere of severe economic and social constraints and successful implementation will require strong political commitment and national consensus to the adoption of pro poor policies in the fight against poverty. This constraint combined with the assessment the 1998-2003 NPESAP implementation and the concerns voiced by the affected population through the consultation process verify the need for a comprehensive approach to Poverty Elimination planning.

## 1. INTRODUCTION

### 1.1 BELIZE: The Land and People

Belize is an ethnically diverse nation on the east coast of Central America. It has a land area of 22,963 sq. km. and is bordered by Mexico in the north, Guatemala in the south and west and the Caribbean Sea to the east. The 2000 Census determined the population to be 249,800, and mid-2005 estimates indicated an increase to 291,800, resulting partly from high rates of immigration. Population density is estimated at 12 persons/sq. km, the lowest in Central America, whereas 2005 per capita GDP was estimated at US\$3,812 (Central Bank, 2005, p. xi) This is one of the highest GDP levels in Central America and defines Belize as a middle-income country (MIC).

Belize gained independence from the United Kingdom in September 1981 and has a system of governance based on the principles of representative democracy. Following the Westminster model, there is a bicameral National Assembly consisting of the House of Representatives and the Senate. The House of Representatives comprises 29 elected members and the Senate consists of 13 appointed members. Constitutionally, general elections are required at least every 5 years. The country is divided into six administrative districts; Corozal and Orange Walk in the North; Belize (East) and Cayo (West) in the central zone and the Stann Creek and Toledo Districts in the South. In the districts local government authority is vested in elected city councils (2) and town boards (7), which seek broad civic engagement. There are also elected village councils established in a significant number of rural settlements.

Belize's participation in the international community includes membership, *inter-alia*, in the United Nations (UN), the World Trade Organization (WTO), the Commonwealth, the Caribbean Community (CARICOM), the Central American Integration System (SICA), the Organization of American States (OAS) and the African, Caribbean and Pacific group (ACP). Belize is a signatory to a range of trade agreements and international conventions and is a member of the World Bank, the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB) and, most recently, the Central American Bank for Economic Integration (CABEL). English is the official language though Spanish is widely spoken as a first language by about half the population, especially in the northern districts and Cayo.

A land of geographical and social contrasts, Belize possesses exceptional bio-diversity, varied topography and spectacular marine ecology. The coastal area largely comprises low-lying savannah and wetlands. These give way inland to undulating foothills rising to rugged, densely forest clad mountains. In the south and west the Maya Mountains rise to 2,700 ft, and are interspersed with scattered settlements populated largely by the indigenous Maya. The mountainous spine extends north through Stann Creek District, becoming the Mountain Pine Ridge in the Cayo District. This is an ancient, forested landform rising to about 2,000 feet with a rich archaeological endowment that offers abundant evidence of the early Maya civilization that once thrived in Belize. To the north and east the landscape of the Belize, Orange Walk and Corozal Districts is lower-lying with the latter districts heavily invested in sugar cultivation. The coastal areas are protected by a superb barrier reef, lying 10 to 20 miles offshore, and running parallel to the coastline from Ambergris Cay in the north to Placencia in the south. Recognized as a national treasure and officially as a World Heritage Site, the barrier reef is a fragile but important

economic resource, carefully protected and nurtured for its importance both to marine biodiversity and as a tourist location.

Belize's climate is sub-tropical. Temperatures range from 16°C (60°F) to 38°C (100°F) with a mean annual temperature of 79° F (26°C). The coolest season is November to February when temperatures average 75° F (23° C). The warmest is May to November with temperatures averaging 81° F (27° C). Variable rainfall ranges from 55 inches (1,400 mm) in the north to 150 inches (4,000 mm) in the southern region. The wettest months are July to November. During this period Belize is exposed to tropical storms, sometimes with hurricane force winds of devastating intensity.

Historically the economy was tied to its abundant natural resource endowment. In the colonial period forestry and forest products exported to metropolitan markets dominated economic life. Gradually, during the 20<sup>th</sup> Century, forestry was superseded by primary agricultural products, mainly sugar, citrus and bananas. The contemporary economy is small and open with sugar, citrus and bananas—complemented recently by papayas and marine products—remaining the core of production. In 2005 these products accounted for almost 70% of total exports. However, preferential markets for agricultural products in the US and the UK/EU are now threatened as a result of trade liberalization. This impels a transition from primary products to services. Tourism, agro-processing and aqua-culture sectors are central to the ongoing diversification that adds depth and value to the economy. Recent discovery of marketable quantities of oil foreshadows further potential for diversified economic growth.

The six districts vary in their population density, ethnicity and patterns of culture. Population density is low but is unevenly distributed. The heaviest concentration is in Belize City, the main port and commercial centre with a population of 50,000. Other centres of population are the district towns of Corozal, Orange Walk, San Ignacio/Santa Elena, Dangriga, Punta Gorda and the Capital City of Belmopan. Overall 48% of the population dwell in towns while 52% reside in rural areas. As per the 2000 Census, the ethnic composition of the population, as seen in Table 1, included 48.7% Mestizos, 24.9% Creoles 10.6% Maya and 6.1% Garinagu. Each ethnic group maintains its own language and heritage and tend toward geographical and social distance through historical concentration in specific areas of the country, as shown in the table. Thus the population of the Corozal, Orange Walk and Cayo Districts is predominantly Mestizos whilst that of the Belize District is heavily Creole. The Garinagu are most numerous in Stann Creek District and the Maya and East Indian concentrate in the Toledo District. Of further note, Toledo is demonstrably the poorest District with 79% of the population below the poverty line compared with the second highest level of 34.9% recorded in the Orange Walk District.

**Table 1: Population Distribution by Ethnicity**

	Mestizo	Creole	Maya	Garifuna	East Indian	Other
<i>Ethnic composition (% of total population)</i>	48.7	24.9	10.6	6.1	3.0	7.1
Ethnic Concentration & culture						
(% population by district)					n/a	n/a
Corozal	<b>76.0</b>	7.1	2.8	1.0	4.7	8.4
Orange Walk	<b>77.0</b>	6.8	3.3	1.0	0.7	11.2
Cayo	<b>63.7</b>	18.2	7.1	1.5	1.7	7.8
Belize	25.2	<b>59</b>	1.2	5.5	3.2	5.9
Stann Creek	30.2	21.3	11.9	<b>31.0</b>	3.1	2.5
Toledo	14.6	5.3	<b>65.5</b>	6.7	<b>6.3</b>	1.6

Source: Central Statistical Office, *Population Census 2000, Major Findings*

## 1.2 Context and Rationale for the NPES and NPEAP 2007-2011

A series of World Summits held throughout the 1990s,<sup>2</sup> culminating in 2000 with the United Nations Millennium Summit, consolidated a broad range of proposals and targets for reducing poverty into the Millennium Development Goals (MDGs). The MDGs define eight specific time-bound targets critical for reducing poverty. Adopted by the international community, the MDGs imply a policy framework for sustainable development and the reduction of absolute poverty by one-half by the year 2015.

Preceding the MDGs, Belize formulated the National Poverty Elimination Strategy and Action Plan (NPESAP) 1998-2003. This effort was supported by the CDB and followed a Caribbean Ministers meeting in Trinidad in November 1996 which was held in response to the Copenhagen Summit on Social Development at Port of Spain. Based on the findings of the 1995 Country Poverty Assessment (CPA), the NPESAP 1998-2003 focused attention on actions to strengthen access to, and the participation of poor people in:

- Employment and Sustainable Livelihoods
- Education and Training
- Health Care and Services
- Housing Shelter and Settlement
- Social Vulnerability and Safety Nets and;
- Environmental Protection and Conservation.

<sup>2</sup> The most important of these Summits for setting the poverty agenda were: the Rio summit on the Environment (1992), the Cairo summit on Children (1994) the Copenhagen summit on Social Development at Copenhagen (1995), the Beijing summit on Women (1995)

Devised under the auspices of the National Human Development Advisory Committee (NHDAC), the NPESAP was the first attempt to formulate a poverty strategy by a CARICOM country. While innovative, the NPESAP 1998-2003 had weaknesses that opened it to criticism as a policy instrument. Specifically, resource allocations were deficient and the NPESAP was unconnected to Government's macro-economic and medium-term policy frameworks. Definition of targets, indicators and implementation mechanisms for fostering coordination among public, private and civic sector institutions were unfocused and insufficiently robust. In addition, the NPESAP espoused participatory methods but mechanisms that empowered poor people and facilitated their access to policy making were fragmented.<sup>3</sup> The NPESAP was used, however, by multi- and bi-lateral agencies, the Government of Belize (GOB) and local development partners as a guide to investment in poverty reduction interventions.

A second CPA, which was conducted in 2002, showed that despite the economic growth experienced in the late 1990s, a third of Belize's population remained below the poverty line. In response Cabinet mandated the MNDIC, in collaboration with the NHDAC, to reformulate the approach to poverty elimination planning for the 2006-2010 Strategy and Action Plan. A NPESAP Coordinator responsible to NHDAC was appointed by MNDIC, and the NHDAC delegated a Management Oversight Sub-Committee (MOSC) to supervise the progress of the poverty strategy. The human and financial resources committed to the NPESAP by GOB for the reformulated approach have been complemented by financial and technical assistance from the IDB and CDB. Planning activities conducted up to 2006 included studies on the efficacy of the implementation of the previous strategy, poverty mapping and identification of potential intervention areas. A decision was subsequently taken to publish the National Poverty Elimination Strategy (NPES) and the National Poverty Elimination Action Plan (NPEAP) separately, and to update the plan period to 2007-2011. The NPEAP will outline more specific actions following from the strategy, and will detail the mechanism for implementation, monitoring and evaluation. The NPES and the NPEAP, however, are two integral documents that together form the National Poverty Elimination Strategy and Action Plan (NPESAP).

The NPES along with the relevant NPEAP 2007-2011 is a public policy initiative that defines the causes of poverty and offers a strategy for eliminating the obstacles preventing poor Belizeans from sharing in the benefits development confers on the majority of their fellow citizens. The reformulated approach targets poor peoples' needs based on the following principles:

- Fostering sustainable economic growth and development.
- Enhancing the capabilities of poor people to respond to economic opportunities and accrete assets
- The reduction of their social, economic and environmental vulnerability.
- The promotion of good governance, pro-poor policy and access for audible 'voice' in decision-making by poor people.

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<sup>3</sup> Rosberg, M. "NPESAP 1998-2003: Outcomes of Existing Poverty Reduction Measures". April 2005. Working Paper commissioned by NHDAC for the formulation of the NPES/NPEAP.

More comprehensive in scope than the NPESAP 1998-2003, the NPES 2007-2011 and the NPEAP 2007-2011 address the shortcomings of the previous strategy by:

- Specifying appropriate time-bound poverty reduction targets aligned to nationally defined MDGs.
- Identifying clear indicators of achievement for poverty reduction goals.
- Ensuring the incorporation of robust structures for;
  - pro-poor budgetary allocations;
  - conformity between the NPES and NPEAP and overall national development policy;
  - public, private and civil society stakeholder cooperation;
  - participation of poor people and communities in implementation, monitoring and evaluation of the NPEAP.
- Incorporating sound and proactive systems for the supervision, monitoring and evaluation of the implementation of the NPEAP 2007-2011.
- Strengthening the capacity of NHDAC to conduct overall supervision and review of actions stipulated in the NPES and the NPEAP as essential to poverty reduction.
- Clearly defining the roles that GOB partners - NGOs, bilateral and multilateral agencies and financial institutions – can play in supporting poverty reduction through NPEAP implementation.

### **1.3 Organization of the NPES 2007-2011**

This document presents the National Poverty Elimination Strategy 2007-2011. The **Introduction** elaborates a demographic, geographic and political profile of Belize and describes the origins, rationale and mandate of the NPES 2007-2011. **Chapter 2** describes recent economic performance and the modest prosperity enjoyed by Belize as a middle-income country. It recognizes, however, that poverty continues to exercise a stubborn grip on the lives of about one-third of the population. The issue of how the economic benefits of development and the social protections enjoyed by other Belizeans can be extended to the poorest and most economically marginal citizens is raised. The chapter proceeds to an analysis of the causes and impact of poverty. This analysis draws on the findings of both the CPA, and the Poverty Map formulated for the NPES and NPEAP, as guides to the formulation of pro-poor policy. Attention is given to economic and cultural factors relevant to the persistence of poverty. Current GOB policies and programmes that address poverty reduction and social protection are acknowledged.

**Chapter 3** describes the participatory philosophy and framework of the NPES. It emphasizes the processes utilized to incorporate the ‘voice’ of poor people in defining poverty, its impact on their lives and their expectations of inclusion in the formulation of strategies to enhance their social well-being. The chapter describes the priorities the poor themselves recognize and makes recommendations for their incorporation into the NPES and alignment with broader macro-economic development priorities defined by GOB.

The core of the NPES is **Chapter 4**. It specifies the immediate and medium-term objectives of the strategy to reduce poverty and identifies the priority targets and performance indicators derived from the national MDGs. The chapter proposes pro-poor policy options based on principles of equitable, trustworthy governance and sound public administration that promotes economic growth as fundamental to poverty reduction. Investment areas that support economic growth, employment creation, human capital development and livelihood security are proposed. A range of targeted interventions focused on particular regions and ethnic communities where the extent of poverty is disproportionate to national poverty levels are also proposed.

The **final chapter** focuses on the risks attending the implementation of the NPEAP. Key risks identified include: sustained political will and consensus; human resource capacity; sound macro-economic management; internal resource availability; access to external financial support and technical assistance; vulnerability to external economic shocks; patterns of trade relations and the vulnerability of Belize to natural hazards

## 2 ECONOMIC POLICY, PERFORMANCE AND POVERTY

Poverty reduction strategies are circumscribed by the macro-economic situation facing a country. It is the purpose of this section briefly to describe recent economic performance as the context to be addressed by the NPES 2007-2011. It identifies constraints in the current economic environment salient to formulating and launching a poverty reduction strategy requiring significant addition to, or reallocation of, public resources. At a time when near term projections of modest growth may indicate a threat to the living standards of an increased number of Belizeans, confronting and reversing trends in poverty to reduce its magnitude and effects becomes a matter of urgent public policy. The second half of the chapter proceeds to an analysis of the causes, magnitude and impact of poverty

Belize has a small and open economy. It is vulnerable to external volatility and natural disasters and requires prudent fiscal management. In 2005 exports and imports of goods and services accounted for 56.1% and 64.8% of GDP, respectively to yield a measure of openness of 1:1.22<sup>4</sup>. Exports benefit from preferential access to the markets of Belize's two main trading partners, the United States and the United Kingdom<sup>5</sup>. In 2005 sugar, bananas, citrus and marine products accounted for approximately 78% of total exports of goods. Tourism now dominates the service sector. The 2005 estimate of tourist expenditure exceeded (US\$200) US\$125 million (Central Bank of Belize, 2005) and the industry accounted for 12,865 jobs (Central Statistical Office, 2005). The tourism product is largely nature based and so dependent on a healthy biodiversity. The nature of Belize's exports of goods and services therefore places a premium on maintaining the high quality of its natural resource base and environment, as this is essential for sustained growth and for providing opportunities for new investment

Belize's economic activity since the late 1980s has exhibited volatility reflecting a combination of external shocks, shifts in world market conditions and changes in Government tax and expenditure policies. In the 1990s Belize's macroeconomic performance was among the most dynamic in the Latin American and Caribbean region. It was one of the few regional economies with a low and stable inflation rate (less than 2% annually) and a positive GDP growth rate which averaged 5.1% throughout the decade. Over the period 1991-97 GDP growth slowed to an average of less than 4% (compared to an average annual rate of 10% in the 1987-90 period) and unemployment rose from about 7% in 1992 to a peak of 14% in 1998. In 2000 the GDP growth rate peaked at over 12%, but has since settled in the 3-5% range. Factors contributing to this period of slow growth include a fall in sugar and citrus prices in the early 1990s, the withdrawal of British troops in 1994, a second collapse in sugar prices later in the decade and the flooding and uncertainty following Hurricane Mitch.

Due to weakening public finances and the balance of payments, the UDP government pursued a conservative fiscal policy, including a public sector retrenchment program, and the introduction of

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<sup>4</sup> The openness is expressed as the ratio of exports of goods and services and imports of goods and services combine to GDP. The measures cited here are derived from the statistics included in the Central Bank of Belize Annual Report 2005.

<sup>5</sup> The US export market has the advantage of size and proximity, whilst the UK market offers the benefit of historical ties, preferential trading arrangements and Commonwealth membership.

a 15% Value Added Tax (VAT). The unpopularity of the VAT, rising unemployment and generally poor economic performance led to the election of a PUP administration in the September 1998. The subsequent resurgence in growth noted over the 1998-2000 period reflects the expansionary fiscal policy implemented thereafter. The economy was stimulated by a combination of increased government spending and tax reform aimed at lowering overall tax rates while broadening the tax base. The VAT was replaced with an 8% sales tax and individual tax rates were lowered and improved tax procedures adopted. To fulfil its campaign promise to boost economic growth, the new administration provided subsidized credit to the private sector through the state-owned Development Finance Corporation (DFC), resulting in the rapid expansion of its loan portfolio through external commercial borrowing. These actions combined with an overall increase in economic activity resulted in higher tax revenues. Growth was also stimulated by a rapid expansion in tourism spearheaded by cruise ship arrivals and the increase in exports of farmed shrimp. In summary, rapid growth was achieved over the period at the expense of a deteriorating fiscal deficit and growing external debt.

The slowing down in economic growth after 2000 reflected a reduced fiscal expansion aggravated by a series of negative events. These included the flooding and destruction caused by Hurricane Keith which struck in October 2000, reduction in shrimp production due to a virus epidemic and a fall in tourism arrivals following the 9/11 terrorist attacks in the US. Recovery resumed by mid-2002 helped by robust performance in tourism-related activities and in the agricultural and fisheries sectors. The revival in tourism was due to aggressive international marketing efforts, upgrading of tourist facilities and archaeological attractions and increased frequency of low-cost airline flights from the United States. The number of cruise-ship visitors in 2002 increased to over 300,000 from the 2001 figure of 40,000 and stopover tourism recovered from depressed 2001 levels. It is estimated that the increase in tourism expenditures added one percentage point to the growth of GDP in 2002. By 2004 hotel employment was up by 36.2% from the 2001 level and the number of tour guides had increased by 24.3% from the 2001 numbers.<sup>6</sup> The sector is also a significant and expanding source of foreign exchange earnings.

Table 2 below demonstrates the results of the expansionary stance adopted after 1998. The difference in fiscal performance between the years 1996 and 2000 is of particular note here. When deflated by GDP, the fiscal account data for 2000 shows that the recurrent revenue, expenditure and surplus were slightly lower than the 1996 levels. However, the capital expenditure and overall deficit were significantly higher. This is indicative of the increased levels of public sector investments undertaken during the period. These investments were mainly financed by proceeds from the sale of state-owned enterprises, by commercial borrowing and, in August 2002, by a US\$125 million bond issue. The proceeds of the bond issue were used almost entirely to restructure short-term debt by extending the maturity of the external debt to reduce near-term debt service payments. The rapid pace of borrowing was accompanied by an explosive growth of publicly guaranteed debt, so that the level of government and government-guaranteed (external and domestic) debt rose from 48.3% of GDP in 1998 to 83.4% in 2001 and 102.3% in 2003 (IMF;

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<sup>6</sup> The Abstract of Statistics 2005 records hotel employment levels of 2769 and 3,770 for the years 2000 and 2004, respectively (CSO, 2005). Tour guide statistics as reported by the Belize Tourist Board at [www.belize-tourism.org](http://www.belize-tourism.org). The number of tour guides reported in 2001 was 907 compared to 1,113 reported in 2005.

2003, 2006). Although the public sector deficit had reached unsustainable levels, it was difficult to contain spending, particularly in the run-up to parliamentary elections held March 2003. With high levels of spending and concurrent sharp increases in tourism (both over-night and cruise ship arrivals), real GDP growth in 2003 reached an impressive 9.2%.

**Table 2: Comparative Fiscal Accounts 1996, 2000 and 2005**

	1996	2000	2005
Market Price GDP	1,211.4	1,663.6	2,209.9
Recurrent Revenues	276.6	349.8	511.4
Recurrent Expenditures	234.7	308.4	556.2
Surplus/(Deficit)	41.9	41.4	(44.8)
Capital Expenditure	75.3	247.5	117.7
Overall Balance	(4.6)	(139.9)	(141.9)
Recurrent Revenues	22.83	21.03	23.14
Recurrent Expenditures	19.37	18.54	25.17
Surplus/(Deficit)	3.46	2.49	(2.03)
Capital Expenditure	6.22	14.88	5.33
Overall Balance	(0.38)	(8.41)	(6.42)

Source: Derived from Central Bank of Belize Annual Reports 2000, 2003 and 2005

The rate of growth recorded in 2003 could not be sustained. Opportunities for privatization were largely exhausted, resources from international assistance agencies dwindled in the face of deteriorating macroeconomic situation and downgrades in the country's credit rating increased the cost of bond issues. In spite of these constraints, economic growth reached 4.2% in 2004 due to good performance of agriculture, aquaculture and tourism. Compared to the previous year, 2004 citrus production rose by 25% whilst cruise ship arrivals increased 48% to 850,000. However, deficit reduction and macro economic stability remain the major fiscal challenges to government. The medium-term management of debt repayment and international credit ratings will prove especially demanding and have already required a range of austerity measures to control expenditure and borrowing, which has salience for the allocation of resources dedicated to pro-poor policy.

Prospects for continuing growth are tentative. Tourism continues to thrive with cruise ship arrivals approaching one million and citrus production at mid-2005 up almost eight percent over the same period in 2004. However, with a slowing of government spending, increased taxes, greater Asian competition for aquaculture products and the phase-out of preferential markets for sugar and bananas, the GDP growth is likely to slow. Furthermore, various measures have been pursued by the administration to contain the public sector deficit and avoid a balance of payments crisis. These include closing the Bz \$70 million deficit by reducing expenditures by Bz \$40 million. This target was to be achieved through-

1. a suspension of annual increments on salaries of public officers,

2. BZ\$5 million reductions each in Capital II and Capital III spending, and
3. a BZ\$30 million increase in revenues (excise taxes on alcohol and tobacco and improving tax collection efforts).

To cover debt servicing obligations up to mid-2006 the net proceeds (US\$93 million) from a February 2005 Bear-Stearns bond issue will be used.

## 2.1 The Incidence and Distribution of Poverty

Belize has conducted two Country Poverty Assessments (CPAs): the first in 1995 and a second in 2002. The CPAs provide comparative data on the incidence of poverty and its distribution, and the divergence between the lives of the better off and least fortunate Belizeans. Both assessments indicate that about one-third of the population exists at, or below, the poverty line, i.e. are only able to meet basic food and non-food necessities. The 1995 CPA further found that 13.4% of the population was designated as ‘indigent’ or ‘extremely poor’, being able to meet only basic needs. On the other hand, the 2002 CPA indicated a reduction in the level of indigence to 10.8%, with a range from a low of 4.8% in the Cayo District to highs of 7.1% in the Orange Walk District and 56.1% in the Toledo District. These figures suggest that substantial numbers of Belizeans, especially in Toledo, are peripheral to the mainstream of economic and social life

The results of the 2002 CPA were published in Poverty Assessment Report in June 2004. The CPA had three components: a Living Standards Measurement Survey (LSMS); pre and post-survey focus group discussions; and institutional assessments of relevant government ministries, departments and NGOs. The CPA provides a thorough analysis of poverty in Belize based on the 2002 data. Comparisons of the 1995 and 2002 data are provided in Chart 1 and the indicated levels of poverty derived from the 2002 data are set out in Table 3. These statistics are reproduced from the Poverty Assessment Report.

**Chart 1: Comparisons of the 1995 and 2002 CPAs**

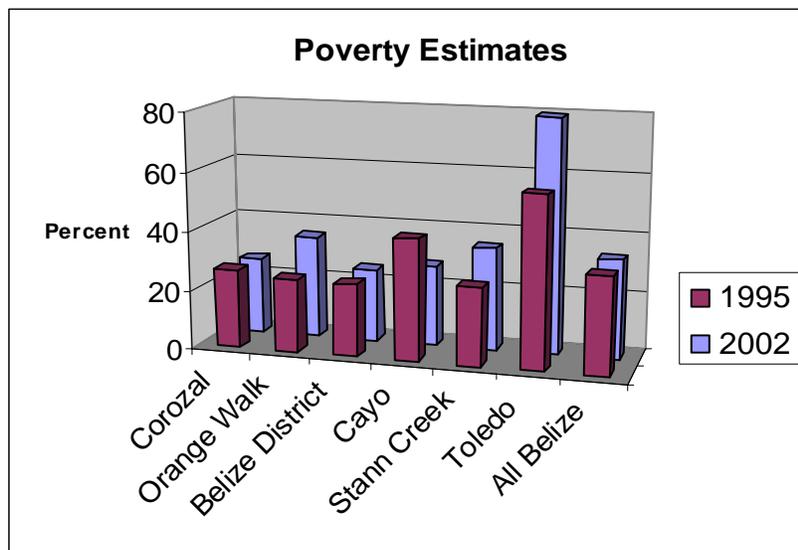


Table 3: Belize-2002 Poverty Estimates

	Corozal	Orange Walk	Belize	Cayo	Stann Creek	Toledo	Urban	Rural	Total
Indigent Population	6.2	7.1	4.9	4.8	5.6	56.1	4.8	17.4	10.8
Poor Population	26.1	34.9	28.4	27.4	34.8	79.0	23.7	44.2	33.5
Poor Males									33.9
Poor Females									33.2
Poor Children	29.9	40.7	28.0	32.0	38.4	84.5	26.6	51.0	39.0
Poor Youth	25.7	38.2	23.4	29.1	36.3	79.3	25.5	44.2	33.9
Poor Elderly	23.4	23.1	19.8	24.6	40.1	64.8	19.9	33.5	26.5
Working Poor									29.8
Indigent Households	5.0	4.3	3.7	3.1	4.9	45.0	3.3	12.7	7.5
Poor Households	19.9	23.3	18.4	20.5	25.9	67.3	17.2	33.7	24.5
Female-heads									21.8
Male-heads									25.5

Source: Government of Belize, National Poverty Assessment Report 2002

The Report showed that, based on the 2002 data, a third (33.5 percent) of the population of Belize was considered poor and 10.8% deemed very poor. Furthermore, poverty appears to affect males and females equally, with about one-third each being poor. There are less poor female-headed households (21.8) than poor male headed-households (25.5). Detailed analysis by the CPA, however, reveals that more female-headed households are in financial difficulty in meeting basic expenses such as utility bills and school fees than male-households.

There are sharp regional differences in the distribution of poor households. The highest incidence of poverty is in Toledo District where a disturbing four-fifths of the population was poor, while the lowest incidence was in Belize District where a quarter of the inhabitants fell below the poverty line. Comparisons between the CPAs are disconcerting, and indicate that poverty continues to be more intense and persistent in some districts than others. In both CPAs the incidence of poverty in Toledo far exceeded the levels of any other District, increasing from 57.6% to 79% of the population between 1995 and 2002. In Belize District the ratio has remained virtually unchanged at 24.8% in 2002 compared to 24.5% in 1995.

The Cayo District with its diversified agriculture, growing tourism and cross-border trading economy has recorded sharp declines in the incidence of poverty with the proportion of poor people falling from 41% in 1995 to 27.4% in 2002. Most striking, over the same period the indigent population in Cayo fell sharply from almost 20% to 4.8%. However, poverty in the Orange Walk District increased from 24.9 to 34.9% as a result of falling sugar prices and disastrous flooding in the wake of Hurricane Keith that devastated the 2001 sugar crop. The incidence of poverty in rural areas remains about double that of urban settlements. Since 1995 rural poverty has, however, decreased from 49.4% to 44.2% while urban deprivation has risen from 20.6% to 23.7%. The Head Count Index (HCI) constitutes the basic measure of the population in poverty.

A further indicator, the poverty gap, measures the average distance between the income of the poor and the income defining the poverty line, which was 11.1% for the country. This means that it would cost 11.1% of the poverty line to move each poor person out of poverty and close the gap between the poor and non-poor. The CPA found sharp regional variations in the poverty gap ranging from 6.2% in Belize District to a startling 44.4% in Toledo. This implies that whereas an increase in annual income of BZ\$165 per year over the 2002 level would be required to move each poor person in the Belize District into the non-poor category, additional yearly earnings of BZ\$1,261 would be needed to achieve the same in Toledo. A second measure, similar to the poverty gap, focuses on the severity of poverty but is weighted towards the poor furthest from the poverty line. Again Toledo emerges as the most severely impoverished region of the country. Another indicator—the Gini Coefficient—measures degrees of inequality in the distribution of assets and resources on a scale of 0-1 with 1 being gross inequality. Nationally the Gini Index is 0.4, but at the district level inequality ranges from 0.6 in Belize District to 0.2 in the Toledo and Orange Walk Districts. These figures indicate less inequality where poverty is highest and vice-versa, with Toledo having the lowest level of inequality and the highest incidence of poverty. The main poverty indicators are found in Table 4.

**Table 4: Main Poverty Indicators by District 2002**

District	Poverty Gap	Severity of Poverty	Gini Index
<b>Belize Total</b>	12.7	7.0	0.4
<b>Corozal</b>	7.8	3.7	0.4
<b>Orange Walk</b>	10.4	4.3	0.2
<b>Belize District</b>	7.7	3.5	0.6
<b>Cayo</b>	7.7	3.3	0.3
<b>Stann Creek</b>	7.6	2.9	0.3
<b>Toledo</b>	50.4	35.8	0.2

Source: Country Poverty Assessment 2002

## 2.2 Who are the Poor?

What causes poverty and who are the poor are the crucial questions for a poverty reduction strategy. Most definitions of poverty stress fundamental deficiencies of assets, income and access to services that build the capabilities of poor people to optimize life chances and overcome adversity. While the poor are defined by these deficiencies; poverty is not only a lack of material means but also of the capabilities and social capital on which other assets may be founded. In this respect, livelihood and income are keys to participation in the prevalent market system. Moreover they permit or deny access to many other forms of economic, civic and political processes that govern life-chances. The lack of secure livelihoods and access to social capital that bolster the utility of human capabilities to perform effectively in the predominant market system can be sufficient to consign poor families to wretched, unfulfilled lives. This is especially so in an economic culture where the measure of people is their usefulness and ability to contribute as producers of material goods, and where failure to prosper leads easily to moral censure and victimization of the poor.

The CPA 2002 recognizes the multi-faceted nature of poverty. It identifies a range of factors that affects the lives of poor people. These factors distance the poor from the modest prosperity achieved by the majority of Belizeans, inhibit their escape from deprivation and confound aspirations for a secure and fulfilling existence. These factors include insecure livelihoods, lack of access to education and training, adequate health care and appropriate shelter which signify the poverty of households. A key challenge for the NPES and NPEAP 2007–2011 is the formulation of policies and strategies and the allocation of resources to address these deficiencies.

Based on the CPA findings, a picture of who is poor and why can be construed for Belize that has features in common with other Caribbean countries. Poverty is more prevalent in rural (44%) than in urban areas (23.7%). Moreover, the poor in the rural areas are concentrated in elementary livelihoods in agriculture and natural resources. Consequently, lack of secure access to land (especially in Toledo), credit, agricultural extension services, resource inputs and basic services constrain productivity among small farmers, especially those using traditional cultivation methods. Resulting low incomes from livelihoods that fail to support household well-being are thus a substantial factor determining poverty. Overall 30% of the labour force can be categorized as ‘working poor’, that is in full-time occupations that produce an income less than the poverty line. Elementary agricultural occupations are most vulnerable with 47% of agricultural jobs earning below the poverty line, thus reinforcing the point that poverty is essentially a product of the value

that market systems place on demand for human capabilities. The CPA stresses the need for pro-poor policies that support capability enhancement, employment and sustainable livelihoods as a mainstay against the persistence of poverty.

Belize's urban population amounts to just under half of the total population and the incidence of poverty at 23.7% in the CPA 2002 shows a slight increase from 20.6% since 1995. In rural communities domestic food production and, though waning, kinship and traditional mutual obligations still provide a measure of social support against economic adversity. By contrast 'social capital' in urban settlements is fragile, and social protection is often dependent on public sector support, complemented by other welfare agencies providing poorly targeted, and sporadic services inadequate to the magnitude and range of needs. The urban milieu, and especially Belize City, has expanded rapidly over the past two decades placing pressure on physical infrastructure and human services. Housing shortages and overcrowding, the emergence of squatter (informal) settlements and lack of public utilities are now characteristic of poor urban neighbourhoods. Typically urban dwellers are more dependent on paid employment and its scarcity is a major source of urban poverty. Increasingly, urban neighbourhoods in extensive reaches of Belize City, like Southside, are vulnerable to unemployment, low wage occupations, casual labour and self-employment in the 'informal sector' and are less secure because of rising crime and violence. All these factors have contributed to a progressive decline in the quality of the urban environment. Whilst steps are underway to address urban poverty, there is demonstrable challenge to the NPES to devise policies and strategies that further a sustainable quality of urban living.

The CPA also identifies a range of social groups vulnerable to poverty, including children, youth, the elderly and the disabled. Foremost among these are children aged 0-17 years which comprise 40% of the poor and experience a higher rate of poverty than any other age group. In rural areas the rate rises to 51% and in Toledo, with its heavy concentration of indigenous Maya, it peaks at 84.5%. As children progress through adolescence into youth the situation mitigates slightly with youths aged 14-24 exhibiting a poverty rate of 33.9%, approximating the incidence of poverty in the general population. The impact of poverty on young males and females is not greatly different, with the rate of poverty amongst males measured at 32.7% whilst 35% of young females are poor. Poverty among youths in rural areas at 44.2% is higher than the urban rate of 25.5%. The poverty rate among older youths in the age group 18 to 24 years is 31.7%, while among younger youths 14 to 17 years it is 36.7%. It can be seen from the data that children and youths, especially younger youths are not exclusive categories. A number of GOB programmes like Youth for the Future, the Centres' for Employment Training and Technical Vocational Education Training (TVET) programme already address some of the needs for compensatory education and capability development among youth.

The elderly, as they become more marginal to the economy, are increasingly vulnerable to poverty and 60.8% of old people are outside the labour force. Overall the proportion of elderly poor at 26.5% is lower than overall poverty in the total population and in other age groups. Of elderly poor over 65 27.8% continue to work. Social protection for the aged is rudimentary with the Ministry of Human Development and the Social Security Board jointly financing a public welfare scheme that provides Bz \$75/month for women over 65 years with no source of income. About 10% of old people are reported to benefit from this scheme. In 2002 GOB adopted a Policy for Older Persons, under the auspices of the National Council on Ageing that seeks to 'guarantee proper resource allocation for the social and economic welfare of older persons, while

appropriately respecting their rights, responsibilities and roles'. The gradual elimination of older persons from the labour force increases their dependency on family and state and is likely to present an enduring source of poverty.

All ethnic groups in Belize experience poverty in varying degrees. It is clear from the CPAs, however, that the indigenous Maya, especially in the Toledo District are less privileged than other groups. Overall, 76% of Maya are poor while 54.8% are indigent, while in Toledo the proportion rises to 79% and 56.1% respectively. The poverty rates for Mestizos, the second poorest group, are estimated 30% poor and 6.1% extremely poor. Poverty rates for Creoles and Garinagu, the other major ethnic groups, are 26.5% and 24.3% respectively. Extreme poverty amongst Creoles is 5.1% compared to just 2.2% amongst Garinagu. In general, the high rate of poverty among the indigenous Maya and the finding that 41% of the poor were born overseas implies a distortion in the overall picture and has implications for policies to reduce poverty.

In sum, the 2002 CPA offers reliable indications on the causes, extent and distribution of poverty in Belize. It confirms that low incomes, insecure livelihoods and unemployment are major causes of poverty. Additionally, it identifies the poor as more likely to lack education and to have substantially more dependents than the non-poor. With respect to ethnic groups, comparison with the 1995 CPA shows that the Indigenous Maya continues to be more vulnerable to poverty than any of the others. Furthermore poverty is most extensive in rural areas with the poor being concentrated in elementary occupations in the agriculture and natural resource sectors, with rural incomes deriving mainly from the sale of labour, goods and services in the cash economy. Greatest vulnerability is experienced by households dependent on small scale farming, fishing, self-employment in the informal sector and elementary occupations such as agricultural labouring. This is especially the case among the indigenous Maya of Toledo. In urban areas poverty is more likely to result from unemployment and deficiencies in the capabilities of the poor to respond to new or available economic opportunities.

### 2.3 The Poverty Map

The CPAs quantify poverty and indicate its depth, extent and severity at the District level only. As part of the NPES preparation process, a Poverty Map that complements the CPAs, drawing on broader Census and Labour Force survey data, has been prepared that identifies virtually every community in Belize (some 240 villages) by degree of poverty.<sup>7</sup> The Poverty Map assesses poverty by income, housing standards, utility access (water, sanitation and electricity) and by geographical remoteness that impedes markets and livelihood security. A Quality of Life Index (QLI) was developed from the Poverty Map. The index is based upon an income variable (Percentage of non poor population) and eight thematic variables, representing infrastructure (housing, water, electricity) access to health services and environmental standards, all measured at the village level. The index shows that of the 241 villages in Belize, 77 (32 percent) fall into the poverty category. Mapping was also conducted for several neighbourhoods in Belize City where the quality of life has palpably declined in recent years as a result of migration, overcrowded settlement, squatting, unemployment, crime and the deterioration of public services. The urban poverty map identifies neighbourhoods vulnerable to poverty in Belize City. In general, the Poverty Map confirms the

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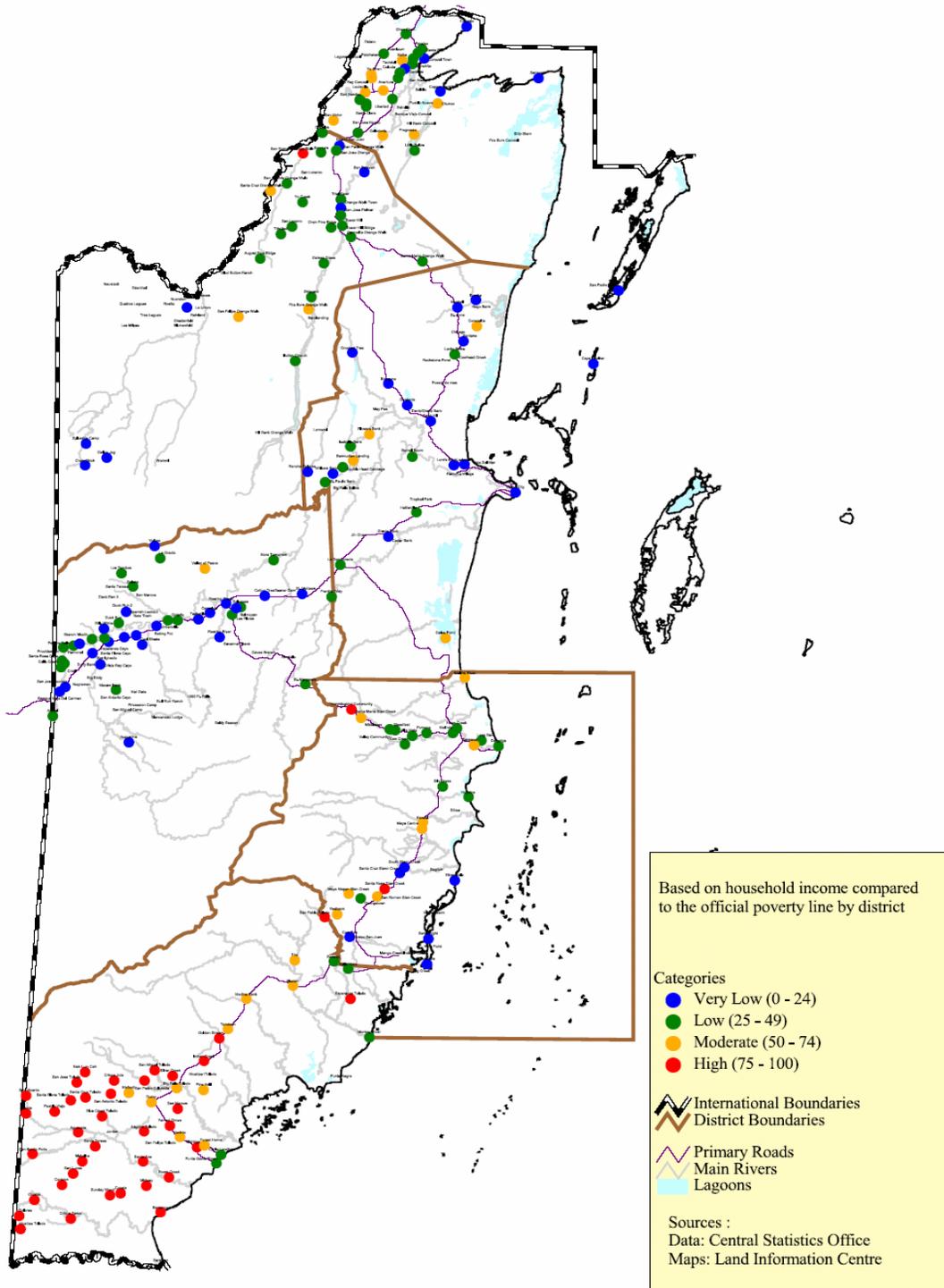
<sup>7</sup> See *Poverty Map for Belize*, APESA, September 2005.

predominance of poverty in the Toledo District and provides greater precision on the distribution and condition of poor people throughout Belize.

The Poverty Map will be referred to throughout this NPES 2007-2011 and during its implementation. It is an essential tool for the identification of the most vulnerable communities, providing focus for the design of pro-poor policies and specific poverty targeted interventions.

Figure 1 – Total Poverty Map

Map 11  
Percentage of Households below  
the Poverty Line by Community



APESA

### 3. POVERTY REDUCTION AND PARTICIPATION

The NPES 2007-2011 addresses the challenge of formulating policies and strategies that support poor peoples' livelihoods, income and assets; fortify their economic and social capabilities; secure their labour force participation and reinforce their economic participation with adequate human development mechanisms and social protection. Such policies cannot, however, rely solely on public sector initiative. The multifaceted causes and manifestations of poverty demand that policy formulation be inclusive of a wide spectrum of stakeholders, including the poor, in the definition, formulation and execution of poverty reduction policies. Participatory processes were incorporated into the formulation of the NPES that encouraged the poor (and other key development stakeholders) to give 'voice' to their concerns about poverty, its causes and the measures required for reducing its impact on the lives of the most vulnerable population. The salience of the 'voice' of poor people is a core principle of the NPES. Its importance rests in impressing on decision-makers and the public the everyday experience of poverty, the social and psychological wounds it can inflict and the ways it circumscribes the expectations of poor people for secure and fulfilled lives.

The participatory phase of the NPES and NPEAP 2007-2011 is set out below. It includes the organizational framework; the issues arising from consultations; their significance for targeting the poor and their assimilation into the poverty reduction strategy. The public consultation meetings, which took place during April and May 2006, were conducted by local consultants engaged by NHDAC/MNDIC.

#### ***3.1 A Framework for Public Participation***

The participatory framework comprised four areas of activity:

- Review of current social policy and poverty reduction literature in Belize.
- The Public Awareness/Advocacy Campaign
- The Capacity Building Process
- The Consultative Process

The literature review, the public awareness/advocacy campaign and the capacity building process were an essential prologue on which to ground the critical public consultation phase of the NPES and NPEAP. They included consulting core source materials; the development of slogans, popular education materials, a radio and TV campaign and the training of facilitators for the face to face district consultations.

The Public Consultation Process was the most intensive and critical activity in this phase of the NPES process. It was conducted over nine (9) weeks using the following methods:

- One-on-One Semi-Structured Interviews with key stakeholders.
- Focus Groups with key stakeholder in the public, private and civil sectors.
- Six (6) District- Level Stakeholder Public Consultations.
- A One-day National-Level Validation and Consensus-Building Session.

The key stakeholders targeted by the consultative process can be classified into three major groups;

- The *Voiceless, Invisible and Vulnerable Group*, comprising low income urban and rural households, the unemployed, street children and children living in institutions, the elderly, the homeless, gangs, commercial sex workers, people with disabilities, incarcerated populations, domestic workers, victims of family violence and people living with HIV/AIDS (PLWHAs).
- The *Government, Government-Related and Financial Group*, comprised of political leaders, public officers, and representatives of quasi-Government bodies, the international development community and key financial institutions.
- The *Local Government and Civil Society Group*, comprising city and town councils, village councils, rural and urban residents, private sector associations and organizations, community-based organizations, non-government organizations, churches, trade unions, credit institutions, the media and indigenous and ethnic organizations.

The Public Consultation process brought together a broad spectrum of policy makers, elected and public officials, private sector representatives, NGO administrators, community leaders, civil society organizations and a cross section of people experiencing poverty. Through focus groups and participatory events, the consultative process provided access to policy debate for a wide range of people who normally would, at best, be peripheral to decisions that govern opportunities to improve their living standards and quality of life. The process sought to pose and seek answers to questions regarding the causes of poverty, peoples' experience of it and why it persists. Throughout the consultative process the aim was to discern:

- Peoples' understanding of poverty.
- Knowledge about and experience of GOB's previous poverty reduction policies promoted by NHDAC and 1998-2003 NPESAP and its impact on their lives.
- How different groups of people experience and are affected by poverty.
- Critical issues/areas/strategies for assimilation into the new NPES and NPEAP 2007-2011.
- Proposals for new creative, collaborative mechanisms/structures for ongoing effective participation of key stakeholders in the NPES and NPEAP Planning, Implementation, Monitoring and Evaluation.

### 3.2 The Public Consultations

Consultation with the public took two forms: focus groups targeting specific vulnerable populations such as the aged, disabled and female headed families and public consultations held in each of the six administrative districts. The focus groups were designed to elicit from particularly vulnerable groups, the way poor people define poverty, its meaning and how it circumscribes their existence. The Public Consultations were more broadly based and included cross-sections of people, both those ensnared in poverty, the working poor, community leaders, public servants and others working for organizations dedicated to poverty reduction. Both settings yielded rich qualitative information about poverty and how poor people define their situation; how they become and remain poor and how they endure, cope with and *sometimes* overcome its constraints.

Importantly, opinions on politics, politicians, policies, corruption and the non-poor emerged. Even in a small country like Belize, politicians and the non-poor can appear remote and unconcerned about the marked inequality between the living standards of the poor and the affluent. Significant scepticism by poor people about more ‘talk-shops’ and ‘good intentions’ that produce few, if any tangible gains also emerged at the consultations.

In both types of encounter, learning from peoples’ experiences formed the basis for dialogue. Introductory presentations of basic information on poverty in Belize drawn from the Census, CPAs and other sources opened the proceedings. Creative methods that included art, poetry and verbal exchanges promoted focused discourse that was inclusive of all interests present. Prompted by objective information, clear poverty issues were identified and patterns of experience in dealing with them arose from the sometimes intense debates. This was necessary as few community leaders, or in some cases NGO administrators, were familiar with official data or agencies like the NHDAC with a mandate for designing poverty reduction policy. The methods used by the facilitators provoked creative expression in evocative artistic depictions and vivid language. This is well illustrated in a poem composed by participants at the Corozal District consultation that compared the poor to puppets manipulated by powerful forces and saw consultations as cosmetic, a palliative for poor people.

### *Titeres*

*Como titeres nos mueven, Desde la consultoria hasta los mas pobres, nos piden nuestra opinion y no podemos tomar decisions.*

*Que hacer?*

*Como titeres nos mueven, nos califican como pobres sin consultarnos pero si decimos*

*Quien los autoriza?*

*Como titeres nos mueven, el GOBierno decide, y nosotros nos movemos, Callamos y seguimos siendo pobres.*

*Que hacer?*

*Como titeres nos mueve para que el GOBierno gane y quedemos como pillos.*

*Somos titeres hasta que querramos. Hay que levantar la voz y decir*

*“Basta Ya”*

*Corozal District Consultation*

### **3.3 Issues Emerging From the Consultations**

In both the focus groups and district consultations participants, drawing on their experience, revealed a sophisticated, though subjective understanding of the causes and impact of poverty. While the faces of poverty identified through the consultative process are impressionistic and differ from official perspectives on poverty, participants clearly saw poverty as multi-faceted and were explicit about its impact. The following table depicts each of the faces of poverty which participants saw as depriving them of economic opportunity, social development, psychological and spiritual consolation.

*The Multiple Faces of Poverty in Belize*

<i>Economic</i>	<i>Social</i>	<i>Psychological</i>	<i>Spiritual</i>
<i>Lack of jobs and employment opportunities</i>	<i>Increased crimes in the home and on the streets, including gender-based violence and violence against children</i>	<i>Low self-esteem and feelings of worthlessness</i>	<i>Loss of family morals and values which leads to a lack of love in the home and in communities</i>
<i>Underemployment and low wages</i>	<i>Not being able to send children to school and not being able to read and write well</i>	<i>Frustration, depression and apathy which leads to non-participation in personal and community development initiatives, violence and addictive behaviors</i>	<i>People no longer have positive priorities and are lost spiritually</i>
<i>People being left with all their produce which they can't sell</i>	<i>People dying and suffering from not being able to get basic affordable and accessible health care</i>	<i>Hopelessness about the future so people don't care what happens to them or their families</i>	<i>People losing faith in politicians and leaders in general</i>
<i>People selling their produce to marketing board but not being paid until months or years later</i>	<i>The breakdown of critical institutions like the family, community organizations and associations, governments at all levels, legal systems as these are not working to address people's needs</i>	<i>Cynicism towards new projects and programmes and consultative processes because "nothing ever comes out of them"</i>	<i>People turning to faith-based organizations and praying to cope as a way of coping with poverty</i>
<i>Small businesses closing down because of no support and too many taxes</i>	<i>Children having children and not taking care of them</i>	<i>Suffering and hardship when you have to live on the streets, are in and out of prison and get kicked out of the home due to HIV</i>	<i>A lack of community spirit to work together to get out of poverty</i>
<i>No money for poverty programmes because of corruption and too much borrowing</i>	<i>Too many absentee fathers</i>	<i>Dependency on politicians to get things done</i>	<i>Unfeeling, uncaring people with no empathy for elderly, HIV/AIDS affected people,</i>
<i>Child labour and commercial sexual exploitation</i>	<i>Greater disadvantages for elderly, PLWHAs, and disabled people</i>		<i>Lost traditional spirit of volunteerism</i>

Though intuitive, many of the issues identified correspond with the findings of objective studies of poverty in Belize like the CPAs and the national MDG report. They focus on major areas of public policy: livelihoods and economic opportunity; governance; education and training; public health and health services provision. The findings of the consultative process can be classified

into 8 policy themes that elicited 36 specific recommendations for reducing poverty. The themes and recommendations are summarized below.

The major issues identified by the consultative process as salient to the causes and persistence of poverty were:

- a) **Employment and Income Generation**
- b) **Leadership and Governance**
- c) **Education and Training**
- d) **Healthcare and Well-being**
- e) **Psycho-social Care and Support**
- f) **Physical Assets**
- g) **The Institutional Framework**
- h) **Monitoring and Evaluation**

### 3.3.1 Employment and Income Generation

This theme covered a wide spectrum of issues concerning economic opportunities, livelihoods and the income and assets of poor people. As a largely rural economy the importance of agricultural employment was acknowledged. At the same time the consultations recognized the rudimentary nature of much rural employment and its failure to generate livelihoods that produce sufficient income for household sustenance. The demand for investment that generated secure employment in profitable rural industries emerged as a significant priority in the consultative process. Free Zones and Fair Trade arrangements were seen as avenues to improving rural employment and better paying jobs.

Other serious concerns related to poverty highlighted under this theme included:

- labour and wage regulation to keep abreast of the rising costs of living and to promote gender equality in employment;
- social protection for informal economy workers;
- micro-finance and credit access promoted through locally run credit unions;
- support for marketing and market infrastructure (TA to producer organizations, roads, and marketing outlets) and;
- alternative economic development programmes such as Fair Trade zones, organic crops, tourism, eco-tourism and wider development of the productive base for regional and extra-regional markets.

### 3.3.2 Leadership and Governance

The consultations manifested great scepticism regarding governance issues. This sentiment was illustrated by the following satire:

#### *Belizean Politician = Poverty*

<i>B</i> - Betrayal is what we feel	<i>P</i> - Promises for a better future is all we get...
<i>E</i> - Educational Deprivation	<i>O</i> - Over burdening us with taxes
<i>L</i> - Lands sold and misused.	<i>L</i> - Lying continuously
<i>I</i> - Independence made no difference.	<i>I</i> - Interfering in every project or undertaking
<i>Z</i> - Zeal for life stolen	<i>T</i> - Taxes increasing,
<i>E</i> - Ending our aspirations	<i>I</i> - Intimidation of those who try to help
<i>A</i> - Angry citizens...	<i>C</i> - Controlling our economy, compromising our destiny
<i>N</i> - Negative results.	<i>I</i> - Imposing their will and their way on the populace.
	<i>A</i> - Building unfavourable alliances, leading to
	<i>N</i> - Non-development and further poverty, the result of
	<i>S</i> - Stealing, stealing, stealing our resources.

*(Belize City Consultation)*

Across the country, participants expressed high levels of frustration, mistrust, apathy, cynicism and public antipathy towards the political process due to perceived corruption and a lack of **transparency and accountability of public finances**. Corruption was seen as deeply imbedded in Belize's political culture and practiced in institutions across the country, including the public sector, statutory bodies *and* within NGOs. They viewed corrupt practices at all levels of society to have contributed to the mismanagement of national resources, some of which could have been targeted for poverty reduction initiatives. The sense that transparency and accountability needed to be addressed both at the national level and at the level of pro-poor planning and programming to ensure an enabling policy environment for poverty reduction was a significant theme. Similar issues were raised by the Political Reform Commission and the Belize Chamber of Commerce.

Lack of confidence in the political system and the commitment of government to deal with poverty reduction was a common theme echoed at all the participatory events. Government was felt not to have a national vision for reducing poverty, the haphazard implementation of NPESAP 1998-2003 being cited as illustrative of approaches to poverty reduction that were *ad hoc* and cosmetic rather than holistic or substantive. A cluster of other issues germane to governance were also identified during the consultations. These included: a more inclusive budget formulation process to scrutinize poor financial management and decision-making; more robust local government to facilitate participation and advocate for peoples' rights and greater partnership between public,

civil society and private sector institutions, especially corporate social responsibility initiatives with poor communities and institutions serving the poor.

### 3.3.3 Education and Training

Issues related to the quality and relevance of education in Belize surfaced in all six districts. Participants did not feel that the current system of education is providing children with the requisite skills they need to survive or become locally and/or globally competitive. There was a high level of resentment expressed over frustrated educational expectations. Participants reiterated concerns that significant improvement does not result from consultative processes. Critical concerns included the following:-

- the high costs of education to poor people;
- unacceptable illiteracy levels,
- curriculum divorced from labour market needs that does not promote skills which build self-sufficiency and employability;
- too few scholarships for poor families;
- low completion rates at the secondary level;
- the inequitable distribution of resources for education and grossly unequal provision, particularly in poor communities.

There was a clear demand for a comprehensive educational approach, inclusive of the poor, that promotes life-long learning as a poverty reduction instrument. Many of these issues are iterated by the Ministry of Education Action Plan 2005-10 and will be consolidated in the NPES and the NPEAP.

### 3.3.4 Health Provision and Physical Well-being

Concerns about cost and quality of health care were raised countrywide. Participants emphasized that basic health care was unaffordable, and inaccessible to poor people. The rationale for the Health Sector Reform Project was questioned and it was felt that it had not delivered the quality of basic health care that was expected. While recognizing some improvement to the regional hospital system participants were very disappointed with the poor progress in completing the reform that had led to increased costs. Numerous angry anecdotes about high cost and poor quality and some abuse of services by doctors were heard at the consultations. Among major concerns voiced were the continuing poor access to quality health care in rural communities; the need for improved care for children and old people including free medication and; the implementation of the National Health Insurance scheme to provide universal coverage. Participants, especially in the Cayo and Belize Districts while recognizing the priority GOB has given to rural water supply, especially through the SIF, observed that access to secure sources of potable water remains a problem in rural communities. Food security and nutrition issues surfaced in all district consultations. With rural communities moving from subsistence to cash crops and no longer producing much of what they consume, they were still unable to afford basic processed foods. These changing patterns of food consumption as the cash economy affects more people may exacerbate nutritional problems for the poor.

### 3.3.5 Psycho-Social Care and Support

The psychological and social implications of poverty figured in all the district consultations and indicated the participants' clear perception of links between deprivation, self-development and self-esteem. There was particular concern over the social development of children and youth who were seen as increasingly vulnerable to neglect, abandonment, sexual violence and exploitation. In addition, participants expressed concern over increased crime among young people and the growth of gangs, especially in Belize City. The decline in family and community cohesiveness was largely held responsible for these phenomena but it was recognized that poverty and the unrelenting struggle for day to day existence contributes deeply to the erosion of family structure. People with special needs such as the aged, the physically disabled, mental health patients, homeless persons, people living with HIV and older persons, are perceived to be invisible in the mainstream of pro-poor programming. Yet, these populations require increased attention within institutional care facilities which tend to be grossly inadequate and lacking in social support programmes. It was recognized at the consultations that provision for social protection does not adequately cover all these categories of poor people and that improvements are required. Some of these issues are addressed in the Draft National HIV/AIDS Policy, the Policy on Older Persons, the Mental Health Policy and the National Plan of Action for Children and Adolescents to the year 2015.

### 3.3.6 Physical Assets

There was keen appreciation among participants in all consultations that blighted access to land and adequate shelter was a major barrier preventing improvements in living standards for poor people. Most severely affected groups included the homeless, street children and HIV positive persons, but many other poor people complained about sub-standard housing, especially in urban areas like Southside Belize City where the housing stock is old, deteriorating and overcrowded. Major barriers were seen as exclusion from housing finance and inability to regularly pay rent. Participants expressed a preference for Habitat type 'sweat equity' and 'site and service' building schemes as a more relevant response to poor peoples' housing needs, rather than through mortgage finance for which many do not qualify. A stanza from a poem composed at the Toledo consultation graphically expressed participants' sentiments about unfit housing and poverty.

*Mi house so small and bruk up we barely could fit ina it.*

*The poor children go house to house begging for food*

*And bang hooky from school for lack of school supplies.*

In the rural areas poor access to land for agriculture and the acquisition of titles were seen as barriers to poor people escaping from poverty. Land ownership that could translate into collateral for productive credit was seen as a key mechanism for reducing rural poverty. Land speculation was identified as a threat to rural assets in poor communities.

### 3.3.7 The Institutional Framework

Few participants in either the focus groups or the district consultation were aware of the NPESAP 1998-2003 or had knowledge of its six priority areas. Participants stressed that poor people lack information on poverty reduction programmes and are not aware of how to access them. Throughout the consultative process, however, participants referred to the contradiction between the privileged amassing wealth and the increased poverty experienced by others. Economic growth and poverty reduction seemed to be at odds. Participants also observed that delivery of programmes was poor, piecemeal and uncoordinated. Administrative structures were often bureaucratic and impeded access to resources. All the consultations stressed the need for poverty reduction to directly benefit poor people by:

- Ensuring consistency between economic policy and poverty reduction goals.
- Targeting poverty reduction initiatives at the poorest groups and communities.
- Toledo District and some urban communities especially vulnerable to poverty should be designated for specific poverty reduction programmes.
- Building institutional capacity to effectively attain poverty reduction objectives.
- Strengthening local institutional capacity to access, deliver and monitor poverty reduction programmes and projects

### 3.3.8 Monitoring and Evaluation

Notable criticisms of the NPESAP 1998 – 2003 were the absence of clear targets and indicators for monitoring its progress over time and evaluating its outcomes as well as very limited participation by the poor in identifying and implementing the projects and programmes that were intended to surmount their poverty. As a result, at the district and national level consultations activities included seeking views on mechanisms for ongoing effective participation of key stakeholders in the planning, implementation, monitoring and evaluation of the NPES and NPEAP 2007–2011. Participants subscribed to the view that the cloud of cynicism hanging over pro-poor policy and action can be lifted only if people’s participation in the NPES and NPEAP goes well beyond the consultation exercise. This would be achieved through:

- Substantive participation by poor people on M & E committees at national and district levels with adequate public sector representation and engaging people’s organizations, such as Credit Unions, CBOs, NGOs, NAVCO, etc..
- Adequate allocation of resources to conduct effective M&E analysis.
- Ongoing public awareness and review of the NPES and of NPEAP implementation.

The Public Consultation phase of the formulation of the NPES and NPEAP sought to elicit from public, private and civil society stakeholders, but especially poor people, their experiences and perspectives on poverty. The issues that emerged and the solutions proposed for solving them often were wide-ranging demanding scarce resources that may, in difficult financial times, be hard to generate. The priorities recognized by the Public Consultations though intuitive and

impressionistic, derive from day to day encounters with deprivation and bring insights to the formulation that objective policy research does not capture. It is imperative that day to day experience of coping with economic hardship be blended with objective data in the definition of pro-poor policies devised to include poor people in the mainstream of national life.

## 4. THE OBJECTIVES AND PRIORITIES OF THE NPES 2007-2011

In the quarter century since Independence, despite intermittent economic fluctuations, Belize has experienced overall advances in living standards. Measured in 1984 prices, the country's Gross Domestic Product (GDP) grew by 38.6% over the 1981 to 1989 period. By 2005, output as measured in 2000 prices had expanded to more than twice the 1990 level. Notwithstanding a period of overall contraction between 1981 and 1985, private consumption measured in 1984 prices rose by 35.0% between 1981 and 1993. By 2005 this measure recorded a level of 1.67 times that of 1994. Advances in access to education, health services and potable water, especially in rural areas, have also been marked. As a result many rural residents have been able to respond to non-agricultural economic opportunities previously beyond their grasp. Growth in the inter-CPA years 1995 to 2002 contributed to a modest reduction in extreme poverty or indigence from 13.4% to 10.8%. Nevertheless, the CPAs show that poverty has remained stable and persistent with about one-third of the population existing below the poverty line.

Past experience in Belize and elsewhere indicates that poverty reduction is contingent on economic growth. However, the persistently high rates of poverty revealed by the CPAs combined with the growth statistics identified above, suggest that growth alone is not a panacea for transforming living standards. In fact, the 2002 CPA shows many vulnerable households clearly excluded from the modest economic gains that development has conferred on most people. While sustained economic growth is critical to poverty reduction, success is contingent on the interplay of many factors including:

1. soundly managed public finances;
2. a secure macro-economic environment;
3. sound legal architecture;
4. a business environment that stimulates internal and external private investment;
5. minimal political uncertainty;
6. confidence in political institutions,
7. transparent governance;
8. good industrial relations;
9. an educated, trained and healthy workforce; and
10. dependable, well maintained infrastructure.

Accordingly, the NPES 2007-2011, within the framework provided by the **Belize Millennium Development Goals First Report**, adopts a multi-faceted strategy for including the poor in national development. Three broad themes underlie the strategy: Sustained and better distributed economic growth; the deepening of democratic mechanisms for more responsive, pro-poor governance and; capability enhancement with poor people through better access to human resource services and (where essential) social protection. Achievement of the NPES will therefore be

structured around the following five mutually sustaining policy pillars. In addition to incorporating the ten factors listed above, these pillars enshrine the principles identified in Section 1.2.

- 1. Economic Policies for Sustained Growth and Poverty Reduction**
- 2. Good Governance for Sustainable Development**
- 3. Investment in Human Capital and Services**
- 4. Infrastructure to Support Poverty Reduction**
- 5. Strategic and Comprehensive Interventions in Special Attention Areas.**

The interaction between these policy pillars is the key to NPEAP implementation and to the effectiveness of the package of measures proposed for reducing poverty. Furthermore, the pillars incorporate both the objectives of the national MDGs and the priorities identified by participants in the public consultation phase of the NPES/NPEAP. Each policy area is elaborated separately in the following sections of the strategy.

#### **4.1 Economic Policies for Sustained Growth and Poverty Reduction**

**Goal 1** of the national MDGs targets the reduction of extreme poverty by one-half by 2015 and is a major GOB priority. Recognizing that growth is essential to poverty reduction, GOB cannot assume its inevitable translation into improved standards of living. To the extent that growth is biased toward certain economic sectors inequality may deepen and poverty increase.<sup>8</sup> Patterns of growth in Belize since the 1990s have been respectable, but inconsistent. During the late 1980s and early 1990s growth was rapid, averaging 9.5%. It moderated during the period 1993-99 averaging only 3.1%. In 2000 growth spiked to 11% but has declined to an average of 3-4% over the past five years. GDP is currently about Bz\$2.1bn (US\$1.05bn). During the past five years mounting budget deficits and external debt have distorted economic performance and created barriers to stable development. Fiscal and macro-economic realities determine the parameters in which poverty reduction objectives are set. In the near term, growth is unlikely to accelerate markedly. Preferential markets will decline; these factors together with the priority of regulating deficits and debt through austere fiscal measures will circumscribe local revenue. As a result, vulnerability to poverty and the number of poor people may increase. A NPEAP embracing pro-poor policies requiring new public resources on a significant scale will be hard to sustain, unless external sources such as debt relief dedicated to poverty reduction and the resumption of development lending can be procured.

##### **4.1.1 Macro-economic, fiscal and monetary policy**

Recognizing that high levels of budgetary deficit and debt are unsustainable<sup>9</sup> GOB has taken initial steps to stabilize the economy by reducing expenditure and enacting reforms to enhance revenue collection. As a result of these strong fiscal measures the overall public deficit has been reduced

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<sup>8</sup> Budget Presentation for the Fiscal Year 2006/2007, Hon Said Musa, Prime Minister March 17<sup>th</sup>. 2006

<sup>9</sup> Ministry of Finance Press Release August 2<sup>nd</sup>. 2006

from 8% of GDP in FY 2004/05 to 3.1% in FY 2005/06. The 2006/07 budget projects a further modest deficit reduction. Accordingly the economic policy thrust in the medium term will continue to emphasize measures to reduce the overall deficit by stringent expenditure control, improved financial management and accountability and increasing the transparency of the budget process. Budget management is also being improved to meet international standards of transparency. A new Finance and Audit Reform Act was enacted in 2005 that facilitates these objectives.

Excessive levels of public debt are a major threat to national development and stringently circumscribe resources available for the delivery of public services and for poverty reduction. At the end of 2005 public sector and publicly guaranteed debt stood at \$2.1 billion, representing a debt to GDP ratio in excess of 90%. Furthermore, interest payments absorbed 27% of fiscal revenue. Since 2004 GOB has struggled to contain its debt portfolio through restructuring and the development of a comprehensive strategy to reduce the risk of refinancing on unfavourable terms. Steps were also taken to attenuate debt incurred separately by public corporations and guaranteed by government. Containment of the debt portfolio will correspond with the reinforcement of fiscal management as the main pillars of economic policy, as GOB endeavours to recreate greater opportunity and equality for all Belizeans.

Since 2004 also, tighter monetary policy has been employed as the mechanism for reducing domestic liquidity to defend the fixed exchange rate and avoid devaluation. This has had severe impact on the living standards of all Belizeans, but especially the poor. Measures implemented included stricter monitoring of long-term government loans and increasing the reserve requirements of the banking system in an effort to decelerate domestic credit and retard the importation of foreign goods to help regulate the balance of payments. Over the immediate future, the Central Bank of Belize is expected to continue prudent management of the money supply in support of economic stabilization.

### **4.1.2 Policies to promote private sector growth and employment**

GOB recognizes that durable poverty reduction can best be achieved by the creation of an economic environment that generates incomes and secure livelihoods affording improved living standards to families and communities. Accordingly a key element of economic policy based on the knowledge that micro, small and medium enterprises create more jobs per dollar of investment, will be priority for the promotion of enterprise development. Particular emphasis is given to policies that promote expanded opportunities in agricultural markets, traditional industries and new growth sectors such as minerals, petroleum, information and communication technology, and tourism. Programmes to support enterprise expansion are already being developed. In the rural sector a European Union financed Rural Development Project will strengthen agricultural support services, support community development and fortify basic economic infrastructure. BELTRAIDE with its mandate for export policy will focus on initiatives that help Belizean producers and products to access regional and international markets. Tourism is a growth industry and major foreign exchange earner. The Belize Tourism Board (BTB) Master Plan emphasizes sustainable tourism. Its strategy includes the promotion of community tourism comprising small and medium scale enterprises that expand the assets of Belizeans making them stakeholders in a vital, growing industry.

The capability to exploit new or expanded opportunities is contingent on the preparation of an educated, trained workforce. GOB is pursuing this goal through comprehensive, employment focused training programmes, implemented by the Ministry of Education, through the CDB financed TVET project. The integration of these and similarly planned initiatives will help to secure existing livelihoods and create the capabilities that ensure Belizeans are able to optimize their opportunities.

## **4.2 Good Governance for Sustainable Development**

The policies under the good governance rubric cut across the national MDGs. The most directly relevant are **Goal 3 on Gender Equality** and **Goal 7 on Environmental Sustainability**, though the need for sound fiscal policies, greater accountability, transparency and effective service delivery applies to all aspects of public policy and administration. Economic development is contingent on stable political and legal architecture. GOB received a sharp reminder of this imperative when in early in 2005 the budget was subject to intense debate and public demonstrations that indicated declining trust in political institutions<sup>10</sup>. GOB has responded to restoring confidence in the democratic process through measures to increase the transparency and accountability of public administration by opening it to greater scrutiny and encouraging wider public participation.

### **4.2.1 Public Sector Reform and Effectiveness**

A crucial measure includes the establishment of the Office of Governance in September 2005 with a mandate for reform of the public sector by enhancing its efficiency, accountability, integrity and transparency and improving the quality and delivery of public services. Now operational, the Office of Governance is giving priority to upgrading professional standards in the civil service to ensure that the public are well served by governmental institutions.

### **4.2.2 Participation and Inclusion**

Further, GOB is committed to more participatory approaches to governance that are inclusive and pay attention to public needs and demands. Seminal to this approach was the budget dissent in 2005/2006 which resulted in civil society institutions, for the first time, being involved in negotiation on budget formulation. Government has since directly reached out to its poorer citizens through a consultative process designed to include them in plans and programmes for sustainable development to reduce poverty in their communities. This has resulted in two of the poorest communities in Belize, Toledo District and the Southside of Belize City, one rural one urban, being closely involved with formulating plans to address lasting change in their living standards.

### **4.2.3 Enhancing Local Government**

Local government in Belize was gradually consolidated in the post-Independence era as a basis for democratic participation in decision-making at community level. It is now widespread comprising

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<sup>10</sup> Budget Presentation for the Fiscal Year 2006/2007 ibid

elected representation in city councils in Belmopan and Belize City, seven town councils and some 194 village and community councils. Recent reforms have devolved additional authority for urban services and governance to city and town councils. Village councils representing mainly rural communities, many of which are remote and poor, remain relatively fragile. Steps are now being taken through NAVCO to strengthen these village authorities to increase their capacity for participation and rural service provision. A key element of this will be cooperation between BRDP and NAVCO for the implementation of community development projects in rural areas. GOB is committed to strengthening local government as mechanism for participation and increased self-reliance in local decision-making.

Commitment to improving governance and making services responsive to the building of strong and prosperous communities where people are secure in their livelihoods, their homes and their neighbourhoods remains at the forefront of GOB's priorities for reducing poverty.

### 4.2.4 Promoting Gender Equality and Women's Empowerment

Promoting gender equality is **Goal 3** of the national MDGs. The scope of this goal is wide and cross-cuts other MDGs, especially those related to education and health. The National Gender Policy (2002) indicates that there is little gender disparity in levels of poverty with both females and males representing about one third of poor people. In education, progress towards gender equality is well advanced with girls out performing boys in national primary school examinations and completion of secondary schooling. Thus far, increased educational equality has not translated into equality of opportunity in politics or private sector careers, though in the public service women are well assimilated into higher level posts.

The National Gender Policy noted that despite educational advances, women continue to be denied equal economic opportunity, with employment, recruitment, salary, promotion, benefits and credit access being areas of disparity. Women's labour force participation rate at 42.9% in 2005 is little more than half the male participation rate of 76.4%. On the other hand, their unemployment rate at 17.2% is 9.8 percentage points higher than that the male unemployment rate and 6.2 percentage points higher than the overall rate of unemployment<sup>11</sup>. Power and decision-making remains dominated by men in all sectors, and particularly in parliament where the number is very small. A study commissioned by the NHDAC for the NPESAP 2007-11 suggested that economic disparity coupled with women's lack of political power adversely affects their ability to access good health care and renders poor women more vulnerable to domestic violence, abuse, and HIV/AIDS infection. In low income households advancement is much less apparent and additional burdens are borne by women as a result of traditional domestic roles and responsibility for dependents.

GOB will continue to support gender equality and the empowerment of women as a principle of good governance. The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) was ratified by GOB in 1990. Government is also a signatory to several ILO conventions advocating equal economic opportunities, remuneration and employment benefits that, vigorously enforced, would address issues critical to the advancement of women. The National Gender Policy comprehensively elaborates the gender situation in Belize and proposes

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<sup>11</sup> Central Statistical Office, 2005 Labour Force Survey.

priorities for reform and greater gender equity. The five areas of greatest concern for improvement are identified as: health and access to health care; wealth and employment generation; the reduction of abuse and violence (especially against women and children); education and skills training and; greater participation in power and decision-making. Targeted advances in each of these spheres are critical to poverty reduction among poor households.

#### **4.2.5 Environmental Protection and Development**

**Goal 7** of the national MDGs is environmental sustainability. GOB is committed to conservation and protection of its unique environment both as an ecological necessity and as an economic resource. Major priorities are maintaining biodiversity and guarding the environment against further degradation that threatens economic sustainability. Within this general framework, critical issues of access to natural resources, such as access to land and competing land use (for example between tourism and agriculture), food security and safe drinking water are given stringent attention.

GOB recognizes its environmental responsibilities both nationally and internationally and has enacted major legislation to address current and emerging challenges. A signatory to the Kyoto Treaty, national legislation for land administration and for environmental conservation and protection is farsighted and robust: Provisions include the National Lands Act (1992), the Environmental Protection Act (1992), the Housing and Town Planning Act (1990), the Forest Act (1990) the Wild Life Protection Act (1990), the National Parks Systems Act (1990). As a result of active management and a sound legislative framework, 44% of land in Belize is subject to various forms of biodiversity protection including large expanses of coastline and unique barrier reef safeguarded under the Marine Protected Areas legislation and the establishment of magnificent marine parks. GOB has entered into a significant number of innovative co-management agreements with environmental NGOs and communities that increase participation in the regulation and decision-making about local natural resource use.

The poorest people and communities in Belize are predominantly rural and their livelihoods depend largely on access to land and natural resources. Tension exists often between poor communities and natural resource management when poor people, as part of their struggle to cope with their poverty, encroach on forest reserves and national lands for housing materials, cultivable land and food supplements. This highlights the resource competition between poor and non-poor and enforcement challenges for which the new Protected Areas Policy seeks equitable balance.

Priority will be given to implementing environmental conservation and protection policies that seek balance between natural resource exploitation and the livelihood and community needs of poor people.

#### **4.3 Investment in Human Capital and Services**

The core targets of the national MDGs are focused on the enhancement of human capabilities that equip poor people to optimize opportunities emanating from policies for economic growth and development. Particular emphasis is placed on significant improvement in access for poor people to adequate educational and health services with the latter including reductions in child mortality, improvements to maternal health and progress in combating HIV/AIDS, malaria and other debilitating diseases.

### 4.3.1 The Primary Education MDG

Research establishes a clear link between levels of educational attainment and poverty. Increasing access to adequate education is therefore, a priority for poverty reduction. **Achievement of universal primary education** for both girls and boys and the completion of the full primary cycle is **Goal 2** of both the national and international MDGs. This goal is critical for instilling the basic intellectual capabilities on which children's future prospects and opportunities are founded. At primary level the net enrolment rate in 2004/05 was 87.7%, with enrolment of males (85.6%) lower than that of females at (89.9%). With 92% of pupils completing Grades 1-5 Belize is poised to achieve **Goal 2** by 2015. The 2005 transition rate from primary to secondary school was 88% leaving behind a residue of some 7,500 primary school students (about 13% of total enrolment) over 12 years of age at the primary level.

While the transition rate from primary to secondary schooling is higher for boys, so is the drop-out rate, resulting in higher net female enrolment at secondary level. At the end of the 2005 school year 51% of secondary students were female. Female participation is especially striking at the tertiary level where in 2005 they comprised 60% of enrolment. Despite severe fiscal constraints GOB has endeavoured to maintain levels of investment that support an environment of educational access and achievement and has consistently met the 20/20 target by allocating 20% of expenditure to education, almost 60% of which is dedicated to primary education. Consistent educational investment in the important activity of primary schooling has clearly put Belize on a trajectory for the attainment of the education MDG.

Over the past decade using donor funded facilities like the Social Investment Fund (SIF) and the Commonwealth Debt Initiative (CDI) to supplement local capital investment, GOB has taken numerous measures that support educational advancement and increase access to schooling. They include the approval of a new education sector strategy; the targeted construction of new schools and additional classrooms in poorer areas; teacher training initiatives; the strengthening of pre-school services and enhancing primary school performance. GOB also provides transportation to school for rural children often from poor, remote communities and scholarships are available for children who are eligible for secondary education, which reduces the burden on poor households. Nevertheless there are challenges remaining, such as the high supplementary costs associated with educational materials at primary and secondary levels that discourage the inclusion of poor families and of improving educational performance by boys. In addition, there are issues of quality as illustrated by the persistently low levels of trained teachers and by the poor performance, especially of rural schools, in the Primary School Examination in mathematics and science.

### 4.3.2 Technical Vocational Education and Training (TVET) and Post-Secondary Education

While the **Universal Primary Education MDG** addresses fundamental educational provision, additional reforms are needed if education is to produce a well trained and responsive work force essential for the pursuit of economic growth that supports social development and poverty reduction. These reforms are required in fact, in secondary, technical, tertiary and adult education levels that form the nexus between life-chances, livelihoods and social mobility. The Education Strategic Plan 2005-10 covers each of these specialized areas and is integrated into the implementation of the NPEAP.

Another element of the Education Programme, the Technical and Vocational Education and Training (TVET) is a major initiative targeted primarily, though not exclusively, to preparing young people for livelihoods in a changing economic environment. Funded by CDB, the project will establish new technical vocational institutes in four districts and rehabilitate three (3) existing centres, increasing the student intake by 75%, commenced in September 2006. GOB has committed Bz \$8.5m to the capital costs of TVET for Fiscal Year 2006/07. More important is the improved access which the new centres will afford to rural areas where poverty is most severe and where many young people have been excluded from knowledge of alternative opportunities. This programme offers a missing step in the ladder of social mobility that sound education can provide and, if effectively implemented, has significant poverty reduction potential in the medium term. Vocational training however, does not automatically generate economic opportunity which must correlate with robust policies for economic growth.

Similarly GOB is increasing its support for Tertiary and Adult and Continuing Education (ACE). The University of Belize is now well established. It provides a growing range of degree courses in the sciences, social sciences, education, health and business that prepare individuals for careers in professions and in technical occupations that attract investment essential to national development. Recognizing the importance of a workforce trained at the tertiary level, the budget for Fiscal Year 2006/07 has allocated Bz \$2.3m for tertiary scholarships.

ACE should be an important element of poverty reduction. In formal and informal ways, public and civil society institutions work with communities and their organizations to deliver programmes that increase knowledge essential to improving capabilities, livelihoods and living standards. There is a plethora of such programmes, sponsored by GOB, NGOs, business institutions, aid donors and development projects which are directed usually at specific needs and problems. The Education Strategy for 2005/10 envisages greater support and a consolidated approach to literacy and ACE that targets the needs of the poorest people.

Increasingly, Belizeans take advantage of educational opportunity to achieve the goal of enhanced living standards. To reverse the association of poor educational capacity with poverty, the education system must be seen to provide the stepping stones to social mobility. Recognizing this, the NPES promotes the extension of educational advancement to poor households through greater inclusion and targeted economic support for schooling. Under current economic constraints the greatest challenge to attaining this objective will inevitably be ensuring that past achievements are maintained and investment in education at all levels produces higher performance and outputs.

### 4.3.3 Health MDGs and Health Issues

**Goals 4 and 5** of the National MDGs target the reduction of child mortality and improved maternal health. Goal 6 which addresses HIV/AIDS and other communicable diseases also is a critical health priority. Whilst important in themselves as indicators of well-being, Goals 4 and 5 reflect narrower health concerns than those expressed by the poor during the Public Consultation phase of the NPES/NPEAP and identified in the 2005 Draft Health Plan. Both these sources expressed more widespread concerns about access to, and the quality of, health provision that should be set in the context of the health status of Belize.

### 4.3.4 Child Mortality

**Goal 4** of the national MDGs projects the reduction of mortality of children under five or Child Mortality Rate (CMR) by two-thirds between 1990 and 2015. This translates to a decline from 19.4 per thousand live births to 5.5 per thousand over the period. The Infant Mortality Rate (IMR) which to a significant extent governs the CMR is projected to reduce to 3.5/1,000 live births over the same period. The IMR, though exhibiting some year to year fluctuation, has declined steadily from a peak in 1980 of 62 per thousand live births to 2003 when the rate was 17.1/1,000. Correspondingly, the CMR declined during the period 1991 to 2005 to 14/1,000. Investment during the 1980s in Maternal Child Health, especially in rural areas, which increased the number of clinics, rural health nurses and midwives and intensified immunization against major childhood diseases, played a significant part in this achievement. In 2003 95% of children under a year old were covered by immunization. Further reductions in child mortality are feasible, even in economically austere times, providing current levels of child and maternal health care can be sustained. The IMR and CMR compare favourably with other middle income CARICOM countries, the projections for 2015, however, require Belize to reduce existing rates to below levels current in developed nations with highly sophisticated health provision. In terms of poverty reduction, a more efficient approach may be to target impoverished districts like Toledo to substantively reduce higher than national averages of infant and child mortality by a substantial margin through lowering the costs of health care, improving conditions for health personnel, enhancing mobile services and strengthening health education programmes.

### 4.3.5 Maternal Mortality

**Goal 5** the Maternal Mortality MDG exhibits similar patterns to the Child Mortality Goal with Belize having made substantial progress in reducing the maternal mortality ratio from 300/100,000 live births in 1990 to 37.3 in 2003. This is much lower than the Latin America and Caribbean regional average of 190/100,000 live births and compares favourably with the global average of 40. Much of the decline nationally is attributable to a 30% increase in the number of births attended by skilled medical personnel and to 85% of women receiving pre-natal care during pregnancy, though only 14% do so in the first trimester. Belize, however, has a small population and a rate of 40/100,000 equates to only three deaths per year, so to speak of reducing the average by two-thirds is therefore misleading. As with the CMR and IMR averages mask disparities between districts, thus the average rate for Belize is less than 40, while in Toledo, the poorest district, the MMR in 2003 was 134.4. If Belize is to arrest the maternal mortality rate among the poorest families then improvements in pre- and antenatal care and access to sexual and reproductive health services are essential, especially in rural communities and areas with deficient health services. The inception of the National Health Insurance scheme (as in the Toledo pilot project) and the continuing reform of the health services will serve to bring these services within the reach of poor families and communities. This is an area where public/private partnerships with NGOs like the Belize Family Life Association would profit both government and health service consumers.

#### 4.3.6 HIV/AIDS and Other Communicable Diseases

Combating HIV/AIDS, malaria, tuberculosis and other communicable diseases is **Goal 6** of the MDGs. Belize is undergoing an epidemiological transition, with morbidity from non-communicable and 'life-style' diseases such as diabetes, cerebro-vascular and coronary episodes increasing in frequency as causes of illness and death. Some of the traditional immunopreventable diseases like measles, cholera and poliomyelitis are regulated and no cases have been reported in several years. Other infections such as malaria and dengue fever persist, with spasmodic outbreaks. Communicable diseases remain a health priority and in 2003, accounted for 16% of all adult deaths. Ten percent of deaths in the age range 15-49 years were attributable to AIDS, which in 2003 was the fourth leading cause of death.

The UNAIDS estimate of HIV/AIDS Adult Prevalence for Belize in 2004 was 2.4%. In relation to HIV/AIDS prevalence, Belize ranked first in Central America (per capita) and fifth in the Caribbean. The first case of HIV/AIDS was reported in Belize in 1986. Since then until end 2003, a total of 2,471 HIV Infections were reported. In the same period 669 individuals developed AIDS. AIDS related deaths for this period were reported at 464. Moreover, the male to female ratio of HIV cases in 2003 was 1.16:1 with patterns of infection strongest among 15-29 year old females and among males 30-49 years. In 2002, AIDS was the leading cause of death among women of child-bearing age (15-45 years). Clearly HIV/AIDS is well established in Belize and in addition to being a significant public health problem HIV/AIDS has become a threat to national development that affects the productive capacity of households and impoverishes families.

Reaching **Goal 6** of the national MDGs will call for robust responses from GOB, the Ministry of Health, the National AIDS Commission (NAC) and NGOs involved in health and welfare. Responses required include the mounting of targeted campaigns and educational programmes directed to changing peoples' attitudes and behaviour towards sexual activities and HIV/AIDS. Particular issues needing to be addressed are translating knowledge into modified sexual behaviours, especially among the most vulnerable groups such as young women where infection rates are rising. Combating stigma that prevents vulnerable people seeking professional help and treatment will also need to be given priority. Practical steps like the Mother to Child Transmission Project and the screening of pregnant mothers which has proved valuable will also need continuing support as an integral part of the MOH strategy for HIV/AIDS prevention. MOH and the NAC will also need to advocate for increasing the pool of specialists essential to the counselling and treatment of HIV/AIDS patients and their families.

The establishment of the NAC in 2000 has given focus to the national response to HIV/AIDS and the initiation of HIV/AIDS Committees throughout the country provides a structure for the implementation of programmes. HIV/AIDS activities in Belize benefit from access to the UNAIDS funding and technical assistance and has access to the Global Fund for HIV/AIDS. Even so, human and financial resources are constrained and have been focused on prevention activities that reduce the spread of the disease.

#### 4.3.7 Health Reform

The three major MDGs are clearly important health care priorities but should not be considered separately from overall health provision and problems. This was made clear during the Public

Consultations as participants, despite GOB's policy of reform and modernization, sharply criticized the delivery of health services nationally and at community level. Recognizing some progress from the Health Reform Project in terms of the devolution of health care to districts and regional health authorities, the public consultations sent a message that management was poor and promise and performance dissonant with health care remaining unaffordable to large numbers of families. Promised improvements in primary health care in rural areas, where the bulk of the poor are located, have been slow to take effect. The message transmitted was that the IDB/CDB funded Health Reform package now disrupted by delays and cost inflation should be urgently reviewed and reinstated. Secondly the proposed National Health Insurance now in its pilot phase should be initiated nationally, as a matter of urgency, as a measure for making health affordable to all. The implementation of these measures, though problematic in current economic conditions, would be a major step toward poverty reduction.

### 4.3.8 Social Protection Issues

The Belize Country Report for the comparative study of Social Protection and Poverty Reduction in the Caribbean specifies a range of threats affecting the lives of the poorest and incipiently vulnerable population sectors, and the responses required to redress them. The Report is broad in scope and corresponds with many of the issues identified in the foregoing sections. It stresses four key risks that influence vulnerability to poverty: *economic, life cycle, employment and environmental risks*. Economic risk is considered the major threat to livelihoods and standards of living, because of the 'openness' of Belize's economy, and its vulnerability to globalization, liberalized trade and dependence on commodities for earnings. This is relieved to some extent by improving performance in the tourism and aquaculture exports which are at the 'cutting edge' of economic diversification.

Social protection mechanisms are reasonably well developed. Belize at 99 is well-placed on the UN Human Development Index 2004, which locates it in the medium human development category. The Social Security system offers basic benefits to the employed population and investments from SSB funds contribute to wider forms of social protection such as pensions for the uninsured and low income housing loans. A nascent National Health Insurance scheme is poised to increase health coverage. These programmes are supplemented by social assistance programmes that provide small cash transfers to the neediest individuals and families. The gradual growth of health and education provision since Independence contributes to the inclusion of vulnerable populations in development, especially in remote regions. The imminent initiation of national TVET programmes will focus educational investment on training to optimize economic opportunity and livelihood development. Improvements in the areas of micro-credit through partnerships with the credit union movement promise to stimulate the growth of micro-enterprise as a means of preventing poverty. Vulnerability to disasters is unavoidable in Belize, with the poor being most at risk. Disaster mitigation and the strengthening of the National Emergency Response Organization in recent years have focused on rapid response and the protection of the most vulnerable areas.

Government recognizes the part played by civil society in mitigating social vulnerability and actively encourages their participation through partnerships and subventions. The scope of civil society initiatives is broad. It includes not only social welfare functions but also support for economic and environmental objectives that reduce poverty. Often NGOs extend their reach to the

remotest communities, providing services that GOB alone would find difficult to sustain. Some NGOs such as those caring for the blind, hearing impaired and physically disabled are the sole provider of services to specific vulnerable groups. This long tradition of voluntary service is an indispensable social protection mechanism that GOB will continue to foster through policy debate and economic resources.

The Social Protection Report identifies major deficiencies in social protection which include the working poor, abused or abandoned children, child labour, abused women, the aged and disaffected or excluded youth. While policies to respond to nearly all these issues have been developed, resource constraints hinder enforcement. As with the NPES the Social Protection Report considers adequate social protection to depend not so much on orthodox welfare measures as on the degree to which Belize is able to reorganize its economy in ways that include the poor and vulnerable in broader economic and social opportunities. There is recognition that, in the short-term, resource constraints will limit the degree to which social protection measures can be expanded and proposes institutional re-engineering and increased efficiency rather than substantially increased expenditure as the means of widening the safety-net. To this end, priority is accorded to the following functions;

- Community focused responses and interventions
- Agency coordination and collaboration
- Equity and transparency in interventions
- Protection against the impact of economic transition
- Public education to adapt attitudes to economic change.

Each of these priorities for reducing poverty resonates with NPES priorities and is incorporated into the framework for implementation.

#### ***4.4 Infrastructure to Support Poverty Reduction***

Despite capital expenditure reductions due to fiscal constraints, the development of infrastructure remains central to GOB's strategy for equitable development. Moreover, the provision of economic and social infrastructure is salient to a number of poverty reduction initiatives. Road maintenance and construction are recurrent demands on capital expenditure and contribute critically to economic development especially in terms of agricultural access, the transfer of goods and the provision of services. In remote districts like Toledo with heavy rainfall, road maintenance places inordinate demands on limited resources but is essential to the productive activities and good governance of Belize's poorest district. Accordingly, the Ministry of Works (MOW) allots priority to Toledo for the maintenance of its expanding farm and rural access road network. Similarly, MOW has given priority to the Blue Creek to Orange Walk roads which will have direct impact on access, productivity and livelihoods in rural communities.

Whilst the road infrastructure above is intended to support primary activities other projects like the Southside Project in Belize City funded under an OPEC agreement, are designed to address multi-faceted problems through infrastructure development. Thus the Southside Project will be the source not only of physical improvement and urban rehabilitation but of employment and the expansion of opportunities, especially for urban youth. Similarly, the CDB funded TVET project,

the ‘flagship’ employment training initiative is dependent on appropriate development of physical facilities and infrastructure. Also accorded priority is the completion of the Southern Highway to remove the final hindrance to access to Toledo. The Placencia road will also be funded by the CDB and will advance both tourism development and aqua culture production.

Adequate access to potable water is also an infrastructure priority and figures in the MDG targets nationally and internationally. Over the past decade significant progress towards this goal has been made, especially in improving supplies in poor rural communities. In 2003 80.8% of the population had access to improved water sources. The donor funded Social Investment and Basic Needs Trust Funds (now combined) and the CDI have been important in channelling financial resources into the supply of rural water. Access to secure water supplies to poor and/or remote communities will remain a GOB priority under the NPES. Also, the repurchase of the Belize Water Services by government is aimed at retaining the supply of affordable water, especially in urban areas.

Over the past decade considerable investment has been made in the housing sector, including low-income housing. This has included a shelter programme for home construction and improvement funded by CDB and significant investment by GOB utilizing external loans. To consolidate these initiatives GOB is establishing a National Housing Corporation <sup>12</sup>to merge various existing public sector housing initiatives into a single agency as a public/private sector partnership for housing development. Government would limit its interventions to regulation, by the Ministry of Housing, of building standards and urban planning. Innovation such as the Habitat for Humanity approach identified in the public consultation phase could be encouraged under this type of arrangement. Affordable housing policy will also remain a priority and the 2006/07 budget makes provision for additional low-income housing improvement and construction.

### **4.5 Strategic and Comprehensive Interventions in Special Attention Areas**

Prevailing fiscal constraints raise doubts regarding the availability of additional internal or external resources for the implementation of the NPEAP. It is imperative therefore, that poverty reduction targets the poorest people and communities. About one third of Belizeans experience poverty, with 11% being vulnerable to extreme deprivation. The distribution of poverty is not uniform. Some districts and urban neighbourhoods experience more severe poverty than others. It is GOB’s policy to address poverty in all its manifestations but, at the same time recognizing that the poorest people and their communities will need priority attention to redress economic and social inequality. The NPES and NPEAP adopt such a targeted approach to the formulation and delivery of programmes and services that reduce poverty.

Overall, basic human needs are managed through a range of services provided by a network of public institutions and civil society organizations including education, health and other human resource programmes. Some programmes with poverty reduction dimensions such as Social Security, the TVET, the Health Reform initiative and the Belize Rural Development Programme are designed to widely impact Belizean life and improve the life chances and living standards of

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<sup>12</sup> Announced in the Budget Presentation 2006-07

significant numbers of people, not all of whom will be poor. Yet other programmes such as programmes to address HIV/AIDS, social assistance and child protection programmes are designed to meet the needs of groups with specific vulnerabilities. A third approach seeks to directly target poor geographical areas, communities and urban neighbourhoods and make strategic interventions that redress persistent poverty through comprehensive development programmes.

The NPES proposes three targets for strategic and comprehensive intervention. These are rural communities identified by the Poverty Map as having high rates of extreme poverty, the Toledo District as a whole and the Southside of Belize City, each of which has been targeted as a result of poverty research. Funding for these targeted areas is either already available, being sought externally, or could be provided from reallocations within existing expenditure plans. Also, targeting the poorest does not mean the exclusion of other priority areas that may arise.

The Poorest Communities: The poor are predominantly concentrated in rural areas. The Poverty Map has identified some 43 communities in Belize where half or more of the households are classified as indigent.<sup>13</sup> Community development activities have become a popular approach to address many of the immediate needs of these poor communities and account for many of the operations financed by the Social Investment Fund. Typically, projects involve small-scale infrastructure like school rehabilitation and extension, water systems and sanitary facilities. Activities in health, skills training and social services are also undertaken. Projects are often piecemeal and because of limited resources and a policy of spreading benefits widely, often represent ‘trade-offs’ between one urgent need as opposed to another. Experience shows that small area development activities are most successful if undertaken in conjunction with participatory community development plans and complementary development projects in agriculture, rural development and credit. They should not be undertaken in a developmental vacuum. SIF projects tend to concentrate on local infrastructure at the expense of direct human development, particularly health, housing and social services. The SIF approach should be modified to stress enhancing the human and social assets of the poor. GOB will continue its support to SIF which will continue to target these communities and be supplemented by BRDP resources for agriculture and livelihoods.

Belize City – Southside: The Southside of Belize City is a poor area comprising three political divisions - Lake Independence, Collet and Port Loyola. Within these three divisions, an area of about 15 square kilometres with about 5,300 households is extremely poor and has been targeted for special interventions by the Southside Poverty Alleviation Project. This area, referred to as the ‘Southside Project Area’ is a less developed area adjacent to wetlands with poor drainage, inferior infrastructure and inadequate public services. Land is not clearly demarcated and the area has witnessed a surge of lower income settlers. Residential structures tend to be randomly located and poorly constructed and many lack basic sanitary services. Unemployment is high, estimated at twice the national average of 12 percent, and crime in the area is a growing concern. Poverty estimates for Belize City are in the 26% range. Some call the area a slum and all agree that urgent action is needed to improve the living conditions of the estimated 24,000 persons living there.

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<sup>13</sup> Many of these communities are in the Toledo District and would benefit from resources allocated to the Toledo Action Plan

Worsening conditions in Southside were thought to have contributed to the civil unrest in Belize City during 2005 in the wake of austere economic measures and revelations of mismanaged government funds.

The Ministry of National Development, Investment and Culture (MNDIC) has prepared a Southside Poverty Alleviation Project and funding of Bz \$12 million has been procured from the OPEC Fund for the first phase of the project. The project emphasizes drainage and transport infrastructure with lesser allocations for economic opportunities (training and small enterprise credit). The project is expected to cost Bz \$47m over four years. Action is now underway to address the Southside poverty issue through measures that seek to arrest urban decline and the inclusion of local people in economic benefits. Such targeted, co-ordinated and complementary poverty reduction measures are expected to produce rapid improvement in the quality of life of Southside residents.

Toledo District: Toledo District, with 79% of its population below the poverty line remains the poorest District in Belize. It has long been recognized as the severest poverty reduction challenge confronting GOB. The predominantly Maya inhabitants observe mostly traditional patterns of production and culture. A large proportion of communities identified by the Poverty Map as extremely poor are located in Toledo. Despite numerous economic and social investment initiatives over a period of three decades, development in Toledo has proved elusive. Subsequent to a series of large scale public consultations with the residents of Toledo during 2005 GOB has formulated a more comprehensive approach to development in the District and a Toledo Strategy and Action Plan (TSAP) was published in 2006. This plan designates the Toledo Development Corporation (TDC) as the agency to coordinate and monitor the plan which seeks to address major issues of land use and tenure, agricultural development, education and health, livelihoods and enterprise development and improved governance. The TDC will need fundamental organizational enhancement to ensure its capacity to manage the plan. Funding has not yet been finalized, but in principle, the TSAP will guide GOB policy reduction policy and measures under NPES/NPEAP 2007-2011.

**In sum:** The objective of the Special Attention Areas, in a context of resource constraints, is to target poverty reduction through 2010 by concentrating on areas identified by the Poverty Map as undeniably the poorest. Table 3 compares the priorities for the Public Consultation Phase with current or developing GOB policy priorities and indicates their resonance with the NPES/NPEAP and MDG proposals for poverty reduction.

**TABLE 3: Incorporation of Public Consultation Priorities into the NPES and NPEAP.**

Policy Pillar	Public Consultation Priorities	NPES/NPEAP 2007-2011 Priorities	MDG Reference
Economic Policies for Growth	<p><b>Employment and incomes.</b></p> <p><b>Better support for natural resource production and marketing.</b></p> <p><b>Improved access to skill training.</b></p> <p><b>Better opportunities for youth.</b></p> <p><b>Enhancement of access to financial services and support for micro-entrepreneurs.</b></p> <p><b>Reduction of the debt burden.</b></p>	<p><b>Policies for economic growth and sustainable development.</b></p> <p><b>Policies for monetary and fiscal reform and debt management.</b></p> <p><b>Policies promoting private sector investment and employment.</b></p> <p><b>Better access to financial services for poor people and micro-enterprise.</b></p> <p><b>TVET instituted in 2006 to respond dynamically to training and employment needs.</b></p>	<p><b><u>MDG 1:</u></b> Eradicate extreme hunger and poverty by 2015.</p> <p><b><u>MDG 8:</u></b> Develop a global partnership for development.</p> <ul style="list-style-type: none"> <li>• Debt sustainability</li> <li>• Market access</li> <li>• Work access for youth</li> </ul>
Good Governance	<p><b>Efficient management of public finances.</b></p> <p><b>Need for better participation, transparency and public accountability.</b></p> <p><b>Eradication of corruption and dependence political</b></p>	<p><b>The Office of Governance and the Integrity Commission established to address reform of public sector management and increase efficiency and accountability of <u>all</u> public agencies, officials and political representatives.</b></p> <p><b>Improved mechanisms for</b></p>	<p><i>Governance</i> is a ‘cross-cutting’ issue relevant to all MDGs</p>

NATIONAL POVERTY ELIMINATION STRATEGY 2007-2011

Policy Pillar	Public Consultation Priorities	NPES/NPEAP 2007-2011 Priorities	MDG Reference
	<p><b>favouritism.</b></p> <p><b>Gender equality and women's empowerment.</b></p> <p><b>Access to land and natural resource use</b></p> <p><b>Improved land tenure</b></p>	<p><b>public consultation in decision-making through Public Commissions and strengthening and support for local government.</b></p> <p><b>Robustly support the National Gender Policy, especially its political representation goals, and CEDAW and other international conventions.</b></p> <p><b>Consolidation and review of existing environmental, land and protected areas legislation.</b></p>	<p><b><u>MDG 3:</u> Promote gender equality and empower women.</b></p> <p><b><u>MDG7:</u> Ensuring environmental sustainability.</b></p>
<p><b>Human Capital Investment</b></p>	<p><b>Improved access to better quality education for all with special assistance for poor households.</b></p> <p><b>Enhanced quality and access to health provision and the introduction of national health insurance for all.</b></p>	<p><b>Policies to maintain 20/20 allocation of resources to education and implement reforms recommended by the 2004 Education Summit.</b></p> <p><b>Maintain allocation of health resources. Finalize National Health Policy and continue to support the Health Reform Programme and the inception of the NHI scheme.</b></p>	<p><b><u>MDG 2:</u> Achieve universal primary education.</b></p> <p><b><u>MDG 4:</u> Reduce child mortality.</b></p> <p><b><u>MDG5:</u> Improve maternal health.</b></p>

Policy Pillar	Public Consultation Priorities	NPES/NPEAP 2007-2011 Priorities	MDG Reference
	<p><b>Dynamic programmes to prevent HIV/AIDS and drug abuse.</b></p> <p><b>Robust support for public order and to law enforcement and crime prevention.</b></p> <p><b>More legal and social support for the family to reduce gender-based violence and the abuse of children and youth.</b></p> <p><b>Strengthen legislation against child labour and sexual exploitation.</b></p> <p><b>Overall improvements in social protection including cash transfers and services including aid to dependent children, the elderly, disabled, people affected by HIV/AIDS and their families.</b></p> <p><b>Partnerships with NGOs and faith based organizations to strengthen social protection</b></p>	<p><b>Working with international and NGO partners support National AIDS Commission strategy for the prevention and treatment of HIV/AIDS. Based on the 2004 Social Protection Report enhance and develop policies relating to the legal, economic and social protection of groups vulnerable to poverty and its collateral impact as they relate to: Crime and violence, child abuse, support for vulnerable families, sexual abuse and domestic violence, the aged and the disabled.</b></p> <p><b>Enhance mechanisms for public/private partnerships in social protection and social development.</b></p>	<p><b><u>MDG 6:</u> Combat HIV/AIDS, malaria and other diseases.</b></p> <p><b><u>MDG 1:</u> relates broadly to the multi-faceted impact of poverty and the reduction of vulnerability in urban and rural communities, including the social protection priorities identified in both the Public Consultations and in GOB policies and legislation.</b></p>

NATIONAL POVERTY ELIMINATION STRATEGY 2007-2011

Policy Pillar	Public Consultation Priorities	NPES/NPEAP 2007-2011 Priorities	MDG Reference
	and aid to the most vulnerable		
Infrastructure	<p>Improvements to rural roads providing market access for small farmers.</p> <p>Continued improvements in access to potable water through the SIF and other agencies.</p> <p>Policies for affordable housing, especially, but not exclusively, in urban areas.</p> <p>Rehabilitation and expansion of rural schools and health facilities.</p> <p>Continued expansion of public utilities and information technology in rural areas.</p>	<p>MOW to continue targeting poor, isolated communities to improve access.</p> <p>GOB policy continues to support SIF and WASA in improvements to water supply, especially in rural areas.</p> <p>Under a new policy to regulate housing, affordable housing remains a key priority.</p> <p>Continues to be a priority under both education and health policies and for the SIF.</p> <p>Electrification main priority. Alternative energy and communication schemes and the remotest communities.</p>	<p><u>MDG 8:</u></p> <ul style="list-style-type: none"> <li>• Market access</li> </ul> <p><u>MDG 7:</u></p> <ul style="list-style-type: none"> <li>• Access to sustainable drinking water</li> </ul> <p><u>MDG 7:</u></p> <ul style="list-style-type: none"> <li>• Significant progress in improving the social conditions of slum dwellers.</li> </ul> <p><u>MDGs 2, 4 and 5</u> (see above)</p> <p><u>MDG 8:</u></p> <ul style="list-style-type: none"> <li>• Access to new technologies.</li> </ul>
Special Attention Areas	The allocation of resources to the poorest rural and urban communities.	Priorities developed above apply equally to these areas.	The SAAs afford opportunity to apply holistic approaches to MDG related aims in specific poor locations.

Policy Pillar	Public Consultation Priorities	NPES/NPEAP 2007-2011 Priorities	MDG Reference
	<p><b>Improved housing, services and infrastructure.</b></p> <p><b>Enhanced opportunities for credit, skill training and employment.</b></p>	<p><b>GOB has also developed community based plans for the specific needs of the poorest rural and urban areas.</b></p>	

## 5. THE CONSTRAINTS AND RISKS OF THE NPES 2007-2011

The NPES has been formulated against a background of severe economic and social constraints. Its sustainability will require political will and a national consensus to promote the adoption of targeted pro-poor policies and programmes that seek a better existence for poor people in Belize. The successful implementation of the poverty reduction goals of the NPES is contingent on forces which are both internal and external to Belize. Internally, factors that public policy and civil society can influence such as robust economic growth, inspired financial management, transparent governance, poverty targeting and the more equitable allocation of resources, enhanced citizen participation that contributes to stable economic and political environments, will be critical. They will be constrained by external factors including: terms of trade, threats to financial stability, reduction in development assistance and the decline of preferential markets, over which Government has only limited control. Moreover, natural disasters in recent years have weighed heavily on the economy and have underscored the vulnerability of the poorest people, their livelihoods and communities.

The NPES is vulnerable to five serious threats to implementation:

- (i). Failure to achieve national consensus on the NPESAP goals.
- (ii). Capacity to implement.
- (iii). Availability of external resources.
- (iv). Global economic factors.
- (v). Natural disasters.

### 5.1 National Consensus

The attainment of national consensus on pro-poor policy and the allocation of resources will be crucial to the sustained implementation of the NPES. This has been a challenge throughout the formulation of the strategy as policies requiring the reallocation of scarce resources in favour of the poor may be contentious. The major objective of the participatory process was to establish a dialogue on poverty between the social strata closest to its consequences and the non-poor and decision-makers. This process can continue to be consolidated as an inclusive instrument for poor people to have influence on policies that promote solutions to their deprivation. However, the public consultation process experienced difficulty in mobilizing the poor to act as a constituency in their own behalf. Because of unfulfilled promises in the past, the process was not as well supported as anticipated and revealed deep antagonism towards politicians and political processes. Despite the inclusive philosophy of the formulation process, consensus on the need for expeditious, deep economic, social and governmental reform and significant resource allocation may not be easily achieved.

To countervail this possibility the NPES proposes a broadly based institutional framework elaborated in the previous Chapter that incorporates the material and human resources of the public sector and civil society in the struggle to reduce poverty among Belizeans. Under the overall mandate of MNDIC and NHDAC the framework creates an arena for dialogue on poverty reduction as a means for sustaining momentum, periodically revising goals and including the poor

in the decisions that improve their social conditions and define their life chances. In an economically austere environment total consensus on poverty reduction policies may be elusive as decision-makers and advocates for the poor debate priorities and decide on the allocation of resources. The profound lack of confidence in the political process revealed by the public consultations may also inhibit the development of trust necessary for consensus. Even so, disagreements need to be minimized based on the mutual commitment of public, private and civil society institutions to meeting the MDG 1 and its target of reducing extreme poverty by one half, from 10.8 to 5.4% by the year 2015. The magnitude of extreme poverty is small and it should be possible, through economic growth, fiscal reform, better governance and human resource development to exceed this goal and improve the lives of many near poor ensnared in the second population quintile. Reducing overall poverty to around 15% should be feasible but only if the NPES/NPEAP is perceived as a long-term national programme that transcends narrow political and private self-interests<sup>14</sup>

## **5.2 Capacity to Implement the NPES**

Implementing a national poverty reduction programme is a complex political, social and administrative endeavour. Even as the NPES was being formulated, scepticism among the public, civil society and the international community about GOB's resource capacity and political will to address poverty issues was continuously expressed. These concerns arise from past performance of previous policies, programmes and projects in addressing social policy and poverty issues.

Particular factors identified as constraints on implementation included;

- (i) Scarce human resource capacity at the technical, managerial and administrative levels.
- (ii) Weak legal and institutional frameworks that have yet to guarantee transparency in public administration and political life.
- (iii) A punitive debt burden that reduces the availability of financial and material resources available for poverty reduction.
- (iv) Lack of participation and the dependence of poor people on others to define their needs and advocate for them.

To offset the risks of low implementation capacity the NPES advocates measures that bring about rapid changes in the ability of GOB to formulate policies and programmes pertaining to overall improvements in transparency and the performance of all public sector agencies. This is the remit of the newly restructured Office of Governance which envisages a modernized public sector with increased efficiency in line ministries and improved delivery of public services. Additionally greater dialogue between the public, private and civil society sectors will act to increase the influence of these sectors on decision-making affecting Belizeans. Of particular importance will

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<sup>14</sup> Jamaica after a tremendous struggle with structural adjustment in the 1990s reduced poverty from a high of 34% in 1990 to 16% at the end of the decade through robust fiscal management, public sector reform, improved service delivery and measures to improve governance. This was done in cooperation with the international development banks and donors which was necessary for access to financial and technical resources for poverty reduction.

be the economic and productive sectors (including the Trade Union movement) and their concern for robust investment in human capital and the nurturing of peoples' livelihoods through well designed investment in education, training and job preparation. The NPES proposes the establishment of a focal point within MNDIC to coordinate and monitor the work of public sector and civil society stakeholders contributing to the implementation of the poverty reduction strategy.

### **5.3 Available External Resources**

Like most newly independent nations in the Caribbean, Belize was long dependent on former metropolitan country contributions to finance economic infrastructure and social development. Advances in roads, schools, health facilities and natural resource sectors in particular, benefited from external assistance either in the form of grants or concessionary loans. Preferential markets for agricultural and other products also played an important part in economic growth and the sustenance of livelihoods. Economic development in the two decades after Independence in 1981 was relatively robust and rapid and in consequence, Belize progressed to Middle Income Country (MIC) status. This was commendable progress for so new a nation but at the same time that this was achieved, Belize graduated from access to much of the concessionary assistance previously so important to its advancement.

Over the past five years the economy has undergone a period of recession triggered by inordinate debt service obligations, resulting financial austerity and constraints on maintaining necessary basic services. Safeguarding the economic and social advances won over the past two decades and meeting the rising aspirations of Belizeans will be the major challenge for public policy. The NPES is GOB's response to the austerity resulting from the debt and financial crisis which has increased national economic vulnerability. The poor with least resources are most exposed to the impact of recession. Budget restructuring and careful targeting of the most vulnerable poor can achieve some poverty reduction goals. It is clear, however, that external resources will be required if the NPES is to be fully realized. To minimize the risk of the NPES not meeting its goals GOB will need to collaborate with its partners in the donor community such as the EU, UNDP and UNICEF to ensure that their resources are judiciously aligned with the objectives of the poverty strategy. Furthermore GOB will need to encourage its traditional donors to reinvest in Belize and/or seek out new partners as it has done with the procurement of funds to implement the Belize City Southside project. Debt relief on the CDI model can also liberate local resources to address poverty, and should be sought wherever available. The promotion of private sector investment that creates and sustains livelihoods also is a most critical source of reducing poverty and maintaining living standards in all sectors.

### **5.4 Global Economic Factors**

To small, open economies like Belize globalization presents both opportunities and threats. Government is fully cognizant of the importance of participation in the world economy to national prosperity and that failure to be competitive will threaten its desire to substantially reduce poverty and enhance the living standards of the entire population. As one of the most open economies in the region, Belize's trading regime is marked by high commodity and market concentration. Almost ninety percent of export earnings come from five commodities (sugar, bananas, citrus, marine products and garments) which expose the economy to external trade shocks, such as the termination of preferential markets, volatility in commodity prices and exchange rates as well as

threats to the tourism industry, which are all hazardous to living standards and livelihoods in Belize.

Belize cannot control external threats. It can attempt, however, to attenuate their impact through tackling the fiscal deficit, reining in the debt burden, maintaining sound macro-economic policies, encouraging external investment, promoting exports and sustaining reserves of foreign exchange to mitigate unfavourable effects generated by the international environment. The NPES encourages the targeting of poor regions and stresses micro-enterprise and the development of diversified agricultural production within a viable macro-economic framework as an avenue to sustainable development.

### **5.5 Natural Disasters**

Belize is prone to natural disasters. Periodically, hurricanes, floods and tropical storms devastate large reaches of the country. Even a moderate occurrence can have a profound economic and social impact. Natural disasters reduce many people to temporary poverty and exacerbate the misery of the already poor who typically are worst affected. In the aftermath, heavy borrowing for relief and reconstruction is usually required. It has been estimated that the average cost of natural disasters during the 1990s was about 10% of GDP. Agriculture and tourism tend to suffer the most. Hurricane Keith in 2000 ravaged the tourist centers of San Pedro and Caye Caulker and largely flattened the sugar crop in Corozal District. In 2001 Hurricane Iris wreaked havoc in the banana and cacao growing areas of the south devastating a number of Maya villages and the fast-growing tourist area of Placencia.

Upgrading of the National Emergency Management Organization (NEMO) has improved preparedness and responses to natural disasters. Hurricanes, however, are largely unpredictable and remain a persistent threat to the economy and especially to the living standards of poor people.

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