

## BELIZE CITY &amp; CLIMATE CHANGE: PLANNING BRIEFS

# ECONOMIC DEVELOPMENT



Belize has a small and vulnerable economy that is threatened by climate change. Impacts from climate change such as hurricanes, floods, sea level rises, coastal erosion and droughts can seriously hurt the livelihood of tourism and agriculture in Belize, which are the two pillars and the main driving forces of Belize's economy.

## Tourism is the largest employment and growth generator in Belize, but it is also the most vulnerable to climate change.

Tourism contributed to 44.9% of the total gross domestic product (GDP) of Belize in 2018, and 17.2% of the labor force of Belize works in tourism. Tourism is also the main foreign exchange earner of Belize. The most popular places in Belize for visitors are marine attractions: offshore islands, the barrier reef, and marine protected areas were the most popular destinations in 2018. The barrier reef is perhaps the most important tourism resource Belize has. It is the world's second-longest unbroken barrier reef, at over 280km. As such, tourism is the most important industry of Belize, but this only contributes to Belize's climate change vulnerability.

The sea level of Belize is rising 3 millimeters a year. By the end of this century, the entire northern half of Belize, and almost the entire coastal area, will be underwater. Moreover, the barrier reef of Belize is facing danger from oil drilling and coastal construction. In 2009, UNESCO placed Belize's reef system on the *List of World Heritage in Danger*. Although the protection efforts of the Belize government allowed UNESCO to lift the "in-danger" status of the reef in 2018, it is still extremely fragile.

### Economic development on the local scale: Belize City

In Belize City, a lack of economic planning in the 1980s contributed to the decline of the historic downtown. Without a variety of businesses in the downtown area, most shops were closed by evening. Downtown became a dead zone that was poorly maintained and poorly lit, which attracted nefarious activity. The area soon became associated with Belize City's high crime rate. Residents and visitors began to avoid downtown, and the area became blighted and neglected. Given these factors, the downtown area attracts very little tourism. As so much of Belize's economy is linked to the tourism sector, the inability to capture this revenue has severely impacted Belize City.

## The agriculture sector dominates Belize's export market, but it is wholly dependent on Belize's climate.

More than 60% of Belize's exports are agricultural products. Sugar, citrus, and bananas dominate this sector. Fishery exports also contribute up to 10% of the total exports. Today, about 14.1% of the labor force works in agriculture and related activities. Strong exports are extremely important to sustain Belize's national and local economies and to guarantee quality of life for Belizeans.

In the past few years, agriculture and agribusiness have thrived in Belize because of adequate rainfall and a relatively stable year-round sub-tropical climate. However, when severe drought hit Belize in 2019, agricultural production reduced prominently, and caused a sizable decrease in the exports. Due to climate change, rainfall is predicted to decrease, ranging from about 7% in the northern zone, to around 10% in the southern zone. Increased variability in the seasonal distribution of rainfall will lead to more frequent droughts and floods. The performance of Belize's agriculture will fluctuate dramatically if climate change predictions come true. Further, the success of the fisheries is extremely tied to the health of the reef system. As such, tropical storms and hurricanes also greatly impact fisheries.

## Natural disasters can damage almost every aspect of Belize's economy.

Belize is within the hurricane belt and is affected by a hurricane once every three years on average and frequency and severity of hurricanes are expected to increase due to climate change and global warming. Belize's annual losses from severe weather events from 1990 to 2008 are estimated to be 3.94% of the annual GDP. The World Bank estimates that the annual average loss from hurricanes alone is US \$7.7 million (0.45% of GDP). In 2016, Hurricane Earl caused about \$183.6 million in damages to both the agriculture and tourism sectors. A hurricane can also seriously damage vital infrastructure in Belize. It directly impacts both local residents' and visitors' quality of life, as well as Belize's manufacturing capacity.

# ECONOMY IN BELIZE

# PLANNING GUIDANCE

## Reduce construction in sensitive coastal areas.

More construction and infrastructure could mean increased damage to the environment, especially if this development is not carefully regulated. Ambergris Caye, one of the most popular vacation destinations in Belize, was actually experiencing a decrease in tourism in the last few months of 2019, despite the presence of more hotels, restaurants, and resorts. This is likely linked to increased pollution that has made the area less enjoyable for outdoor activities, such as scuba diving. The Coastal Zone Management Authority and Institute (CZMAI) released the first Integrated Coastal Zone Management Plan in 2016. Although there is ambiguity as to whether CZMAI has the legal authority to enforce this plan, doing so would greatly strengthen the sustainability of Belize's tourism sector. If this plan cannot be implemented, another integrated, enforceable plan should be drafted soon, as comprehensive planning for construction in sensitive coastal areas must be among the top national planning priorities.

## Expand tourism by investing in more inland sites.

One way to boost the tourism sector is to prioritize investment in unique natural amenities and historical/cultural sites. Potential points of interest should be identified throughout the country. Protecting and making these places more attractive to visitors could help to increase tourism spending throughout Belize, in addition to the coastal areas, which can strengthen local economies. Investing in natural areas throughout Belize can also strengthen the country's climate resilience. Natural areas, such as mangrove forests, are both attractive for nature-based activities and provide protection from heavy winds and storm surge. Restoring these areas could help Belize to weather future climate change impacts like rising sea levels and heavy storms.

### Restoring vibrancy to Belize City's historic downtown

Belize City has just completed the The Belize City House of Culture and Downtown Rejuvenation Project (BCHCDRP), a joint project of the Government of Belize and the Taiwan International Cooperation Development Fund (ICDF). The project's goal was to preserve and revitalize historic colonial-style architecture, and introduce amenities to the downtown area, including botanical gardens and boardwalks. Through this work, the area will become more attractive to tourists, providing a boost for the local economy.

However, it is important that Belize City Council continue to build on the work of BCHCDRP and make downtown better serve all residents of Belize City. This should include offering incentives to attract a variety of local businesses that can keep the downtown area lively throughout the day. Urban planning improvements, such as better lighting and pedestrian infrastructure, can also help to address public safety. Further, funneling new revenue toward efforts to protect and revitalize Belize City's natural areas can help to improve the city's attractiveness for tourism, and promote its broader climate change resilience. These efforts will help rejuvenate downtown Belize's tourism, economy, and quality of life for local citizens.

## ABOUT BELIZE ASSOCIATION OF PLANNERS

Belize Association of Planners is a proactive professional planning organization committed to assuring social justice and promoting sustainability in the natural and built environment. We work to address relevant planning and development issues in Belize by working in partnership with the public and private sector and civil society organizations, and the people of Belize through research, education, advocacy and action. For more information, visit [belizeplanners.org](http://belizeplanners.org).

These planning briefs were made in partnership with students from New York University's Wagner School of Public Service.

## Ensure employment equity for women.

For the past few decades, the unemployment rate for Belizean women has held at twice that of the unemployment rate for Belizean men. Further, about 33% of working women are not working full time. More women tend to be self-employed in sales or other low-skilled jobs than men. Further, the school attendance rate of girls in Belize's primary, secondary, and tertiary education is higher than that of boys. Yet the girls' advantages in education do not transfer to gender equality in Belize's job market. These conditions make women less climate resilient than men because they are more vulnerable to economic shocks that tend to follow severe weather events, such as interruption in work opportunities or damage to homes. In order to increase women's climate resilience, it is vital to shift more women from low-skilled jobs in the service sector to high-skilled jobs in the public sector or manufacturing, thus improving women's right to work and be paid equally.

## Develop Climate-Smart Agriculture (CSA).

Climate-Smart Agriculture can increase the climate resilience of Belize by implementing integrated management of water, land, and ecosystems at the landscape scale. For Belize to continue developing its CSA, it is important to revise and effectively implement the National Land Use Policy and the National Integrated Planning Framework for Land Resource Development. Climate change and its effects should be considered when making decisions on how to cultivate different land and what variety of crops are grown on the most efficient parcels of land. Belize can partner with more international organizations and ally governments, such as the World Bank, CGIAR, and Taiwan, to seek funding, experts, and technologies to develop CSA practices.