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U. S. Agency for International Development

BELIZE
ACTION PLAN
FY 1991 - 1992

USAID Mission to Belize
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SECTION I: Reaffirmation of the Appropriateness of the Country Strategy

The USAID/Belize Country Development Strategy Statement (CDSS) for 1991-1995, submitted in March 1989, continued program consolidation begun three years ago with a program focused even more narrowly in two sectors -- agriculture and tourism. Working in these sectors, the CDSS introduced a new emphasis on resource planning and management, particularly related to the environment and natural resource base, on which Belize depends for sustainable growth in both agriculture and tourism. The strategy outlined a series of interrelated project activitites which will require funding of approximately $9 million per year through the CDSS period to maintain economic growth.

The Mission's policy agenda and strategy, described in an August 1989 document supplementing the CDSS, focuses on policy initiatives to reform the Belizean tax system and protect Belize's environmental resources. Both involve issues of resource allocation. Furthermore, tax reform is linked to environmental policy, for example, with regard to the need to finance environmental programs and to levy fees on those whose economic activities impose an environmental cost. In the absence of cash transfer leverage, the strategy continues to rely on the selection of policy areas in which the GOB has clear interest, and on the provision of assistance in analysis and implementation of policy change through the project portfolio.

This Action Plan includes a series of New Project Descriptions (NPDs) which outline the concepts of the projects which were scheduled for initiation in FY 1990 and 1991 to implement the new strategy. No new projects were planned for FY 1992, but budget cuts may require some rescheduling. Recent major reductions in the proposed budget for Belize pose a serious obstacle to completing the transition to the new strategy. Priority must be given to funding the heavy mortgage remaining on existing projects, most of which are scheduled for completion during the action plan period. Lower budget levels also limit our ability to continue desired levels of support for several activities which, while not central to the strategy, complement and support it and reflect important special interests, for example, Central American Peace Scholarships, Drug Awareness Education and support for the Belize Family Life Association. Since final FY 1990 OYB totals are not even firm at the time this Action Plan is being written, the Mission cannot outline the precise adjustments that will have to be made to the program and strategy, but continues to explore options.

Apart from the shadow the reduced budget casts over our ability to implement the new strategy, the CDSS is, if anything, even more appropriate now than when conceived. The new Government of Belize, formed after national elections in September 1989, has emphasized careful management of its resources to insure that economic growth benefits Belizeans broadly while preserving the environment. At the same time, the new Government has generally reaffirmed the economic reforms begun earlier, including reliance on private investment and markets and giving priority to agriculture and tourism. For example, it has met the conditions precedent for the final ESF cash transfer. Among its new initiatives is creation of a new Ministry of Tourism and Environment. The new Government has made clear its interest in continued close cooperation with the U.S. and its need for continued USAID assistance.

Regional developments also reinforce the direction of the CDSS. The Regional Environment and Natural Resource Management Project (RENARM) parallels and complements the resource management emphasis of the country strategy, while Belize is steadily increasing its relationships with its Central American neighbors, particularly in tourism and environmental matters. For example, Belize has joined with neighboring countries to promote the Ruta Maya regional travel concept and develop a three-nation park network.

In addition to deferral or cancellation of some project activities planned in our CDSS, the budget reductions will impact on our policy leverage, already limited by the lack of ESF cash transfers. Up to now, USAID has been Belize's major economic donor, with assistance averaging over $9 million per year. The impact of reductions in FY 1988 and FY 1989 is beginning to be felt in the program. Even deeper cuts in FY 1990, especially if reflecting longer-term expectations rather than a temporary response to immediate U.S. budget problems, will reduce our capability constructively to influence the development of effective policies and to promote sound economic development.

In addition to the policy agenda for the CDSS period, spelled out in our August 1989 submission, our current agenda includes issues carried over from the earlier strategy, relating to the trade regime and agricultural marketing. The Policy Agenda chart following this section shows action on major policy issues since the last Action Plan as well as the major items on the new CDSS policy agenda. Actions just taken by the GOB to meet final conditions precedent under the ESF program complete the trade regime agenda.

Work is still proceeding, under the Toledo Agriculture Marketing Project (TAMP), to convert the Belize Marketing Board into a price stabilization entity. Although a study recently concluded that Belize cannot compete with the U.S. for rice

exports to the region, the GOB has agreed to implement the program without an immediate export market. Implementation will result in elimination of price controls on wholesale and retail sales of milled rice and transfer control of rice exports and imports from the Ministries of Agriculture and Commerce to the Marketing Board.

The LAC Bureau's Country Performance Table (TABLE 1) ranks Belize fourth in the region, down from second in the previous ranking. In BELIZE 6065, we questioned some of the scoring which we believe does not do justice to Belize's performance, especially in reducing infant mortality and keeping its environment relatively intact.

The USAID Program Performance Indicators (TABLE 2) have been slightly modified to respond to LAC Bureau comments. Several indicators vary from those used in earlier Action Plans so that planned levels for 1989 are not applicable. We have retained separate indicators for miles of roads rehabilitated and maintained. The former reflects progress in extending access to markets, while the latter reflects increased maintenance capacity and effectiveness. However, the latter fails to measure quality and will be reconsidered.

We have postponed development of indicators for the natural resource management objective, primarily because of difficulty in identifying meaningful indicators that could readily be measured. Since most project activity is at the design stage, it would be difficult to show results as yet. Indicators will be developed over the coming year, in conjunction both with project design and the RENARM effort to develop indicators for the region.

POLICY AGENDA

Ongoing Policy Dialogue Agenda	Status
Trade Regime:	
Reduction in Import License List	Items on Import License list have been reduced by 20% to meet ESF CP.
Elimination of Export License Requirement	GOB has formally confirmed a new export registration system will replace export licensing, except for six commodities.
Standardization of Development Incentives	Cabinet has approved a Fiscal Incentives Bill setting forth incentives and conditions.
Agriculture Marketing:	
Conversion of Marketing Board to Price Stabilization Entity	GOB continues to move, albeit slowly, to establish price stabilization program

1991-1995 Policy Agenda	Primary Project(s)
Fiscal Reform:	
General tax reform	Devt. Policy Planning & Mgt.
Health care financing	Devt. Policy Planning & Mgt.
Environmental Policy Reform*	
User fees and financing for environmental programs	Devt. Policy Planning & Mgt.
Comprehensive Land use planning	Natural Resource Mgt. & Prot. (& Tourism Mgt.)
Coastal zone management	Natural Resource Mgt. & Prot.

* More specific areas of environmental policy effort will be identified in conjunction with the RENARM policy inventory and design of Natural Resources Management and Protection Project.

SECTION II: Performance

TABLE 1 - LAC Performance Ratings Summary, FY 92

Country	Overall Perform Ranking	Overall Perform (100%)	Macro Policies (50%)	Social Services (20%)	Environ Mgt (10%)	Dem & HR Commit (20%)
Belize	4	78.5	40.9	13.6*	4.0*	20.0
Bolivia	2	82.0	45.6	15.4	3.0	18.0
Costa Rica	1	86.3	42.0	15.3	9.0	20.0
Dom Republic	7	67.7	33.5	11.2	3.0	20.0
Ecuador	5	71.9	35.4	12.5	7.0	16.0
El Salvador	11	54.1	25.3	11.8	3.0	14.0
Guatemala	8	66.9	35.5	11.4	8.0	12.0
Guyana	13	39.4	20.2	11.2	2.0	6.0
Haiti	10	55.0	32.6	11.4	5.0	6.0
Honduras	9	60.0	17.3	18.7	8.0	16.0
Jamaica	3	79.5	42.2	12.2	5.0	20.0
Peru	12	41.7	8.3	14.4	5.0	14.0
E Caribbean	6	67.8	33.6	10.3	4.0	20.0

*Mission believes scores do not fairly reflect relatively good performance in reducing infant mortality and relatively intact environment, as discussed in BELIZE 6065.

TABLE 2: USAID/BELIZE PROGRAM INDICATORS

	Actual 1984	Actual 1988	Planned 1989	Actual* 1989	Targets 1990	Targets 1991
1. Agricultural Production: (composite index, 1984=100)						
non-traditional crops[a]	100.0	169.0	n.a.	110.4	137.9	165.5
livestock	100.0	126.3	n.a.	107.5	126.0	135.5
2. Domestic credit to private sector (US$million, end-Dec.)	67.9	106.2	n.a.	119.3	131.2	144.4
3. Value of non-traditional exports (US$million)						
agricultural[b]	0.3	2.5	n.a.	2.3	2.7	3.2
manufactured	15.5	18.7	n.a.	15.0	18.7	20.6
4. Gross foreign exchange earnings from tourism (US$millions)	10.7	27.6	30.0	31.7	35.5	39.1
5. Miles of rural roads						
rehabilitated	17	213	316	251	320	400
maintained	300	450	1000	800	1000	1000
6. Percent of rural population with access to safe water	40	52	64	58	73	80
7. Incidence of malaria confirmed cases per 1000	19	16	8	19	8	8
8. Percent of national population exposed to drug awareness education activities	5	74	85	80	83	85
9. Number of persons receiving vocational, technical and managerial skills training in GOB and private secondary and post-secondary institutions	3156	3523	3700	3678	3750	3800
10. Number of new and upgraded vocational/technical programs and number of management/technical seminars	0	63	48	67	43	46

*1989 Actuals are estimates; most final data is not yet available.
a/ Based on the average production index of cocoa and export fruits and vegetables, excluding sugar, citrus and bananas.
b/ Based on the export value of cocoa, red kidney beans, export fruits and vegetables (excluding sugar, citrus and bananas) and livestock products.

Belize has a serious drug abuse problem, in addition to being a transshipment point and producer. PRIDE/Belize, with support of the GOB, has arranged for a senior CARICOM consultant to visit Belize to assist in drafting a national drug policy and in establishing an effective and dynamic advisory council. This activity is not funded by the USAID's Drug Awareness Education project, but is an outgrowth of increased concern and awareness created by the project.

The media and resource centers developed by PRIDE and introduction of drug awareness materials in school curricula have been successful in raising awareness on drug use and abuse. Additional work is needed on public receptivity to these efforts and regarding the effect on people's lives.

SECTION III: New Program Initiatives

A. Summary

Although recent reductions in OYB levels will require some adjustments in new program initiatives planned for FY 1990 and 1991, USAID/Belize plans to design six new projects to implement the new CDSS, as previously presented in the last Action Plan and in the FY 1991 Congressional Presentation. No new projects were planned for FY 1992, but budget cuts may require postponing at least one new start until then.

1. New Projects for FY 1990

Number	Title	LOP Amount ($000)	Account
505-0041	Development Training Scholarships	1,200	PSEE, EH
505-0045	Development Policy Planning and Management	1,650	PSEE, HE

With the expected 30% reduction in USAID/Belize's OYB for FY 1990, the Development Training Scholarships Project is being developed as a shelf item for which initial funding may have to be postponed.

2. New Projects for FY 1991

505-0042	Rural Access Bridges	4,000	ARDN
505-0043	Natural Resource Management and Protection	8,500	ARDN
505-0044	Tourism Management	1,850	PSEE
505-0046	Vector Control	700	HE

Funding reductions in FY 1990 will require shifting some obligations to FY 1991. Since the CP level for FY 1991 is also lower than contemplated in the CDSS, the Rural Access Bridges Project is likely to be deferred or dropped.

B. Performance Fund Projects

USAID/Belize believes that three of the new project initiatives should be considered for possible performance funding. Although we intend to begin funding the Development Policy Planning and Management Project with our FY 1990 OYB, we believe its strong policy emphasis and potential for significant performance results make it a good candidate. The project can be designed with discrete, stand-alone modules which could be fully funded at various levels of availability. Two of the projects to be initiated in FY 1991 are also candidates: Natural Resource Management and Protection, and Tourism Management. Both have a heavy emphasis on implementation of appropriate environmental policies to protect the country's natural resource base.

A: GOAL: Economic Stabilization

Overall, Belize's fiscal and economic performance continues to be positive. Despite a wider trade deficit due to a sharp rise in imports and a projected slight fall in exports, the country managed to again post a balance of payments surplus in 1989. This surplus is mainly attributed to increased foreign exchange earnings from tourism and inflows from foreign investment and official capital in support of GOB development projects. The GOB's budget also remained in surplus during the first seven months (April-October 1989) of the current GOB fiscal year. Higher revenues from income and trade-related taxes have offset a 15% increase in wages and salaries and more than a two-fold increase in public sector development expenditures.

Since the last Action Plan, the Government has met conditions precedent for the final ESF cash transfer. While some ESF funded activities continue, from USAID's perspective, economic stabilization has been achieved.

B. GOAL: Sustainable Economic Growth

1. Agricultural Production:

Production of non-traditional crops suffered for the second year in a row. After less than promising results with winter vegetables, the Belize Agribusiness Company (BABCO) focused on papayas, which offer a more competitive advantage. However, exports were banned by the USDA following an outbreak of Medfly early in 1989. Exports resumed in October and are increasing. BABCO and the Ministry of Agriculture are collaborating on a fruitfly monitoring and prevention program, and starting research into treatment of mangos, papayas and possibly other fruits using hot air techniques being pioneered by USDA-ARS.

BABCO has begun to shift emphasis to longer term tropical fruits. A nursery has been started and is being expanded to supply farmers with seedstock for at least eight species of tropical fruit trees.

Under TAMP, three Multi-purpose Service Centers have been completed and are functioning. As a direct result of project activity, 150 acres of cacao were planted this year, and fresh vegetables for consumption in the capital are increasingly supplied by local farmers.

Phase II of the Livestock Development Project got fully underway during 1989. This phase brings the Belize Livestock Producers Association (BPLA), the private association representing all livestock producers, into direct involvement in decisions affecting the livestock industry. The 15 % decrease in livestock index in 1989 was due largely to heavy exports of surplus animals in 1988 and lower beef prices in 1989. Current imports of live feeder animals should lead to increases in 1990 and 1991.

2. Strengthening the Private Sector:

The private sector continued to perform well, especially related to tourism. Domestic credit to the private sector increased by over 12% in 1989.

The Belize Chamber of Commerce and Industry (BCCI) and its Belize Export and Investment Promotion Unit (BEIPU) took major steps to strengthen operations by greater integration and added staff during the year. BCCI/BEIPU's action plan for 1990 includes further institutional strengthening and steps to self-sustainability as well as expansion of export and investment promotion activities. BCCI/BEIPU has taken an increasingly prominent role in dialogue with the Government on such issues as tax incentives and free trade zone legislation.

Develoment of a Free Trade Zone is moving quickly. The second phase of the ESF-financed feasibility study was completed in August 1989. Following consultations between the GOB and BCCI/BEIPU and a joint tour of FTZs in the region in November 1989, action on proposed legislation is expected in February 1990. Meanwhile, a private Belizean developer has already completed two factory shells on the proposed site (both occupied) and a third is ordered.

3. Promoting Exports:

Exports of non-traditional agricultural products suffered from the Medfly quarantine, as discussed above. Garment exports also declined, due to loss of an important European market by the largest local producer. However, new factories are entering production and levels should be restored in 1990.

Overall, commodity exports are estimated to have declined only slightly, since the major established exports of sugar, citrus and bananas did well. The impact of the total loss of the banana crop to cold weather in December will be felt in 1990, possibly offset by expected gains in non-traditional crops.

Tourism growth continued to outperform projections in 1989 with a 15% increase in foreign exchange earnings over the previous year. The impact has been significant, for example, resulting in substantial new construction which is a factor in the increased credit to the private sector.

4. Preserving and Managing Natural Resources:

The natural resource management content of the USAID/Belize program is described in a Bilateral Annex to the RENARM Project prepared in July 1989. The major Mission activity during 1989 was development of the strategy and preliminary design work for the new program.

An amendment to the CAC project was designed to add a fisheries/coastal zone management component and limited support for computerizing land titling as a step toward better land use management. A planned foresty component was delayed to better address major design issues, including sustainability and what activities should receive priority.

Two significant environmental activities were supported with small amounts of PD&S funds: (1) an NGO sponsored Coastal Zone Management workshop which resulted in agreement to develop a planning unit and a coastal zone management plan for Belize; and (2) consultant assistance to the new Ministry of Environment to consider objectives and alternative structures for the organization.

The TAMP project has been achieving good results in introducing improved technology to slash and burn farmers to increase incomes while significantly reducing deforestation and soil erosion.

5. Expanding and Improving the Infrastructure

The Rural Access Roads and Bridges Project is USAID/Belize's only activity addressing inadequate infrastructure, one of Belize's major constraints to economic growth. Under Phase I of the project, the GOB was to have rehabilited 300 miles of rural roads, but completed only 186 miles by the end of that phase. During Phase II (March 1988 to April 1991) 300 miles are to be rehabilitated. However, as of December 1989, GOB records show only 64 miles of roads rehabilitated under Phase II, only 32% of the target. While lack of budget resources and weather problems are likely contributing factors, the failure remains to be satisfactorily explained.

A bridge component was incorporated in the project by Amendment in 1984. Excess property bridging material was procured from Germany for the cost of transportation. The GOB, with some assistance from New Zealand, was to finance construction of the bridges; to date, neither has provided funds for bridge construction. The GOB has identified 54 sites for the bridges and prepared engineering designs. USAID has provided $1.5 million in ESF local currency for construction and recently arranged to permit use of another $800,000 from the Section 416 program. Together, these funds may finance construction of about half the bridges identified. Lack of funding for the remaining bridges remains an outstanding problem. Although a new USAID-funded bridges project to address the problem is being considered, budget reductions are likely to force its postponement or cancellation.

C. GOAL: Wider Sharing of the Benefits of Growth

1. Improving Health and Child Survival

Two local PVOs have both shown effectiveness in using USAID and other donor support to increase awareness and practice of related child survival interventions -- breastfeeding and child spacing.

The Breast is Best League (BIB) has established a nationwide network of breastfeeding counselors. These 210 trained volunteers counsel mothers in both rural and urban areas. BIB has also established a hot line for emergency requests and increased public awareness by networking with other community health programs. The result is a significant increase (7% from 1987 to 1988) in the number of infants fully breastfed through their first four months

Through mass media campaigns and other promotional efforts, the Belize Family Life Association (BFLA) has effectively mobilized youth and increased awareness among policy makers of the need for family life education and child spacing services in Belize.

Although vector control efforts supported by USAID's Increased Productivity through Better Health Project continue without serious management problems, the reported actual incidence of malaria for 1989 shows a puzzling increase to 19/1000, instead of the 8/1000 projected. The data appears to be valid, but the cause for the apparent increase is not now known. Further analysis is needed to determine the cause for what appears to be a significant increase in incidence.

2. Improving Educational Opportunities

The Training for Employment and Productivity (TEP) project was amended during 1989 to continue and expand its support for management and technical skills training in Belize. Under the amendment, a Cooperative Agreement was signed directly with the Belize Institute of Management (BIM), now a registered PVO no longer requiring an intermediary. Training for the tourist industry and strengthening the Belize Tourist Industry Association is a major new component of the project, being undertaken through BIM.

In the TEP project's public administration component, the lead role has been assumed by the Establishment Department and an impact study of training received has just been completed. Under the second public sector component, the Ministry of Education is having difficulty completing a National Plan and Action Plan for vocational education, needed to meet conditions precedent included in the project amendment.

USAID/Belize also believes these projects should be considered in allocation of funds earmarked for environmental programs. In particular, the Natural Resource Planning and Management Project has a major forestry component that nicely fits Congressional interest in increasing activity to combat global warming. Belize offers a unique opportunity to begin preserving a large area of tropical forest that has not yet been seriously degraded, before more costly efforts are needed to restore what is lost.

C. Management Implications:

The period of transition from the current portfolio contemplated in the strategy and represented by the new project initiatives presented here will clearly tax the capacity of USAID/Belize's small staff. The Mission will need to explore ways to acquire expertise in the areas of environment and tropical forest management without giving up expertise needed to see current projects through to completion.

The Mission is conscious of the continued need to limit the number of management units, bearing in mind that consolidating into complex and cumbersome projects does not necessarily reduce the management burden. Most of the new project initiatives are narrowly focused, compared to some of the projects in our current portfolio. Thus, by the time the transition is completed, both the number of projects and the number of management units within projects will be significantly lower.

With this in mind, as the project concepts are being further developed we are considering dividing and merging for better management efficiency. Specifically:

- The Natural Resources Management and Protection Project is beginning to appear relatively large and complex and may be more efficiently managed if the components were separated into two distinct projects, one dealing with Sustainable Agriculture and the Other with Forestry, Marine Resources and Land Use Planning. Both would still be managed by the same Office, but tracking activities and funds would be simpler.

- USAID has considered alternatives to the proposed Vector Control Project, to eliminate this additional management unit from our portfolio. In our judgement, the GOB will not be able to continue adequate vector control activity without outside assistance, and sufficient other donor support is unlikely. USAID has also considered possibilities for consolidating vector control assistance with other project activity, but has not yet come up with an acceptable alternative to the project as proposed.

D. New Project Descriptions

PROJECT TITLE: Development Training Scholarship Project

PROJECT NUMBER: 505-0041

PROJECT FUNDING ($000): FY 90, $240*; FY 91, $240;
LOP: $1,200

FUNCTIONAL ACCOUNTS: Education and Human Resources
Energy and Environment

Goal: To contribute to strengthening the economic, social and political development of Belize.

Objective: To provide training to Belizeans employed in both the private and public sectors to improve planning, technical, managerial, and administrative skills.

Problem Statement: Due to its small human resource base and the low priority afforded higher education during the colonial era, Belize presently has a critical shortage of well trained individuals at almost all levels in the public and private sectors. Human resource gaps and chasms exist across the board and are frequently the primary limiting factor to more effective development efforts and use of existing economic and material resources.

Project Description: This project will fund training activities in the United States, Belize and third countries for public and private sector personnel. Short and long-term training will be provided in fields which are supportive of USAID/Belize's development strategy and complementary to the training components of other USAID projects, including the Central American Peace Scholarship Program.

Belize is facing a growing crisis in human resource development. The country's natural resources and stable political system offer considerable potential for sustained development and are fueling economic growth, but a better trained and educated citizenry is needed to guide and direct the country's development process. The GOB presently lacks a systematic human resource development program and the means to provide an acceptable level of essential training to satisfy the minimum manpower needs of the civil service. Although cognizant of the benefits, many private sector institutions are, at this time, unable to provide training for their employees to upgrade skills to improve efficiency and productivity. This project will be designed to contribute toward providing the leadership and technical skills necessary to accelerate the development of Belize.

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* Project is a shelf-item, due to budget reductions.

Training under this project will include both the private and public sectors. Training in the private sector will focus on strengthening its participation in the development process and public sector training will concentrate on improving public sector policy and program analysis. Areas for public sector training will include the broad array of skills needed to strengthen GOB planning and management capacity, (e.g. health care financing, policy decision-making, economic analysis, public finance administration, privatization, and educational planning). Private for-profit firms and PVOs will receive assistance in areas such as export development, private financing, marketing, and management. These are illustrative, potential areas of study and it is expected and desired that some programs cut across both sectors.

The project will be designed to provide training which: complements the USAID strategy but is outside the scope of ongoing projects; reinforces and strengthens project related training; supports particular areas of A.I.D. policy and USAID interests but for which no specific project exists and; addresses particular of needs within institutions that lie outside the USAID development portfolio but have a wide impact on the program. Examples of the latter two categories would be training programs for the GOB's Department of Women's Affairs to improve its capabilities to better assure the participation and consideration of women in development programs, and training for the Central Statistics Office to improve information for policy and management decisions.

Major Outputs:	A.I.D. Financed Inputs LOP ($000)
- 4 participants receive Master's degrees	185
- 6 participants receive Bachelor's degrees	240
- 77 participants receive technical short-term training	775
TOTAL	1,200

Targets for all training categories are 50% private sector, 50% public sector and at least half of all participants are to be female.

Implementation Arrangements: A USDH in the General Development Office will assume overall responsibility for project monitoring. This officer will supervise a Belizean personal services contractor who will be responsible for day-to-day implementation. Funds would be obligated through a grant to the GOB and a USAID/public sector/private sector committee would be established to review training plans, assure validity of needs, and select participants. U.S. and third country training programs would be arranged through an institutional contractor such as Partners for International Education and Training.

Relationship of Project to A.I.D. Country Strategy: This project is in consonance with A.I.D.'s objective of improving educational opportunities in critically needed development skills, focusing on sustainable economic growth, of which a major theme will be the strengthening of Belize's capacity to properly plan and manage the use of its resources.

Relationship to Other A.I.D. Projects and Donor Activities: This project will be designed to complement the overall USAID training program, those of other donors and the GOB to assure satisfaction of valid training needs not currently being addressed. Other donor training, like that of USAID, is predominantly project-related and little flexibility is allowed. This project will partially fill the gap existing between project/program specific training and the broader but no less critical needs of the public and private sectors.

Relationship to Policy Dialogue Agenda: This project is fully supportive of the USAID policy dialogue agenda. The project will most particularly support policy dialogue issues under the Development Policy Planning and Management Project (505-0045). However, the project's emphasis, in part, on public sector policy and program analysis would benefit any USAID sector program.

PID and PP Approval: The Mission requests Bureau concurrence and delegation of authority to the A.I.D. Representative to approve the PID and PP.

A.I.D./W TDY Support for Project Development: Approximately 3 weeks of A.I.D./W TDY assistance would be required for PID and PP development.

Estimated PP Approval Date: May 1, 1990.

PROJECT TITLE: Development Policy Planning and Management

PROJECT NUMBER: 505-0045

PROJECT FUNDING ($000): FY 90: 300; FY 91: 500
LOP: 1,650 (G)

FUNCTIONAL ACCOUNTS: Health
Private Sector, Energy & Environment

Goal: To promote sustainable economic growth in the primary areas of natural resource management and tourism development.

Objective: To help strengthen the GOB's institutional capacity to plan and establish policies and more effectively manage the use of its financial and natural resources.

Problem Statement:

1. Strengthen tax system policy planning, and modernize analytical/administrative capabilities.

There is an immediate need to assist the Ministry of Finance (MOF) in taking stock of its existing tax policy structure and facilitate the broader assessment of tax policy changes expected to take place in the future. Strengthening the institutional capacity of the MOF in specific areas of tax policy planning will help optimize the economic impact of tax revenues, and sustain economic growth over the long term. Assistance is required in the design of a computerized system needed by the MOF to strengthen its capacity to gather, interpret and apply tax data. The MOF requires assistance and training in the analysis and implementation of current tax policies. Particular emphasis will be given to sophisticated tax applications and procedures.

2. Improved health care policies and administration.

The need for new policies and financial mechanisms in health care management and service delivery are of critical importance if Belize is to provide effective health care services in the future, achieve a higher health status, improve the quality of life for its citizens, and sustain equitable economic growth into the 90's. Principal constraints to alleviating the problem of health care financing and improving the delivery of health care services are the inefficiency of hospital personnel policies; existing procurement procedures for pharmaceuticals and other standardized health care purchases; and current fee schedules for health care services. A priority of the Ministry of Health (MOH), to be carried out prior to addressing the issues of health care financing, is to assess the MOH's institutional structure and implement recommendations for more effective management of the

MOH. The assessment will focus on improving channels of communication, developing more appropriate lines of authority, and strengthening overall institutional capabilities within the Ministry.

Project Description:

- Tax Policy Assessment and Technical Analysis.

As a means of providing technical support to the MOF in the analysis and design of macro-level tax policies, technical assistance and a limited amount of training will be funded over the life-of-project. Short-term participant training and international policy observational tours (most likely to study the Jamaican tax policy model) will be funded for management and staff members of the MOF. The proposed assistance at the macro-policy level will help the GOB to better assess and design tax policy options for future consideration, based upon a more balanced tax regime for the promotion of international trade and development.

The activity will also specifically address fiscal policies impacting on the conservation of Belize's natural resource base (i.e., forests, fisheries, national parks and preserves). Assistance will be provided to explore and weigh options both for the generation of revenues, e.g., through royalties and other levies on users (or abusers) of the resource base, and for policies on resource allocation, on- and off-budget, to assure adequate financing for natural resource management, monitoring and enforcement over the long term. The activity will examine alternatives to debt swaps and ESF local currency, neither of which is available in Belize, to secure funding for conservation.

- Computerized Tax System.

The MOF has requested assistance in carrying out the initial phase of a computerized tax system. It is also anticipated that stronger assistance in expanding the computerized tax system will be required in later years. Training of MOF personnel in operating the system will also be included. The system will gradually be strengthened for broader, more sophisticated tax applications, particularly with respect to the analysis of macro-economic tax policies.

- Tax Policy Analysis and Training.

This activity will provide technical expertise to train MOF management and key staff members in the analysis and application of more sophisticated tax policies. Specific tax areas include policy/planning and asset valuation for joint venture operations and other forms of interlocking ownership. This activity will upgrade technical skills and better prepare MOF personnel in support of a gradual shift away from a tax system which emphasizes

high import duties, toward one that more effectively optimizes economic impact and enhances tax revenues.

- MOH Management Assessment.

A management assessment of the Ministry of Health's (MOH) organizational and administrative structure will be carried out prior to addressing the policy constraints to effective health care financing and delivery. The study and recommendations will assist the MOH in improving management and organizational efficiency, with emphasis on defining and strengthening lines of authority and improving channels of communication.

- Health Care Financing.

The project will address the three key policy issues/constraint areas to improved effectiveness of health care delivery in Belize: 1) personnel policies; 2) procurement policies and procedures for standardized pharmaceuticals and equipment; and 3) health care fee schedules and financing mechanisms for more cost effective health care services.

The GOB is in the process of decentralizing and regionalizing its public hospital and rural health clinic structure as a means of consolidating district level health care services, relieving some of the strain on the Belize City hospital, and reducing operational costs for the national health care system as a whole. It is anticipated that implementation of policy changes at the regional level will require technical assistance, training programs and a limited amount of computer equipment to be supplied over the five year LOP.

Impact on Women: The Project will emphasize the participation of women and their contribution to achievement of its objectives. Under the health care financing component, improved health care delivery and financial mechanisms will help facilitate the provision of health care services and make them more accessible to women.

Implementation Arrangements: The primary implementing agency will be the Ministry of Finance (MOF). The MOF will have the lead role in managing and monitoring project acivities. MOF will be responsible for helping administer technical assistance and training programs involving tax system policy planning, and closely coordinate activities among other ministries.

The Ministry of Health (MOH) will administer all health care financing project activities. Responsibilities include assisting technical consultants in the management assessment of the MOH, and implementation of recommendations for specific policies to alleviate and overcome health care delivery and financial constraints.

Assessment of Project Sustainability: The overall policy focus of the DPPM project is designed to enhance GOB tax revenues and their economic impact; and modify or redesign policies to improve health care financing and delivery. Revenues will help to sustain GOB policy planning capabilities and provide additional funding for offsetting GOB operational costs in land-use planning and natural resource management.

The health care financing component will strongly support self-sustainability of health care delivery services by the end of the project. New policies in personnel management, health care financing and corresponding fee schedules and procurement policies, will serve to streamline operations and allow for more cost efficient operation of central and regional hospital facilities.

Relationship to A.I.D. Policy: The project builds upon the policy guidance of the Agency and the LAC Bureau regarding tax policy reform and the goal of achieving self-sustaining economic growth. The capacity of the Belize government to continue to grow and more equitably share the benefits of growth, is limited by a tax regime which derives more than 60% of tax revenues from high import duties. A more equitable distribution of the tax burden will be sought through project supported initiatives which enhance tax revenues but place more of the tax burden on consumption and value-added tax structures.

Relationship to CDSS, Other Projects and other Donor Activities: The project strongly supports AID policy objectives and the Mission's CDSS by addressing primary constraints to policy planning and reform. The project will help develop a GOB capacity to rationally plan and manage resources and effectively guide economic growth. As such, the project is directly in line with USAID/Belize's long-term goal of achieving self-sustaining economic growth. Policy planning and management activities, including modernization and reform of the Belizean tax system and other reform measures for more efficient and cost effective health care service, are supportive of and complementary to the strategy and objectives of the total USAID program. The project is consistent with the CDSS in that policies developed and implemented under the project will help maximize government revenues, protect the resource base and serve to create jobs.

The IMF has assisted the GOB with the administration of its tax system. The DPPM project will institutionally strengthen the Ministry of Finance to develop the capacity to address policy planning constraints and carry out more sophisticated applications of tax policies. The EEC has funded a new hospital facility, planned to become operational by 1991, which will be more capable of sustaining operations through health care policy reforms initiated and implemented under the DPPM project.

TABLE 2 (continued)

TYPE OF TRAINING	FY 86	FY 87	FY 88	FY 89	FY 90
ACADEMIC - Graduate level - 1 year					
Female				0	
Male				1	
ACADEMIC - Graduate level - 2 years					
Female					
Male			1		
TOTAL ACADEMIC			4	4	14
SUMMARY					
TOTAL TRAINEES	10	27	74	60	110
ACADEMIC					
Female			1	1	3
Male			3	3	11
TECHNICAL					
Female			22	23	32
Male	10	27	48	33	64
LONG-TERM					
Female					
Male					
SHORT-TERM					
Female			22	23	32
Male	10	27	48	33	64
HBCU PLACEMENTS	24	4	3		
B. THIRD COUNTRY TRAINING					
Female			8	8	10
Male		2	12	17	9

TABLE 2
NON CLASP TRAINING

FY 1990 COUNTRY TRAINING PLAN
NUMBER OF NEW STARTS

PROGRAM: Project Related Training - U.S.
Project Related Training - Third Country

COUNTRY OF ORIGIN: BELIZE

FY 1990 OYB ($000):

TYPE OF TRAINING	FY 86	FY 87	FY 88	FY 89	FY 90
A. TRAINING IN THE UNITED STATES					
TECHNICAL - 30 days or less					
Female			21	7	32
Male	8	24	39	25	64
TECHNICAL - 31-180 days					
Female			1	7	
Male	2	3	9	12	0
TECHNICAL - 6-8+ months					
Female					
Male					
TECHNICAL - 9 months or more					
Female					
Male					
TOTAL TECHNICAL	10	27	70	56	96
ACADEMIC - Undergraduate - 1 year					
Female					
Male					
ACADEMIC - Undergraduate - 2 years					
Female			1	1	3
Male			2	2	11
ACADEMIC - Undergraduate - 3 yrs or more					
Female					
Male					

TABLE 1 (continued)

TYPE OF TRAINING	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
ACADEMIC - Graduate level - 12 mths. and less						
Female						
Male						
ACADEMIC - Graduate level - 24 mths. and over						
Female						
Male			1			
SUMMARY						
TOTAL TRAINEES	19	82	76	50	43	55
ACADEMIC						
Female	0	7	6	6	5	0
Male	4	11	9	8	6	1
TECHNICAL						
Female	3	41	22	12	15	27
Male	12	23	39	24	17	27
LONG-TERM						
Female	0	0	0	0	0	0
Male	0	0	0	0	0	0
SHORT-TERM						
Female		41	22	12	15	27
Male		23	39	24	17	27
HBCU PLACEMENTS		24	4	3	0	not determined

N.B. The CAPS/Walton Scholars (11) are included in Table 1 above as follows:

	FY 85	FY 86	FY 87
Academic			
Female		4	1
Male	4	2	

TABLE 1
CLASP TRAINING

FY 1990 COUNTRY TRAINING PLAN
NUMBER OF NEW STARTS

PROGRAM: CAPS

COUNTRY OF ORIGIN: BELIZE

FY 1990 OYB ($000): 360

TYPE OF TRAINING	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
TECHNICAL - 27 days or less						
Female			15			
Male			22	10		
TECHNICAL - 28-180 days						
Female	3	41	7	12	15	15
Male	12	23	17	14	17	15
TECHNICAL - 6-8+ months						
Female						
Male						
TECHNICAL - 9 months or more						
Female						
Male						
TOTAL TECHNICAL	15	64	61	36	32	30
ACADEMIC - Undergraduate - 12 mths. & less						
Female						
Male						
ACADEMIC - Undergraduate - 12 - 24 mths.						
Female	0	3	1	0		
Male	1	8	1	1		
ACADEMIC - Undergraduate - 24 mths. and over						
Female	0	4	5	6	6	0
Male	3	3	7	7	5	1

-- Institutional linkages have developed between NMSU and the University College of Belize and Hampton University School of Nursing and the Bliss School of Nursing. Under a contract with New Mexico State University, three workshops were held in-country for the 11 teachers who successfully completed their undergraduate training at NMSU. Hampton University also conducted a workshop for nurses who received short-term training at Hampton University in 1987.

E. Major Changes in Training Plan

The CAPS training plan has been redesigned to include more long-term training (to meet the target minimum of 20%), more female participants, and more non-traditional types of training. In order to accomodate this within the budget, short-term training has been decreased. The increase in long-term training together with the decrease in short-term training will dramatically alter the number of Belizeans who receive CAPS scholarships and the initial goal of training 500 Belizeans over the life of the project has been revised downwards to approximately 300.

10. Steps taken to avoid programming of training for the elite:

-- Targeted groups for short-term training are generally economically disadvantaged and a rigorous selection procedure weeds out those not satisfying Mission conditions and standards. Long-term scholarships are through open competion and an income ceiling has been established which is adhered to.

11. Other Accomplishments to Date:

-- All (29) of the nation's high school principals and/or vice principals and the Principal Education Officer for Secondary Schools have received training in educational administration and teaching methodology under CAPS. 24.6% (50) of all primary school principals have also attended a similar course.

-- All (25) the community health workers from the Toledo District (Kekchi and Maya Indians) received skills upgrading at Essex Community College during 1987.

-- 11 farmers attended a 4 week "Farm Management" course at the University of Florida and 12 extension agents attended a 6-week course in designing and managing their extension programs at the University of Missouri International Extension Field School.

-- Long-term academic scholarships have been awarded to 21 teachers to complete their undergraduate degrees, and to 24 young Belizeans with exceptional academic ability and demonstrated financial need.

-- Under the special program designed for Belizeans who have studied in Soviet Bloc countries, four scholarships have been awarded in fields ranging from building construction to industrial waste management.

-- Ten microentrepreneurs received training in management skills at the University of Nebraska, Lincoln.

-- Ten youth leaders received training in leadership and peer counselling skills and also attended the Eastern States Youth to Youth Conference in Rhode Island. These leaders were selected from various youth groups including the Boy Scouts and Girl Guides associations.

-- All future short-term training is being planned at 4-6 weeks minimum.

5. 70% target for disadvantaged:

-- No problems have been encountered in meeting the target of 70% disadvantaged; future target groups also fall within this category.

6. Experience America:

-- Programming contractors (predominantly PIET) are requested to ensure that ample provision is made for the inclusion of 'Experience America' activities. Where practical and appropriate, home stays are requested. As stated in the FY90-91 Action Plan, the new tax regulations (with regards to 'scholarship or fellowship' recipients) has put a severe constraint on the 'Experience America' programs for long-term CAPS scholars since funding for mid-winter seminars and homestays is taxable in the U.S. This problem will be overcome beginning this fiscal year by providing additional funds in PIO/Ps for this purpose.

7. Follow-on:

-- A Follow-on Coordinator has been hired and will be designing and implementing the follow-on program. Follow-on activities for CAPS scholars have taken the form of professional workshops and informal meetings. Questionnaires for suggestions of possible follow-on activities have been mailed out to participants who have returned and are being tabulated by the Follow-on Coordinator to establish a formal follow-on program which takes into account the great diversity within the group of CAPS scholars.

8. Cost containment:

-- As standard operating procedure, USAID/Belize requests the programming contractor to use cost containment measures as possible and appropriate. PIET has been particularly conscientious about cost saving efforts.

9. Lead Time:

-- Lead time for short-term training has been adhered to except in occasional cases when a program and training site have been pre-selected by the Mission and a shorter leadtime would not be a handicap. The selection process for long-term training will begin earlier next FY thereby allowing for a lead time of six months.

While the SIF for Belize identified many other groups with influence, budget considerations will not allow their inclusion in this project. One group in particular, educators, was singled out in the SIF as having significant influence but will not be targeted because they were expressly targeted in CAPS I and large numbers were trained between 1985 and 1989. Therefore, the Mission has determined that this target group need not be emphasized in CLASP II.

The Belize CAPS program also has a special program for young people who have studied in Soviet Bloc countries.

C. Target Groups for FY 1990, and Types of Training

-- 15 rural men and women working with village cooperative groups will be trained in basic organizational skills
-- 15 journalists/media personnel will receive training in mass media
-- 1 long-term academic scholarship for a Bachelors degree will be granted to replace one awarded to a FY 89 participant who gave up his scholarship shortly after arrival in the U.S. due to unforeseen family constraints
-- 24 community leaders will be trained in general leadership skills, defining and prioritizing problems, communications, proposal development, organizational skills and conducting meetings

D. Progress to Date (CAPS)

1. 40 % target for women:

-- Target has been met (40.7%)

2. 10 % placement in HBCUs:

-- Target has been met (11.48%)

3. Long-term training:

-- While the target of 20% has not been met in each year (FY 85; 21%, FY 86; 15%, FY 87; 18%, FY 88; 28%, FY 89; 26%), the target has been met overall at 23% inclusive of the CAPS/Walton scholars.

4. Short-term training minimum of 28 days:

-- 100% of short-term training undertaken has been for 28 days or more.

FY 1990 COUNTRY TRAINING PLAN UPDATE

A. Mission Training Objectives

Mission training objectives have not changed since submission of the last Action Plan. The USAID/Belize training program is comprised of project-related training in each CDSS sector (health, agriculture, education, and private sectors) and the Central American Peace Scholarships Program (CAPS). USAID/Belize plans to start a Development Training Scholarship Program in the third quarter FY 90. Our training effort seeks to upgrade management and technical skills at all levels, to assist in the development of cadres of qualified, trained personnel.

The Belize CAPS program is designed to meet both the central objective of CLASP (to increase US trained individuals from the socially and economically disadvantaged classes, and counter increasing Soviet Bloc country training efforts in the region) as well as assist in Belize's development through a program of long- and short-term training for skills upgrading across all sectors.

B. Training Program under CAPS

In adherence to the recently completed Social Institutional Framework (SIF) for CLASP II, the Mission will concentrate on strengthening the ability of communities to work through organized groups to solve problems, particularly in areas that complement on-going Mission programs. The training will concentrate on training community council leaders and alcaldes (appointed leaders of small villages), and leaders of cooperatives, womens groups and women's cooperatives, and youth groups. The youth oriented training will include representatives from various groups that have programs for young people, including churches, teachers, athletic coaches, and community volunteers, as well as some targeted groups of boy scouts, 4H, and girl guides. In addition, long-term academic training will be provided to extension agents and individuals who have performed outstandingly in their profession or academic life. Although participants will be recruited from villages and towns throughout the country, special emphasis will be given to disadvantaged areas such as the Toledo, Stann Creek, and Belize rural districts and to disadvantaged groups e.g., Mayan Indians. The envisioned scope of training activities will be possible only if the funding level for CAPS remains at $360,000 per year for five years, if not, modifications will have to be made.

SECTION V: Mission and A.I.D./W Initiated Issues

USAID/Belize's primary issue for the Action Plan is the level of program funding that can be anticipated. We were aware by early December that we should not expect the ESF funding included in the FY 1990 Congressional Presentation (CP). However, the approval of our CDSS at a target level of $9 million/year, and Belize's performance ranking then at number two in the region led us to a measure of optimism that at least the $7.175 million DA level in the CP (already 5% below our FY 1989 OYB) might escape further cuts.

Subsequently, we were informally advised of possible FY 1990 OYB levels of between $4 million and $6.5 million. The latter figure and breakdown by functional accounts were only confirmed as we were finalizing the Action Plan.

The broad impact of lower funding levels has been discussed in earlier Sections. We have also noted that we have not yet had time to make the decisions on precisely how we will handle the spill-over effect on our FY 1991 budget. One of the options we must explore is the possibility that the mortgages on some current projects are of lower priority than funding for new initiatives. We must also weigh a variety of factors -- relative priority, timing and relationships to already scheduled actions by the GOB or others (e.g., RENARM), and the prospects for funding in future years -- in deciding which new initiatives might be deferred. Consequently, this Action Plan may not present a very accurate projection of the shape of our program.

SUMMARY PROGRAM FUNDING TABLE
Dollar Program by Functional Account
($000)

Project Title and No	FY 90	FY 91	FY 92
Development Assistance			
ARDN			
Subtotal	(3600)	(3670)	(3900)
(Loan)			
(Grant)	3600	3670	3900
Population			
Subtotal			
(Loan)			
(Grant)			
Health			
Subtotal	(737)	(930)	(640)
(Loan)			
(Grant)	737	930	640
Child Survival			
Subtotal	(856)	(160)	(160)
(Loan)			
(Grant)	856	160	160
AIDS			
Subtotal			
(Loan)			
(Grant)			
Education			
Subtotal	(407)	(1395)	(1400)
(Loan)			
(Grant)	407	1395	1400
Environment & Energy			
Subtotal	(855)	(1345)	(1400)
(Loan)			
(Grant)	855	1345	1400
Subtotal DA	(6454)	(7500)	(7500)
(Loan)			
(Grant)	6454	7500	7500
Economic Support Fund			
(Loan)			
(Grant)			
P.L. 480 Sec. 416			
(Loan)			
(Grant)			
PROGRAM TOTAL	(6454)	(7500)	(7500)
(Loan)			
(Grant)	6454	7500	7500

FY 92
LOCAL CURRENCY UTILIZATION
($000)

	ESF	SEC 416	TOTAL
USES			
HG BUDGET GEN	--	--	--
HG BUDGET SECTOR	--	186	186
HG CONTRIBUTION TO AID PROJECTS	--	--	--
HG CONTRIBUTION TO OTHER DONOR PROJ.	--	--	--
HG MANAGED L/C PROJ (GOVT. OR PRIVATE)	--	--	--
AID PROGRAM TRUST FUND	--	--	--
AID OE TRUST FUND	--	--	--
SECTION 108	--	--	--
OTHER	--	--	--
TOTAL	--	186	186

B. CHANNEL FOR ASSISTANCE*

PUBLIC SECTOR	--	186	186
PRIVATE SECTOR	--	--	--
TOTAL	--	186	186

*Determined by organization primarily responsible for managing the local currency (excludes AID OE Trust Fund)

FY 91
LOCAL CURRENCY UTILIZATION
($000)

	ESF	SEC 416	TOTAL
USES			
HG BUDGET GEN	--	--	--
HG BUDGET SECTOR	--	800	800
HG CONTRIBUTION TO AID PROJECTS	1,145	--	1,145
HG CONTRIBUTION TO OTHER DONOR PROJ.	--	--	--
HG MANAGED L/C PROJ (GOVT. OR PRIVATE)	--	--	--
AID PROGRAM TRUST FUND	--	--	--
AID OE TRUST FUND	74	--	74
SECTION 108	--	--	--
OTHER	--	--	--
TOTAL	1,219	800	2,019
B. CHANNEL FOR ASSISTANCE*			
PUBLIC SECTOR	1,120	800	1,920
PRIVATE SECTOR	25	--	25
TOTAL	1,145	800	1,945

*Determined by organization primarily responsible for managing the local currency (excludes AID OE Trust Fund)

FY 90
LOCAL CURRENCY UTILIZATION
($000)

	ESF	SEC 416	TOTAL
USES			
HG BUDGET GEN	--	--	--
HG BUDGET SECTOR	--	800	800
HG CONTRIBUTION TO AID PROJECTS	1,000	--	1,000
HG CONTRIBUTION TO OTHER DONOR PROJ.	--	--	--
HG MANAGED L/C PROJ (GOVT. OR PRIVATE)	--	--	--
AID PROGRAM TRUST FUND	--	--	--
AID OE TRUST FUND	75	--	75
SECTION 108	--	--	--
OTHER	--	--	--
TOTAL	1,075	800	1,875

B. CHANNEL FOR ASSISTANCE*

PUBLIC SECTOR	950	800	1,750
PRIVATE SECTOR	50	--	50
TOTAL	1,000	800	1,800

*Determined by organization primarily responsible for managing the local currency (excludes AID OE Trust Fund)

FY 89
LOCAL CURRENCY UTILIZATION
($000)

	ESF	SEC 416	TOTAL
USES			
HG BUDGET GEN	--	--	--
HG BUDGET SECTOR	--	538	538
HG CONTRIBUTION TO AID PROJECTS	--	--	--
HG CONTRIBUTION TO OTHER DONOR PROJ.	--	--	--
HG MANAGED L/C PROJ (GOVT. OR PRIVATE)	--	--	--
AID PROGRAM TRUST FUND	--	--	--
AID OE TRUST FUND	--	--	--
SECTION 108	--	--	--
OTHER	--	--	--
TOTAL	--	538	538

B. CHANNEL FOR ASSISTANCE*

PUBLIC SECTOR	--	538	538
PRIVATE SECTOR	--	--	--
TOTAL	--	538	538

*Determined by organization primarily responsible for managing the local currency (excludes AID OE Trust Fund)

D. Local Currency

Local currencies in Belize have been generated from two sources: the $15 million ESF cash transfer program which started in FY 85, from which the final $2 million was disbursed in January 1990, and the $2.5 million Section 416 Sugar Quota Offset Program which started in FY 87. The ESF Program local currency has been programmed to support the GOB's Capital II budget, mainly as counterpart to AID projects, as well as selected private sector development activities approved by USAID. Some 6% of the ESF local currency generations have been programmed to defray the local currency operating costs of the Mission.

Local currency generated under the Section 416 Program is also programmed to support the GOB's development budget in the area of agricultural diversification. Since the Program's main purpose is to partly offset the country's loss of foreign exchange due to reductions in the U.S. sugar quota, priority is given to GOB development projects/program activities promoting agricultural diversification in the two northern sugar producing regions. These activities include the construction of feeder roads and provision of credit/grants to farmer groups for production, processing and marketing. The GOB has recently accepted AID's proposal to expand the use of Section 416 to other districts in the country, mainly for a credit program supporting agricultural diversification and to finance the construction of additional bridges in these areas.

We anticipate that the ESF local currency will be fully expended by FY 91, and the Section 416 local currency by FY 92. The projected ESF and Section 416 local currency utilization during FY 90-92, by objective, are as follows:

		FY 90-92 Projected Expenditures (US$000)
a.	Increase agricultural prod/diversification	1,550
b.	Infrastructure improvement	1,415
c.	Private sector support	195
d.	Improve health and educational opportunities	771
	Total	3,931

C. Program Levels, Mortgage and Pipeline

Program resources for Belize (DA, ESF and Section 416) have suffered major reductions over the last three years, from $12 million in FY 1987 to $8.5 million in FY 1988, $7.6 million in FY 1989, and according to the most recent information received, less than $6.5 million in FY 1990. The Congressional Presentation level for FY 1990 was $9.175 million and the CDSS approved in mid-1989 contemplated a level of about $9.0 million per year. USAID has not yet been able to complete the review needed to determine how the impact of the FY 1990 reduction, 30% below the CP level, will be accommodated in FY 1991 and FY 1992.

At the end of FY 1989, USAID/Belize's program mortgage was just under $12 million. While some of that mortgage can be stretched out over two to three years, most of the projects have PACDs during the FY 1991-1992 Action Plan period. Thus, the budget cuts severely limit funding for new initiatives needed to implement the CDSS.

The program pipeline is modest. After expenditures of $11.2 million in FY 1989, the pipeline was $17.3 million, or less than one and a half times the FY 1989 expenditure rate, and included a $2 million ESF cash transfer now disbursed. The budget cuts have already necessitated a thorough review of all projects to identify where internal reprogramming will allow reducing FY 1990 obligations below planned levels.

USAID/BELIZE
CONTROLLER'S OFFICE

OPERATING EXPENSE BUDGET

FY 89 THROUGH FY 92

($000)

Expense Category	Function	Actual FY 89	FY 90*	FY 91*	FY 92
U.S Direct-Hire	U100	118.2	105.5	143.1	167.0
Foreign National D.H.	U200	69.5	167.7	60.5	60.5
Contract Personnel	U300	224.1	284.0	317.2	317.5
Housing	U400	260.3	289.6	321.9	321.9
Office Operations	U500	262.6	296.2	327.3	327.1
NXP Procurement	U600	115.3	52.0	50.0	46.0
Total Operating Expense Budget		1,050.0	1,195.0	1,220.0	1,240.0
		1,050.0	1,195.0	1,220.0	1,240.0
O.E.		1,050.0	1,120.0	1,146.0	1,240.0
Trust Fund		0.0	75.0	74.0	0.0
Total Requirement		1,050.0	1,195.0	1,220.0	1,240.0

* Includes Trust Fund of $75.0 in FY 90 and $74.0 in FY 91.

SECTION IV. Resource Requirements

A. Summary: USAID/Belize Operating Expense and staffing requirements will hold steady during the Action Plan period. Although the transition to the new strategy requires new project development as ongoing projects phase out, the Mission expects to be able to handle the workload without any substantial increase in staffing. The impact of program budget reductions is not yet clear; initially, they have meant increased effort to tighten project management and stretch program resources. In the longer-run, if the cuts continue, it may be necessary to drastically modify the program strategy outlined in our CDSS, which would also impact on operational requirements.

B. Operating Expenses

USAID/Belize estimate of Operating Expense (OE) for FY 1991 is $1.146 million, an increase of 2% over the current ceiling of $1.120 million. Considering normal inflation spirals, this increase is very moderate.

In the next two years, USAID anticipates that staffing levels necessary to effectively administer program resources will remain at the current level. The planned reduction in use of TCNs and greater use of FSNs in Mission staffing should result in a reduction of the cost of our foreign national staff. However, the reduction will be offset by an increase in USDH costs resulting from two assignments and two transfers in FY 1992.

In FY 1992, the OE Budget is estimated at $1.240 million, an increase of 8% over the FY 1991 estimates. Again, a modest increase for inflation.

In this budget request, procurement of non-expendable property has been reduced to that which is absolutely necessary to replace aging furniture, equipment and vehicles found to be no longer economnically usable.

Trust Funds: The Mission is in process of disbursing the seventh and final ESF cash transfer. Local currency equivalent of $149,000 will be received immediately. It is programmed that $75,000 will be obligated this year (FY 1990) and the remaining $74,000 will be obligated in FY 1991. Because Belize no longer receives ESF, no Trust Funds are anticipated for FY 1992 and beyond.

Relationship to CDSS: The CDSS for FY 91 - 95 focuses on sustainable economic growth and the two primary areas of emphasis are agricultural diversification and tourism development and promotion. Outbreaks of malaria and dengue fever resulting from land clearing would be a serious obstacle to increasing and diversifying agriculture production, and tourism growth on both the mainland and cayes would be seriously endangered if incidence increased. This project will not only contribute to safeguarding the health of the Belizean people but also help protect USAID and GOB investments in those key areas.

Relationship to Other AID Projects and Other Donor Activities: This project builds upon project 0018 and focuses on the maintenance, solidification, and expansion of selected vector control activities initiated under the on-going control program. Building upon past experience under project 0018, emphasis is directed toward promoting management sustainability through provision of formal training and short-term technical assistance which will also be oriented to skills improvement.

The GOB, under project 0018, has already initiated organizational change in the vector control program resulting in a more solid institutional framework. Similar cooperation is expected under this project. The only other donor organization expected to provide assistance in vector control is PAHO and assistance is anticipated to be limited to short-term consultancies and, perhaps, commodities. The PAHO and USAID programs will be closely coordinated to assure complementarity.

Relationship to Policy Dialogue Agenda: In FY 90, USAID will initiate a new project, Development Policy Planning and Management, No. 505-0045, with the objective of improving economic policies and resource planning and management. A major focus of project 0045 will be alternative health care financing through more social financing of basic health care. Cost savings to the GOB should eventually be significant and the GOB will be encouraged to incrementally allocate additional funds for the vector control program.

Principal Issues: Two primary issues will need to be resolved prior to or during the design of this project. First, the organizational structures and institutional relations established under the on-going project will need to be evaluated to determine strengths, weaknesses and effectiveness to properly focus new project activities. An evaluation of project 0018 is scheduled for April 1991 and will be a key to the design of this project. Secondly, sustainability will be a key issue as, even if additional resources are freed up through savings in health care, financing competition for scarce resources will be intense.

PID and PP Approval: The Mission requests Bureau concurrence and delegation of authority to the AID Representative to approve the PID and PP. Project design will be initiated in FY 1991.

to be strengthened under the proposed project, particularly in view of exacerbating external factors which facilitate increased transmission. The effectiveness of the vector control program is being increasingly destabilized as land infested with Anopheles is cleared for agricultural purposes, as refugees from infected regions of neighboring countries stream into Belize, and as domestic tourism grows. Additionally, the capacity of the vector control program will be further stretched unacceptably thin by a 3.8% natural population growth rate.

This project has four main components which will address weak areas of the vector control program and better assure its long-term viability; training, technical assistance, research and commodities. Training will emphasize effective communication of preventive measures, the training of trainers,and new control technologies. Short-term technical assistance, most often in the form of on-the-job training, will be provided in prevention and response planning and in the collection, interpretation, and evaluation of data to enable the GOB to determine trends and effectively respond before situations become critical. Research trials will be undertaken in source reduction (e.g. drainage) and, perhaps, natural control measures (e.g. larvivorous fish). Research will be undertaken by GOB technicians under the guidance and instruction of short-term consultants. Commodity procurement is planned solely for training materials, data processing/analysis equipment, and research equipment. Procurement of vector control commodities would be undertaken only in the event of severe shortages and/or outbreaks and funds are provided under the contingency line item for this purpose.

Major Outputs and Inputs	LOP ($000)
- 20 participants get U.S. technical short-term training	140
- 2 long-term U.S. participants (MS)	100
- 20 trainers trained (in-country)	60
- Short-term technical consultancies	250
- Commodities	60
- Research trials	60
- Contingency	30

Implementation Arrangements: A USDH in the General Development Office will assume overall responsibility for project monitoring. This officer will supervise a Belizean personal services contractor. The Ministry of Health would be responsible for project implementation through a unified (Aedes aegypti and Anopheles) Control Program. A committee comprised of representatives of public and private sector (NGO) entities involved or potentially involved in vector control would be established to promote coordination of activities Procurement would probably be through a buy-in to an ST/H field support project such as Vector Biology and Control II.

TITLE: Vector Control

PROJECT NUMBER: 505-0046

PROJECT FUNDING ($000): FY 91, $200; LOP: $700, (G)

FUNCTIONAL ACCOUNT: Health

Goal: To improve the health and productivity of the Belizean people.

Objective: To maintain and strengthen the Ministry of Health's (MOH) capacity to control the incidence of malaria and dengue fever on a national basis.

Problem Statement: Although the GOB vector control program has significantly improved its capabilities as a result of USAID assistance, continued institutional and technical support is critical to better assure an effective and sustainable program to protect the health of the Belizean people and the investments in development made by USAID and GOB.

Project Description: USAID assistance to the GOB vector control program to reduce the incidence of malaria and dengue fever began in FY 85 under the Increased Productivity Through Better Health Project (505-0018) which will continue until FY 91. Project 0018 originally focused primarily on the technical constraints to the control of malaria and *Aedes aegypti* and, through an amendment, is now being shifted to give greater emphasis to institutional and managerial constraints and the need for a more effective health education and community development efforts. The proposed project, Vector Control, will begin as the original project terminates and will build upon, maintain, and solidify selected vector control activities to assure an effective, sustainable program which (1) positively impacts on the general health and productivity of the Belizean people and (2) protects USAID and GOB investments in its two priority programs, agricultural diversification and promotion of tourism.

The GOB has made major progress in vector control since the inception of USAID assistance, however, this control is tenuous and must be improved. Notwithstanding the major, significant progress by the GOB in vector control, the program is not on firm ground for both internal and external reasons.

Internally, the vector control program has suffered from a shortage of trained staff, poorly coordinated malaria and *Aedes aegypti* control programs, and weak integration of management, educational, and technical activities. While these areas are beginning to be addressed by the current project, they will need

Relationship to CDSS: The CDSS for expresses concern for "unchecked tourist growth" on fragile locations such as the barrier reef and Mayan archeological sites. Under this project,the MTE will develop strong monitoring and surveillance capacity needed to address this concern.

Summary Financial Plan ($000):

Overseas scholarships and training.....	720
In-country training.....	140
Short term TA.....	400
Local salaries & infrastructure development..	100
Equipment, vehicles.....	230
Project evaluations & audits.....	90
Contingency.....	170
Total.....	1,850

Major Outputs:

Environmental policies and legislation established
Tourism and Environmental planning capacities strengthened
Uniform quality standards for tourism industry

Environmental Planning/Policy expertise (B.S. graduates)	2
Environmental/Waste Mgmt. engineers.....(B.S. graduates)	4
Impact assessment technicians trained.....	16
Regional environmental monitoring offices.....	4

Potential Issues: As the newest ministry in the GOB, MTE must resolve jurisdictional issues with other ministries before full project activities can be initiated.

PID and PP Approval: USAID/Belize requests the Bureau's delegation of authority to the A.I.D. Representative to approve the PID and PP. A.I.D./W support for project development may be required.

Estimated PID approval: August 1990; PP approval: November 1990

have focused on marketing and promotion of tourism, with relatively little emphasis on critical in-country planning requirements such as archeology or eco-tourism development.

- Development of a National Environmental Monitoring and Surveillance Unit.

The objective will be to create a technical and environmental institutional capacity and physical support within the MTE to effectively carry out its mandate for environmental impact assessment, regulation and enforcement. This capacity will be the key to achieving the GOB goals of influencing the direction of growth in the tourism, urban and industrial sectors.

- Development of industry standards for accomodation and tourist services.

The tourism support sector must impose minimum standards on the quality of hotel accomodations and service. Consistent, positive experiences by tourists will enhance Belize's appeal in the primary tourist markets of North America and Europe.

Project Impact on Women: Women predominate in the Belizean tourism sector in terms of employment, operational control of individual businesses, and leadership of private organizations such as the Belizean Tourism Industry Association. A sustainable expansion of this industry will therefore provide particular benefit to women.

Assessment of Sustainability: There is abundant potential for devising long-term funding strategies for the proposed project activities. In many countries the cost of enforcing environmental regulations is borne directly by the private sector through impact assessment fees levied on new projects, or penalties imposed for non-compliance. Further financial support can be drawn through user-based fees on park visitation, following the model of park systems in the United States and other countries. The complementary activities of the USAID/Development Policy, Planning and Management (DPPM) project will help generate revenues for on-going support of program activities.

Relationship to A.I.D. Policy: Protection and enhancement of biological diversity is one of the Agency's principal global policy thrusts for the 1990's. Given the international recognition accorded Belize's flora and fauna, a vigorously applied conservationist policy offers a unique opportunity to achieve this goal. Linking an environmentally sound tourism policy to the development of archeological sites will provide further assistance in the preservation of this largely untouched cultural heritage.

PROJECT TITLE: Tourism Management

PROJECT NUMBER: 505-0044

PROJECT FUNDING ($000): FY 91: 300; LOP: 1,850 (G)

FUNCTIONAL ACCOUNT: Private Sector, Energy and Environment

Goal: To support stable growth of the Belizean economy by promoting a sustainable expansion in the country's tourism sector.

Objective: To provide the government of Belize with the institutional and human resource capacity required to implement it's policy of rational planning and management of tourism growth.

Problem Statement: Belize possesses an extraordinary endowment of natural and cultural resources, the "discovery" of which has led to a dramatic increase in foreign tourism over the past few years. Although the development of tourism to date has occured without benefit of a coherent, clear policy from the GOB, continued unplanned growth cannot achieve expected economic benefits without a severe negative impact on the country's cultural and environmental integrity.

Project Description:

- Analysis and development of environmental legislation and policies.

An inventory of the legislative requirements, regulatory development and analysis of strengths and gaps of Belize's existing environmental legislation will be carried out. The analysis will serve as the crucial instrument through which the Ministry of Tourism and Environment (MTE) defines it's future role among the various GOB ministries, NGOs and the business community.

- Institutional strengthening of MTE in environmental management, policy and planning.

The MTE institutional capacity will be strengthened to better guide and evaluate environmental policy and regulations. This training will allow MTE executive staff to interact in an informed manner with the various interest groups that influence policy and enforcement of legal regulations.

- Strengthening of the planning process in the MTE

This component will build upon the planning process for tourism development initiated with assistance from the EEC. Prior efforts

Implementation Arrangements: Project activities will be through the Ministries of Natural Resources and Agriculture. These two Ministries will be primarily responsible for providing staff and resources for conducting the various activities planned. The newly created Ministry of Tourism and Environment (MTE) will also play an important role in this project. MTE's role will focus on the overall coordination of environmental policy and provide guidance to all Ministries on natural resources management through the National Conservation Board. A USDH in the Agriculture Development Office will assume overall responsibility for project monitoring.

Summary Financial Plan ($000):

Training and education abroad	2,470
In-country training	560
Long & short term technical assistance	2,320
Equipment, vehicles & project support	2,249
sub-total; all project activities	7,590
Project Evaluations	100
Project Audits	50
Contingency	760
Grand Total	8,500

Major Project Outputs:

Professional forestry degrees granted	7
Forest managers trained	10
Conservation officers trained	5
Game wardens trained	10
Agr. extension agents fielded	18
Farmers practicing IMICS	200
Automated land titling;	operational
Conservation Info system	operational
GIS/Land Mgmt. system	integrated
Watershed Mgmt/Mariculture technology	developed
Alternate crops marketing association	organized
Coastal zone planning unit;	constructed/staffed

Potential Issues: Computerized natural resource information systems are proposed for several components under the project. These activilties must be closely scrutinized during the design phase to maximize complementarity and efficiency.

PID and PP Approval: USAID/Belize requests Bureau's delegation of authority to the A.I.D. Representative to approve the PID and PP. AID/W TDY Support for Project Development may be needed, but primary support will be through contractors.

Estimated PID Approval: 90; PP approval: Sept. 90

management, enforcement of existing conservation laws and passage of new legislation needed to implement land use policies. Training of personnel in the various ministries responsible for implementation will be an important element of this project. Ministerial staff capabilities in the Biological Sciences is thin and must be strengthened to assure the proposed activities can be accomplished. Technical assistance will be used to augment the GOB staff where necessary.

Impact on Women: Existing crops such as sugar cane traditionally rely on men for all production and harvest operations. In contrast specialty fruit/vegetable export crops would expand opportunities in areas traditionally held by women, such as processing and market development. Large-scale diversification into these crops would create significant employment for women in geographic areas where opportunities have been quite restricted.

Assessment of Project Sustainability: The principal activities of the project are closely linked with the primary sectors of the economy, including fisheries, forestry and agricultural exports. Improved industry efficiency achieved through planned project activities will allow each sector to bear the cost of these services beyond the LOP. The complementary activities of the USAID/Development Policy, Planning and Management (DPPM) project will provide tax revenues and additional user fee income needed to sustain the NRMP activities beyond its PACD.

Relationship with A.I.D. Policy: The project conforms with Agency policy regarding the conservation of natural resources. In the promotion of sustainable agriculture, conservation of wildlife, management of natural forest and management of critical watersheds, the project directly supports four of the five priority areas outlined in the Agency's Strategy Statement for Environmental and Natural Resource Management in Central America.

Relationship to CDSS: Agriculture is one of the two priority economic sectors targeted for USAID attention in the 1991- 1995 period. The CDSS makes a strong commitment to a conservation-oriented resource planning process. This process will be incorporated into the design of its agricultural programs. The Natural Resource Management and Protection Project is the primary intervention for the mission's commitment to conservation as set forth in the CDSS.

Relationship to Policy Dialogue Agenda: By focusing projects in the primary areas of GOB policy dialogue, such as the conservation of forests, fisheries and land-use planning, project assistance should help gain policy leverage by helping the GOB meet its own stated goals.

PROJECT TITLE: Natural Resource Management and Protection

PROJECT NUMBER: 505-0043

PROJECT FUNDING ($000): FY 91: 1,000 LOP: 8,500 (G)

FUNCTIONAL ACCOUNT: ARDN

Goal: To assure the long-term sustainability of Belize's economic growth.

Objective: To increase the productive capacity of the rural sector through the promotion of sound resource management policies and conservation-oriented production strategies for the forestry, agriculture and fisheries sectors.

Problem Statement: The diversity and abundance of Belize's coastal and inland natural resources has received wide recognition over the past decade, which has promoted numerous public and private sector development initiatives. The scopes of these initiatives range from the large-scale private development of coastal land into fruit or shrimp production, to the government's promotion of commercial logging operations in the public forest sector. These activities have generally proceeded unaccompanied by coherent national policies or clear vision with regards to the long term effects on the environment.

Project Description: A major project activity is the development of a general land use plan which will be the basis for management of the natural resource base. Other project activities will focus on (1) Forestry Management and Protection; (2) Sustainable agriculture including land titling, crop and product diversification and natural resource conservation and improved Milpa integrated cropping system (IMICS); (3) Automated land titling system; (4) strengthening extension service and; (5) Fisheries and coastal zone management.

The overall objective of the proposed activities is to prepare a land use plan that will provide for the national development of the natural resource base in Belize. Activities in forestry, sustainable agriculture, land titling, and fisheries will be designed to assure that environmental integrity is maintained and natural resources are conserved. Emphasis will be placed on broadening the persepective on the management of Belize's natural resources to ensure minimal disruption to the bio-diversity of the country. This will be accomplished through a series of integrated activities in resource

3. Bridge Inspection and Maintenance will not require funding under the project. The RRB project currently provides training for bride inspection engineers and maintenance foremen and is procuring two air compressors for maintenance of bridges under the RRB network.

Impact on Women: The project will impact farmers in the rural areas of Belize and will thus benefit women farmers and women members of farm families within the project areas with better all-weather access.

Implementation: Operational resoponsibilty for the project will reside with the MOW's Chief Engineer. The Bridges Division is directly responsible for the construction and maintenance of bridges. Disbursements to MOW for construction will be on a fixed amount reimbursement basis. Environmental impact as well as estimated construction costs will be considered in reaching agreement, prior to construction, on amounts to be reimbursed.

Sustainability: Maintenance capacity is being provided under the RRB project. While adequacy of maintenance will depend on budget resources made available to the MOW, better access to rural areas will increase economic activity and, ultimately, tax revenues. A separate project will assist in improving tax and budget policies.

Relationship to CDSS and Policy Dialogue Agenda: The project is part of the overall program of roads and bridges proposed in the CDSS to provide better access to to key areas of economic growth in both agriculture and tourism. While funding for bridges will not be directly used as leverage for policy reform, nor to target specific areas for growth based on land-use plans, it will be used to raise environmental impact issues and awareness.

Financial Plan ($000):

Construction FAR (25 x average $150,000)	3,750
Technical Support and Inspections	250

Major Outputs: The major output will be 25 bridges in the rural road system. The project will also contribute to institutionalized capacity in the MOW to maintain the roads and bridges system.

Potential Issues: As originally conceived, the project would have linked funds to policy reform; however, this was dropped to avoid possible delays in bridge construction. Since the sites are already planned, issues of environmental impact may cause difficulty.

PID and PP Approval: USAID/Belize requests Bureau's delegation of authority to the A.I.D. Representative to approve the PID and PP. Timing will depend on further assessment of funding prospects.

PROJECT TITLE: Rural Access Bridges

PROJECT NUMBER: 505-0042

PROJECT FUNDING ($000): FY 91: 1,000; LOP: 4,000

FUNCTIONAL ACCOUNT: ARDN

Goal: To increase the agricultural production in Belize by providing all weather access to agricultural production areas.

Objective: To construct up to twenty-five (25) bridges that are identified as required to complete the rural access road network.

Problem Statement: Many rural areas throughout Belize are isolated from supplies and markets because of inadequate river crossings. A bridge plan already completed identifies 54 priority bridges and sufficient bridge sets are available in country, from previous excess property procurement. The bridge sets were obtained under the Rural Roads and Bridges Project (RRB), with the expectation that installation would be financed by the GOB and another donor. However, other donor funding has not materialized and the GOB lacks funds to erect more than a small fraction of the target number each year.

Project Description:

1. Bridge Engineering and design capacity already exists within the Ministry of Works (MOW) and only needs to be streamlined. Funding will therefore not be required for this component. MOW uses standard designs for its bridges and modifies these depending on the location and conditions. The design is done by the Engineering Services Office of the ministry. The site survey and soil mapping is carried out by the soils laboratory. A drill rig being acquired under the RRB project will greatly enhance soil borings and drilling at bridge locations.

2. Bridge Construction is the major component of the project. Twelve of the fifty-four bridges selected for construction under RRB have so far been constructed. Lack of funding to carry out construction of the remaining bridges has brought that component to a virtual halt. Under the proposed project, the construction component will provide assistance to MOW to carry out construction of up to twenty-five bridges. MOW uses both private sector contracts and its own bridge construction unit for bridge construction. Both will be used in the project to ensure targets are realized. Funding will therefore be used for construction materials, MOW wages and transportation costs, and private sector contracts.

move in a progressive manner toward strengthening GOB capacity to plan and implement an economically sound and equitable tax policy regime. Ability and resources of the MOH to fully undertake the implementation of health care policy reforms.

PID and PP Approval: USAID/Belize requests Bureau's delegation of authority to the A.I.D. Representative to approve the PID and PP. A.I.D./W TDY Support for project development may be needed.

Estimated PID approval: May 90; PP approval: July 90.

Relationship to Mission's Policy Dialogue Agenda:

- Project will impact on reduction of high import duties and contribute to a more balanced tax regime, thus optimizing the economic impact of tax revenues. The project will address tax analyses for value-added and other production/consumption tax policies.

- Development of tax policies requiring more sophisticated analyses, including joint venture and interlocking ownership arrangements.

- Health care service policies which improve personnel policies, procurement methods, and health care fee schedules for the Ministry of Health.

Financial Plan ($000):

Tax System Policy Planning	
Policy Assessment	300
Computerized Tax System	440
Tax Policy Analysis/Training	120
Component Total	860
Improved Health Care Policies and Administration	
MOH Management Assessment	75
Health Care Financing	265
Workshops, Mgt. Policy	100
Commodities, Logistics	100
Component Total	540
Project Evaluations (2)	75
Contingency/Inflation	175
GRAND TOTAL	1,650

Major Outputs:

- Tax reform initiatives, balanced tax structures
- New computerized tax system, trained operational personnel
- Greater tax analytical capability in MOF
- MOH management organizational strengthening
- Health care delivery cost efficient policies, trained personell
- Trained personnel in health care mgt., procurement activities.

Potential Issues: Mission will have to determine whether the new administration will provide full support to continue to