

## GRANT PROJECT AGREEMENT

Between the United States of America, acting through  
the Agency for International Development (A.I.D.)

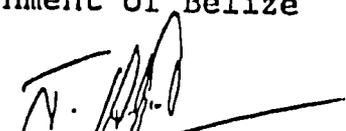
AND

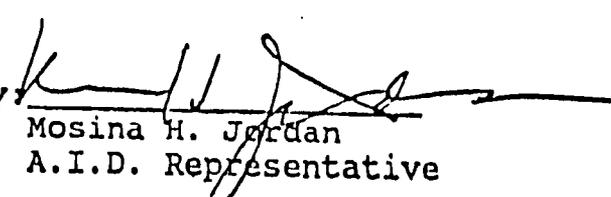
the Government of Belize, acting through  
the Ministry of Finance  
(Grantee)

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1. Project Title: Fiscal Policy Assistance (Program Development and Support)
  2. A.I.D. Project Number: 505-0000

The above-named parties hereby mutually agree to carry out the Project described in this Agreement in accordance with (1) the terms of this Agreement, including the annexes attached hereto, and (2) any general agreement between the two Governments regarding economic or technical cooperation.

3. Amount of A.I.D. Grant: US\$30,000
4. Grantee Contribution to Project: US\$10,000 (in-kind)
5. Project Assistance Effective Date: September 28, 1990
6. Project Assistance Completion Date: June 30, 1991
7. This Agreement consists of this title page, Annex A, Project Description, and Annex B, Standard Provisions.
8. Government of Belize
9. United States of America

By:   
Jaime Alpuche  
Acting Financial Secretary

By:   
Mosina H. Jordan  
A.I.D. Representative

Date: September 28, 1990

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Appropriation	:	72-1101021
BPC No.	:	LDSA-90-25505-KG13
Control No.	:	A010378
Amount Obligated:		\$30,000

FISCAL POLICY ASSISTANCEI. PROJECT DESCRIPTION

The purpose of the Fiscal Policy Assistance Project is to provide technical assistance to the Ministry of Finance (MOF) in conducting a computerization needs assessment of the Income Tax Department and to enable senior MOF officials to participate in a study tour of selected Caribbean countries which have recently undergone fiscal reform.

These activities are crucial in the development and implementation of the new Fiscal Policy Planning and Management (FPPM) Project which is proposed to start in FY 91. The FPPM Project's purpose is to help the Government of Belize to improve the structure and administration of its revenue and budgetary system. It will be implemented by the MOF, with funding assistance from USAID.

A. Computerization Needs Assessment. Computerization is widely regarded as one of the most practical and cost-effective means of improving efficiency in the Income Tax Department. It would help to increase the Department's efficiency in processing tax returns, facilitate information and statistical exchange with other Government offices, and improve its administrative, accounting and personnel management systems.

This project will provide a qualified Belizean or American Computer System Analyst to perform a comprehensive computerization assessment of the Department, focusing on current procedures, documentation, work loads, data flows, external linkages and information requirements. The assessment will recommend the most appropriate type and quantity of hardware, software, related personnel and computer-related training for the Department. The recommendations will contribute to the FPPM Project by identifying the magnitude of commodities, technical assistance, staffing and training needed for Project activities related to Income Tax.

The more detailed scope of work for the computerization assessment would be developed and mutually agreed upon by MOF and USAID. This activity is estimated to require four (4) weeks of technical assistance.

B. Fiscal Reform Program Study Tour. The Belize Government can significantly benefit from the experience of several countries in the Caribbean region which have recently undertaken comprehensive fiscal reform programs. A study tour to several of these countries would be useful to enable senior MOF officials to meet their counterparts, discuss the process and strategy for implementing a fiscal reform program, and learn important insights and lessons.

This project will finance the participation of senior MOF officials (3-4 persons) in the study tour. The proposed countries to be visited are Jamaica, Dominica and Barbados, all of which have implemented fiscal reform programs which most experts have considered to be successful. These programs have been implemented with funding support from USAID and/or the World Bank. USAID/Belize will request, through the local A.I.D. missions, briefings and meetings for the MOF officials with their appropriate Government counterparts in these countries. This study tour is expected to take place in November-December 1990.

## II. Grantee Responsibilities

The Grantee's contribution to this project will be in-kind costs, including, but not limited to, payment of salaries for staff of the Ministry of Finance (including the Income Tax Department). The Grantee is responsible for ensuring that counterpart staff are available to consult with the Computer System Analyst and appropriate senior MOF officials are available to participate in the Fiscal Reform Program study tour.

## III. Implementation Responsibilities

USAID/Belize will assist the MOF to obtain technical assistance from a qualified Belizean or American Computer System Analyst to conduct the needs assessment. It will also request USAID/Jamaica and USAID's Regional Development Office for the Caribbean (RDO/C) to assist in coordinating the meetings with appropriate government officials in Jamaica, Dominica and Barbados.

The Project Development Office will have primary responsibility for this project on behalf of USAID/Belize. The Financial Secretary in the Ministry of Finance, or his designated representative, will implement the project on behalf of the Grantee.

IV. ILLUSTRATIVE BUDGET

A.	Computer Needs Assessment:		\$18,000
	1. Compensation (4 weeks at \$1,800/wk)	7,200	
	2. Travel and Per Diem	3,800	
	3. Other Direct Costs	1,000	
	4. Overhead (50% of 1,2 & 3)	6,000	
B.	Fiscal Reform Program Study Tour		12,000
	1. International Travel (4 persons)		
	To Jamaica	2,400	
	To Barbados-Dominica	3,200	
	2. Per Diem		
	Jamaica (6 days at \$122/day)	2,928	
	Barbados-Dominica (3 days at \$172/day and 2 days at \$110/day)	2,944	
	3. Other costs	528	
C.	TOTAL		\$30,000

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