

PD-ABC-654

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AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES A. I. D. MISSION TO BELIZE

EMBASSY OF THE UNITED STATES OF AMERICA

BELIZE CITY, BELIZE, CENTRAL AMERICA

March 12, 1991

Mr. Carlos Santos
Managing Director
Belize Enterprise for Sustained Technology
Forest Drive
Belmopan

Subject: Grant Agreement No. 505-0008-G-OPG-1001-00

Dear Mr. Santos:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Belize Enterprise for Sustained Technology (hereby referred to as "BEST" or "Grantee") the sum of two hundred thousand U.S. dollars (US\$200,000). The purpose of this Grant is to continue supporting cooperative and association strengthening activities started under Grant No. 505-0030-86-001, dated December 3, 1985.

This Grant is effective and obligation is made as of the date of this letter.

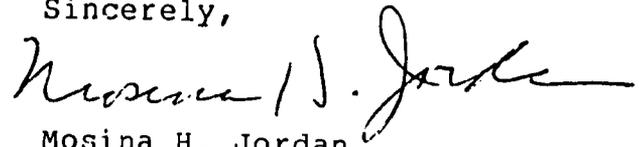
This Grant is made to BEST on condition that the funds will be administered in accordance with the terms set forth in Attachment 1, entitled "Schedule", Attachment 2, entitled "Program Description", and Attachment 3, entitled "Standard Provisions", which have been agreed to by your organization.

Mr. Carlos Santos

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Please sign the three (3) copies of this Agreement to acknowledge your acceptance, and return two (2) copies to A.I.D.

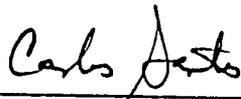
Sincerely,



Mosina H. Jordan
A.I.D. Representative

Acceptance:

By:



Carlos Santos

Date:

March 12, 1991

Title: Managing Director,
Belize Enterprise for
Sustained Technology

FISCAL DATA

Appropriation:	72-1111021
BPC:	LDNA-91-25505-KG13
Project Number:	505-0008
This Obligation:	US\$200,000
Prior Obligation:	See Footnote
Reservation Control No.:	A110149
Element Number:	No. 9

(Footnote: Prior obligations to BEST were under Grant No. 505-0008-90-001, Appropriation: 72-1101021, BPC: LDNA-90-25505-KG13, Grant Amount US\$135,000, and Grant No. 505-0030-86-001, Appropriation: 72-1161021, BPC: LDAA-86-25505-AG13, Grant Amount - US\$385,000)

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to continue providing support to the Belize Enterprise for Sustained Technology (BEST) as more specifically described in Attachment 2 of this Grant.

B. Period of Grant

1. The effective date of this Grant is March 12, 1991. The expiration date of this Grant is December 31, 1992.
2. Funds obligated hereunder are available for program expenditures for the estimated period January 1, 1991, through December 31, 1992, as shown in the Illustrative Financial Plan below. Expenses incurred during the period from January 1, 1991, until the effective date hereof shall be reimbursable to the extent that they would have been reimbursable if incurred during the period of the Grant.

C. Amount of Grant and Payment

1. The total estimated amount of this Grant for the period shown in B.1 above is US\$200,000, subject to funds availability.
2. A.I.D. hereby obligates the amount of US\$200,000 for program expenditures during the period set forth in B.2 above and as shown in the Illustrative Financial Plan.
3. Payment shall be made to the Grantee in accordance with procedures set forth in the Standard Provision 14A entitled "Payment - Periodic Advance" in Attachment 3 of the Standard Provisions for Non-U.S. Non-governmental Grantees.

D. Financial Plan

1. The Illustrative Financial Plan is provided in Table 1.

TABLE 1

Illustrative Financial Plan - BEST Program
 January 1, 1991 through December 31, 1992
 (In US\$,000)

Item	YEAR 1			YEAR 2		
	USAID	Others*	Total	USAID	Others	Total
1. Salaries/Benefits	107.5	108.0	215.5	64.5	151.0	215.5
2. Office Expenses	4.0	26.0	30.0	2.5	27.5	30.0
3. Local Travel and Subsistence	13.5	30.5	44.0	8.0	36.0	44.0
4. International Travel & Subsistence	0	13.5	13.5	0	13.5	13.5
5. Legal and Audit	0	5.0	5.0	0	5.0	5.0
6. Training	0	15.0	15.0	0	15.0	15.0
7. Capital Expenses	0	21.5	21.5	0	21.5	21.5
TOTAL	<u>125.0</u>	<u>219.5</u>	<u>344.5</u>	<u>75.0</u>	<u>269.5</u>	<u>344.5</u>

* Katalysis Foundation, Inter-American Foundation, Earthtrust, and the European Economic Community. Also included is the BEST contribution of approximately \$25,000 from fees charged to clients.

D. Financial Plan (continued)

2. Revisions to this Plan shall be made in accordance with Standard Provision, entitled "Revision of Grant Budget". Actual expenditures may vary up to 15% from the line item amounts presented above, but total expenditure should not exceed the budget. Line item variation in excess of 15% must be approved in advance by the A.I.D. Representative.

E. Reporting and Evaluation

1. Financial Status Report: The financial reporting requirements are detailed in the Standard Provision entitled "Payment-Periodic Advance and Payment-Cost Reimbursement". In accordance with this provision, the financial reports entitled "Public Voucher for Purchases and Services other than Personal" (SF-1034), and the "Federal Cash Advance Status Report" (W-245), shall be submitted to A.I.D. on a quarterly or more frequent basis.

The quarterly liquidation/expenditure report to be submitted by BEST shall include but not be limited to the following requirements (by budget line item) both for USAID funds and "Other" fund contributions:

- Approved Budget (1)
- Expenditure for the Quarter (2)
- Cumulative Expenditure to Date (3)
- Funds available (1-3)

In addition, annual audited financial statements shall be submitted no later than three (3) months after the close of its fiscal/calendar year, while the Grant is in effect. The statement should include an Annex or Attachment showing accountability of USAID funds in accordance with the approved budget.

2. Program Progress Reports: The Grantee shall monitor performance under the Agreement and ensure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved. Based upon this monitoring, the Grantee shall submit quarterly performance reports to USAID that present the following information for each activity under the Agreement:

- (a) a complete list of program goals, institutional and sustainability targets for the quarter being reported;

- (b) financial reports as BEST and A.I.D. may mutually agree upon;
- (c) reasons why established targets were not met;
- (d) adequacy of remaining funds to reach goals; and,
- (e) other pertinent information, including, when appropriate, analysis and explanation of cost overruns or high unit costs.

The Grantee shall submit quarterly performance reports to the A.I.D./Belize Agriculture Development Office beginning with a report for the quarter ending March 31, 1991, which will be submitted by April 30, 1991. If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of the Agreement entitled "Revision of Grant Budget", the Grantee shall submit a request for budget revision.

3. Evaluations: An external evaluation of the BEST program was completed in March 1990. The final quarterly report under this Agreement will include an internal assessment of the Grantee's effectiveness and efficiency in achieving the end results of the A.I.D. assistance as described in Attachment 2.

F. Special Provisions

Expenses incurred in these activities prior to the date of this Grant Agreement, after January 1, 1991, shall be eligible under the terms of this Agreement.

Standard Provisions for Non-U.S., Non-governmental Grantees are contained in Attachment 3. All Standard Provisions apply to this Grant, except for the following:

- Sub-agreements
- Patents and Rights
- Participant Training
- Voluntary Population Planning
- Protection of the Individual as a Research Subject
- Negotiated Overhead Rates
- Title To and Use of Property (U.S. Government)
- Title To and Use of Property (Cooperating Country)

G. Overhead Rate: Not applicable.

H. Title to Property: Not applicable.

I. Authorized Geographic Code

The Authorized Geographic Code for procurement of goods and services under this Grant is 000, the United States, or Belize, except as A.I.D. may otherwise agree in writing.

PROGRAM DESCRIPTION

A. Goal and Purpose

The goal of BEST and the program is to improve the economic well-being of Belizeans, specifically low-income people, through a self-help enterprise development process.

The purpose of the Grant is to provide support for BEST to:

1. provide an integrated package of management and technical services principally to low-income local farmer groups within the agricultural and agro-industrial sectors of the Belize economy;
2. coordinate the physical, human and financial resources that are available to these groups in order to further the development process; and
3. work with local development institutions (both governmental and non-governmental) to magnify and extend the impact of the services and resources available for the agricultural and agro-industrial development of Belize.

B. Background and Status of the Program

Activities/Outputs

BEST was established in 1985 as a private non-profit, non-political organization whose purpose is to assist agricultural, agro-industrial and economic development of Belize. Over the last five years, BEST has focused its activities on working with community-based enterprises (CBEs) in the areas of business management, accounting, agriculture, enterprise development and human resource development.

The Board of Directors of BEST has recently mandated the organization to broaden its activities to include such areas as the environment and sustainable agriculture, women's community banking and alternative energy. In addition, the Board has charged the management to pursue the type of activities that will lead to a greater degree of sustainability within the organization.

The most frequent request for assistance received by BEST over the past five years has been for management and accounting training. As a result, BEST developed a core of professional staff with a distinctively business bias and the capability to provide an integrated package of management and technical services to farmer groups and other CBES. However, most of the groups BEST currently serves are unable to pay the real cost of the services because of low sales volumes and profit margins. As a result, BEST has requested additional assistance from USAID for a period of at least twenty-four months to continue providing management and technical assistance to these groups, focusing on improving their economic viability.

While assistance in the areas of management and accounting will continue as the core of BEST's program, BEST will focus on two additional areas: projects dovetailing with national economic planning such as crop diversification in northern Belize; and women and micro-enterprise development.

As a direct result of technical and management services provided by BEST, the enterprises engaged in agricultural and agro-industrial activities will be in a better position to increase the income and economic benefits of their members and participants and create job and employment opportunities for both farming and non-farming communities. BEST will assist in improving the basic skills and technological expertise of Belizeans in order to better adopt, absorb and sustain the most modern and appropriate technology available. The enterprise development process will be complemented by assisting governmental, parastatal and private organizations in the efficient provision of services and resources to the enterprise sector.

BEST dedicates eighty percent of its available human resources to dealing with clients, an operation it calls enterprise development. The remaining twenty percent is shared between community banking and head office development work. The breakdown is illustrated below:

DISTRIBUTION OF MANPOWER BY DISTRICT - BEST 1991

Activity	Districts						Total
	Toledo	Stann Creek	Cayo	Orange Walk	Corozal	Belize	
Enterprise D.	185	80	372	205	147	107	1,096
Comm. Banking	0	0	78	0	0	60	138
Head Office	0	0	0	0	0	0	153
Total	185	80	450	205	147	167	1,387

19

BEST currently works with sixteen cooperatives in all six geographic districts in Belize. They segregate membership and beneficiaries by sex. Attachment 4 details the cooperatives and groups by district, membership, type of business activity and assistance provided by BEST.

Staff development and securing solid, long-term sources of funding are also key BEST institutional activities of this second phase. BEST is taking steps to reduce its dependence on USAID funding, including the development of strategies for self-sustainability after the end of A.I.D. financing.

Specific end results of A.I.D. assistance to BEST include:

BEST providing services in business/cooperative management including marketing and financial management, business/agricultural diversification, accounting, credit, small enterprise development, and women in development;

groups assisted by BEST are able to determine their gross value of production, net worth, capitalization, productivity, long-term viability and growth with emphasis on crop diversification;

directors and managers possess and apply modern business management skills based on practical experience, including production decision-making techniques and tested production and financial planning and analysis systems; and

members and employees have thorough knowledge of the socio-economic role of cooperatives and are able to effectively and efficiently carry out their responsibilities to the enterprise.

AID HANDBOOK 13	Trans. Memo. No. 13:51	Effective Date Mar. 30, 1989	Page No. 4D-1
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OMB Control No. 0412-0510
Expiration Date: 12/31/89

APPENDIX 4D
MANDATORY STANDARD PROVISIONS FOR
NON-U.S., NONGOVERNMENTAL GRANTEES²

- | | | |
|-----------------------------------|--|--|
| 1. Allowable Costs | | |
| 2. Accounting, Audit, and Records | * 7. Ineligible Countries | |
| 3. Refunds | 8. Debarment, Suspension, and Other Responsibility Matters | |
| 4. Revision of Grant Budget | 9. U.S. Officials Not to Benefit | |
| 5. Termination and Suspension | 10. Nonliability | |
| 6. Disputes | 11. Amendment | |
| | 12. Notices * | |

1. ALLOWABLE COSTS (MAY 1986)

(a) The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant and the applicable* cost principles in effect on the date of this grant, which are attached.

(1) Reasonable. Shall mean those costs that do not exceed those which would be incurred by an ordinarily prudent person in the conduct of normal business.

(2) Allocable Costs. Shall mean those costs which must be necessary to the grant.

(3) Allowable Costs. Shall mean those costs which must conform to any limitations set forth in this grant.

*NOTE: For educational institutions use OMB Circular A-21; for all other non-profit organizations use OMB Circular A-122; and for profit making firms use Federal Acquisition Regulation 31.2 and AID Acquisition Regulation 731.2.

²When these Standard Provisions are used for cooperative agreements, the following terms apply: "Grantee" means "Recipient" "Grant" means "Cooperative Agreement," and "AID Grant Officer" means "AID Agreement Officer."

BEST 1990 BUSINESS PROGRAM AND CLIENT PROFILE



By December 31, 1990 BEST was assisting 16 client groups, providing a range of technical assistance services, directly benefitting 10,695 and indirectly 50,124 people, representing 5 and 28%, respectively, of the population of Belize.

COMMUNITY BASED ENTERPRISES

Client Group	Type of Business/Activity	Membership (# women)	Beneficiaries* (# women)+	Assistance Provided
<u>TOLEDO DISTRICT</u>				
Southern Beekeepers Cooperative Society	Honey production, processing and marketing. Sale of bee-keeping, agriculture and consumer goods and supplies.	68 (2)	408 (204)	Enterprise development, accounting, business management, credit management and beekeeping techniques, proposal-writing.
Toledo Cocoa Growers Assn.	Cocoa production and marketing; operating an agriculture store.	143 (0)	858 (429)	Accounting, business management, chemical training and newsletter preparation, training in project proposal preparation.
Toledo Maya Cultural Council	Preservation, promotion and strengthening of the mayan culture in Toledo.	1,333 (0)	8,000 (4,000)	Preparation of proposal for funding.
San Pedro Columbia Church Group	Produce cacao and operate consumer store.	27 (0)	162 (81)	Training in conducting a community survey and in a self-diagnosis.
Big Falls Farmers Cooperative	Mixed farming and a village consumer store.	22 (0)	132 (66)	Business management, accounting and farm management.
	Sub-total - Toledo District	1,593 (2)	9,560 (4,780)	
<u>STANN CREEK DISTRICT</u>				
Spinkins Farmers Cooperative Society	Mixed tree crop and subsistence farming.	17 (2)	102 (51)	Business Management, accounting, farm management. Assistance in developing business plans.
Windy Beach Women's Cooperative Society	Operation of a small hotel.	11 (11)	66 (33)	Training in accounting, marketing and preparation of business plans.
	Sub-total - Stann Creek District	28 (13)	168 (84)	

CAYO DISTRICT

1. Macal Fair/ Cooperative

Production, processing and marketing of pasteurized and homogenized milk, juices and various cheeses.

2.

2. San Ignacio Women's Association

Sewing and cooking group.

34

Project evaluation.

12
(12)

72
(36)

Implementation plan, technical assessment, market survey, administrative and cooperation planning which includes financial, budget and project development, planning and monitoring.

Valley of Peace Community

Refugee Resettlement and Integration.

1,320
(660)

1,320
(660)

Coordinating infrastructural, agricultural, social and community development.

Western Community Bank

Women involved in individual training and production enterprises.

16
(16)

96
(43)

Training in basic business management & community bank administration

Sub-total- Cayo District

278
(38)

1,671
(835)

- Assistance in establishing community bank
- Capitalization of community bank

BELIZE DISTRICT

Caribena Producers Cooperative

Processing and marketing of marine produce

145
(0)

875
433

Business review of the fishing cooperative.

Sub-total - Belize District

145
(0)

875
(433)

ST. JAMES WALK DISTRICT

St. James Walk Community Cooperative

Mixed farming and produce marketing. Operation of Agriculture supplies store.

23
(10)

133
(69)

Training in business management, accounting and farm management.

St. James Walk Carers Assn.

Represents sugarcane farmers in all aspects of industry. Supply services (agricultural supplies, lubricant, training) to its members. Channel for quota delivery/control member payments/collections.

2,703
(757)

17,413
(3,709)

Training in project proposal preparation for funding. Identifying computer needs.

13

3.

Belize Federation of Honey Producers
Production, processing and marketing of honey.

500	3,000
(10)	(1,500)
<u>3,226</u>	<u>20,556</u>
(777)	(10,278)

Training in developing a business plan and preparing proposals for funding.

COROZAL DISTRICT

Corozal Cane Farmers Assn.
Represents sugarcane farmers in all aspects of industry.
Supply services (agricultural supplies, lubricant, training) to its members.
Channel for quota delivery/control member payments/collections.
Sub-total - Corozal District

2,400	(14,400)
(672)	(7,200)

Computerization of accounting system and training of Staff.

Grand total Client Groups

<u>2,400</u>	<u>14,400</u>
(672)	(7,200)
7,671	47,231
(1,552)	(23,615)

Promotion

National Agricultural Production Costings
The provision of actual crop and statistical data base.

150	150
(75)	(75)

Meeting and consultations on crop selection, reporting standards and task assignments.

Sustainable Agric. Development
The promotion of sustainable agricultural practices

175	175
(87)	(87)

1. Workshop/consultation on sustainable agriculture.
2. Project planning and coordinating strategies.

Solar Box Cookers (SBC)
The promotion of fuel free, non-pollutant SBC Technology
Total Promotion

2,700	2,700
(1,350)	(1,333)
<u>3,025</u>	<u>3,025</u>
(1,512)	(1,495)

Continued countrywide promotion of the SBC technology.

Grand Total BEST Activities

(10,695)	(50,124)
3,064	(25,047)

* The beneficiaries figure was obtained by multiplying the number of members by a national average family size of 6.

+ The # of women beneficiaries was obtained by using 50% of the total beneficiaries figure.