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**REPORT
EVALUATION OF THE OPG-FUNDED PROJECT
ESTABLISHMENT OF
THE NATIONAL DEVELOPMENT FOUNDATION OF BELIZE (NDF/B) AND
ITS PROGRAM TO SUPPORT SMALL-SCALE AND MICRO ENTERPRISES**

**EVALUATION DATES: July 27 to August 17, 1985
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EVALUATION: OPG-FUNDED PROJECT FOR ESTABLISHMENT OF NDF/B
AND SUPPORT OF ITS SSE PROGRAM

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INTRODUCTION

What follows is the Report of an evaluation of the OPG-funded project-- The Establishment of the National Development Foundation of Belize (NDF/B) and its Program in Support of the Small-Scale and Micro Enterprises. Since neither NDF/B, USAID nor PADF had the opportunity to review the final draft (NDF/B and USAID reviewed the Talking Paper, which contained preliminary conclusions and recommendations, and PADF reviewed the Executive Summary), the Evaluator invites each organization to read the Report and present written or oral commentaries to each other regarding any points which are felt to be in error or conclusions and/or recommendations which are felt to be out of line, inaccurate or incomplete.

The Evaluator trusts his findings, conclusions and recommendations will be acceptable to these three organizations, and that this Report will prove useful to NDF/B in planning the future course of it's Program. Essentially, the Evaluator perceives this Evaluation as a management tool, both during the evaluation process through discussions in conjunction with the Evaluation as well as in the practical utilization of the Report.

The Evaluator does not insist nor expect that his conclusions and recommendations be accepted without question. Rather he anticipates that at least some of the points will be questioned and serve as points of dialogue within NDF/B and between NDF/B and PADF and USAID and as one means of strengthening and clarifying the relationships that exist between them.

The Evaluator is grateful for the excellent cooperation he received: from NDF/B Board, Management, Staff, from leaders and representatives of the Belize private as well as public sector, from USAID and from PADF. He

was able to accomplish all of the tasks he set for himself in the time allotted because of this cooperation. He wishes to stress that because of the high quality and thoroughness of the data and statistics collected and aggregated by NDF/B -- reflecting a great deal of time and effort on the part of Management and Staff -- he was able to go into more detail on some aspects which he was requested to examine than would otherwise have been possible. In fact, because of this his task was far smoother and more efficient than has been his experience in many other evaluations which he has conducted, either alone or as team leader or team member. He appreciates the trust placed in him in that none of the three interested parties insisted in seeing the final draft before it was presented in final. This would have added considerable time to the evaluation period and/or the curtailment or elimination of the activities.

Thanks -- to everyone.

The Evaluator would like to add a comment which is not explicitly expressed in the Report and which, unfortunately, is often not commented on by either this Evaluator or others when examining a project such as this one since the question is seldom specifically raised as a point for analysis and comment in a scope of work. Many of the projects which are subjects of AID-funded evaluations are of bilateral, government-to-government projects, and understandably so. However, many AID grant-funded projects are PVO conceived and implemented projects. What makes this project unique, and others similar to it, is that it is an excellent example of private sector-to-private sector endeavor. PADF (a U.S. private sector institution) assisted and encouraged a group of Belizean private sector leaders to join forces in the creation of the National Development Foundation of Belize. It is their organization, not an extension nor a

branch office of PADF. It is their creation. PADF was the catalyst and broker.

The members, Board, Management and Staff of NDF/B have ample and justifiable reason to be proud of what they have accomplished. PADF also has reason to feel a high degree of satisfaction that it had an important part to play.

A closing note: one of the highest tributes paid the NDF/B was made by one of its clients. When asked, in the course of the mini-survey which was conducted as part of the evaluation, what he felt NDF/B was trying to do in Belize, he responded:

"... help ambitious people stay in Belize and develop the country."
This client had gone to the U.S. to seek his fortune and decide to return to Belize and work at home.

EXECUTIVE SUMMARY

On 28 July 1983 the U.S. Agency for International Development (USAID) Mission in Belize signed an Operational Program Grant (OPG) Agreement for US\$142,000 with the Pan American Development Foundation (PADF), to support the establishment of the National Development Foundation of Belize (NDF/B). This was in addition to a local currency grant of BA\$770,000 (equivalent to US\$388,000) made jointly by USAID and the Government of Belize (GOB) for a total of US\$530,000 (equivalent).

Essentially the grant had a dual purpose: an institutional development purpose, as noted -- the establishment of the NDF/B; and, a socio-economic development purpose -- support of the NDF/B assistance program to the micro and small-scale enterprise subsector of Belize.

The project funded by the grant was titled "Project to Support the Establishment of the National Development Foundation of Belize (NDF/B) and its Programs to Support Micro-Enterprises" with a life-span of slightly more than three years -- 28 July 1983 through 30 September 1986. The U.S. dollar grant funds were to be disbursed directly by PADF to cover the costs of technical assistance and training including a survey and evaluation and international travel coincident with these, provided directly by PADF to NDF/B as well as the dollar costs of equipment and commodity purchases made by PADF on behalf of NDF/B, as well as NDF/B international travel.

The local currency grant funds were to be disbursed jointly by PADF and NDF/B under arrangements to be spelled out in a joint agreement, and were designated to cover most of NDF/B's initial three-year operating costs as well as to set up a revolving loan fund to benefit micro-entrepreneurs. It was also anticipated that the NDF/B, with PADF assistance, would raise additional funds to cover the balance of operating costs as well as to provide additional resources for the revolving loan fund.

A requirement of the OPG Agreement was that an evaluation of the project should be conducted at the conclusion of the second project year. The Scope of Work for the Evaluation is found in Annex A of the Evaluation Report and calls for the examination of eight topical areas: business consultancy and credit program; PADF technical assistance and training; ease of program administration; cost-effectiveness and ease of administration; loan repayment performance; impact of beneficiaries; membership and fundraising; and international and local recognition and support.

The overall finding is that while the project is just entering its third and final year the indicators and specific objectives have been achieved -- most, wholly; and a few, in part. These range from the institutional goal of setting up "a viable, indigenous credit institution capable of sustainable financial and organizational self-sufficiency" (with a check list of items which would indicate achievement) to the specific goals of providing assistance (loans plus business guidance and technical advice) directly to selected clients.

The Evaluator determined that the NDF/B is a solid, well-managed, development financial institution with a basically positive track record. It has a hardworking and dedicated staff supported by an equally hardworking Board. Its financial records and management have received favorable scrutiny by external auditors as well as a representative of the AID Controller's office.

In the fifteen-month period of loan disbursements (April 1984 through June 1985) it has provided more loans (111) than the number suggested by a project funded survey (the Mintz Report) for an initial three-year period, while maintaining a delinquency rate of under 5%.

The NDF/B has designed and utilizes a comprehensive set of management and administrative manuals which form the core of its administrative systems which are favorably comparable to those of more mature and larger development institutions. With PADF assistance, it prepared proposals for additional funding and was successful in receiving a grant of US\$170,000 from the Inter American Foundation (IAF) for loan funds (\$150,000) to be targeted to high-risk microentrepreneurs and for a training program (20,000) for micro and small-scale entrepreneurs.

It has received the support and endorsement of Government and enjoys basically good community relations in the private sector.

This is not to suggest that there are not operational and administrative areas which could and should be improved or that there are not some problems pending solution. Among these the most critical have to do with NDF/B's local fundraising and membership expansion activities and with certain facets of its relations with PADF.

The NDF/B, under terms specified in the OPG Agreement and the PADF-NDF/B Agreement, is committed to raising a total of BZ\$150,000 (roughly equivalent to US\$70,000) to help defray operational costs during the third year of the project. To date it has raised 26.3% (BZ\$ 39,468.25) of this amount and has set a deadline for completing the fundraising goal by 30 September 1985. While this appears to be a monumental task to be achieved in a scant six weeks (as of the completion date of the in-country Evaluation), the Board is confident that it can do so. Certainly the pace of fundraising has quickened considerably during the second quarter of FY1985 in that 33% of the funds raised to date were raised since the end of February. This needs to be accompanied with a broadening of its membership base from the current sixteen members.

The relations between NDF/B and PADF, which had been amicable and mutually supportive during the lengthy period (over one year) in which they worked together in the development of the concept of a national development foundation for Belize and local private sector leaders, with PADF assistance created and legally established the National Development Foundation of Belize, Ltd., began to sour during the preparation of the OPG proposal and continued to sour during the first fifteen months, or so, of project implementation.

Most of these difficulties appear to stem from a lack of clear communications and clearly defined points of agreement/disagreement between

both foundations and are probably due in part to the fact that PADF found it necessary to change the assigned project officer during this initial period. To date, i.e. during the period covered by the Evaluation -- July 1983 though June 1985, PADF has assigned three different project officers with interim periods in which there was no specifically assigned project officer and relations were handled directly by the PADF Vice President with back-up support from other PADF staff. PADF's first progress report to USAID, under terms of the OPG Agreement, was due January 1984 but was not presented until August 1984 and, because of strenuous objections by NDF/B, was revised and resubmitted March 1985.

It now appears that most differences have been resolved and relations are on a more even keel. Still unresolved, however, are four items which NDF/B perceives as issues: utilization of the balance of the OPG U.S.dollar funds; just what international travel costs incurred by NDF/B are covered under the OPG U.S.dollar component; whether a budget line-item of US\$21,000 (in the PADF-NDF/B Agreement) is a PADF cash or in-kind contribution; and, the exact composition of the technical assistance and training which PADF is committed to provide to the NDF/B as specified in both the OPG Agreement and the PADF-NDF/B Agreement.

As the NDF/B prepares to enter the third OPG-funded project year it is faced with critical decisions in terms of direction and expansion. The IAF grant to add an additional US\$150,000 to its revolving loan fund affords NDF/B the opportunity and challenge of focusing on what could be termed the micro-micro entrepreneurs. However, NDF/B is aware of a large number of potential clients whose credit needs are greater than the current average loan of BZ\$3,000 and include both micro as well as small-scale entrepreneurs. If it is to expand to selectively include some of these, NDF/B will have to enrich its staff by recruitment as well as training of current personnel. This has budgetary implications since additional local funds would be needed and operational costs would be increased. While the Evaluation Reports lists a number of recommendations which are essentially aimed at improving current operations and administration, the major recommendations are:

- that NDF/B and PADF speedily resolve their remaining differences so that they can both complete the third project year in a mutually satisfactory manner and achieve the objectives and goals they each subscribed to in the two operative agreements;
- that the Board undertake the Retreat which it has planned as soon as practical and address questions concerning not only the third project year but also the long-range goals of the foundation involving both consolidation and expansion of its program;
- that the Board make a major, all-out effort to complete its fundraising goal of BZ\$150,000 by the end of September;
- that the NDF/B explore the practical possibilities of entering into joint ventures with other institutions to maximize the impact and coverage of its new training programs for micro and small-scale entrepreneurs utilizing the IAF funds as a lever;
- that the NDF/B explore the possibility of becoming a channel for some of the CBI funds by initially requesting a determination by the Central Bank as to its eligibility and seeking advice from PADF and other institutions as to the types of projects it could sponsor.

PART ONE: EVALUATION BACKGROUND**A. Project Background and Setting**

This section of the Report is designed to trace historical, factual developments in the implementation of the OPG-funded project which is the subject of the Evaluation. Analytical discussion of these and related activities are presented in the findings section of the Report, Part II.

Early in 1982 PADF made contact with some Belizean private sector leaders and introduced them to the national development foundation concept and philosophy which had been employed in the establishment of a number of national development foundations (NDFs) in Latin and Caribbean America. These contacts continued and culminated in May 1982 in the formation by a group of Belizean private sector business and professional persons of a Steering Committee. The Steering Committee members each contributed BZ\$100, PADF contributed US\$1,000 and BSI contributed BZ\$1,000 to create a small fund to defray some of the expenses involved in Steering Committee operations. In addition, both the members of the Steering Committee and representatives of PADF contributed countless hours of time to make the concept of a national development foundation a reality in Belize.

Essentially, this involved the creation of a foundation consisting of members drawn from a cross-section of the private sector committed to the socioeconomic development of Belize with particular focus on the lower and marginal strata of the private sector -- The SSE (Small-Scale Enterprise) Subsector. Similar to the SSE subsectors in other developing countries in the region, it was determined that the SSE Subsector of Belize suffered from the twin problems of lack of access to credit, other than that provided by usurers, and serious deficiencies in business administration (including critical problems of production, equipment and materials supply, cash flow, pricing, and marketing).

The manner in which these twin problems could be addressed and at least partially alleviated became the focus of the Steering Committee as it worked for the establishment of a national development foundation which would be an adaptation of the NDF model PADF had been instrumental in introducing in other countries in Latin and Caribbean America.

The Foundation became a reality with the legal registration on 5 January 1983 of its Memorandum and Articles of Association -- The National Development Foundation of Belize, Ltd., a company limited by guarantee and not having share capital. The Foundation consisted of fourteen founding members. According to its Memorandum of Association, its object and purpose were:

- "to promote and to encourage the development and the growth of the private sector including trade, commerce, manufacture, agriculture and fisheries in Belize, through the provision of business guidance, technical assistance and non-traditional credit facilities to small entrepreneurs or to groups and generally
- to promote and encourage the development and growth of all other economic activities designed to improve the social and economic welfare of the people of Belize."

Simultaneously, the NDF/B was exploring with PADF the possibility of securing funding to provide a secure financial base for its operations. Over a period of months (and several drafts) a proposal for an Operational Program Grant (OPG) was prepared and presented to USAID/Belize.

On 28 July 1983 USAID/Belize signed an OPG Agreement with PADF for US\$142,000 to provide funding "... for a three-year development project... to Support the Establishment of the National Development Foundation of Belize (NDF/B) and its Programs to Support Micro-Enterprises." This was in addition to a previously designated local currency grant of BZ\$770,000 (equivalent to US\$388,000) provided jointly by USAID and the Government of

Belize (GOB) under terms of Section 6.2 — Local Currency Special Account(s) of the Balance of Payments Loan (No. 505-K-001), of December 14, 1982. Grant funding thus totalled the equivalent of US\$500,000.

The Life of Project (LOP) time-span was designated as slightly more than three years -- from 28 July 1983 (date of grant) through 30 September 1986.

The U.S. dollar grant funds (\$142,000) were to be disbursed directly by PADF to cover the costs of technical assistance and training, including a survey of the SSE Subsector, evaluations and coincident international travel, provided directly by PADF to NDF/B as well as the dollar costs of equipment and commodity purchases made by PADF on behalf of NDF/B, as well as NDF/B international travel.

The local currency grant funds (BZ\$770,000) were to be disbursed jointly by PADF and NDF/B under arrangements to be spelled out in a joint agreement (signed 24 October 1983), and were designated to cover most of NDF/B's initial three-year operating costs as well as to set up a revolving fund to benefit micro-entrepreneurs. It was also anticipated that the NDF/B, with PADF assistance, would raise additional funds to cover the balance of operating costs as well as to provide additional financial resources for the revolving fund.

See Tables I and II for details of the budget contained in the OPG Agreement as well as a financial statement attached to the PADF-NDF/B Agreement, but not referred to specifically in it.

The period covered by this Evaluation commences with the date of the signing of the OPG Agreement, 28 July 1983, through June 1985.

The period of 28 July 1983 through March 1984 was one of organization and the initiation of start-up operations and activities, many with PADF

assistance:

- negotiations leading to the signing of the joint agreement with PADF on 19 September 1983;
- conduct of "A Survey of Micro-Enterprises and Small-Scale Businesses in Belize" by a PADF consultant, with the "draft final report" prepared in December 1983;
- recruitment and training of staff on an incremental basis;
- preparation of administrative manuals and procedures which defined personnel, loan and other operational policies;
- preparation of a 1983/84 detailed budget and setting up of the accounting system;
- appointment of the various committees of the Board, including the key Loans Committee.

While the NDF/B had been legally registered in January 1983, it celebrated its official inauguration on 30 March 1984 with a ceremony attended by about 200 business, professional and community leaders of Belize. The key patron was the Prime Minister of Belize. The USAID/Belize Director and representatives of PADF also attended and participated in the inauguration.

This event ushered in the period of full-scale operations and initiation of its direct assistance to the SSE Subsector:

- April 1984 -- first set of loans approved by the Loans Committee;
- April-December 1984 -- 75 loans approved for a total of BZ\$215,821.50, which represented the protection of 106 jobs and the creation of 30 new jobs;
- November 1984 -- establishment of a local currency account at Barclay's Bank, jointly held by PADF and NDF/B from which funds are transferred on a quarterly advance basis to a separate account administered by NDF/B to be utilized for operating expenses and replenishment of the revolving loan fund;
- December 1984 -- first external audit completed;
- January 1985 -- first Annual General Meeting;
- May 1985 -- fundraising dinner, attended by a selected list of invited community leaders including the Prime Minister.

During these two periods (July 1983-March 1984 and April 1984-June 1985) NDF/B, with PADF assistance, provided training opportunities to Board and Management through attendance at PADF-sponsored seminars and forums as well as other out-of-country seminars while direct training was provided to

the field extension officers (FEOs) by PADF staff on three separate occasions for a total of 4.5 weeks in addition to their participation in a PADF seminar for field extension officers. NDF/B also initiated an on-going, in-house, on-the-job training program for staff.

By the conclusion of the second period, or end of June 1985, NDF/B had made 111 loans to micro and small-scale entrepreneurs totalling BZ\$359,142.85 representing the protection of 130 jobs and the creation of 57 new jobs.

Early in 1985 Board and Management addressed NDF's the additional funding needs for the third and final OPG-funded project year -- October 1985 through September 1986. OPG budget projections call for the raising of resources of approximately US\$470,000 additional to the dual grant of US\$530,000 provided jointly by USAID and GOB in order to reach the projects goal of US\$1,000,000 by the end of the third project year. Various sources for these funds were identified, including PADF, local fundraising and interest earnings from the revolving loan fund, as well as various international donor institutions.

The Board determined to meet its goal of BZ\$150,000 in local fundraising by the end of September 1985, and assigned itself the task of mounting a campaign to do so. It also authorized the Managing Director to contact international donor organizations for additional funds. With PADF assistance proposals were prepared and at the beginning of the Evaluation period, NDF/B was advised by IAF that it had been awarded a grant of US\$170,000 -- \$150,000 to be added to the revolving loan fund earmarked for loans to high risk micro-entrepreneurs and \$20,000 for a comprehensive training program for micro and small-scale entrepreneurs. To date the NDF/B has raised 26.3% of its local fundraising goal, or a total of BZ\$39,468.25

B. Evaluation Scope and Timeframe

The Scope of Work (SOW) for the Evaluation is found in Annex A. It was prepared by PADF with inputs from and subject to final approval of USAID/Belize and NDF/B. Designated timeframe for performing the in-country evaluation activities was three weeks - 27 July through 17 August 1985.

The Scope of Work defined eight topical areas for examination and analysis:

- business consultancy and credit program;
- PADF technical assistance and training;
- ease of program administration;
- cost effectiveness and ease of administration;
- loan repayment performance;
- impact of beneficiaries;
- membership and fundraising; and
- local recognition and support.

While the outline of Evaluation Findings (Part II) arranges these topics in a different order they are all covered in that section of the Report as well as in Part III: Conclusions and Recommendations.

PADF contracted a freelance consultant, with the concurrence of NDF/B and USAID/Belize, to perform the evaluation. In addition to previous exposure to national development foundations (evaluations, planning seminars, surveys and assistance in preparing multi-year plans and proposals) he has conducted evaluations of AID-funded projects in Latin America and Caribbean America and in Asia.

C. Evaluation Methodology

The basic approach employed was to incorporate Management and Staff into the evaluation process by including them as part of the Evaluation Team. The Evaluator feels that this is one of the means of reducing the often-encountered fear and mistrust of evaluations and of uncovering areas

which might otherwise be overlooked. He reviewed the purpose (and SOW) of the Evaluation with Management and Board to assure that there would be agreement on the conduct of the Evaluation and its usefulness as a management tool for forward planning.

One of the instruments utilized was the conduct of a mini-survey of NDF/B clients. A 25% random sampling was interviewed. The Evaluator designed the questionnaire with the assistance of the Loans Officer and the FEOs (Field Extension Officers) who then field-tested it and conducted the interviews. Objectivity was sought by having FEO's interview clients with whom they had not worked. The Evaluator participated in over 50% of these interviews.

While the results of the mini-survey are summarized in Part II of the Report, a more complete analysis as well as a comparison between it and the earlier Mintz Report -- A Survey of Micro-Enterprises and Small-Scale Businesses in Belize -- is contained in Annex B.

In addition, the Evaluator conducted group and individual interviews with Board members, management, staff, and representatives of both the private as well as the public sector. The latter included the Prime Minister, three other cabinet ministers, a member of the House of Representatives (from Orange Walk) and the Governor of the Central Bank and his deputy and USAID representatives prior. These were complemented by interviews with PADF officials in Washington in conjunction with a review of the final draft report. A complete list of individuals and institutions interviewed appears in Annex C.

Other instruments used and documents researched include analyzing data compiled by the NDF/B, and reading Board Minutes, Managing Director Reports, Financial Reports including the external auditors report, Annual

Reports, PADF Reports and a report prepared by a representative of the AID Controlller's office in Tegucigalpa, Honduras.

The Evaluator also attended some of the regularly scheduled meetings of the NDF/B -- staff meeting, loans portfolio meeting and loans applications meeting. He observed various activities and simulated a walk-through experience of a prospective client.

Prior to reading some of the reports, particularly the Board Minutes and the Managing Director's Report, the Evaluator drew up some preliminary findings and conclusions and discovered that many of these had been anticipated by Board and Management and decisions had already been made to take corrective or other appropriate action.

At the conclusion of the second week of the Evaluation, the Evaluator prepared a paper outlining his preliminary findings and recommendations. These were discussed in meetings with Board members, Management and USAID representatives during the third week of the Evaluation. This provided an opportunity to correct any misinformation and conduct additional interviews and research.

PART TWO: EVALUATION FINDINGS

This part of the Report is divided into three sections:

- The Program and Its Components;
- The Foundation;
- External Relationships;

The first section deals specifically with the program -- its two major components, credit and business guidance, and the target group from which clients are selected.

The second takes a closer look at the Foundation itself -- its structure and organization as well as key aspects of its institutional development. While elements of management, administration style and procedures are discussed in Section One, a more in-depth analysis of both overall as well as financial management are covered here.

The third section addresses the various aspects of NDF/B's external relations, both locally as well as with the international institutions. The special relationship between PADF and NDF/B is addressed in this section; so is the question of local recognition and support, including fundraising activities, which are both specifically indicated as topics in the Scope of Work.

A. The Program and Its Components

The NDF/B Program of assistance to the SSE subsector of Belize consists of two major components: credit, and business guidance and advice. These are considered indivisible in that credit (i.e. a loan) will not be extended to a potential client unless he/she agrees to accept business guidance and advice (i.e. technical assistance and training). For ease of description and analysis these are considered separately below in the two subsections which follow.

Also included in this section is a subsection on the target group since, while it is the subject as well as object of the two major program components, the micro and small-scale entrepreneurs who compose this group and their characteristics and needs help shape the program. The subsection on the target group will be based on a summary of the mini-survey of a 25% sampling of NDF/B clients which was conducted as an integral part of the Evaluation. Comparisons will also be made with the earlier survey conducted under the project -- A Survey of Micro-Enterprises and Small-Scale Businesses in Belize. Additional details on both the mini-survey and the previous SSE survey are to be found in Annex B.

1. The Credit Component and Loans Portfolio

a. Loans Portfolio

NDF/B began its loan operations in April 1984 when the first set of loan applications was approved by the Loans Committee. Focus here, then, is on the fifteen-month period of loan operations, ending June 1985. Obviously, prior to this period, during its start-up and organizational phase, the NDF/B was busy defining its loans policies, criteria and procedures as well as recruiting and training staff to carry out this key component of its program. This is detailed elsewhere in this Report. Here the focus is on the results of those activities as exemplified in NDF/B experience in providing loans to selected members of the SSE subsector and in the management of its loans portfolio.

A series of Tables (III through IX) has been compiled, based on data and statistical tables prepared by NDF/B as part of Management's control and analysis of the loans portfolio. These illustrate not only the dramatic growth of the loans portfolio from zero to present status of 111 loans totalling BZ\$359,144 disbursed through June 1985 but also comparisons

between the total number of loan applications processed, rejected or withdrawn and those loans actually approved and disbursed. These tables also make comparisons of credit demand according to business category and to area of country by districts.

These tables can be located at the conclusion of the Report, immediately ahead of the Annexes.

Table III gives an impression overview of the activity in this component of the NDF/B program and is reproduced here as an appropriate introduction to the discussion of the other tables.

In the period April 1984-June 1985:

Total loans processed	450	100.0%	BZ\$ 2,465,074	100.0%
Loans Rejected/Withdrawn	325	72.0	2,112,871	85.7
Loans Approved	125	27.8	352,203	14.3
Loans Disbursed	111	24.7	359,144	14.6

It should be noted that "total loans processed" equals the sum of "loans rejected/withdrawn" and "loans approved". These figures are based on tables prepared by NDF/B for the analysis of loans rejected and/or withdrawn and for the analysis of loans approved and loans disbursed. The actual figures of total loan applications received is greater:

Total loan applications received: 524 BZ\$ 3,121,344

However, since 74 loan applications totalling BZ\$ 656,270 do not appear in the NDF/B tables on which the following analysis is based, (56 for BZ\$ 244,640 are in process and the other 18 were probably rejected or withdrawn early in the loans application process), the total loans processed figures are utilized here and in Tables III through IX as an overall baseline to facilitate comparisons between the categories listed above.

The difference between total number of loans approved and disbursed (125 vs 111) gives additional insight into the loan process:

Total loans approved:	125	BZ\$352,202.50
Plus: refinancing and other adjustments		45,236.75
Minus: loans declined by clients	10	28,099.40
loans not yet disbursed	4	10,196.00
Total loans disbursed:	111	BZ\$359,143.85

In analyzing the 450 loan applications processed, it was found that 219 applications were completed in full -- or 48.7%, while the others (231 or 51.3%) were halted (i.e. rejected or withdrawn) prior to full completion of the two-part loan application. The amount of loans processed through completion of the full two-part loan application was BZ\$ 1,108,161, or 45% of total amount of loans processed. This suggests a high level of Management and Staff activity, care and time involvement in processing loan applications which probably would not survive Loans Committee scrutiny.

In its fifteen months of loan operations, NDF/B has experienced a credit demand of over BZ\$3,000,000 with 524 separate applications, of which almost BZ\$2.5 million were presented and processed in 450 separate applications. Of the latter it honored approximately one-fourth for 15% of total dollar demand. In other words, the ratio of potential clients to actual clients was 4:1, utilizing the loans processed figures (and about 5:1, utilizing total applications received figures). The ratio of total dollar demand to loans disbursed was between 7 and 8:1, utilizing both sets of figures. This compares favorably with a walk-in-to client ratio of 7 or 8:1 in other NDF's and reflects the rigorous application of criteria on the part of Management and the Loans Committee.

The loan decision process is divided between the Managing Director and the Loans Committee in that he is given discretion to authorize loans of up to BZ\$1,000. Of the 125 loans approved, the Loans Committee authorized 101 and the Managing Director authorized 24, or 19.2%. But, as is suggested above, a great deal of staff time is involved before this final decision point is reached.

NDF/B separates its loans portfolio into 12 business categories as well as by geographic designation -- the Districts. The twelve categories are divided into two major classifications:

PRODUCTION AND PROCESSING

Garment and Woodworking
 Shoes and Leatherworking
 Welding and Metalworking
 Crafts & Souvenirs
 Food Processing
 Agribusiness
 General Construction
 Other Micro-Industries

SERVICES

Retailing and Distribution
 Repairs and Servicing (mechanical, electrical, auto-body, etc.)
 Other Services

Table IV compares the top four categories (in terms of frequency of demand, i.e. number of applications, and in terms of dollar demand) of total loan applications processed; loans rejected or withdrawn; loans approved; and, loans disbursed.

Table V draws comparisons between reasons for rejection or withdrawal in the listing of loan applications rejected/withdrawn. There are six reasons listed for action taken:

Non-viable
 Not in Policy
 Proposed New Project
 Refinancing
 Client Withdrawal
 Decline by Loans Committee or Managing Director

Table VI selects four of these reasons and compares them to the business categories in terms of the top four (i.e. demand in dollars requested and in number of loan applications presented).

Table VII analyzes the top four business categories in terms of demand by comparing loans approved and loans declined by action of either the Loans Committee or the Managing Director.

Table VIII compares loans approved to loans disbursed in all twelve business categories.

Table IX compares loans approved to loans disbursed by District.

In terms of frequency of demand (number of loans) 60.7% of all loans processed were in four categories:

Food Processing	17.7%
Retailing & Distribution	15.2%
Other Services	14.8%
Other Micro-Industries	13.0%

The same categories appear in terms of dollar demand, which accounted for 66.4% of total dollar demand in all loans processed, but in different order:

Other Services led the list with 18.7% followed by Retail & Distribution, 16.3%; Other Micro-Industries, 16.2% and, Food Processing, 15.2%.

The same four categories appear as the top four in terms of demand but in differing order in the loans rejected or withdrawn.

When analyzing loans approved and disbursed, two retain a place among the top four (Food Processing and Other Micro-Industries) in terms of demand with two new categories appearing: Repairs and Servicing, and Furniture and Woodworking.

In terms of frequency of demand (number of loans) in both loans approved and disbursed, Food Processing tops the list with 18.13% of all loans approved and 19.8% of all loans disbursed. This category is followed by Repairs and Servicing (17.5%, loans approved vs 17.8%, loans disbursed); Furniture and Woodworking (16.5%, loans approved vs 16.8%, loans disbursed) with Other Micro-Industries in fourth place (13%, loans approved vs. 10.9% loans disbursed).

These four categories together represent just over 65% of the number of loans in the loans portfolio, approved and disbursed.

When comparing loans approved and disbursed in terms of dollar demand, Food Processing takes fourth place (14.4%, loans approved vs 16.1%, loans disbursed). The leader in loans approved is Repairs and Servicing with 21.3% of total amount of loans approved, followed by Furniture and Woodworking, 19.4%, and Other Micro-Industries, 17.0%. However, the leader in loans disbursed is Furniture and Woodworking with 21.7% of total amount of loans disbursed, followed by Repairs and Servicing, 20.4%, and Other Micro-Industries, 16.2%.

Together these four categories represent 72.1% of total amount of loans approved and 74.4% of loans disbursed. In other words, close to three-fourths of the loan portfolio is dedicated to these four categories. Table VIII lists the distribution among all categories for loans approved and disbursed. It is instructive to note that one category has never received any loans — General Construction, although NDF/B has received 12 loan requests totalling BZ\$141,150. In checking reasons-for-rejection tables, these loan applications were determined to be either non-viable, not in NDF/B policy or for a proposed new project. One made it through the initial screening but was finally declined at the Loans Committee and Managing Director level.

Apart from this category, all other categories are represented in the loans portfolio. The category representing the lowest frequency of demand was Shoes and Leatherworking, both in terms of loans approved and disbursed (1 loan) and in terms of total loans processed (3 loan applications). The next three lowest categories in terms of frequency of demand were Crafts and Souvenirs with 10 applications (5 approved and disbursed); Welding and

Metal Construction with 13 applications (5 approved and disbursed); and ,
Garments and Tailoring with 15 applications (10 approved and 9 disbursed).

Of the 111 loans disbursed the average loan size was BZ\$3236, although the Loans Committee is authorized to approve loans up to a ceiling of \$20,000. No loan exceeded \$10,000. If all loan applications processed had been approved the average loan would have been BZ\$ 5478. If the Loans Committee and the Managing Director had approved all loan applications reaching them for final decision the average would have been BZ\$5892. This reflects the determination of Board and Management to exercise caution during the first year of operations and assure that loans are being channeled to the target group and that each loan approved was viable and had a reasonable chance of repayment.

It may be, however, that NDF/B needs to take a more aggressive position if it is to meet its goal of numbers of clients and total loans and amount disbursed. While these are not specifically spelled out in the OPG documents, Board Minutes and Managing Director's Reports suggest that NDF/B has set higher targets. The OPG Agreement did indicate a suggested goal of "...400 micro-enterprises...assisted by this project..." In one sense, this goal has been surpassed in that 450 applications have been processed, since during the loan application process potential clients are exposed to two advisory consultations to assist them and the FEO to determine the exact purpose and amount of loan being requested. This is more fully discussed later in this section, but the two consultations have the effect of forcing the applicant to carefully assess his financial needs including a simple determination of cash flow, profit and loss and pricing practices.

However, if the intent is 400 micro-enterprises assisted with loans,

then NDF/B has some distance to travel in the third year of the OPG-funded project. This would mean an acceleration of the pace set in the fifteen month of loan operations from an average of 7.4 loans disbursed per month to 19.3 loans per month for the next fifteen months. This may be an unrealistic goal. A more plausible one might be to increase the size of loans and specifically target those enterprises where loan funds will measurably increase income and production as well as create employment.

Regarding revolving loan fund activity, projections implied in the OPG documents suggest that it was planned that the fund be capitalized by a total of BZ\$450,000 over the three-year period: \$100,000 the first year, \$240,000 the second year and \$200,000 the third. This would mean capitalization of the loans portfolio by \$340,000 by the end of the second year, or the period examined in the evaluation. As of this period: total loans disbursed equals BZ\$359,144; total revolving loan fund equals BZ\$378,658; total income (interest, etc.) equals \$31,544; and, total principal repayments equals BZ\$97,704. Revolving Loan Fund activity covers fifteen, not twenty-four months. NDF/B is essentially on target in terms of revolving loan fund growth and utilization.

While the loans program has provided loans to enterprises which are often referred to as high risk and to which no commercial bank would have provided credit other than possible consumer credit, it has maintained, through careful pre-loan scrutiny and post-loan monitoring, a remarkably low arrears position.

Its statistical tables show an arrears position as of June 1985 of 4.2% — total amount in arrears 30 days or more compared to total disbursements. Even if the more preferable ratio of arrears to total loans balance outstanding were utilized, the current arrears position -- 5.3%

would still reflect a favorable position for a financial institution lending to micro and small-scale businesses. Again, this reflects the tight control both the Loans Committee and the Managing Director exercise over the loans portfolio.

Careful analysis of NDF/B data indicates that this arrears position has not been maintained by artificially rescheduling or refinancing loans which are in trouble. Only nine clients have had principal payment temporarily waived when they have been able to prove mitigating circumstances. Ten loans have been refinanced but only to increase principal for justifiable additional expenses and these were processed in a manner similar to new loan applications.

The number of clients in arrears, however, is rather high — 27 or 24% of total loans disbursed. Again, careful analysis indicates that less than one-third of these are seriously in arrears. This is not reflected in the arrears statement since all loans in arrears 30 days or more are lumped together. A more realistic picture might be drawn by distinguishing between those which are between 30 and 60, 60 and 90, and over 90 days in arrears. It was also discovered that many who are currently listed in arrears had previously excellent payment records with some making loan payments in advance of deadline and/or paying more than due and some in arrears are making partial payments. The monitoring contacts of the FEOs with clients most certainly is responsible for much of this more favorable picture.

It should be noted that interviews with other lending institutions in Belize, other than the commercial banks, the arrears position is considerably higher. DFC (Development Finance Corporation) indicated it has a delinquency rate of between 30 and 34%. Help for Progress reported

only a 50% success rate (i.e. a 50% delinquency rate) in its loans program to agricultural cooperatives. The Credit Union League of Belize (CUL), while not specifying amount, suggested it would be highly pleased with the rate enjoyed by NDF/B.

Discussions with managers of the commercial banks provided further insights into the credit situation in Belize. Credit is not only tight, there is very little loan money available, particularly for risk capital, and most certainly none for the clients served by NDF/B. NDF/B appears to be one among extremely few or no alternatives for a micro or small-scale entrepreneur seeking credit.

In analyzing the performance of its loans portfolio NDF/B pays attention not only to collections and arrears but also to costs of maintaining the portfolio and income derived from it. During the period under examination portfolio income (interest, administrative fees, and other) amounted to BA\$31,544, or an amount equal to almost 9% of the amount of loans disbursed to date. Loan portfolio cost per loan disbursed is BZ\$1010 and per dollar disbursed is \$.33. The trend indicates that these will go down as the portfolio increases in size (currently the revolving loan fund is BZ\$378,816) and as volume of loans and amounts loaned also increase. Ratio of total income to loan portfolio is 27%. Rate of loan repayment reflows is also 27%. These rates are based on January 1984 through June 1985 figures. When organizational costs (August through December 1983) are included these rates vary only slightly. For more complete details see Table X, which was compiled by NDF/B. This Table is but one example of the number of statistical tables compiled by NDF/B so that Board, Loans Committee and Management can monitor trends and maintain control of the loans portfolio.

It is instructive to compare the NDF/Bs actual loans portfolio experience with the findings and recommendations contained in the SSE survey conducted in late 1983 under the project -- A Survey of Micro-Enterprises and Small-Scale Businesses in Belize. It should be noted, first of all, that due to various circumstances, NDF/B did not utilize this report in defining its loans criteria, policies and procedures. There will, therefore, be some differences, the most important being in recommended loan size -- ceiling and floor.

The SSE Survey identified twelve categories which vary only slightly from those utilized by NDF/B:

NDF/B CATEGORIES	SSE SURVEY CATEGORIES
Furniture/Woodworking	Woodwork/Furniture
Garments/Tailoring	Garments & Related
Shoes/Leatherworking	Shoes/Leatherworking
Welding/Metal Construction	Metal Work
Crafts/Souvenirs	Crafts & Related
Food Processing	Food Processing/Distribution
General Construction	Construction/Materials/Supplies
Other Micro-Industries	Other Manufacturing
Repairs/Serviceing (mech,elec, auto)	Mechanical/Auto Repair
---	Electrical Repair
Other Services	Other Services
Agribusiness	---
---	Beauty Care Services
Retailing/Distribution	---

The Survey compiled statistics on 143 enterprises interviewed. The table illustrating "mean loan demand" within these categories lists 60 respondents. The top four categories in dollar demand were Metal Work, Mechanical/Auto Repair, Electrical Repair, and Woodwork/Furniture in that order. The top four of all 143 enterprises in terms of average loan demand were the same four but in a different order: Electrical Repair, Woodwork/Furniture, Metal Work, and Mechanical/Auto Repair.

By frequency of demand, or at least in terms of number per category, the top four in the list of 60 were Mechanical/Auto Repair (16.7%), Garments & Related (16.7%), Woodwork/Furniture (13.3%), and Metal Work (11.7%) while the top four in all 143 enterprises were Mechanical/Auto Repair (24.4%), Woodwork/Furniture (16.1%), Food Processing (10.5%), and Crafts (10.5%).

Actual NDF/B experience in all loans processed indicates that in terms of frequency of demand Food Processing led the pack with 17.7%, followed by Retailing/Distribution (15.2%), Other Services (14.8%) and Other Micro-Industries (13.0%). These four were also the top four in dollar demand but in a different order: Other Services (18.7%), Retailing/Distribution (16.3%), Other Micro-Industries (16.2%), and Food Processing (15.2%).

The differences between the Survey and experience may be accounted for by the fact that the leaders in the Survey list displayed a higher per loan demand than the NDF/B has disbursed with average and/or mean loan demand (for Survey respondents) ranging from a low of BZ\$9,857 to a high of BZ\$31,700. These categories of businesses may have been inhibited from approaching NDF/B anticipating that their credit needs were in excess of the amount which NDF/B would authorize. The one exception would appear to be Food Processing which (while in the table listing average loan demand the figure given for this category is \$9,135) in the table listing mean loan demand and in more than one place in the narrative the Survey indicates that this category represents the lowest dollar loan demand with an average of BZ\$1,025.

Based on its analysis of both mean as well as average loan demand, the Survey suggests that NDF/B should establish a ceiling of BZ\$35,000 and a

floor average of BZ\$1,025, with an overall average loan of BZ\$7,700. NDF/B has a ceiling of BZ\$20,000 while its current average loan is \$3,236 of loans disbursed.

Based on a projected revolving loan fund of BZ\$540,000 for the three-year period, the Survey states:

"The evidence suggests that NDF/B should service a minimum of 78 small-scale business loans over the first (3) years of operations."

Conceding that this might be too low a figure the Survey states:

"...it is not expected that the total number of loans processed will exceed 156 (or double the 78) over the three years, given the evidence."

NDF/B has disbursed 111 loans to date and, all things being equal, will certainly exceed 156 by the end of the third year of the OPG-funded project.

The difference between the Survey and experience probably lies to a great extent in the disparity between the Survey-suggested average of BZ\$7,700 and the actual NDF/B average of BZ\$3,236. If the actual average loan had been \$7,700 and the total amount of loans disbursed had remained constant then the number of loans disbursed would have totalled 47 to date. The Survey projected 38 loans by the end of the second year. NDF/B would have exceeded this by 9 loans in the hypothetical case just stated.

The comparison is not meant to criticize either the Survey or NDF/B. Each was apparently operating from different premises: NDF/B opted for greater coverage, i.e. number of clients served, while the Survey aimed for reduction of processing time with fewer loans for larger amounts.

The Survey did confirm the fact that the SSE Subsector has extremely limited options for access to credit and that there was a critical need for an institution such as the NDF/B.

b. The Loan Application Process

While many details regarding the actual procedures utilized to process loan applications have been listed implicitly or explicitly above, this subsection takes a look at the step-by-step process involved in both the screening of applications and of disbursing loans.

There is a basic eight-step set of procedures involved from the time a potential client contacts NDF/B until a loan is actually disbursed. Each point also provides opportunity for disallowing or rejecting the loan application, or referring it back for additional study or data. In brief, these are:

- Initial contact;
- Initial assessment of potential;
- FEO assignment by Loans Officer;
- On-site visit by FEO;
- Management assessment of potential;
- Additional data requested and/or application prepared for Loans Committee action;
- Loans Committee approves (rejects) application;
- Loan disbursement procedures are activated.

These and the steps involved after disbursement are graphically presented in a Flow Chart prominently displayed on the wall of the NDF/B office where Staff, Management and clients can refer to it. It is also reproduced in a three-legal-size page fold-out for desk use.

This deceptively simple outline camouflages the amount of time and energy devoted by Staff, Management and Loans Committee in reaching final decisions regarding loans to be approved and disbursed. This involves desk and field time on the part of the FEO, consultations between the FEO, the Loans Officer, the Accountant/Officer Supervisor and the Managing Director on an individual basis as well as in weekly loan applications meetings. The careful scrutiny involved in determining whether a loan application meets loan criteria and will survive final analysis by the Loans Committee

(or the Managing Director for loans of BZ\$1,000 or less) is illustrated by the fact that of the 450 loans processed to date, only 168 (37.3%) made it to the final decision point and 43 of these (25.6%) were rejected by either the Managing Director of the Loans Committee while the other 125 (74.6%) were approved. While this 3:1 approval ratio at the Managing Director/Loans Committee level is impressive it is due largely to the efforts of the FEOs with support from Management and Staff.

The FEO's task is not completed when a loan is disbursed. He is required to make monthly visits to each client assigned to him, and fortnightly visits when the client is determined to be in arrears. The monthly visits are utilized to provide on-site business guidance and advice to the client in such matters as records keeping, basic marketing and sources of supply for materials and/or equipment as well as to assure timely repayment of the loan.

The loan application form consists of two parts. Part One covers items such as general information (name and address of applicant, marital status and sex, dependents, employment history and business experience); project description (business category, status of business -- established, new or proposed, employees, status of premises -- owned or rented, and references); and particulars regarding the loan request -- amount and purpose. A concluding section provides space for FEO and Loans Officer preliminary assessment and recommendations.

Part II of the application form covers additional details and data regarding the business and the purpose of the proposed loan: marketing and management information; personal and financial information; technical assistance and training needs; business financial assessment (average month's income/expense statement and balance sheet); proposed loan

arrangements (proposed collateral/security); proposed repayment schedule; and a certificate of agreement signed by the applicant. A concluding section provides space for FEO, Loans Officer and Managing Director final assessment and recommendations.

Since most if not all NDF/B clients have no experience filling out this type of application, the FEO must go over each point with the prospective client, explaining and extracting the desired information and data. He must construct as best as possible the financial statements which are required utilizing whatever records or data the applicant has or can secure. A time consuming task. The FEO must also be able to defend his recommendations (positive or negative) regarding the loan application.

Not surprisingly the processing time is not brief: average for the fifteen month period has been 75 days although Management and Staff are working on ways to reduce it. When the five shortest periods as well as the five longest periods of loans processed to final decision are subtracted from the total the average is 67 days. DLF indicates an average of about 90 days. The SSE Survey recommended that an additional 30 days be added to the DLF 90-day period, for a suggested total of 120 days "...to account for the learning curve, and other diseconomies such as start-ups..."

During most of the fifteen month period the field and basic staff work involved in the loan process has been conducted by a staff of three FEOs with support from other Staff and Management. This suggests an average case load of 37 clients per FEO for loans disbursed and 41.7 for loans approved. Surprisingly, the SSE Survey suggested a caseload of 12.6 clients per FEO increasing incrementally from 3.3 the first year, 9.3 the second, and 13.3 the third. However, this is based on a substantially

fewer number of loans as well as a substantially longer turnaround period (120 days) for loan processing.

The SSE Survey recommended that the NDF/B charge an interest rate ...based on prevailing rates that commercial banks charge to their most credit worthy customers..." The 12% p.a. rate charged by NDF/B at first appears to be concessionary in comparison to prevailing commercial rates until one analyzes the manner in which it is calculated: interest is charged up-from, making the effective annual rate closer to 23%. NDF/B claims that SSE clients do not object to the rate and this is substantiated by the mini-survey conducted as part of the Evaluation in that no client interviewed expressed disapproval or questioned terms of his/her loan. A longer repayment period or adjustments thereof appeared to be of more concern.

The impact of loans on clients, in terms of increases in income/production and employment, are discussed in a later section on the target group.

2. The Technical Assistance and Training Component

While the loans portfolio and the credit component of the NDF/B Program are relatively easy to study and assess given its tangible nature and the careful manner in which data collected, aggregated and analyzed by Board, Loans Committee and Management, the technical assistance and training (TAT) component is more elusive and difficult to analyze.

While four basic TAT interventions are carried out during loan processing and early disbursement and collections, and follow-up on adaptation of TAT is an integral part of loan monitoring, it would appear that this component is not as strong as it could or should be and possibly does not receive as much intensive emphasis as the credit component. It is

understandable that this situation should prevail during the early months of loan operations when Board and Management attention was concentrated on assuring adequate and efficient utilization of limited loan funds.

Another mitigating factor is staff size and depth of experience and training of the FEOs. Nevertheless, given the caseload each FEO carries (and to the average caseload listed above it is necessary to add the amount of time an FEO spends with potential clients whose applications are eventually turned down) they perform an invaluable advisory and guidance service to clients.

During the phase when the FEO works with a potential client soliciting data and information in order to fill out the two-part application form, the FEO engages in two TAT interventions. He must get the applicant to provide information regarding the financial status of the business in order to construct the financial statements required. This involves not only the extraction of information from the client but explanations as to why the information is important to the client in order to improve his business efficiency and operations. Clients are required to accept this guidance as a pre-condition for loan eligibility. The FEO also assists the potential client in identifying possible outlets for supply of equipment or materials to be purchased with the proposed loan, suggests some rudimentary changes in production or operations and in marketing. The FEO also insists that the potential client begin keeping business records and provides training in how to do this.

After a loan is approved the FEO conducts two other specific TAT interventions: one during loan disbursement procedures and one during early monitoring of the loan. These are complemented with ongoing advice during regular monitoring visits in which the client is encouraged to

discuss any problems he is experiencing in running his/her business and his/her records are checked to assure that they are being kept adequately.

However, in conducting the mini-survey of the randomly selected clients it was observed that this aspect of the NDF/B Program is not fully appreciated or understood by the clients. This has also been the experience of other NDFs. It is reasonable to assume that some, maybe many, of the SSE clients are only maintaining their record keeping because it is a requirement and will probably revert to their former habits after the loan is paid off and the monitoring visits have ceased. The FEOs confirmed this suspicion. Again, this is not unusual. Experience in other NDFs suggests that the task of teaching SSEs basic business skills and practices is a long and tedious one which needs constant reinforcement. Entrepreneurs must be motivated to embrace and implement improvements in their business practices and procedures because this is in their own best interests.

The Board and Management identified this weakness in the Program and determined that it needed to be corrected by planning and initiating a more thorough training program for micro and small-scale entrepreneurs. The proposal honored by IAF, discussed previously, specifically addresses this problem and, utilizing the grant of US\$20,000, NDF/B will move speedily to implement it. The Peace Corps has agreed to provide a PCV to assist in launching and conducting the program. It will involve not only one-on-one but group training as well. In order to maximize the utilization of the grant funds, NDF/B is canvassing other organizations such as the DFC, Help for Progress, CUL and others in an effort to combine resources, complement efforts and provide greater coverage in the SSE community.

The SSE Survey addressed the need for technical assistance and

training on the part of micro and small-scale entrepreneurs. While it did identify critical areas where such assistance is needed and found that the majority of entrepreneurs interviewed keep no or inadequate records, it concluded that assistance or advice on improving production is not needed:

"The Survey did not suggest a need for NDF/B to provide technical assistance other than management and marketing assistance to small businesses ... not one firm interviewed indicated ... a problem in the area of production."

This is rather surprising since NDF/B experience suggests the opposite and during the Evaluation mini-survey of NDF/B clients several indicated a desire for just such assistance when asked what NDF/B could do to improve its Program. However, in fairness to the SSE Survey it should be noted that determination of exact technical assistance and training needs of the SSE Subsector is very difficult of achievement in a question-and-answer type of interview. It requires a more in-depth analysis and observation of operations. The entrepreneur is often unaware of his deficiencies, and, therefore, cannot respond accurately. The SSE Survey did recommend a course of action for the NDF/B which the Evaluator feels is valid and worthy of note:

"While NDF/B may require firms to accept technical assistance as a condition for granting a loan, care must be taken to avoid the technical assistance scheme from being implemented in an arbitrary fashion. Technical assistance is only as good or as bad as the intermediary who is administering it and skills are only transferred to the extent recipients are willing to be trained. Therefore, NDF/B should clearly understand the needs of small-scale firms before devising and implementing a technical assistance scheme."

The NDF/B has shown insight in taking the steps it has taken by planning a training program based on its experience and observation of TAT needs of its clients. Future evaluations will determine whether the analysis leading to the planning and implementation of its new training program for the SSE Subsector was sufficiently thorough in identifying the most critical needs.

3. The Target Group

This subsection seeks to identify the group which has been targeted by NDF/B in its Program, in terms of basic characteristics. While some of the characteristics have been identified previously (i.e. categories of business which have requested loan assistance compared to those which have received it) most of the following is based on the Evaluation mini-survey reinforced by interviews with clients, Staff and Management. This will be compared with the findings of the SSE Survey.

Initially, the target group is identified as entrepreneurs who are denied access to commercial credit have assets of BZ\$25,000 or less and employ ten employees or less, although in practice the number of employees has not been a limiting factor since one could list five as the limit without prejudicing any loan which has been approved or disbursed.

The majority of entrepreneurs are sole proprietors, although some partnerships have been favored with loans. The majority of entrepreneurs are male. Loans have provided protection of existing jobs and, to a lesser extent, the creation of new jobs. Loans have also assisted some entrepreneurs to increase production and/or income.

One of the most critical indicators in terms of impact on the SSE Subsector is the degree to which jobs have been protected and new jobs have been created. The following statistics present a comprehensive picture of NDF/B impact on the employment scene:

NDF/B DATA (out of a total of 111 loans disbursed)		
Jobs protected	130	
Male	115	88.5%
Female	15	11.5%
New jobs created	57	
Male	51	89.5%
Female	6	10.5%
Total number of jobs created/protected	187	
Ratio of these to loans disbursed	1.7 to 1	

It should be noted that these statistics are not based on estimates made only at the time a loan is processed and approved but are verified by FEOs during monitoring visits. While the Evaluation mini-survey addressed the question, the data does not indicate number of jobs protected or new jobs created, only the number of entrepreneurs indicating whether the loan had helped create new jobs. This data was verified with the responsible FEO:

MINI-SURVEY FINDINGS (total of 27 clients interviewed)

Number of entrepreneurs reporting new jobs created:

Full-time	8	30%
Part-time	4	15%

When asked if income had increased as a result of the loan or remained the same, the responses were by number of entrepreneurs responding:

Income increased	17	63%
Income remained same	9	33%
No response	1	4%

In terms of ownership -- sole proprietorship vs partnerships, the responses were: (% is of total respondents -- 27)

Sole Proprietor	23	85%
Male	18	67%
Female	5	19%
Partnership	4	15%
Male/Male	3	11%
Male/Female	1	4%
Female/Female	0	-

These data are found in more detail in Annex B, where a breakdown is given by District as well.

The mini-survey findings are presented in four tables:

- I Ownership, Business Category, Loan Purpose
- II Manner in which clients heard about NDF/B
- III Pre-Loan Experience (processing of loan)
- IV Post-Loan Experience

The questionnaire utilized is also presented as well as a descriptive narrative listing some of the commentaries made by the respondents.

It is interesting to note that the majority of these heard from a friend (52%).

With reference to processing time involved prior to receiving the loan, most respondents felt that it was either "about right" (56%) or "very quick" (19%) with only 26% indicating that it was "too long", even though 63% had to wait for a period of over 60 days, according to NDF/B records. By their own estimate, only 34% estimated that the waiting period was over 60 days.

Attitude towards loan terms was expressed as "OK" by a sizable majority — 89%, with only 11% suggesting that they could be improved in terms of repayment period but not interest rate. None indicated "not OK".

In response to a question of whether they had received any practical advice or guidance 11% indicated "no"; 4% did not answer; 85% responded in the affirmative and all of these indicated that it was "just right". No one suggested that it "could have been better". However, when pressed for details of the nature of the advice many were vague but essentially indicated that it had to do with ways of doing things better while some gave responses that suggested that the advice had to do with the keeping of records.

The SSE Survey found a female ownership rate of only 8.4% of the businesses it surveyed, compared to 19% in the Evaluation mini-survey. (Not surprisingly, 25% of the male owned firms were in mechanical/auto repair.)

86.4% of the businesses were sole proprietorships and 13.6% were partnerships (mini-survey indicated 15% partnerships). It did not indicate

how many of the latter were male/male, male/female or female/female partnerships.

The SSE Survey suggested a target group for NDF/B exhibiting the following characteristics:

- "firms which have applied for commercial credit from bank and non-bank institutions, but were rejected,
- firms which have never applied for institutional credit but lack fixed assets, and
- firms which sought credit from informal lending sources only and lack fixed assets."

It also noted that 53.1% of entrepreneurs interviewed " ... indicated that they kept no records. Of those firms which maintain records only a few kept records of their account receivables/payables or kept records of their sales. No firms kept records of their wages and salaries or of their profits and losses." NDF/B experience supports this finding.

The SSE Survey also stated that "Adequate marketing is one of the main problems confronting small-scale enterprises ...", a finding which is also supported by NDF/B experience and one which it hopes to address in its new training program as well as by tapping other resources in the community.

B. The Foundation

This section deals with the foundation itself -- its organizational structure, the roles and relations of the Board, Management and Staff; and its institutional development. These are covered in two subsections.

1. Organizational Structure, Roles and Relations

The Memorandum and Articles of Association specify that the foundation will consist of a membership of individuals drawn from the private sector which will meet annually to review past year activities and discuss future directions and elect the Board. Membership was divided into

four categories: Founding (with voting rights), Sponsoring (with voting rights). Initial membership was 14 , now stands at 16 and is expected to grow to 100.

a. Board

The Board consists of 11 members, though it may have as many as 15. It is made up of a cross-section of the private sector including business and professional persons and farmers. One member is a woman. It is headed by a Chairman elected at the Annual General Meeting. There is also a Co-chairman. Its current committee structure consists of five: Fundraising and Membership, Finance and Audit, Loans, Public Relations and Executive. The two most active are the Executive Committee and the Loans Committee. The Board has temporarily assumed the functions of the Fundraising Committee.

The Board regularly meets on a monthly basis and ad hoc as the occasion arises. The Executive Committee and the Loans Committee meet at least once a month and more frequently as needed.

The Secretary of the Board is also the Managing Director of the NDF/B and is also elected at the Annual General Meeting.

A perusal of Board Minutes indicates that the meetings are not perfunctory -- the Board does not automatically rubberstamp the decisions and recommendations of either the Executive Committee or the Managing Director. Discussions are lively and, at times, heated. The Board takes an active interest in the operations of the foundation not being content just to deliberate and define policy. It has clearly left its stamp on the foundation and its program.

From the beginning of this Evaluation period (July 1983), it indicated the desire to create a degree of distance and independence from

PADF and, while accepting the NDF Model proposed by PADF, it set out to create and mold a foundation and a program which should reflect the concept of such a foundation held by the Board. One of its major guiding principles "... from day one ..." (to quote one of the Board members) was to seek and establish self-sufficiency. While it deliberated the possibility of operating its lending program in conjunction with one of the local banks through a guarantee program (as is done in some other NDFs), it decided that it should operate the whole program and recruit and train appropriate staff to do so. Actually, this is not inconsistent with PADF policies. Several NDFs run their own lending programs. But the Board wanted to assure itself that it was not just recreating the NDF model. It was determined to develop a truly Belizean institution that was responsive to Belizean needs.

It should be noted that although NDF/B at times perceived PADF's actions and advice as unnecessary interventionism and, possibly, thinly disguised attempts at controlling the NDF/B, it recognizes that PADF policies in assisting the creation and establishment of NDFs have been to assure that each one be a truly indigenous institution founded and run by the local private sector. In this respect, it differs from many other U.S. PVOs which initiate and implement activities by in effect setting up branch offices. PADF insists that each new foundation goes through the necessary steps for legal recognition and registration -- that these are not branch offices.

In cases like the one in which PADF was instrumental in assisting in the formation of the NDF/B and is the recipient of an AID grant for this purpose, it does have a contractual responsibility with AID to assure that the project thus funded is managed well and that funds are disbursed

according to AID regulations and procedures. Its approach and methods employed in taking the necessary safeguards may be perceived by some foundations as excessive.

However, PADF policy is to move these foundations into a posture where they can apply directly to AID (at the conclusion of the first grant period) or to any other international donor during the grant period and provide assistance to the foundation in preparing the necessary proposals.

It is unfortunate and regrettable that PADF's intentions were not clearly understood and that misunderstandings arose which clouded the relationship between the two foundations.

The Board did seek PADF guidance in setting up administrative procedures and developing its lending, accounting and in-house training procedures. It also relied on PADF to provide some of the direct training of staff, particularly the FEOs. It availed itself of the opportunities provided by PADF to send Board members, the Managing Director and/or staff to PADF seminars.

As is apparent from the foregoing sections of this Report, the Board has left its clear imprint on the foundation it created.

b. Management and Staff

The management of the foundation is essentially the responsibility of the Managing Director. While the organizational chart of NDF/B lists an Assistant Manager/Financial Controller, this position remains vacant.

The Managing Director is assisted in performing his management duties by the Accountant/Office Supervisor and the Loans Officer, who in turn supervise the activities of staff assigned to the two major divisions of the Foundation. The Loans Officer (a Peace Corps Volunteer currently filling that position) supervises the operations of the foundation at the

staff level. Three field extension officers (FEOs) are assigned to this division of the foundation (one position is temporarily vacant). There is also a Statistical/Education Officer position, which is currently vacant, but NDF/B anticipates the arrival of another Peace Corps Volunteer who will assume at least most of the functions of that position. The Accountant/Office Supervisor supervises the administrative functions of the foundation at the staff level. Assigned to this division are an Accountants Clerk, a Secretary/Typist, a Typist/Receptionist/Cashier and a Messenger/Janitor. There are no vacancies.

The NDF/B is considering adding an additional position to the field operations staff -- a loans collection officer -- when volume justifies it. This would relieve the FEOs of one of their current duties and provide them with more time to process loans and provide business guidance and advice to clients. It would also separate assistance functions from policing functions which are currently combined in their job assignment.

It was noted that staff operates as a team, but lines of communication and authority are maintained and respected. Staff must approach the Managing Director through their respective supervisor. This is also characteristic of Board/Staff relations. Board members do not by-pass the Managing Director to communicate with or give instructions to the staff.

Morale appears to be high. All staff members were interviewed and each indicated a high degree of job satisfaction and pride in working for an organization such as NDF/B. One staff member stated that of all organizations for which he had worked, NDF/B was the only one of which he felt a part. Discussion and comments are encouraged and even solicited at staff meetings.

This clearly reflects the unique management style of the Managing Director. While maintaining tight control of operations and administration he does not distance himself from the staff. Perhaps the statement made earlier "... staff must approach the Managing Director through their respective supervisor ..." suggests otherwise. Rather, the point to be made is that both the Managing Director and the staff respect the established authority/responsibility assignments.

A monthly work schedule has been prepared by the Managing Director which indicates by week and by day when scheduled activities or meetings are to be carried out or held. No day is without some scheduled activity. Each member of the staff has his/her own copy. There are regularly scheduled staff meetings (with agenda), loans application meetings and loans portfolio meetings. This all may suggest a high degree of rigidity and discipline. In practice it was observed that there is some flexibility and when circumstances and other events interfere there is room for adjustments. At times this may create time problems particularly for the FEOs who must report into the office for scheduled events only to find that these have had to be postponed.

Quarterly targets are set and checked for the accomplishment of both the processing and monitoring of loans. This includes time allotment by percentage for processing new loans, monitoring existing loans and performing in-office duties.

Essentially the foundation is a tightly run organization with little confusion as to who is responsible for what duty or activity. Again, this reflects the management style of the Managing Director. The various meetings, scheduled as well as ad hoc, are opportunities not only to review activities and progress, but are also utilized as forums for pep talks, orientation and instruction.

2. Institutional Development

a. Administrative Systems

Management has designed, and Board approved, a manual which incorporates various statements and procedures designed during the course of the past two years. These range from "Loans Policy and Criteria", "Administration Policy and Procedures", "Terms and Conditions of Employment", "Loans Approval Procedures", and "Finance and Accounting System and Procedures." Also included are flow charts and diagrams for use in office operations and personnel management.

Strict budget control is maintained and tables are prepared monthly showing in detail anticipated expenditures compared to actual. It was noted that in many months NDF/B underspent the monthly budget. These and other reports are given to the Board on a monthly basis.

The first external audit report (September 30, 1984) stated that:

"The Foundation has kept proper books of accounts and has all transactions supported by objective, verifiable evidence. Loans are substantiated by promissory notes and reconciliations are in order ... the Foundation operated in conformity with agreements ..."

The report is basically complimentary in tone.

A Financial Analyst from the AID Controller's Office in Tegucigalpa, Honduras visited earlier this year and found things in order. This was reported to the AID Representative in Belize on March 29, 1985. He did note that the foundation is lagging in its fundraising goal. He also indicated that he had "... advised the Foundation that AID funds should be kept separate from other Foundation funds ..." adding the comment that the "... accountant indicated he would comply with (this) suggestion."

NDF/B's fundraising activity are discussed in the section on External Relationships, since this is basically a function of soliciting tangible support from the community.

b. In-house Training

In January 1984, NDF/B instituted an in-service training program. Training provided by external organization (i.e. PADF) is discussed in the next subsection. This has been complemented by on-the-job training provided by the Managing Director to the staff, particularly the FEOs. The Peace Corps Volunteer, a CPA, provides informal training as part of his supervisory functions. The Board approved the underwriting of the cost of an accounting course in a local institution in which each of the FEOs has been enrolled. The PCV has provided some coaching to the FEOs as a complement to this course.

c. External Technical Assistance and Training

Under terms of both the OPG agreement and the NDF/B-PADF joint agreement, PADF is committed to provide technical assistance and training to NDF/B (Staff, Management and Board. Some of this was to be in conjunction with regularly scheduled PADF seminars and forums. Several Board members have attended these seminars, including the Managing Director. The FEOs and the Accountant attended a seminar specifically designed for field extension officers. All interviewees indicated varying degrees of satisfaction with these various training programs.

However, the agreements specified that PADF was also to provide training and technical assistance directly in Belize. The training provided is more easily identified. The FEOs were provided training early in 1984 in a variety of topics specifically addressing the type of work they would be performing. This was followed sometime later with a one-week course conducted by another PADF official, focusing on accounting principles. Finally, as a follow-up to the out-of-country seminar, the second Project Officer conducted a two-day training course for the FEOs.

The FEOs expressed their basic satisfaction with training provided but indicated a need for additional, in-depth training, when interviewed during the Evaluation.

While the NDF/B-PADF agreement does not specify details, the first PADF Project Officer outlined a nine-week course for FEOs which he planned to give in three three-week segments over a period of several months within the first project year. This, obviously, has not been done. The Projects Officer left PADF before he provided the last two segments. There remains a balance of 4.5 weeks (or to be precise, 4 weeks and 3 days) to be provided. It should be noted, however, that the PADF official who provided the one-week course in accounting principles offered to return to give additional training in the application of these principles to the type of work done by the FEOs, with the pre-condition that they enroll in a local accounting course and complete it prior to his return.

As of the date of the Evaluation the FEOs had not completed the local course. This point, regarding PADF training, will be picked up in the discussion on relations between PADF and NDF/B in the section on External Relationships.

Technical assistance is a term so widely used, embracing so many functional areas that it has lost the specificity it once had. While it is apparent both from reading the PADF progress reports and the various trip reports and from discussions with NDF/B Managing Director and PADF officials, including the second Project Officer and his trip reports, that PADF did provide advice in a wide range of topics, including suggestions for setting up the accounting systems and the development of some of the other procedures (and NDF/B did accept some of this advice, adapting it to its own needs and style), the perception persists on the part of NDF/B that

the visits made by PADF project officers and other officials were essentially stop-overs between visits to other projects and countries and were basically monitoring visits.

C. External Relationships

NDF/B has fostered and maintained relationships with other institutions and organizations, both international as well as Belizean. The more important ones are discussed here in three separate subsections beginning with its relationship with PADF, followed by relationships with other international institutions and terminating with a look at its Belizean relationships.

✓ 1. PADF-NDF/B Relationship

Historically these have passed through four phases. The first phase was characterized by good feelings on both sides when the idea and concept of a development foundation in Belize was germinating. The second phase involved the preparation of the proposal for OPG funding, which is when the relationship began to sour, followed by the third phase (initial project implementation) when the relationship had substantially deteriorated. The fourth phase, has no identifiable specific beginning date but is roughly coincident with the naming of the second project officer. During his assignment, a number of differences and grievances were addressed with many solved. This marked the beginning of a new, improved relationship between the two foundations.

An illustration of the changes between the third and the fourth phases is found in the first progress report prepared by PADF (under terms specified in the OPG agreement) for USAID/Belize. The report was submitted to both USAID and NDF/B in September 1984, seven months later than its due date of January 1984. Because of strenuous objections by NDF/B to the

report as presented, PADF submitted a revised version in March 1985, when it also submitted the second progress report. The revised version clearly and frankly addressed the issue of the soured relationship:

"The most serious problem in this period was the fact that for a considerable part of this period the relationship of trust and cooperation between PADF and Belizeans was called into doubt by the Belizeans."

The report goes on to state:

"Many instances of PADF communication both directly with Board and Management as well as with other Belizeans was called into doubt by the Belizeans. Many instances of PADF communications both directly with Board and Management as well as indirectly with other Belizeans and about NDF/B, seemed to the Board to be callous, self-serving, patronizing and insensitive despite the fact that PADF ... was seeking to be supportive and cooperative... The results were a growing feeling within NDF/B Board and Management that NDF/B was not important to PADF as a development activity and that PADF wanted to control the Board."

The report then indicates that the period (of the report) ended with signs of improvement in the relationships, due to actions and initiatives on both parts, and suggestions were made for ways of reinforcing this favorable trend.

The Evaluator postulates several reasons for this situation. First, and probably most importantly, the fact that PADF found it necessary to assign several different project officers to the project (with periods when there was none) created a discontinuum of contact and coverage, with each newly assigned project officer (presumably) picking up where the previous one left off while introducing his own style and approach.

While the NDF/B-PADF agreement specifies seven general areas in which technical assistance and training would be provided, these were not broken down into specific topics to be covered and each project officer's (with the exception of the third) trip reports did not detail and list areas which were covered and indicating areas where additional technical assistance was required.

Even if advice is not accepted and acted on -- or only partially -- it cannot be stated that it was not provided. A detailed trip report would at least document what the project officer felt he had accomplished. Some consulting firms require their consultants to prepare a list of planned topics to be covered in each visit which is reviewed with the recipient organization at the beginning of the visit and again at the conclusion. Some even require that both parties sign the list.

Technical assistance interventions with a proposed schedule were not planned in conjunction with NDF/B. NDF/B was advised, sometimes only days in advance, when the project officer would be coming to Belize. Effective technical assistance is a two-way street and involves the active participation of both parties -- the provider as well as the recipient -- agreement on the part of the recipient that it is needed and will be applied and on the part of the provider that it will be provided in a timely manner.

PADF clearly had a monitoring responsibility implicit in its signing of the OPG agreement requiring not only the review of reports submitted by NDF/B but also on-site visits. Possibly project officers did not make a clearcut enough distinction between their monitoring and their technical assistance functions. They and other PADF representatives may have been satisfied that they had provided timely advice and this could be labeled "technical assistance". NDF/B viewed most of this as monitoring.

Both PADF and NDF/B insist that relations have improved although NDF/B perceives some pending issues:

- utilization of the balance of the OPG U.S. dollar funds;
- what international travel costs incurred by NDF/B are covered under the OPG U.S. dollar component;
- whether a budget line-item of US\$21,000 (in the PADF-NDF/B agreement) is a cash or in-kind contribution;
- the exact composition of the technical assistance and training

which PADF is committed to provide to the NDF/B as specified in both the OPG agreement and the PADF-NDF/B agreement -- what balances are left and, particularly, whether the balance of FEO training will be provided and when.

It should be noted that when one compares the OPG agreement budget and the financial statement (including budget) attached to (but not referred to) in the NDF/B-PADF agreement, the amount designated for PADF technical assistance and training does not represent a substantial proportion of the \$142,000 grant: 33.5% of the total grant and 40% of the amount designated for overall PADF costs:

<u>Line Items</u>	<u>PADF</u>	<u>NDF/B</u>
Technical Assistance	\$15,000	
Training	17,000	
Commodities		\$52,000
International Transportation	16,400	10,000
Survey/Evaluation	9,000	
Overhead	<u>22,600</u>	<u> </u>
Totals	\$80,000	\$62,000
Total US\$ Grant -- \$142,000		
Expenditures (Preliminary)	<u>61,839</u>	<u>40,717</u>
Balance as of July 1985	\$18,161	\$21,283

Comparing budget, expenditures and balances, it would appear that there is a minimal amount available for the third year, while the available NDF/B balance is in commodities.

Substantial savings were realized in the commodities component in that NDF/B purchased some of its equipment and furniture locally and PADF has arranged with PACT for the donation (outside of OPG grant funds) of a computer.

2. Other International Relationships

a. USAID

The relationship between USAID and the NDF/B appears to be excellent, although, apart from reporting through the intermediation of PADF, it is not based on a direct contractual arrangement. However, regular contact is

maintained between the two and NDF/B provides copies of the reports it sends to PADP directly to USAID. USAID officials are invited to attend and participate in NDF/B functions. USAID is also satisfied that NDF/B is effectively reaching a target group which it feels is one which critically needs the type of assistance being provided by NDF/B.

As NDF/B assesses its future directions and needs for additional funding support, it is possible that it will enter into a more direct relationship with USAID.

b. Peace Corps

Apart from the PCV currently assigned to NDF/B there was another one who completed his assignment prior to the Evaluation. Peace Corps is about to assign another volunteer to work with NDF/B to assist in the development and implementation of its training program. The contribution of the Peace Corps represents not only a strengthening of staff composition and experience, but also some budgetary relief in that the current PCV is filling the position of the Loans Officer which otherwise would have to be filled by a hired employee. However, this represents only temporary relief since NDF/B will have to plan and budget for the eventual filling of that position. The same holds true for the PCV who will soon be assigned.

The volunteer indicated his satisfaction with his assignment and stated that it was a valid learning experience for him while, simultaneously, he felt he was making a useful contribution. The NDF/B Managing Director concurred in this assessment.

The Peace Corps Director also stated his satisfaction with the arrangements with NDF/B and suggested that if he was not satisfied, he would not have considered assigning another. He feels that NDF/B is performing a useful and critically needed service in the community.

c. Inter-American Foundation (IAF)

The relationship with IAF is fairly recent. As reported earlier, IAF has made a grant to NDF/B for US\$170,000 — \$150,000 for the revolving loan fund and \$20,000 for the training program. This will assure that NDF/B contact with IAF will be more frequent than previously since IAF project officers will include NDF/B in their travels to and within Central America.

This is also an indication of the stature achieved by NDF/B in that it is now in the position to directly approach international donor institutions, present its case and receive favorable consideration. While PADF assisted NDF/B in the preparation of the proposals it did not broker the negotiations. These were conducted directly between NDF/B and IAF.

d. Other

NDF/B has developed and maintained contacts with other international organizations. The most notable is its relationship with COUNCARID, the Council of Caribbean Development Institutions. NDF/B participated in its development. The NDF/B Managing Director was recently elected its President.

3. Relationships within Belize

a. Private Sector

The maintenance of good relationships within the private sector are essentially for NDF/B. It is from the private sector that it draws its membership and local support. Based on interviews with various private sector leaders, including those who head development oriented institutions, it appears that NDF/B enjoys good community relations. Many of these indicated that at first there was considerable skepticism regarding the foundation. It was felt that it would only be a matter of time before it folded. Without exception, those interviewed indicated that they felt that

NDF/B was working in an area of real need in the country and only one indicated that he felt it could do a better job.

This appraisal was echoed by individuals whose organizations and institutions are not directly involved in development activities. They were pleased that NDF/B was providing critically needed services and that it should receive all the support it could receive.

This feeling needs to be translated into tangible support, particularly on the part of those individuals and institutions in a position to make contributions now, as well as pledges of future contributions. As stated earlier, NDF/B is committed to raise BZ\$150,000 in local contributions, but to date has only raised slightly over one-fourth that amount. The Board and Management are keenly aware of this situation which has been the topic of discussion and planning in all of the most recent Board meetings. Early in 1985, it was decided to move more aggressively in order to achieve this goal by the end of September of this year.

Accordingly, a fundraising dinner was planned for May. While it did provide NDF/B with an excellent public relations event, covered by the press and graced with the presence and participation of the Prime Minister, it disappointingly netted about BZ\$2,000. Nevertheless, the Board is convinced that it can still meet its goal by the deadline with a combination of actual as well as pledged contributions.

In an effort to improve its public relations and increase coverage and information on its activities, the Board has approved the preparation and distribution of a quarterly bulletin. The Board feels that when private sector institutions and leaders realize that their contributions to the NDF/B program provide for the widening and the strengthening of the private

sector base and, therefore, represent private sector support rather than charitable contributions, the response will be greater. The key is getting this message across, for the demands for charitable contributions in Belize are great. The available resources are limited and the burden of responding falls on a very reduced number of individuals and institutions. The economic situation is not conducive to generous giving.

b. Public Sector

From the beginning, NDF/B has enjoyed clearcut Government support -- both with the previous government as well as the present one. Examples of this support include GOB willingness to jointly contribute with USAID the initial grant of BZ\$770,000; the attendance and participation of the Prime Minister (former government) at the official inauguration of NDF/B; and, the attendance and participation of the Prime Minister (present government) at the recent fundraising dinner. In remarks he made to the dinner invitees he stated that NDF/B and its program were "... an embodiment of the ideals ..." of his government. The fact that he as well as three other cabinet ministers took time out from their busy schedules to receive and be interviewed by the Evaluator is indicative of their interest and support of NDF/B.

It is possible that this public support may be expressed in a more tangible manner in that in discussion with the Governor of the Central Bank and his deputy, he suggested that it might be possible for the NDF/B to be determined eligible as one channel for CBI funds controlled by the Central Bank. He encouraged the NDF/B to at least go through the motions of requesting eligibility status.

PART THREE: CONCLUSIONS AND RECOMMENDATIONS

In the Talking Paper prepared and presented at the conclusion of the second week of the Evaluation and discussed with NDF/B and USAID during the third week, a statement of basic findings and conclusions was made. In the opinion of the Evaluator, after having completed all of his research and analysis, this statement is still valid and is quoted here in full as an introduction to this section.

"... NDF/B is a solid, well-managed, development institution with a basically positive track record. It has a hardworking and dedicated staff supported by an equally hardworking and dedicated Board. Its financial records and management have received favorable scrutiny by external auditors. In the fourteen-months * period of loan disbursements it has provided more loans to more clients than the Mintz Survey report projected and recommended for an initial three-year period, while maintaining a delinquency rate of under 5% (currently 4.2%). It has designed and utilizes a comprehensive set of management and administrative manuals and procedures which form the core of its administrative systems which are favorably comparable to those of more mature and larger development institutions."

This is not to suggest that there are not operational and administrative areas which could and should be improved or that there are not some problems pending solution. These have been indicated in the previous section and are the subject of what follows.

This section is presented under three topical headings, corresponding to the three subsections of Part II:

- The NDF/B Program and Its Components
- The Foundation
- External Relationships

NB: Many of the suggestions and recommendations made below are already under active consideration by Management and Board and some have been translated into plans of action. They are listed here to reinforce

* later corrected to fifteen-months

the decisions which have been reached or are about to be reached.

A. The NDF/B Program and Its Components

THE CREDIT COMPONENT AND LOANS PORTFOLIO

CONCLUSIONS

NDF/B has evidenced a high degree of responsible stewardship in the utilization of the funds entrusted to it -- the grant as well as locally contributed funds. The management of the loans portfolio, including the processing of the loan applications as well as the decisions made regarding which would be honored and which would be turned down, suggests the application of considerable discipline and care as well as the expenditure of a great deal of time and effort. While this was necessary during the early months of a new program such as this one, to maintain this approach and posture now that a degree of maturity, experience and understanding of the SSE Subsector has been achieved, may suggest an overly cautious and conservative stance.

A significant number of low income, small-scale and micro entrepreneurs have benefited from the credit provided, higher than estimates suggested in a survey of this SSE Subsector for a similar period of time. However, the average loan is less than half that suggested in that survey (\$3000+ vs \$7000+). It is also considerably lower than it would have been if all of the loan applications had been approved. This is not to suggest that NDF/B should accept the average loan size recommended in the SSE Survey or that it should have approved all loan applications received. What is noted is that experience suggests that there is a considerable segment of the SSE Subsector with real but unsatisfied credit needs. If NDF/B were to consider favorably even a small portion of this

credit demand it would have the effect of increasing the average. No loan has exceeded \$10,000, even though the current ceiling is \$20,000.

Processing time of loans has been reasonable, ratio of applications to approvals is satisfactory and Management has begun a review of applications rejected to determine which might justify reconsideration. The latter action may produce some changes in the situation noted immediately above. Processing time could be reduced from the present 70+ days if NDF/B were to make some changes in the overall processing and monitoring of loans: i.e., in the initial screening of new applicants and in reaching earlier decisions regarding potential viability.

Interest rate charged (12%), which might appear to be concessionary is effectively closer to 23%. This is in line with conclusions reached at the recent World Bank sponsored seminar on SSE Subsector loan programs, which suggested that interest rates should not be concessionary but also not exorbitant. No client interviewed indicated unhappiness with the rate although they may not be aware of the effective rate. It is not out of line in comparison to commercial banks.

The arrears position is kept under tight control and is well under the position of similar programs in Belize and in other countries. The formula for determining arrears ratio is based on comparison of loans in arrears in excess of 30 days to total cumulative amount of loans disbursed and has given a reasonably accurate picture of arrears. However, over time as the loans portfolio continues to grow and cumulative disbursements reflect that growth, this formula will disguise rather than portray the true arrears position. For instance, currently, if the formula utilized were arrears in excess of 30 days compared to total loan balance due, the ratio would be

5.3%, not 4.2%. This is not an alarming rate for a program of lending to the SSE Subsector. No distinction is made between loans 30 to 60, 60 to 90 and 90 plus days in arrears in this formula, although Management is aware of which loans fall into which category and sets in motion the appropriate incremental steps in pressuring arrears clients.

Only four business categories, out of the twelve utilized by NDF/B, predominate in the loans portfolio: Furniture/Woodworking, Repairs and Servicing (mechanical, electrical, auto-body), Other Micro-Industries, and Food Processing.

While the FEOs are the backbone of the loan identification process and while they are on stand-by during Loans Committee meetings, they are not present at the Loans Committee meeting. This means that while additional information and/or clarification can be solicited from them, they are not fully aware of the context in which loan decisions are made nor are they exposed to how and why they are reached. They must rely on feedback from the Managing Director as to why loan applications have been turned down or referred back for additional research. Participation, even in an observer capacity and even in only selected meetings or portions thereof, would provide them with a real learning experience.

FEOs have a dual relationship with clients: they are simultaneously advisors as well as policemen in that they have a collections responsibility. Increasingly this will mean that more and more time will be absorbed in the latter function which could color the manner in which the former function is perceived. Actually, this problem is under review by NDF/B Management and the Loans Committee and there is tentative agreement that a collections officer should be hired when justified by volume of business.

RECOMMENDATIONS

That the NDF/B review its loans portfolio, criteria and procedures giving consideration to the following:

-- Average size of loan could be increased by actively seeking clients with needs in the \$10,000 plus range. However, it should be remembered that unless the amount in the Revolving Loan Fund is increased this will provide fewer loans, thus fewer clients served. This is basically a policy decision which needs to be addressed by NDF/B and the Evaluator does not presume to advise which alternative is the better one. If it does opt to provide loans in this range, consideration should probably be given to seek external financial assistance to increase the size of its Revolving Loan Fund.

-- Simultaneously, although no loans have approached the current ceiling of \$20,000, if NDF/B does make a special effort to increase the average size of loans it probably should give serious consideration of raising the loan ceiling to \$30,000 and the discretionary ceiling for the Managing Director to \$2000 or \$3000, at least incrementally.

— Processing time could be reduced by training the Receptionist or the Accounts Clerk to conduct part of the initial interview with applicants and screen out those who obviously will not be given favorable consideration. Additionally, the FEOs should be encouraged and trained to screen out obviously marginal applicants before spending as much time with them as they currently do (i.e., filling out all of Part One, making site visits);

-- Simultaneously, although this may seem contradictory to the previous suggestion, Management should continue its review of the rejected/withdrawn applications since there may well be some which justify closer

scrutiny and reconsideration. Such an exercise would provide information which the Loans Committee could utilize in reviewing loan criteria and policy.

-- While the interest rate should be maintained as long as current commercial rates and the prime rate prevail, NDF/B should periodically review the prevailing situation and make adjustments accordingly. It should also assure that each client receives a disclosure statement that indicates the effective rate and understands it.

-- A better picture of the arrears position could be had by utilizing a different formula, i.e. arrears compared to total balance of loans due and by distinguishing between loans in arrears 30 to 60 days, 60 to 90 days, and over 90 days;

-- Since a substantial portion of the IAF grant is to be specifically targeted to high risk micro entrepreneurs, it is advisable that loans made utilizing these funds be maintained in an account segregated from other loans. This would protect the arrears position of the main loans portfolio if, as is anticipated, these clients experience a higher arrears rate. On the other hand, it would provide a useful means of testing this hypothesis. It may be found that they are just as conscientious or more so than the main portfolio clients.

-- A broadening of the four categories which currently enjoy the major portion of loan funds is not necessarily a matter which requires decisive action. However, the NDF/B should continue to monitor this situation to determine whether other categories should receive more attention. It is recommended that, regardless of category, attention is given to each application to determine which offers the greatest possibility for increasing income and production and creating new employment. These should

receive priority treatment. If experience shows that certain categories offer better prospects in this respect, then priority attention should be given to them.

-- FEOs could acquire an invaluable learning experience if they were invited to participate in at least some of the Loans Committee meetings, or portions of thereof. It could affect the manner in which they prepare loan applications for review and approval by the Loans Committee. It might even contribute to a reduction in processing time.

-- In keeping with budgetary and resource constraints, NDF/B should consider early on the recruitment and training of a Loans Collections Officer to relieve the FEOs of this responsibility and remove from them the onus of being perceived as policemen.

TECHNICAL ASSISTANCE AND TRAINING COMPONENT

CONCLUSIONS

While four basic Technical and Training (TAT) interventions are carried out during loan processing and early disbursement and collection of loans, and follow-up on the application and adaptation of the TAT is an integral part of loan monitoring, it would appear that this component is not as strong as it should be and possibly does not receive as much intensive emphasis as the credit component. It does not seem to be monitored as rigorously as the credit component. Obviously, the credit component must receive careful scrutiny, but the emphasis on carefully screening prospective loan clients and assuring collections possibly overshadows the TAT component. Nevertheless, existing literature on and experience with the SSE Subsector suggests that the acquisition of business skills and know-how may often be more critical to the successful development and growth of SSE businesses than one-time infusion of credit.

One of the reasons for giving business advice and guidance to SSE businesses is to assure that they actually need the credit requested and utilize it effectively.

Current advisory and training efforts are limited in scope and depth and essentially rudimentary in nature. It is open to debate and question as to how many clients will continue to apply principles and practices which have been the subject of FEO business guidance and training, particularly the regular and adequate keeping of business records and their effective utilization. As suggested in the main body of the Report, this is not a situation which is unique to Belize.

Fortunately, this is a problem of which Board and Management are fully aware and have taken steps to correct it by requesting grant assistance from IAF and manpower assistance from the Peace Corps to set up a more thorough education and training program for micro and small-scale entrepreneurs.

RECOMMENDATIONS

In planning and implementing the new training and education program NDF/B may wish to consider the following as possible alternatives either individually or collectively. They are not mutually exclusive and are complementary to the outline of the proposed training program contained in the IAF proposal:

-- Require potential clients to receive basic training prior to receipt of credit. Attendance and performance during this training period could be weighed in making the final decision to provide credit;

-- Provide this initial training group sessions to the maximum extent possible. This would be another means of reducing FEO time spent on an individual basis with clients;

-- Exceptions could be made for cases where credit needs are critically urgent or where prospective clients have been determined to have already acquired the skills and practices which are the topical components of the initial TAT component;

-- Entrepreneurs who do not have immediate credit needs but who show interest in the NDF/B training program should be encouraged to enroll. A small fee should be charged to help defray the costs of this program. The fee also could be incorporated into the administrative fee which is currently charged to those trainees whose loan application are being prepared and processed.

TARGET GROUP

CONCLUSIONS

NDF/B is reaching a representative segment of its stated target group. The beneficiaries have received loan assistance either as sole proprietors (the majority) or as partners. While it is within NDF/B policy, no group loans have been approved though one was under consideration while the Evaluation was under way. It is difficult to be exact, but it appears that the majority of clients are in the lower rungs of the SSE Subsector, at least if the average loan size is a valid indicator.

The number of women beneficiaries is rather low when compared to the experience in other NDFs, if the Evaluation mini-survey is a valid measure of this characteristic of the beneficiaries. However, the 19% of the clients interviewed who are sole proprietors and the 4% who are in partnerships is substantially greater than the number of women proprietors who were interviewed in the SSE Survey — 8.4%.

It may be that NDF/B could include more women beneficiaries in its

program by seeking out groups that do exist who could benefit from TAT and credit assistance and who it could be determined would effectively utilize the loan. Several Belizean PVOs are working with women's groups and they could provide reference information to NDF/B. Some groups have already received some financial assistance from these PVOs but their resources are too limited to provide all that is needed.

RECOMMENDATIONS

In the NDF/B review of policy and criteria recommended above, attention could be given to the following:

-- Consideration of expanding the upper limits of the target group to include more small-scale entrepreneurs without altering the criteria that they be certified as not having access to commercial bank credit;

-- As a side effect of increasing average loan size and raising the loan ceiling, NDF/B may find that some segments of SSE Subsector currently not included in the program might now be included;

— Utilization of the IAF funds which are to be targeted to high risk micro entrepreneurs provides an opportunity for NDF/B to undertake a few pilot projects specifically targeted to women and groups.

B. THE FOUNDATION

CONCLUSIONS

As indicated at the beginning of this section, NDF/B exhibits the characteristics of a mature, established institution. It has a membership base and Board representative of a cross-section of the private sector. It has a dedicated and hardworking staff. Management is effective. Sound administrative systems are in place and utilized.

The Managing Director and the Board display a healthy restlessness in not being content with the status quo by seeking ways to broaden and expand

the program. The active pursuit of new funding sources, exemplified in requesting and receiving the IAF grant, is indicative of this forward thinking. However, it is not apparent that this probing of the future has been consolidated in a systematic manner which would insure comprehensive and cohesive program development. The planned Board Retreat is an opportunity to conduct genuine, in-depth, long range planning.

NDF/B has substantial quantities of data and statistics which could be utilized in planning and conducting the Retreat. Some of the earlier SSE Survey findings and recommendations are still valid today and could be utilized in discussions basic to long range planning. The Evaluation Report could also serve a useful purpose in these discussions.

However, if the expansion currently being contemplated by the Board and to be discussed more fully in its planned Retreat and the changes recommended in this section of the Report are to be realized without prejudicing the accomplishments achieved to date or the favorable position currently enjoyed, attention will have to be given to NDF/B membership base, and to the depth and strength of its current Management/Staff composition. This will require additional inputs of technical assistance and training to enhance capabilities and skills as well as additional personnel. Membership base should also be increased from the present sixteen.

Some of these aspects will be covered in the next section (i.e. membership base and external technical assistance) but they are mentioned here since they are components of the analysis made of the foundation -- its organizational structure and its institutional development.

RECOMMENDATIONS

The Board should proceed with its planned Retreat without delay so that it can enter the third OPG-funded project year with a comprehensive plan not only for the year but for the period following the year when all of the funds provided in the dual grant (US\$ and BZ\$) will have been utilized. In addition to the recommendations made above and to be made below, it may wish to consider the following:

-- An assessment should be made of additional technical assistance and training requirements. NDF/B should explore how many of these needs can be met under its current agreement with PADF and which will have to be met in-house or from other external sources.

-- While NDF/B enjoys staff enrichment with the current assignment of a Peace Corps Volunteer and the imminent addition of another, careful attention should be given to the training of counterparts and the eventual hiring of local staff to fill these positions. This will have an impact on future budgets.

-- Once the FEO complement has been restored to three, unless there are sizable additions to the Revolving Loan Fund and volume of activities in loans portfolio procedures increases proportionately, there should not be any additions to the field operations staff. The current composition (3 FEOs), with the filling of the third vacant position, should be able to handle currently projected activities, particularly if recommendations made above for the more efficient utilization of FEO time and redistribution of some of their current overall workload within staff are acted upon.

-- While considering the possibility of expanding loans portfolio coverage to include other categories, such as agriculture, determination should be made as to what this would require in terms of staff qualifications and experience or new staff. No loans for crop production, whether for domestic consumption or export, should be considered unless the

NDF/B adds agricultural expertise (extension agents, agronomists, etc.) to its field and headquarters staff, or has ready access to such expertise.

-- Exploration of possibilities for joint ventures particularly in education and training programs to be provided to the target group with organizations such as DFC, Help for Progress, CUL.

-- Expansion of the current technical assistance and training program to provide more intensive business and administrative skills training by tapping local successful businessmen and women to participate on a volunteer basis in the program. Some of these may already be NDF/B members. Others might be encouraged to become members after they have participated in this type of program;

-- Additionally, after compiling an inventory of willing and capable volunteers, it should be possible to design and implement skill-specific (carpentry, tailoring, etc.) forums and seminars as well as training sessions in marketing techniques and in supplier selection and shopping for raw material;

-- Complementary to these activities, consideration should be given to providing assistance to entrepreneurs in similar or identical fields to join together in purchasing raw materials or in marketing as a group.

-- Creation of an advisory committee of current or ex-clients to assist in the forward planning of the foundation. In fact, it might be useful to invite one or two articulate representatives of the target group to participate in the planning session of NDF/3.

-- This could lead to the development of forums for the interchange of ideas between the target group and successful entrepreneurs who have come up the private sector ladder from early beginnings as micro or small-scale entrepreneurs. A variation could be forums for informing private sector and public sector leaders regarding the needs of the SSE subsector and ways in which they could provide assistance. These might be undertaken in

conjunction with the Chamber of Commerce or the DFC.

— In turn, this could lead to or be preceded by the formation of an ad hoc, informal advisory council drawn from both the private as well as the public sector to enrich and complement the collective expertise resident in NDF/B membership and Board.

-- Many of the preceding suggestions are already incorporated in either the training program proposal presented to IAF or in decisions made by the Board. The Evaluator does not suggest a proliferation of committee structures per se. The target group advisory committee and the advisory council should be organized only if NDF/B perceives the need for them while exercising care in the selection of individuals who will serve on them to assure that these are only advisory in nature and will not be permitted to assume any policy or other functions which rightfully belong to the Board.

C. External Relationships

Some of the most critical areas requiring the attention of Management and Board lie within this subsection. They have been highlighted previously in the five basic recommendations listed at the conclusion of the Executive Summary. They are treated separately below.

PADF-NDF/B RELATIONSHIPS

CONCLUSIONS

These and the course they have run have been amply covered in Part Two of the Report. Perceptions on the part of each foundation of the intentions and actions of the other have possibly been distorted either through misunderstanding or misinformation due, in part, to the lack of clearcut communications and to the discontinuity of PADF project officers assigned to the OPG-funded project.

This is most unfortunate. However, the Evaluator believes that the

time is ripe for both parties to bury the past and move into a more productive and mutually supportive relationship. In fact, the trend towards more positive feelings and dealings with each other has been underway for close to a year.

It should be possible to speedily resolve the remaining differences. The groundwork has already been laid. The newly assigned PADF Project Officer, stationed in Tegucigalpa, is planning a trip which will probably take place before this report is received in Belize.

RECOMMENDATIONS

— That NDF/B and PADF speedily resolve their remaining differences, while sorting out issues which are no longer applicable, so that both can complete the third OPG-funded project year in a mutually satisfactory manner and achieve the objectives and goals they each subscribed to in the two operative agreements.

— This should include not only how balances in the OPG are to be utilized, but also the exploration of the relationship which is expected to continue after the OPG-funded project has come to a conclusion. PADF is in a unique position to provide continuing assistance to NDF/B in identifying new sources of fundings which will be required when current funding is exhausted. Its expertise in this as well as other areas should not be ignored.

OTHER RELATIONSHIPS

PRIVATE SECTOR OF BELIZE

CONCLUSIONS

While NDF/B has made impressive strides in informing the private sector of its program and the needs of the SSE Subsector and in soliciting support both in cash contributions as well as in-kind contributions, the

most notable of which is the enormous expenditure amount of time provided voluntarily by the Board and its committees, it has a long way to go in order to consolidate these gains.

Once the NDF/B was legally established and original funding for its program had been secured, subsequent efforts have been less effective in terms of broadening and enlarging membership and, more importantly, of utilizing its membership base to generate financial resources from the private sector.

Quite apart from the goal it set for itself in the agreement with PADF -- raising BZ\$150,000 in local contributions which it confidently expects to achieve by the end of September -- its ability to raise funds in the private sector are an indication that its message has been received and understood. These contributions provide funding support to a program which enriches and broadens the private sector base and are, therefore, in the best interests of the private sector.

Evidence of such tangible support provides a basis for seeking financial support from international donor institutions.

The decision to issue a quarterly bulletin is an excellent one and should fill an expressed need for information in the community.

RECOMMENDATIONS

NDF/B should speedily act on the Board decision to publish an informative, quarterly bulletin. This PR activity could also be reinforced by the creation of an Advisory Council, recommended above.

-- The Board should make a major, all-out effort to complete its fundraising goal. This task should not be assigned solely to the Managing Director -- it should be shared with him.

-- This should be coupled with an effort to substantially increase its membership, whether the expressed goal is 100 or some other figure.

PUBLIC SECTOR

CONCLUSIONS

NDF/B enjoys excellent relations with the public sector. It had the support of the previous government as well as the present one. The Belize dollar grant of BZ\$ 770,000 attests to public sector support as well as the attendance and participation of both Prime Ministers and other leading government dignitaries in NDF ceremonies and functions.

It appears that the Central Bank is willing to consider whether NDF/B could be determined eligible as a channel for CBI funds.

RECOMMENDATIONS

-- NDF/B should continue to strengthen its relations with the public sector while maintaining its apolitical stance. It should consider including some key public sector officials in the Advisory Council, recommended earlier.

-- NDF/B should seek expert external advice, including communications with NDF/Jamaica and PADF, regarding potential utilization of CBI funds and the manner in which it should proceed to request eligibility status. It should discuss this with USAID. Then it should at least make the formal application to the Central Bank for its determination of eligibility, if these discussions proved sufficient justification to do so. As the Governor of the Central Bank stated -- this (requesting eligibility status) would cost it nothing.

TABLE I

<u>SUMMARY OF PROJECTED PROJECT INPUTS</u>						
	<u>USAID</u>	<u>USAID/GOB</u>	<u>PADF</u>	<u>NDF/B</u>	<u>OTHER</u>	<u>TOTAL</u>
	FX	L/C	FX	L/C	FX & L/C	
1. <u>Personnel</u>						
U.S.	15,000		14,200		3,800	33,000
Local		151,000			33,000	184,000
2. <u>Training</u>	17,000					17,000
3. <u>Commodities</u>	52,000					52,000
4. <u>Other</u>						
Transportation (International)	26,400					26,400
Survey/Evaluation	9,000					9,000
Rent & Utilities		59,000				59,000
5. <u>Overhead</u>	22,600					22,600
6. <u>Revolving Loan Fund</u>		178,000		75,000	344,000	597,000
	<u>142,000</u>	<u>388,000</u>	<u>14,200</u>	<u>75,000</u>	<u>380,800</u>	<u>1,000,000</u>
	(14.2%)	(38.8%)	(1.4%)	(7.5%)	(38.1%)	(100.0%)

TABLE II

FINANCIAL PLAN

The estimated costs of the project in this financial plan were arrived at by calculating the salary costs of similar positions in the Belizean marketplace. Costs of equipment, vehicles, rent and utilities are based on actual costs of commodity items.

National Development Foundation of Belize
Three Year Cost Projection
(in U.S. Dollars)

TABLE I - SUMMARY FINANCIAL PLAN

	DISBURSEMENTS				SOURCES	
	Year I	Year II	Year III	Total	OPG	Other
1. Technical Assistance & Training	37,050	37,310	23,640	98,000	80,000	18,000
2. NDF/B Operating Costs (including intl. travel)	145,000	105,000	112,000	362,000	256,000	106,000
3. Revolving Loan Fund	<u>100,000</u>	<u>240,000</u>	<u>200,000</u>	<u>540,000</u>	<u>194,000</u>	<u>346,000</u>
	<u>282,050</u>	<u>382,310</u>	<u>335,640</u>	<u>1,000,000</u>	<u>530,000</u>	<u>470,000</u>

To include NDF/B, PADF, IAF, PACT, etc.

TABLE II - BREAKDOWN/DISTRIBUTION (NDF/B OPERATIONS)

	DISBURSEMENTS				SOURCES	
	Year I	Year II	Year III	Total	OPG	Other
1. Technical Assistance & Training	37,050	37,310	23,640	98,000	80,000	18,000
NDF/B OPERATIONS:						
2. Salaries	71,000	80,000	90,000	241,000	151,000	90,000
Operating Expenses	24,000	18,000	17,000	59,000	46,000	13,000
Vehicles (3)	33,000	-	-	33,000	33,000	-
Commodities	13,000	3,000	3,000	19,000	19,000	-
Intl. Travel	4,000	4,000	2,000	10,000	10,000	-
3. Revolving Loan Fund	<u>100,000</u>	<u>240,000</u>	<u>200,000</u>	<u>540,000</u>	<u>191,000</u>	<u>349,000</u>
	<u>282,050</u>	<u>382,310</u>	<u>335,640</u>	<u>1,000,000</u>	<u>530,000</u>	<u>470,000</u>

TABLE IV - FUNDING SCHEDULES

	Year I	Year II	Year III	TOTAL
USAID/OPG	282,050	247,950	-	530,000
PADF	-	21,000	-	21,000
NDF/B	-	75,000	-	75,000
Other:				
IAF, PACT, etc.	<u>-</u>	<u>40,000</u>	<u>334,000</u>	<u>374,000</u>
	<u>282,050</u>	<u>383,950</u>	<u>334,000</u>	<u>1,000,000</u>

NOTES ON TABLES III THROUGH IX

All Tables are for Period April 1984 - June 1985

1. Amounts are stated in Belize Dollars (BZ\$). For purposes of comparison in U.S. dollars, divide by 2 (the rough equivalent - US\$0.50 = BZ\$1.00).
2. The tables are based on statistical tables prepared by NDF/B.
3. NDF/B utilizes 12 Business Categories:

Production and Processing

- (1) Furniture & Woodworking
- (2) Garment & Tailoring
- (3) Shoes & Leatherworking
- (4) Welding & Metal Construction
- (5) Crafts & Souvenirs
- (6) Food Processing
- (7) Agribusiness
- (8) General Construction
- (9) Other Micro-Industries

Services

- (10) Retailing & Distribution
- (11) Repairs & Servicing (Mechanical, Electrical, Auto-body)
- (12) Other Services

4. Since NDF/B statistical tables for loans approved and loans disbursed include a 13th category for "Loans Refinanced", in tables III - IX which are comparisons of total number of loan applications processed with applications declined/withdrawn; loans approved; and, loans disbursed; the 13th category is excluded. This represents an overall statistical error of a few points.

(i.e. category 13 represents 9.0% of loans and 8.8% of amounts disbursed; 8.0% of loans and 4.7% of amounts approved. However, category 13 of loans disbursed represents only 2.2% of total number and 1.3% of total amount of loans processed; and of loans approved, 2.2% of total number and 0.7% of total amount of loans processed.)

The overall patten of distribution of loans processed between business categories is essentially accurate. A more complete and accurate picture could be obtained by redistributing Category 13, "Loans Refinanced" under the appropriate Business Category.

TABLE III

COMPARISON OF LOAN APPLICATIONS
 PROCESSED, REJECTED, OR WITHDRAWN,
 APPROVED AND DISBURSED
 April 1984 - June 1985

	TOTALS		AMOUNT	
	No.	%	BZ\$	%
Loans Processed	450	100.0	2,465,074	100.0
Loans Rejected/Withdrawn	325	72.2	2,112,871	85.7
Loans Approved	125	27.8	352,203	14.3
Loans Disbursed	111	24.7	359,144	14.6

TABLE IV

**COMPARISON OF LOAN APPLICATIONS PROCESSED,
REJECTED/WITHDRAWN, APPROVED AND DISBURSED
BY BUSINESS CATEGORY DEMAND
(Top 4 in Each Sub-Table)**

Loans Processed: Total # 440 = 100%, Total Amount BZ\$2,448,374 = 100%

Category	Applications		Category	Amount	
	Number	Percent		in BZ\$	Percent
Food Processing	78	17.7	Other Services	457,780	18.7
Retail/Distribution	67	15.2	Retail/Distribution	398,180	16.3
Other Services	65	14.8	Other Micro-Industries	397,006	16.2
Other Micro-Industries	<u>57</u>	<u>13.0</u>	Food Processing	<u>371,670</u>	<u>15.2</u>
	267	60.7		1,624,636	66.4

Loans Rejected/Withdrawn: Total # 325 = 100%, Amount BZ\$2,112,871 = 100%

Other Micro-Industries	63	19.4	Other Micro Industries	450,780	21.3
Food Processing	57	17.5	Retail/Distribution	373,180	17.7
Retail/Distribution	55	16.9	Other Micro-Industries	339,950	16.1
Other Micro-Industries	<u>42</u>	<u>12.9</u>	Food Processing	<u>323,211</u>	<u>15.3</u>
	217	66.7		1,487,121	70.4

Loans Approved: Total # 115 = 100%, Amount BZ\$335,503 = 100%

Food Processing	21	18.3	Repairs/Services	71,560	21.3
Repairs/Services	20	17.4	Furniture/Woodworking	65,018	19.4
Furniture/Woodworking	19	16.5	Other Micro-Industries	57,056	17.0
Other Micro-Industries	<u>15</u>	<u>13.0</u>	Food Processing	<u>48,460</u>	<u>14.4</u>
	75	65.2		242,094	72.1

Loans Disbursed: Total # 101 = 100%, Amount BZ\$327,238 = 100%

Food Processing	20	19.8	Furniture/Woodwork	70,963	21.7
Repairs/Services	18	17.8	Repairs/Services	66,602	20.4
Furniture/Woodwork	17	16.8	Other Micro-Industries	53,109	16.2
Other Micro-Industries	<u>11</u>	<u>10.9</u>	Food Processing	<u>52,750</u>	<u>16.1</u>
	66	65.3		243,424	74.4

TABLE V

COMPARISON OF LOANS
REJECTED/WITHDRAWN
BY REASON FOR ACTION TAKEN

Total Loans Rejected/Withdrawn; 325 = 100%, Amount BZ\$2,112,871 = 100%

Reason	Applications		Amount	
	No.	%	BZ\$	%
Non-Viable	94	28.9	562,055	26.6
Not in Policy	77	23.7	596,280	28.2
Proposed New Project	56	17.2	388,211	18.4
Refinancing	25	7.7	178,650	8.5
Client Withdrawal	30	9.2	134,300	6.4
Declined by LC or MD	43	13.2	253,375	12.0
	<u>325</u>	<u>99.9</u>	<u>2,112,871</u>	<u>100.1</u>

TABLE VI

COMPARISON OF LOANS
REJECTED/WITHDRAWN BY
REASON TAKEN AND BY
BUSINESS CATEGORY

Not Viable: Total # 94 = 100%, Total Amount BZ\$562,055 = 100%

Category	Applications		Category	Amount	
	Number	Percent		in BZ\$	Percent
Retail/Distribution	18	19.1	Retail/Distribution	109,305	19.4
Food Processing	15	16.0	Food Processing	73,000	13.0
Other Micro-Industries	10	10.6	Other Services	71,000	12.6
Repairs Services	<u>10</u>	<u>10.6</u>	Agribusiness	<u>70,965</u>	<u>12.6</u>
	53	56.3		324,270	57.6

Not in Policy: Total # 77 = 100%, Amount BZ\$596,280 = 100%

Other Services	29	37.7	Other Services	235,730	39.5
Retail/Distribution	12	15.6	Agribusiness	84,000	14.1
Agribusiness	11	14.3	General Construction	79,150	13.3
General Construction	<u>8</u>	<u>10.4</u>	Retail/Distribution	<u>71,400</u>	<u>12.0</u>
	60	78.0		470,280	78.9

Proposed New Project: Total # 56 = 100%, Amount BZ\$388,211 = 100%

Food Processing	16	28.6	Food Processing	105,661	27.2
Other Micro-Industries	10	17.9	Other Micro-Industries	102,400	26.4
Other Services	9	16.1	Retail Distribution	60,300	15.5
Retail/Distribution	<u>7</u>	<u>12.5</u>	Other Services	<u>57,000</u>	<u>14.7</u>
	42	75.1		325,361	83.8

Declined by LC or MD: Total # 43 = 100%, Amount BZ\$253,375 = 100%

Other Micro-Industries	11	25.6	Other Micro-Industries	74,350	29.3
Other Services	9	20.9	Other Services	51,200	20.2
Food Processing	9	20.9	Repairs/Services	39,150	15.5
Repair/Services	<u>6</u>	<u>14.0</u>	Retail/Distribution	<u>37,875</u>	<u>14.9</u>
	35	81.4		202,575	79.9

TABLE VII

COMPARISON OF LOANS APPROVED AND
LOANS DECLINED BY ACTION OF LOANS COMMITTEE OR
MANAGING DIRECTOR AND BY
BUSINESS CATEGORY

By Number of Loans

Loans Approved: # 94 = 100%

Loans Declined: # 43 = 100

Category	Number Loans	Percent	Category	Number Loans	Percent
Food Processing	21	18.3	Other Micro-Industries	11	25.6
Repairs/Services	20	17.4	Other Services	9	20.9
Furniture/Woodworking	19	16.5	Food Processing	9	20.9
Other Micro-Industries	<u>15</u>	<u>13.0</u>	Repairs/Services	<u>6</u>	<u>14.0</u>
	75	65.2		35	81.4

By Amount

Loans Approved: BZ\$335,503 = 100%

Loans Declined: BZ\$253,375 = 100%

Category	Amt. BZ\$	Percent	Category	Amt. BZ\$	Percent
Repairs/Service	71,560	21.3	Other Micro-Industries	74,350	29.3
Furniture/Woodworking	65,018	19.4	Other Services	51,200	20.2
Other Micro-Industries	57,056	17.0	Repairs/Services	39,150	15.5
Food Processing	<u>48,460</u>	<u>14.4</u>	Retail/Distribution	<u>37,885</u>	<u>14.9</u>
	242,094	72.1		202,575	79.9

Out of a total of 158 loan applications reaching final decision by LC or MD, 115 (72.8%) were approved, 43 (27.2%) were declined. Out of a total of BZ\$588,878 in loan requests reaching final decision by LC or MD, \$335,503 (57%) was approved, \$253,375 (43%) was declined. (Does not include 10 refinancing loans approved for a total of \$16,700.)

TABLE VIII
COMPARISON OF LOANS APPROVED/DISBURSED
BY BUSINESS CATEGORY

Category	<u>Loans Approved</u>				<u>Loans Disbursed</u>			
	No.	%	Amt. BZ\$	%	No.	%	Amt. BZ\$	%
Furniture/Woodworking	19	15	65,018	18	19	17	70,963	20
Garment/Tailoring	10	8	17,945	5	9	8	18,217	5
Shoes/Leatherworking	1	1	2,000	1	1	1	2,160	0
Welding/Metal Const.	5	4	25,000	7	5	4	26,405	7
Crafts & Souvenirs	5	4	9,450	3	4	4	6,446	2
Food Processing	21	16	48,460	14	20	18	52,750	15
Agribusiness	5	4	7,015	2	4	4	6,453	2
General Construction	-	-	-	-	-	-	-	-
Other Micro-Industries	15	12	57,056	16	11	10	53,109	15
Retailing/Distribution	12	10	25,000	7	8	7	16,230	4
Repairs/Servicing	20	16	71,560	20	18	16	66,602	19
Other Services	<u>2</u>	2	<u>7,000</u>	2	<u>2</u>	2	<u>7,904</u>	2
Subtotals	115		335,503		101		327,238	
Loans Refinanced	<u>10</u>	<u>8</u>	<u>16,700</u>	<u>5</u>	<u>10</u>	<u>9</u>	<u>31,906</u>	<u>9</u>
Totals	125	100	352,203	100	111	100	359,144	100

Note: Amounts and Percentages are rounded.

TABLE IX

COMPARISON OF LOANS APPROVED/DISBURSED
BY DISTRICT

District	<u>Loans Approved</u>				<u>Loans Disbursed</u>			
	No.	%	Amt. BZ\$	%	No.	%	Amt. BZ\$	%
Belize	75	61	188,487	54	64	58	194,853	54
Orange Walk	23	18	92,319	26	21	19	90,706	25
Cayo	23	18	59,596	17	22	20	61,059	17
Stann Creek	<u>4</u>	<u>3</u>	<u>11,800</u>	<u>3</u>	<u>4</u>	<u>3</u>	<u>12,526</u>	<u>3</u>
	125	100	352,203	100	111	100	359,144	100

Note: Amounts and Percentages are rounded.

TABLE X

COST EFFICIENCY STATISTICS
At June 30, 1985

<u>DATA BASE</u>	Number	Amt. in BZ\$		
Loans Disbursed	111	359,143.85		
Loans Approved	125	352,202.50		
Jobs Saved	130	-		
Jobs Created	57	-		
Jobs Saved and Created (Affected)	187	-		
		<u>August 1983 - December 1983</u>	<u>January 1984 - June 1985</u>	<u>August 1983 - June 1985</u>
Total Income (interest, admin fee & other)	-0-	-	31,544	31,544
Total Loan Repayments (principal)	-0-	-	97,704	97,704
Total Revolving Loan Fund	-0-	-	378,658	378,658
Total Administrative Costs	25,246	-	148,570	173,816
Loan Portfolio Costs ¹ (includes technical assistance)	6,285	-	115,263	121,548

¹ Salaries for FEOs, L/O & Accounts Clerk, plus 25% of salaries for M.D. and Accountant/Office Supervisor, plus stationery, subsistence and travel, mileage, FEO vehicle allowance and advertising.

TABLE X
(Continued)

PERCENTAGES & RATIOS

	1/84 - 6/85 (Excludes organization costs)	8/83 - 6/85 (Includes organization costs)
<u>Total Administrative Costs</u>		
Administrative cost per loan disbursed	1,340.00	1,565.00
Administrative cost per dollar disbursed	.41	.48
Administrative cost per loan approved	1,190.00	1,390.00
Administrative cost per dollar approved	.42	.49
Administrative cost per job saved	1,140.00	1,340.00
Administrative cost per job created	2,600.00	3,050.00
Administrative cost per job affected	800.00	930.00
Ratio of total income to administrative costs	21%	18%
<u>Loan Portfolio Costs</u>		
Loan portfolio cost per loan disbursed	1,040.00	1,095.00
Loan portfolio cost per dollar disbursed	.32	.34
Loan portfolio cost per loan approved	920.00	970.00
Loan portfolio cost per dollar approved	.33	.35
Loan portfolio cost per job saved	885.00	935.00
Loan portfolio cost per job created	2,020.00	2,132.00
Loan portfolio cost per job affected	616.00	650.00
Ratio of total income to loan portfolio costs	27%	26%
Rate of loan repayment (reflows)	26%	26%

ANNEX A

Scope of Work
Mid-Project Evaluation of the
National Development Foundation of Belize

The Operational Program Grant and accompanying local Currency Grant awarded to the Pan American Development Foundation and the National Development Foundation of Belize on July 28, 1983 requires an external evaluation to be undertaken.

The purpose of this mid-project review is to examine the goals and objectives of the NDF/Belize as defined in the OPG and ascertain the extent to which these have been achieved. It will analyze and clarify the desired role and functions of the NDF/B in light of its statutory mandate, projected credit needs among micro-enterprises in Belize, potential future availability of resources, and projected service requirements in order to determine the feasibility and shape of subsequent assistance.

The project's accomplishments are to be measured and evaluated in terms of its main purpose of developing the small scale enterprise subsector of Belize and its goal of contributing to improved living standards among the entrepreneurial poor. The success of this undertaking will be judged based on the following criteria.

Business Consultancy and Credit Program

The NDF/B credit program will be reviewed in terms of the number of micro entrepreneurs trained, counselled, and successfully launched through the provision of credit. In particular, the loans procedures and the manner in which a potential beneficiary proceeds from the initial contact to the NDF/B's approval and monitoring of the loan will be examined. This includes an examination of the methodology used for analyzing the feasibility of potential loans and the criteria for disbursements.

In addition, the NDF/B's existing portfolio will be evaluated in terms of the type of businesses supported, size of loans, and the reimbursement schedules. The report will also analyze the extent to which current beneficiaries reflect the NDF/B's eligibility guidelines.

The evaluation will review the NDF/B's experience with small business clients and relate them to the study of small businesses undertaken by a PADF consultant at the beginning of the project.

PADF Technical Assistance and Training

The evaluation will study the effectiveness of technical assistance provided to date, in keeping with the objectives enumerated in the OPG. Specific attention will be paid to the training programs provided during the term of this OPG and the usefulness of seminars and workshops attended by staff and Board members of the NDF/B.

Ease of Program Administration

An evaluation will be conducted on the organizational infrastructure and the dynamics and allocation of responsibilities within the management

structure. This includes the role of the Field Extension Officers (FEOs) and their responsibilities and tasks. Information will be developed

Ease of Program Administration

An evaluation will be conducted on the organizational infrastructure and the dynamics and allocation of responsibilities within the management structure. This includes the role of the Field Extension Officers (FEOs) and their responsibilities and tasks. Information will be developed delineating the tasks and resources required to support the NDF/B in continued and expanded operations.

Cost-Effectiveness and Ease of Administration

The report will analyze the manner in which the NDF/B has managed and disbursed OPG funds as well as funds from other sources. Particular reference will be made to:

- Specific costs associated with loan processing, including the salaries and expenses of FEOs, direct costs of processing and analyzing loans, and expenses of ensuring reimbursement;
- Specific costs associated with fundraising, including the costs of travel, public relations activities, and other direct costs associated with any benefits;
- Analysis of the disposition of interest and principal received from loans, and of projected rates at which loan funds will revolve; and
- The relationship of operating costs of administration expense to the direct costs of supporting loan activities.

Loan Repayment Performance

An analysis will be conducted of NDF/B's existing portfolio, the size of loans, reimbursement schedules, the loan collection record, and the effectiveness of methods used to ensure current collection schedules.

Impact of Beneficiaries

The evaluation will assess the extent to which the participating micro enterprises show marked improvement, as indicated through such measures as increased income, enhanced status, improved credit rating, new job creation, and expanded production.

Membership and Fundraising

Membership policy will be reviewed as well as actual membership breadth, depth and involvement. Also, the efficacy of the fundraising programs instituted by the Foundation in terms of the level of local resource contributions as well as income generated internationally by NDF/B will be examined.

Other

The evaluation will indicate the extent of recognition and support the Government of Belize and other international organizations.

ANNEX B

MINI-SURVEY OF THE NDF/B CLIENTS

Included in this section is the Questionnaire utilized and the Tables (I - IV) which were compiled from the answers provided by clients who were interviewed.

The survey was conducted through interviews with randomly selected clients of the NDF/B. The selection process, while not the preferred method of random selection, was to select out every fifth client from the alphabetically listed client files. Additionally, to allow for the possibility of not finding a client, other names were selected at random by each district surveyed. Since the majority of client are in Belize, Orange Walk and Cayo, only these districts were visited.

The questionnaire was designed by the Evaluator with assistance from the FEOs and the Loans Officer. These individuals field tested the questionnaire and conducted the interviews. To assure objectivity to the extent possible, each FEO was assigned clients with whom he had not previously worked. The Evaluator participated in over 50% of the interviews (all in Orange Walk and in Cayo).

CONTENTS

Questionnaire

Table I: NDF/B Clients - Ownership, Business Category and Loan Purpose

Table II: NDF/B Clients - Initial Contact

Table III: Pre-Loan Experience

Table IV: After Loan Experience

NDF/B EVALUATION
CLIENT SURVEY QUESTIONNAIRE

1. NAME _____
2. LOAN CLIENT # _____
3. LOAN AMOUNT _____ Balance: _____
Arrears: _____
Int.: _____ Prin.: _____
4. LOAN PURPOSE _____
5. LOCATION _____
6. TYPE OF BUSINESS (Code) _____
7. OWNERSHIP _____ sole owner; _____ partnership
_____ male _____ male/male
_____ female _____ male/female
_____ male/female
8. How did you hear about the NDF/B program? _____ radio; _____ newspaper;
_____ word-of-mouth (friend, family or acquaintance);
_____ referral from another organization; _____ other _____
9. How long did it take from the time you applied for you loan until you received the loan or the first money? _____ (_____)
10. Do you feel that was _____ too long; _____ about right; _____ very quick?
11. Did you have any problems in getting the loan? _____ No; _____ Yes;
Explain: _____
12. Do you feel the terms of the loan (interest rate, repayment time and procedures) are _____ OK; _____ could be improved; _____ not OK.
Explain: _____
13. Are you up-to-date on loan payments? _____ Yes; _____ No; Reason for arrears: _____

14. Were you able to use the loan for the needs you said you had when you applied for the loan? ___ Yes; ___ No; Explain the purpose of the loan and, if you answered "No", explain why? _____

15. As a result of the loan; your income has _____ increased; or _____ remained the same?
 _____ you have taken on new employees? (# of) _____ full-time;
 _____ part-time?
 (# of) _____ jobs protected (would have disappeared if loan had not been approved)
16. Did you receive any practical advice or guidance or suggestions? any problem solving ideas? ___ Yes; ___ No; in what? _____

17. Do you feel that this advice was ___ just right; ___ could have been better. How: _____

18. What do you think NDF/B is trying to do in Belize? _____

19. Is it doing a good job? ___ Yes; ___ So, so; ___ No.
 Explain: _____

20. Do you have any suggestions for NDF/B -- how it could do a better job, what it should do differently, what other services it should provide -- whatever you think would be helpful: _____

ANNEX B
TABLE I

NDF/B CLIENTS - OWNERSHIP, BUSINESS CATEGORY, LOAN PURPOSE

	Total		Belize City		Orange Walk		Cayo	
	No.	%	No.	%	No.	%	No.	%
Total Businesses Surveyed	27	100	17	63	5	19	5	19
OWNERSHIP (Question #7)								
<u>Sole Proprietor</u>	23	85	14	52	4	15	5	19
Male	18	67	10	37	3	11	5	19
Female	5	19	4	15	1	4	-	-
<u>Partnership</u>	4	15	3	11	1	4	-	-
Male/Male	3	11	2	7	1	4	-	-
Male/Female	1	4	1	4	-	-	-	-
Female/Female	-	-	-	-	-	-	-	-
TYPE OF BUSINESS (Question #6)								
<u>Production and Manufacturing</u>								
Furniture & Woodworking	4	15	3	11	-	-	1	4
Garment & Tailoring	2	7	1	4	-	-	1	4
Shoes & Leatherworking	-	-	-	-	-	-	-	-
Welding & Metal Construction	1	4	-	-	1	4	-	-
Crafts & Souvenirs	2	7	1	4	-	-	1	4
Food Processing	4	15	4	15	-	-	-	-
Agribusiness	1	4	1	4	-	-	-	-
General Construction	-	-	-	-	-	-	-	-
Other Micro-Industries	4	15	1	4	2	7	1	4
<u>Services</u>								
Retailing & Distribution	4	15	3	11	1	4	-	-
Repairs & Servicing	5	19	3	11	1	4	1	4
Other Services	-	-	-	-	-	-	-	-
PURPOSE OF LOAN (Question #4)								
Equipment	14	52	8	30	4	15	2	7
Materials	3	11	3	11	-	-	-	-
Equipment & Machinery	5	19	1	4	1	4	3	11
Building Renovation/ Addition (BR/A)	1	4	1	4	-	-	-	-
BR/A & Equipment	2	7	2	7	-	-	-	-
Purchase Existing Business	1	4	1	4	-	-	-	-
Poultry, Feed & Equipment	1	4	1	4	-	-	-	-

ANNEX B
TABLE II

NDF/B CLIENTS - INITIAL CONTACT

	Total No.	%	Belize City No.	%	Orange Walk No.	%	Cayo No.	%
Total Businesses Surveyed	27	100	17	63	5	19	5	19
HEARD ABOUT NDF/B (Question #8)								
Radio	3	11	3	11	-	-	-	-
Newspaper	6	22	3	11	2	7	1	4
Word-of-mouth	16	59	11	41	3	11	2	7
- Friend	14	52	9	33	3	11	2	7
- Family	1	4	-	-	1	4	-	-
- Acquaintance	2	7	2	7	-	-	-	-
Referral from other organization (AID, DFC)	5	19	2	7	1	4	3	11
NDF/B Staff	3	11	1	4	-	-	2	7

ANNEX C

PERSONS INTERVIEWED BY EVALUATOR, PAUL PRENTICE

Ministers of Government

Prime Minister of Belize and Minister of Finance	- Hon. Manuel Esquivel
Minister of Natural Resources and Founding Member & Ex-Director, NDF/B	- Hon. Dean Lindo
Minister of Health, Sports & Labour	- Hon. Elodio Aragon
Minister of Commerce, Industry, Fishing and Co-operatives	- Hon. Eduardo Juan
Member of the House of Representatives	- Hon. Lelis Carballo

Members of NDF/B

Chairman of the Board of Directors and of the Executive Committee, and Founding Member	- Mr. Phillip Gallaty, Sr.
Vice-Chairman of the Board of Directors and of the Executive Committee, and Founding Member	- Mrs. Terry Bedran Stark
Managing Director/Secretary and member of the Executive Committee, and Founding Member	- Mr. Manuel F. Cuellar
Member of the Board of Director and of the Executive Committee * Also, Manager of the Atlantic Bank	- Mr. Roberto Stanley
Member of the Board of Director and Founding Member	- Mr. Norris Wade
Member of the Board of Directors and of the Executive Committee, and Founding Member	- Mr. Denzil Jenkins
Member of the Board of Directors	- Mr. Benito Quan

Representatives of USAID

Acting AID Representative	- Mr. Charles Jenkins
Project Development Officer	- Mr. Peter Lapera
Program Analyst	- Mr. Douglas Willmore

Managers of Banks and other
Credit Lending Institutions

Manager of the Bank of Nova Scotia	- Mr. Jose Rosado
Manager of the Royal Bank of Canada	- Mr. William McDonald
Governor of the Central Bank of Belize	- Mr. Robert C. Swift
Deputy Governor of the Central Bank	- Mr. Frank Garbutt
Manager of the Development Finance Corporation of Belize	- Mr. Cerilo Mahung
Deputy Manager of the Development Finance Corporation of Belize	- Mr. Pedro Chu
Executive Director of the Belize Credit Union League	- Mr. Dennis Jones
President of the Belize Chamber of Commerce	- Mr. Kent McField
Ex-President of the Belize Chamber of Commerce	- Mr. Elton Jones

Peace Corps' Directors

Director of Peace Corps Volunteers in Belize	- Mr. Joe Lovingood
Associate Peace Corps Director	- Mr. Barney Mahler

Help For Progress

Managing Director, HFP	- Mr. Rupert Smith
Director, HFP	- Rev. Leroy Flowers

Council of Voluntary Social Services

Executive Director	- Mrs. Velda Aguet
Coordinator of the CVSS Guidance Placement Center	- Mrs. Jewel Quallo

President of Belize Tourism Industry Association, and member of the Tourist Board	- Mrs. Jean Shaw
President of the Cayo Businessmen Organization	- Mr. Godsman Ellis
Executive Director of the Belize Christian Council	- Miss Sadie Vernon
Member of the Public Service Commission	- Mr. Herman M. Tillett
<u>Members of NDF/B's Staff</u>	
Accountant/Office Supervisor	- Mr. Evaristo Blanco
Loans Officer	- Mr. David DeLap
Field Extension Officer	- Mr. Hector Sabido
Field Extension Officer	- Mr. Lucilo Vasquez, Jr.
Accounts Clerk	- Ms. Anita Fuller
Secretary/Typist	- Ms. Christine Fuller
Typist/Receptionist/Cashier	- Ms. Allyson Lopez
Messenger/Janitor	- Mr. Floyd Gladden