

EVALUATION SUMMARY - PART I PD ABE-655788/4

1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.
2. USE LETTER QUALITY TYPE, NOT "DOT MATRIX" TYPE.

| IDENTIFICATION DATA | | | | | |
|---|-------------------------------|--|--------------------------|---|--------------------------------|
| A. Reporting A.I.D. Unit: Mission or AID/W Office <u>Belize</u> (ES# _____). | | B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input checked="" type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY ___ Q ___ | | C. Evaluation Timing Interim <input checked="" type="checkbox"/> Final <input type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/> | |
| D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report.) | | | | | |
| Project No. | Project /Program Title | First PROAG or Equivalent (FY) | Most Recent PACD (Mo/Yr) | Planned LOP Cost (000) | Amount Obligated to Date (000) |
| 505-0027 | Export & Investment Promotion | 7/24/86 | 7/23/93 | 4,900 | 4,088 |

| ACTIONS | | |
|---|--|--|
| E. Action Decisions Approved By Mission or AID/W Office Director | Name of Officer Responsible for Action | Date Action to be Completed |
| <p>Action(s) Required</p> <ol style="list-style-type: none"> Establish a systematic program of membership recruitment. Set up a computerized monitoring and evaluation system to accurately document project goal achievements and improve the BCCI/BEIPU's overall reporting capability. Prepare implementation plans to target investment & exports. Revise financial plan to ensure that USAID funds will finance program activities until 1993. Restructure the organization to a level which can be supported by current revenues. Assess Export and Investment activities with GOB and establish an appropriate scope and level of operations before and after PACD with a view to get Government's commitment to financially contribute to a public sector responsibility. IESC's program to focus its technical assistance to small- and medium-size firms which engage in export or tourism activities, handicraft, small business development and women-owned enterprises. Encourage piggyback projects to provide assistance to more than one business during a single visit. | <p>BCCI/BEIPU</p> <p>BCCI/BEIPU/ USAID</p> <p>BCCI/BEIPU</p> <p>BCCI/BEIPU/ USAID</p> <p>BCCI/BEIPU</p> <p>BCCI/BEIPU/ GOB</p> <p>IESC/USAID</p> <p>IESC (Attach extra sheet if necessary)</p> | <p>August 1991</p> <p>August 1991</p> <p>March 1991</p> <p>March 1991</p> <p>August 1991</p> <p>Ongoing</p> <p>July 1991</p> <p>Ongoing effort</p> |

| APPROVALS | | | | |
|--|-------------------------|------------------------------------|--------------------|----------------------------------|
| F. Date Of Mission Or AID/W Office Review Of Evaluation: | | | | |
| (Month) | (Day) | (Year) | | |
| G. Approvals of Evaluation Summary And Action Decisions: | | | | |
| Name (Typed) | Project/Program Officer | Representative of Borrower/Grantee | Evaluation Officer | Mission or AID/W Office Director |
| | Pedro N. Perez | Hugh Fuller | Winston Bennett | Paul A. Bisek |
| Signature | | | | |
| Date | | | | 8/24/92 |

ABSTRACT

H. Evaluation Abstract (Do not exceed the space provided)

The project purpose is to develop the capacity of the private and public sectors to promote, provide technical assistance for, and facilitate exports and tourism projects undertaken in Belize. Private sector activities included support for the creation of the Belize Export and Investment Unit (BEIPU) within the Belize Chamber of Commerce and Industry (BCCI) and for services of short term volunteers from the International Executive Service Corps (IESC). The evaluation was undertaken to determine whether these activities were achieving expected results and to recommend mid-course corrections.

Major Conclusions:

- BCCI/BEIPU provided many different services to exporters and investors and was perceived as having become a dynamic organization. It overstated its direct contribution to achievement of project targets (impact), but deserves credit to the degree that its activities helped bring them about.
- The purpose of the project was partly achieved through the growth in capability of BCCI/BEIPU. Because this was entirely dependent on USAID funding, sustaining the enhanced degree of BCCI/BEIPU capacity beyond 1993 is crucial to ultimate achievement of project purpose.
- IESC delivered high quality technical assistance to Belizean businesses that helped reduce costs, but the amount of employment and income realized was small. Although costs to clients were low, overall cost effectiveness was less than planned and IESC did not focus sufficient attention on export development, investment generation and job creation. IESC did an outstanding job reaching women owned and women managed businesses.

Key Recommendations:

- BCCI/BEIPU should "trace" the impact of its past activities and develop information systems to document and measure impact.
- BCCI/BEIPU should develop and implement an intensive strategy to become a broad-based nationwide private sector organization.
- BCCI/BEIPU should concentrate and focus BEIPU's capacity, conserve resources, and agree on an appropriate scope and strategy for operations prior to and after 1993.
- IESC should emphasize export development, increased investment and job creation, and piggy back project for greater cost effectiveness.

COSTS

I. Evaluation Costs

| 1. Evaluation Team | | Contract Number OR TDY Person Days | Contract Cost OR TDY Cost (U.S. \$) | Source of Funds |
|---|-------------|---|--|-----------------|
| Name | Affiliation | | | |
| Devres, Inc. | | 505-0027-CO-00-1002 | \$40,000 | SD |
| 2. Mission/Office Professional Staff Person-Days (Estimate) _____ 10 | | 3. Borrower/Grantee Professional Staff Person-Days (Estimate) _____ 15 | | |

A.I.D. EVALUATION SUMMARY - PART II

SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)
Address the following items:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Purpose of evaluation and methodology used • Purpose of activity(ies) evaluated • Findings and conclusions (relate to questions) | <ul style="list-style-type: none"> • Principal recommendations • Lessons learned |
|--|--|

Mission or Office:

Date This Summary Prepared:

Title And Date Of Full Evaluation Report:

Evaluation Purpose and Methodology

The purpose of the evaluation was a mid-term assessment to determine whether the private sector activities under the Belize Export and Investment Promotion Project were achieving expected project results and to recommend mid-course changes. The evaluation will be used by USAID and the implementing organizations to assist managers in keeping the project moving toward the specified goals. A team of three (3) persons, including a senior Belizean consultant, conducted the evaluation. The team used document review, interviews, rapid reconnaissance surveys, informal telephone surveys and observation in carrying out the evaluation.

Project Purpose and Activities Evaluated

The project goal is to generate employment, income and foreign exchange in the Belizean economy. Its purpose is to develop the capacity of the private and public sectors to promote, provide technical assistance for, and facilitate exports and tourism projects undertaken in Belize. In the private sector, the project financed the creation of the Belize Export and Investment Unit (BEIPU) within the Belize Chamber of Commerce and Industry (BCCI). BEIPU provided promotion, technical assistance and facilitation services to businesses involved particularly in exports and tourism and coordinated trade missions abroad. The project also financed services of short term volunteers from the International Executive Service Corps (IESC).

Overall Conclusions

BCCI/BEIPU

- Many different services--e.g., formation of companies, development of concession applications, technical assistance--were provided to investors, exporters and others.
- The GOB and the private sector viewed BCCI/BEIPU as having become a dynamic organization capable of representing its members' interests effectively and of successfully promoting Belize's private sector at home and abroad.
- BCCI/BEIPU overstated its direct contribution to achievement of project targets (impact) in its annual reports. However, because the intent of the project was to "facilitate" achievement of such targets, where they were achieved BCCI/BEIPU deserves credit for them to the same degree that its activities helped bring them about.
- BCCI/BEIPU was not organized internally to identify, verify and monitor its degree of contribution to the achievement of project targets. Thus, while it did contribute to the achievement of the goal of the project, the extent of its contribution was not documented.
- The purpose of the project was achieved in part at the time of the evaluation principally through the growth in capability of BCCI/BEIPU. Because this capacity improvement was entirely dependent on USAID

S U M M A R Y (Continued)

funding, sustaining the enhanced degree of capacity beyond 1993 is crucial to the ultimate achievement of the project purpose.

- BCCI/BEIPU's objective to become a nation-wide private sector service organization encompassing manufacturing, agriculture and other productive sectors in both urban and rural areas was partly achieved with membership of 268 and a target by the PACD of 1000.
- BCCI/BEIPU today carries out a high degree of activity while producing minimal income and being burdened with a serious shortfall of funding. It is likely to face a major retrenchment as USAID funds run out. If this occurs it will reduce achievement of the project purpose substantially from its level at the time of the evaluation.
- A critical issue faced by BCCI/BEIPU was to determine if and how it could continue a large post-1993 program without USAID/Belize funding; an imperative was for BCCI/BEIPU to develop and implement a strategy to make its planned post-1993 activities while it still enjoyed USAID funding.
- BCCI/BEIPU did not fully document and measure its activities nor their impact. Its internal management information system was not capable of documenting activities, providing key information to management, staff and clients, and supporting staff activities in all aspects of its operations, including financial. An expanded computer system was being planned as one step in rectifying this problem.

I E S C

- IESC successfully transferred technology to Belizean businesses that helped reduce their costs. The amount of employment and income realized was small in absolute terms and in comparison to the total investment made. Virtually no additional exports were realized from the technology transferred because IESC provided little assistance to export businesses. IESC did provide valuable services to tourism businesses.
- IESC had adequate resources to achieve project purposes as planned.
- IESC was cost effective--it provided high quality technical assistance at lower out of pocket costs than charged by other organizations for comparable services.
- IESC's cost effectiveness in achieving the goal of the project was lower than planned. IESC did not focus sufficient attention on export development, investment generation and job creation. Its direct work with individual businesses also reduced its cost effectiveness.
- IESC's targeted areas of activity were consistent with project purposes and GOB strategy, but some assignments, such as those benefitting larger distributive traders, were not.
- IESC did an outstanding job in reaching women owned, women owned and operated and women managed businesses.

Recommendations to Improve Project Performance

BCCI/BEIPU

- BCCI/BEIPU should further develop and implement as soon as possible a more intensive strategy to achieve fully its objective of becoming a nation-wide private sector service organization encompassing manufacturing, agriculture, tourism and other productive sectors in both urban and rural areas by 1993.
- BCCI/BEIPU should carry out a "tracer" study of the investment, export and other activities it claimed as impact during the period 1986 through 1990 to determine, as accurately as possible, the extent of BEIPU's impact on project goal achievement. Selected case studies of successes and failures should be prepared. The implications of the study for future activity should be reviewed by BCCI's Executive Committee and BEIPU's Advisory Committee.

S U M M A R Y (Continued)

- Within the next months, BCCI/BEIPU should develop--in close consultation with USAID/Belize--a plan to concentrate BEIPU's present and expanding capacity on additional goal achievement by tightening the nexus between the use of its expanded capacity and increases in exports, tourism and employment. This plan should focus BEIPU on determining which export and investments to push, identifying companies to work with that would best achieve results, learning in-depth about the export and investment businesses being developed and promoted, and shaping its information to maximize project impact.
- BCCI/BEIPU should conserve resources now to prepare for the time USAID funds run out. All membership fees, BCCI/BEIPU consultant division profits and other revenues not supplied by USAID should be banked as savings to be applied during the transition period to self-financing that will occur when USAID funding is exhausted.
- To conserve non-USAID resources BCCI/BEIPU should immediately reduce its operations to that level which can be supported solely by current USAID project funding at planned expenditure rates.
- Within two months and based on its more intensive strategy to further strengthen BCCI's national membership and service and its plan to reshape BEIPU's activities, BCCI/BEIPU should--after in-depth consultations with USAID/Belize and the GOB--agree upon an appropriate scope and strategy for its operations prior to and following 1993. (Options are provided in the report.) This scope and strategy should make clear the degree to which current achievement of the project purpose (BCCI/BEIPU's "developed" capacity) will be sustained following 1993.
- BCCI/BEIPU should develop a monitoring and evaluation system to document and measure the impact of its BCCI and BEIPU related activities on exports, tourism and employment.
- BCCI/BEIPU should continue to to develop an internal management information system capable of documenting and reporting its activities and their impact, providing key information to management, staff and clients, and supporting activities in all aspects of its operations, including financial. This MIS should be based on electronic and other information networks (filing, library and key informant systems) and should incorporate BCCI/BEIPU's monitoring and evaluation system.

I E S C

- IESC should emphasize export development, increased investment and job creation to a higher degree in recruitment and provision of technical assistance.
- Piggyback projects--in which VEs provide assistance to more than one business during a single visit--should be larger portion of IESC's portfolio in Belize.
- IESC should continue its successful effort to reach women entrepreneurs and employees, including expansion of its co-sponsorship of business development and training seminars especially focused on women.

ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "on-going" evaluation, if relevant to the evaluation report.)

COMMENTS

L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

The main discrepancy that needed to be realized and sorted out was whether the implementing organization, BCCI/BEIPU, was to have direct or indirect impact on export, employment, and foreign exchange. Direct impact was not mentioned in the project paper or the amendment. This directly affects the evaluation teams measurement of BEIPU's contributions toward project goals; the measurement of contributions is inconsistent in that the evaluation team specifically identifies the level of contributions, yet states that the contributions were not well monitored by the BCCI/BEIPU and therefore the extent of contribution is not apparent.

This discrepancy over direct and indirect impact seems to have had some influence over the GOB's perception of BEIPU. As stated in the evaluation, the GOB did not find BEIPU to have any direct impact on exports, investment, tourism, and employment. If the main purpose of the project is to facilitate, not directly impact, then the statement was unnecessary.

Questions can be raised as to whether the evaluation team acknowledged the awareness of the BEIPU staff in addressing the problems noted in the evaluation. If indeed there was a knowledge by the staff of some of the problems, this should have been noted so as to give a clear and comprehensive viewpoint.

It is viewed that the biases or unawareness of the members of the organization was not taken into account. At times, client expectations are above the services available. Without reporting those shortcomings, one could get a negative view of BEIPU's services.

It must be recognized that achievement of project goals, especially this particular project which works within the sensitive field of economics and investment, is dependent upon full participation of many parties (GOB, banks, etc.). This point should have been taken into consideration by the evaluation team in its assessment of BEIPU activities.

Extended effort should be made to improve BEIPU's internal management system. This is essential to continually improve its services, internally generate funds, and evaluate the organization's performance.

In general, the evaluation did an excellent job making recommendations for the improvement of the organization. It is felt that those recommendations will help BEIPU make significant moves toward reaching project goals.

XD-ABE-655-A

7885

**EVALUATION OF THE EXPORT
AND INVESTMENT PROMOTION
PROJECT IN BELIZE**

(PROJECT NUMBER: 505-0027)

**Submitted to: Pedro Perez
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January 31, 1991

ACKNOWLEDGEMENTS

This evaluation was prepared by a team of specialists fielded by Devres, Inc. during November 25 through December 15, 1990.

The team wishes to express its appreciation to all the members of BCCI/BEIPU and IESC and to the staff of USAID/Belize for their strong support of this evaluation effort. Equally important to the evaluation were the comments and observations of individuals in the Government of Belize and in the private sector. Their willingness to spend time with members of the team was essential to carrying out a sound evaluation and very much appreciated. The list of contacts in Annex 2 indicates the many people who provided invaluable assistance and cooperation.

Within BCCI/BEIPU the team is particularly indebted to Mr. Hugh Fuller, the General Manager, who provided the team with large quantities of his time and all the information it requested. Each of Mr. Fuller's professional and support staff was involved in the evaluation in some way. The team expresses its heartfelt thank you to each of them. And, many members of the Boards for BCCI and for BEIPU deserve our gratitude too for their willingness to meet with the team and consider the past and future of BCCI/BEIPU.

At IESC, the evaluation team worked closely with the Country Director, Ms. Linda Bautista, and her staff. Special thanks is due Ms. Bautista for her strong support. The team is also grateful for the willingness of her staff to provide information quickly whenever asked.

At Devres' home office, the team expresses its thanks to Susan Adams for her help in putting the final touches on this report.

LIST OF ABBREVIATIONS

| | |
|----------------|--|
| ABLE | Subdivision of IESC that carries out studies |
| A.I.D. | U.S. Agency for International Development (Global) |
| BABCO | Belize Agribusiness Company |
| BCCI | Belize Chamber of Commerce and Industry |
| BEIPU | Belize Export and Investment Promotion Unit |
| | |
| B.E.S.T. | Belize Enterprise for Sustained Technology |
| BIM | Belize Institute of Management |
| BTIA | Belize Tourism Industry Association |
| CAIC | Caribbean |
| CARTIS | Caribbean Trade Information System |
| | |
| CGA | Citrus Growers Association |
| COB | Caribbean Development Bank |
| EOPS | End of project status |
| IESC | International Executive Service Corps |
| ILO | International Labor Organization |
| | |
| GOB | Government of Belize |
| NDF; NDF/B | National Development Foundation/Belize |
| PACD | Project activity completion date |
| PMA | Producers Marketing Association |
| PVO | Private Voluntary Organization |
| | |
| UFFVA | United Fresh Fruit and Vegetable Association |
| UK | United Kingdom |
| USA | United States of America |
| USAID; USAID/B | United States Agency for International Development /in Belize |
| VE | Volunteer Executives |

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EXECUTIVE SUMMARY

A. Introduction

1. Project description

The Belize Export and Investment Promotion Project financed the creation of the Belize Export and Investment Promotion Unit (BEIPU) within the Belize Chamber of Commerce and Industry (BCCI). A project amendment provided BEIPU with additional funds and BCCI with funds for institutional strengthening. Subsequently, BCCI and BEIPU were merged under the management of BCCI.

2. Purpose and scope

The purpose of this report is to provide a mid-term evaluation of the private sector activities under the Belize Export and Investment Project. The scope of work for the evaluation is included as Annex 1.

B. Overall Conclusions Regarding the Export and Investment Promotion Project

1. BCCI/BEIPU

- o Many different services--e.g., formation of companies, development of concession applications, technical assistance--were provided by BCCI/BEIPU to investors, exporters and others that assisted them in seeking their goals;
- o The GOB and the private sector viewed BCCI/BEIPU as having become a dynamic organization capable of representing its members' interests effectively and of successfully promoting Belize's private sector at home and abroad;
- o BCCI/BEIPU overstated its direct contribution to achievement of project targets (impact) in its annual reports. However, because the intent of the project was to "facilitate" achievement of such targets, where they were achieved BCCI/BEIPU deserves credit for them to the same degree that its activities helped bring them about;
- o BCCI/BEIPU was not organized internally to identify, verify and monitor its degree of contribution to the achievement of project targets. Thus, while it did contribute to the achievement of the goal of the project, the extent of its contribution was not documented;

- o The purpose of the project--to develop the capacity of the private and public sectors to promote, provide technical assistance for, and facilitate exports and tourism projects undertaken in Belize--was achieved in part at the time of the evaluation principally through the growth in capability of BCCI/BEIPU. Because this capacity improvement was entirely dependent on USAID funding, sustaining the enhanced degree of BCCI/BEIPU capacity beyond 1993 is crucial to the ultimate achievement of the project purpose;
- o BCCI/BEIPU's objective to become a nation-wide private sector service organization encompassing manufacturing, agriculture and other productive sectors in both urban and rural areas was partly achieved with membership of 268 and a target by the PACD of 1000;
- o BCCI/BEIPU today carries out a high level of activity while producing minimal income and being burdened with a serious shortfall of funding. It is likely to face a major retrenchment as USAID funds run out. If this retrenchment occurs it will reduce achievement of the project purpose substantially from its level at the time of the evaluation;
- o A critical issue faced by BCCI/BEIPU was to determine if and how it could continue a large post-1993 program without USAID/Belize funding; an imperative was for BCCI/BEIPU to develop and implement a strategy to make its planned post-1993 activities self-sufficient while it still enjoyed USAID funding; and
- o BCCI/BEIPU did not fully document and measure its activities nor their impact. Its internal management information system was not capable of documenting its activities, providing key information to management, staff and clients, and supporting staff activities in all aspects of its operations, including financial. At the time of the evaluation, an expanded computer system was being planned as one step in rectifying this problem.

2. IESC

- o IESC successfully transferred technology to Belizean businesses that helped reduce their costs. The amount of employment and income realized was small in absolute terms and in comparison to the total investment made. Virtually no additional exports were realized from the technology transferred because IESC provided little assistance to export businesses. IESC did provide valuable services to tourism businesses;
- o IESC had adequate resources to achieve project purposes as planned;

- o IESC was cost effective--it provided high quality technical assistance at lower out of pocket costs than charged by other organizations providing comparable services;
- o IESC's cost effectiveness in achieving the goal of the project was lower than planned. IESC did not focus sufficient attention on export development, investment generation and job creation in providing its assistance. IESC's direct work with small individual businesses also reduced its cost effectiveness;
- o IESC's targeted areas of activity were consistent with project purposes and GOB strategy; some IESC assignments such as those benefitting larger distributive traders were not commensurate with the GOB's policy focus or USAID/Belize's development objectives; and
- o IESC did an outstanding job in reaching women owned, women owned and operated and women managed businesses.

C. Recommendations to Improve Project Performance

1. BCCI/BEIPU

- o BCCI/BEIPU should further develop and implement as soon as possible a more intensive strategy to achieve fully its objective of becoming a nationwide private sector service organization encompassing manufacturing, agriculture, tourism and other productive sectors in both urban and rural areas by 1993;
- o BCCI/BEIPU should carry out a "tracer" study of the investment, export and other activities it claimed as impact during the period 1986 through 1990 to determine, as accurately as possible, the extent of BEIPU's impact on project goal achievement. Selected case studies of successes and failures should be prepared. The implications of the study for future BCCI/BEIPU activity should be reviewed by BCCI's Executive Committee and BEIPU's Advisory Committee;
- o Within the next months, BCCI/BEIPU should develop--in close consultation with USAID/Belize--a plan to concentrate BEIPU's present and expanding capacity on additional goal achievement by tightening the nexus between the use of its expanded capacity and increases in exports, tourism and employment. This plan should focus BEIPU on determining which exports and investments to push, identifying companies to work with that would best achieve results, learning in-depth about the export and

investment businesses being developed and promoted, and shaping its information to maximize project impact;

- o BCCI/BEIPU should conserve resources now to prepare for the time USAID funds run out. All membership fees, BCCI/BEIPU consultant division profits and other revenues not supplied by USAID should be banked as savings to be applied during the transition period to self-financing that will occur when USAID funding is exhausted;
- o To conserve non-USAID resources BCCI/BEIPU should immediately reduce its operations to that level which can be supported solely by current USAID project funding at planned expenditure rates;
- o Within two months and based upon its more intensive strategy to further strengthen BCCI's national membership and service and its plan to reshape BEIPU's activities, BCCI/BEIPU should--after in-depth consultations with USAID/Belize and the GOB--agree upon an appropriate scope and strategy for its operations prior to and following 1993. (Optional strategies and their pros and cons are set out in Chapter III and Annex 6.). This scope and strategy should make clear the degree to which current achievement of the project purpose (BCCI/BEIPU's "developed" capacity) will be sustained following 1993;
- o BCCI/BEIPU should develop a monitoring and evaluation system to document and measure the impact of its BCCI and BEIPU related activities on exports, tourism, and employment; and
- o BCCI/BEIPU should continue to develop an internal management information system capable of documenting and reporting its activities and their impact, providing key information to management, staff and clients, and supporting activities in all aspects of its operations, including financial. This MIS should be based on electronic and other information networks (filing, library and key informant systems) and should incorporate BCCI/BEIPU's monitoring and evaluation system.

2. IESC

- o IESC should emphasize export development, increased investment and job creation to a higher degree in recruitment and provision of technical assistance;
- o Piggyback projects--those in which VEs provide assistance to more than one business during a single visit--should be a larger portion of IESC's portfolio in Belize; and

- o **IESC should continue its successful effort to reach women entrepreneurs and employees, including expansion of its co-sponsorship of business development and training seminars especially focused on women.**

I. INTRODUCTION AND PROJECT DESCRIPTION

A. Introduction

The Government of Belize has embarked on a development strategy that emphasizes growth in exports and tourism. Through a variety of incentives and policies, the Government actively encouraged private foreign investors to invest in productive ventures to increase employment. Its goal was to attract investments that:

- o Help the country diversify its economic base;
- o Increase exports and foreign exchange earnings;
- o Utilize raw materials;
- o Are largely self-financing;
- o Produce an overflow of technological and managerial resources not otherwise available in Belize; and,
- o Provide for the gradual transfer of both skills and control to Belizeans.

The Government of Belize has identified tourism, agriculture and light industry as priority areas for export-led economic growth. With this backdrop, this Export and Investment Promotion Project (505-0027) was aligned with the policies, directions and objectives of the Government. The objectives of the Belize Export Investment Promotion Unit (BEIPU), a trade and investment promotion service within the Belizean Chamber of Commerce and Industry (BCCI), and created by this program, in large part agreed with those of the Government, and BEIPU enjoyed the endorsement of the Government and its leadership.

B. Purpose, Procedure and Scope

The purpose of this report is to provide a mid-term evaluation of the private sector activities under the Belize Export and Investment Project.

The evaluation was carried out by a team of three persons, including a senior Belizean consultant. The team, working collaboratively, used document review, interviews, rapid reconnaissance surveys, informal telephone surveys and observation in carrying out the evaluation.

C. Project Description

The project financed the creation of a trade and investment promotion service, the Belize Export and Investment Promotion Unit (BEIPU) within the Belize Chamber of Commerce and

Industry (BCCI). BEIPU provided promotion, technical assistance and facilitation services to businesses involved particularly in exports and tourism and coordinated trade missions abroad.

The initial grant of \$2,000,000 was authorized in June 1986 and financed the creation of BEIPU, funding such inputs as staff, investment promotion, short- and long-term technical assistance, logistical support, equipment and supplies. An amendment authorized in July 1988 provided an additional \$860,000, \$600,000 to BEIPU for financing the same inputs plus a new component, Export Promotion. For the first time the Project applied \$260,000 to BCCI for staff, promotion and equipment. Overall life of project funding to BCCI/BEIPU totalled \$3,260,000. The project is to terminate in July 1993. A breakdown by line item showing life of project funding and amount obligated to date is shown in Annex 8. It was the intent of the project for BEIPU to become self-sufficient and to develop the capacity to generate its own revenues, so that it would not have to rely on public funding.

II. PROJECT ACHIEVEMENT AND USE OF RESOURCES

A. Achievement of the Goal of the Project

1. Overview

a. Discussion

1) General measures of goal achievement

The goal of the Export and Investment Promotion Project is to generate employment, income and foreign exchange in the Belizean economy. The attainment of this goal was to be documented by measuring actual increases in exports, tourism, and employment in the agricultural, industrial and tourism sectors of the economy. The logframes for the project and its amendment are shown in Annexes 4 and 5.

Belize has increased its exports of non-traditional industrial and agricultural goods, its tourism earnings and employment in the desired sectors during the 1986 to 1990 period. Exports of red kidney beans, peanuts, cocoa beans, garments, papaya, jams and jellies, cut flowers and pepper sauce increased during the BCCI/BEIPU project period. The value of non-traditional exports was Bz\$ 1.7 million in 1984 and Bz\$ 6.1 million in 1989. However, in 1987 the value of these exports was Bz\$ 9.2 million. Non-traditionals were 3.0 percent of domestic exports in 1988 and 3.3 percent in 1989, up from 1.2 percent in 1984. Again, however, non-traditional exports were 5.3 percent of domestic exports in 1987. The 1986 and 1987 trade years were characterized by large exports of mangoes, vegetables and beef which did not continue in 1988 and 1989. Since 1987, the value of cut flowers, pepper sauce, cocoa beans, papayas and red kidney beans increased substantially.

Gross tourism earnings increased from Bz\$25.4 million in 1985 to Bz\$ 57 million in 1989. Tourist arrivals rose from 93,440 in 1985 to 164,332 in 1989.

Employment estimates are unreliable pending the 1990/1991 labor survey being undertaken by the GOB. Unemployment is officially estimated at 15 percent, with male unemployment being 10 percent and female unemployment being 25 percent. A total of 2153 jobs are thought to have been created by firms receiving development concessions between 1985 and 1989. Other jobs likely were created by firms without development concessions. The bulk of job creation has been in agriculture (citrus and bananas), tourism and garments. Most require low skill, provide low pay, and are often taken by migrants from neighboring countries. According to public sector officials, higher paying jobs in tourism and other sectors are frequently filled by foreigners. The new jobs created during the BCCI/BEIPU project period were insufficient to lower the unemployment rate. The absolute number of unemployed expanded during the period even without accounting for refugee labor.

2) Specific measures of goal achievement

The Export and Investment Promotion Project was designed to contribute to an increase in exports, tourism and employment. BCCI/BEIPU reported its results in its annual evaluation reports in specific terms--generation of new investments, creation of new jobs, expansion of company export capability, increase in export revenues, etc. These reports indicated that BCCI/BEIPU achieved all its targets in these and related areas except planned revenue levels during the 1986 to 1990 period (see Table 1).

Close examination by the evaluation team determined that most of these targets were not achieved to the degree claimed by BCCI/BEIPU and that BCCI/BEIPU's contributions were smaller than suggested in its annual reports.¹ BCCI/BEIPU was, however, associated with each of the designated events counted in reaching the targets in some way.

BCCI/BEIPU management and staff firmly believe the project was never intended to contribute in a direct way to the achievement of the targets in Table 1. BCCI/BEIPU's task was to facilitate achievement of these targets, helping usher entrepreneurs and investors through the "system" and providing services as needed to them.

The efforts of BCCI/BEIPU to facilitate the activities of investors and exporters was well known by Belizean and foreign investors, GOB officials and USAID. The goal of the project was achieved to the degree the general increase in exports, employment and tourism realized during the life of the project to date was facilitated by BCCI/BEIPU. The contribution of BCCI/BEIPU was not monitored so that the nexus between the use of its improved capacity and goal achievement could not be determined with certainty.

b. Conclusion

- o BCCI/BEIPU overstated its direct contribution to achievement of project targets (impact) in its annual reports. However, because the intent of the project was to "facilitate" achievement of such targets, where they were achieved BCCI/BEIPU deserves credit for them to the same degree that its activities helped bring them about;
- o BCCI/BEIPU was not organized internally to identify, verify and monitor its degree of contribution to the achievement of project targets. Thus, while it did contribute to the achievement of the goal of the project the extent of its contribution was not documented.

¹See Annex 11 for further discussion of this point.

Table 1: Achievement of Goal Indicators Established for BEIPU

NCCI/BEIPU EVALUATION

Table 1: Achievement of Goal Indicators Established for BEIPU

| Goal Indicators | Aug 86 - July 87 | | Aug 87 - July 88 | | Aug 88 - July 89 | | Aug 89 - July 90 | |
|---|------------------|--------------|------------------|-------------|------------------|--------------|------------------|-------------|
| | Target | Achievement | Target | Achievement | Target | Achievement | Target | Achievement |
| Contacts With New Investment Prospects | 300+ | 343 | 300+ | 487 | 300+ | 406 | 300 | 321 |
| Generation of New Investments | 12 | 12+ | 12 | 14 | 12 | 14 | 12 | 14 |
| Creation of New Jobs | 120 | 193 | 120 | 850 | 120 | 775 | 120 | 775 |
| Expansion of Company Export Capability | 5 | 6 | 5 | 5 | 5 | 7 | 5 | 7 |
| Increase in Export Revenues | Bz \$ 1.0 M | Bz \$ 1.0 M+ | Bz \$ 1.0 M | Bz \$ 88 M+ | Bz \$ 1.0 M | Bz \$ 118 M+ | Bz \$ 1.0 M | Bz \$ 1.0 M |
| Development of New Local Small Business | 4 | 4 | 4 | 3 | 6 | 4 | ? | 7 |
| BEIPU Revenue Earned | US \$ 67K | US \$ 0 | US \$ 108K | US \$ 127K | US \$ 170K | US \$ 15.8K | US \$ 220K | US \$ 23.6K |
| | | | US \$ 22K | | US \$ 37K | | | |

c. Recommendations

- o BCCI/BEIPU should concentrate its present and expanding capacity on additional goal achievement by tightening the nexus between its activities and increases in exports, tourism and employment;
- o BCCI/BEIPU should carry out a "tracer" study of the investment, export and other activities it claimed as impact during the period 1986 through 1990 to determine, as accurately as possible, the extent of BEIPU's impact. Selected case studies of successes and failures should be prepared. The implications of the study for future BCCI/BEIPU activity should be reviewed by BCCI's Executive Committee and BEIPU's Advisory Committee; and
- o BCCI/BEIPU should develop a monitoring and evaluation system to document and measure the impact of its BCCI and BEIPU related activities on exports, tourism and employment.

2. Extent of increased exports of both non-traditional agricultural and industrial goods attributable to the project

a. Discussion

BCCI/BEIPU's export expansion activities focused on export promotion between 1986 and 1988. During this phase, the BCCI/BEIPU staff identified promising export products. They provided specific assistance in exporting some non-traditional crops such as papaya, annatto, and peppers. The staff facilitated growers' exhibitions of these and other products at trade shows and made marketing contacts on their behalf, helping identify Belize as a country with export potential.

However, problems arose with this approach. Successful promotion, such as was realized in trade missions and exhibitions at trade shows, led to requests for product that could not be filled. The BCCI/BEIPU staff began to realize that they were promoting products that were not available, not available in sufficient quantity, or not of adequate quality. Also, the systems and other infrastructure necessary to support exports was not fully developed.

Analysis of the situation led BCCI/BEIPU to conclude that Belize needed to develop export products before the project could effectively promote them. Thus, the project export staff, with USAID concurrence, shifted its focus to export development.

This emphasis on export development occurred at the time of the project amendment--1988. Facilitation of the interests of those desiring to develop export products was undertaken in several instances. A draft export development strategy was prepared which includes numerous specific potential export products that could be developed. The strategy still must be finalized

and a detailed implementation plan agreed upon. The analytical work to support pursuit of the potential export products that could be developed had not been completed. When this work is done, the number of potential exports may decrease, making it easier for BCCI/BEIPU to concentrate its export development efforts on very promising products. The export development manager was hired only a few months ago.

b. Conclusions

- o The project did promote available export products and facilitate the interests of entrepreneurs interested in developing exports in Belize;
- o It also contributed to increasing awareness of Belize as a country with export potential among foreign importers and local and foreign investors and businesses.

c. Recommendation

- o BCCI/BEIPU should carry out the analytical work appropriate to identify a shorter list of the most promising export products and the key steps necessary by investors and others to develop them.

3. Extent of increased tourism to Belize attributable to the project

a. Discussion

Although BCCI/BEIPU carried out little work in tourism some of BCCI/BEIPU's activities may have helped increase tourism in Belize indirectly. For example, BCCI/BEIPU's presence at many trade shows abroad heightened the awareness of many about Belize and its tourism potential. One example cited by BCCI/BEIPU directors and staff is that one of the hotels constructed in Belize City "started at the New Orleans exposition in 1984." Evidently, a conversation between members of the delegation and the hotelier made him aware of the tourism-hotel potential in Belize for perhaps the first time. BCCI/BEIPU also has cooperated with BTIA in meetings, seminars and training sessions. Investors meeting with BCCI/BEIPU also were made aware of the tourism potential of Belize. Finally, BCCI membership has increasingly included more hoteliers, owners of retail establishments dependent mostly on tourism, and restaurateurs and others who cater to tourists. In serving this membership group, BCCI/BEIPU has contributed to improved performance in the tourism sector indirectly.

b. Conclusions

- o BCCI/BEIPU did not provide substantial, direct assistance to the tourism sector; and

- o Through its appearance as a dynamic private sector organization, its promotion of Belize at various trade shows, in its meetings with investors, and in its cooperation with BTIA and others in seminars and meetings, BCCI/BEIPU did contribute to enhancing the image of Belize as a desirable location for tourism and tourism investment.

c. Recommendation

- o BCCI/BEIPU should increase its emphasis on the tourism sector to capitalize on the image it has helped create of Belize as a desirable location for tourism and tourism investment and to provide additional service to this important segment of the country's economy as BCCI's membership in the tourism sector continues to expand.

4. Extent of increased employment in agriculture, industry and tourism attributable to the project

a. Discussion

BCCI/BEIPU's direct contribution to job creation was limited and business persons interviewed consistently denied that BCCI/BEIPU activity was important in developing the additional employment their businesses had generated. However, BCCI/BEIPU were involved in facilitating activities for the businesses which created jobs.

Some training was facilitated by BCCI/BEIPU (through BIM) for entrepreneurs desiring to start or expand their own businesses. This training had the potential for leading to job creation.

b. Conclusions

- o The project had limited direct influence on increasing employment in the agricultural, industrial and tourism sectors, but it did facilitate activities for those businesses which did create jobs; and
- o BCCI/BEIPU sponsorship of training activities had the potential for helping create employment.

c. Recommendation

- o BCCI/BEIPU should identify its activities which are the most relevant to achieving employment increases in agriculture, industry and tourism and monitor their frequency and impact.

B. Achievement of EOPS of the Project

1. Realization of the purpose of the project

a. Discussion

The purpose of the project was:

"To develop the capacity of the private and public sectors to promote, provide technical assistance for, and facilitate exports and tourism projects undertaken in Belize."

As pointed out below, the end-of-project-status indicators were achieved in whole or in part. By realizing these EOPS, it is assumed that the purpose of the project was achieved. Some of the EOPS were not fully achieved, indicating that, during the remainder of the project, a more complete realization of the outputs will be necessary to fulfill the purpose of the project as planned.

The project at the time of the evaluation, had developed the capacity of the private sector, principally in the form of BCCI/BEIPU, to promote, provide technical assistance for and facilitate export and tourism projects undertaken in Belize.² As pointed out later in this Chapter and in Chapter IV, many private and public sector individuals now perceive BCCI (and to some degree BEIPU) as an active, dynamic private sector organization capable of getting things done. The increase in private sector capacity created by the project is largely resident in BCCI/BEIPU and dependant almost exclusively on USAID funds. Sustaining this BCCI/BEIPU capacity thus becomes central to whether the project purpose will ultimately (after the end of Project No. 505-0027) be achieved. This issue is dealt with in Chapter III.

The project did not focus on improving the capacity of the public sector to promote, provide technical assistance for and facilitate exports and tourism projects undertaken in Belize.

b. Conclusions

- o The purpose of the project--to develop the capacity of the private and public sectors to promote, provide technical assistance for, and facilitate exports and tourism projects undertaken in Belize--was achieved in part at the time of the evaluation through the growth in capability of BCCI/BEIPU;**
- o BCCI/BEIPU used most of its new capacity and the project's resources to provide facilitation and public relations services.**

²See Annex 11 for further discussion of the degree of nexus between the project purpose and the project goal.

c. Recommendations

- o BCCI/BEIPU should develop a plan to focus BEIPU's already significant capacity on determining which exports and investments to push, identifying companies to work with that would best achieve results, learning in-depth about the export and investment businesses being developed and promoted, and shaping its information to maximize project impact; and
- o BCCI/BEIPU should, to ensure achievement of the purpose of the project, concentrate on maintaining ample capacity to promote and provide technical assistance for, and facilitate exports and tourism projects, after USAID funding is exhausted (see Chapter III).

2. BEIPU pilot credit program well administered by Belize Bank

a. Discussion

There is little dispute about the importance of credit to encourage exports. However, unless the credit is well administered, the importance of this needed input will be lost. Observations about the administration of pilot credit program follow:

- o The General Manager of BCCI backstopped the Credit Program although it was more appropriately the role of the Manager of the Export Development Department. The General Manager was too busy to be burdened with the operations of the Credit Program;
- o NDF/B's first status report dated November 29, 1990, revealed three loans were approved, disbursing Bz\$90,420 in USAID funds. Two of these loans were for export-oriented enterprises and the third for an import substitution project. The report said all loans were current with the exception of one. No further details were given. BCCI/BEIPU had a responsibility to request details about the delinquent loan and pursue follow-up actions. The import substitution loan was not eligible for AID financing. It was endorsed by BCCI/BEIPU, but was not within the guidelines for the pilot project;
- o NDF/B obtained the USAID funds from BCCI/BEIPU at zero interest and loaned them out at 12 percent, an excessive spread. The NDF/B-BCCI/BEIPU agreement gave BCCI/BEIPU a three percent annual inflation fee on the funds disbursed, but this was not payable until the end of a five year period. Had BCCI/BEIPU received a two to three point interest spread, payable immediately upon collection, instead of the three percent inflation rate payable at the end of five years it would have been more appropriate. Such an arrangement would have given BCCI/BEIPU an immediate, much-needed source of revenue;

- o BCCI/BEIPU, through USAID, disbursed Bz\$100,000 to NDF/B which in turn disbursed Bz\$90,420 to three projects, leaving a balance of Bz\$9,580 which remains idle. There appears no reason why a second disbursement of US\$50,000 could not be made.

b. Conclusions

- o It is vital that the Credit Program be administered with care and accountability. Problems have already appeared in the program's performance;
- o BCCI/BEIPU has the capability to administer the pilot program successfully, but responsibilities must be spelled out. USAID support in ensuring NDF/B compliance with the requirements of the project would be helpful; and
- o The project could fruitfully provide a second disbursement of US\$50,000.

c. Recommendations

- o The Manager of the Export Department of BCCI/BEIPU should monitor the Credit Program, pursuant to the conditions of the A.I.D. program documents and the BCCI/BEIPU-NDF/B agreement;
- o BCCI/BEIPU should respond to the NDF/B status report of November 29, 1990 by eliminating the import substitution project, requesting additional information on the one loan in arrears, and establish follow-up procedures;
- o BCCI/BEIPU should attempt to re-negotiate a more equitable agreement with NDF/B to obtain two to three points in the interest spread in lieu of the three percent annual inflation fee, payable five years in the future; and
- o BCCI/BEIPU and USAID should disburse the second tranche of US\$50,000 provided the three issues above have been resolved to the satisfaction of BCCI/BEIPU and USAID.

3. BCCI membership rises

a. Discussion

BCCI/BEIPU launched a strong drive to attract more members. The strategy underlying this effort was developed as recruitment proceeded. Its elements were: Extend membership activities to areas other than Belize City; reach out to smaller businesses and businesses other than distributive trade; seek to convince business owners, managers and others to join because it is the "right thing to do for Belize", not just to receive direct business benefits; emphasize the new dynamic nature of BCCI and the importance of belonging to an organization that is "doing things" of value to business and the country. The umbrella concept for these strategy elements is that BCCI/BEIPU is the leading private sector organization in Belize.

The membership drive was successful, more than doubling BCCI membership by the time of the evaluation. The success of the membership effort was attributable to several factors:

- o Business persons perceived BCCI as being dynamic--doing things;
- o New members believed BCCI was reaching out for new members in manufacturing and other areas of business activity;
- o New members saw that BCCI desired to serve members throughout the country, not just in Belize City;
- o New members, and old, were convinced that BCCI could strengthen private enterprise, democracy and the business environment in Belize;
- o New and old members expected BCCI to represent their interests vis-a-vis the GOB;
- o New and old members appreciated the business information made available to them by BCCI through its "Update" and other publications and activities;
- o New and old members believed BCCI was contributing to the good of Belize through service activities such as working toward the control of drug abuse.

Some members or potential members were not convinced that BCCI membership was appropriate for them. The most important reasons cited were: BCCI membership dues were too expensive; BCCI did not meet their needs; BCCI was a rich man's club made up of distributive traders located in Belize City; BCCI did not do anything; they did not have time to participate in BCCI activities.

BCCI, despite its success to date in expanding its membership, did not have a plan for carrying out its membership drive or realizing its expansion into manufacturing and rural areas.

BCCI reached out to some large associations such as the CGA and to a group of business persons in Corozal. However, the large market of organizational membership had not been tapped effectively. Little effort had been made to identify its membership market or to organized to penetrate most elements of that market at the time of the evaluation. BCCI/BEIPU management did plan to pursue this market segment in 1991.

BCCI did use specific mechanisms in carrying out its membership drive, but on an ad hoc basis. The "luncheon" was its key marketing tool. For most luncheons, about 30 business people would be invited to lunch, about 12-15 would attend, and nearly 90 percent of those who attended would become new BCCI members. This method, while effective in increasing members, was not very cost effective. In addition to direct out of pocket costs for drinks, lunch and travel, the opportunity cost of involving four or five BCCI/BEIPU staff and four or five Board members, including the President, was incurred for each luncheon. At most luncheons there were nearly as many BCCI/BEIPU representatives as potential new members. Mailings, telephone calls, individual calls by the membership staff person and other less expensive means of increasing membership were not used extensively. Yet, numerous members were gained from the mailings and individual personal contacts that were undertaken by BCCI.

The role of BEIPU in recruiting BCCI members was limited. BEIPU staff apparently were not enthusiastic about recruitment duties on behalf of BCCI, although they were regularly included in recruitment activities. BEIPU activities were not important in attracting members. Many new members said they did not join because of BEIPU nor did they understand what BEIPU did. The BCCI President set down a policy to require BCCI membership of those businesses BEIPU assists. However, BEIPU staff do not actively recruit the businesses it assists for membership in BCCI.

BCCI's increase in membership was recent at the time of the evaluation. Issues determining member retention were not yet apparent. However, BCCI was not well prepared to service its members at the level it suggested in recruitment presentations. As member issues arise that need BCCI attention, BCCI's ability to meet member's expectations will determine how many members remain in the organization in future years. Because of past perceptions regarding the make-up of membership of BCCI, key issues of which members get what benefits and the degree of control of BCCI by Belize City, large distributive traders, and large businesses will need to be resolved by obvious action. BCCI, having held up "democracy" as a key reason for joining the Chamber, will have to ensure its own internal democracy and equitable distribution of benefits and power among all its members.

b. Conclusions

- o BCCI membership increased as planned, more than doubling from 1988 to 1990 to a total of 268 members in December 1990;
- o Additional members will be needed to meet the projected 1000 BCCI members by the PACD;

- o BCCI had not tapped into organizational members as a major way to increase membership; and
- o BCCI's member recruitment and retention strategies were not well defined.

c. Recommendations

- o BCCI/BEIPU should further develop and implement as soon as possible a more intensive strategy to achieve its objective of becoming a nation-wide private sector service organization encompassing manufacturing, agriculture, tourism and other productive sectors in both urban and rural areas by 1993;
- o BCCI should strengthen its plan for expanding its membership and continue its vigorous execution; and
- o BCCI should further define its member retention strategy and make further provision for implementing it effectively.

4. Belizean and expatriate businesses utilizing services provided by BEIPU, BCCI, IESC and Belize Bank

a. Discussion

Belizean and expatriate businesses did utilize the services provided by BCCI/BEIPU, IESC and NDF. These businesses used the programs available on their own volition as planned in the project design. Thus, this end-of-project status indicator was achieved.

There are some ways that the services of BCCI/BEIPU can be strengthened to serve those using them better. First, BCCI/BEIPU's efforts were focused on "facilitation". In this context, the assistance that businesses and investors were able to obtain from BCCI/BEIPU was general and limited. BCCI/BEIPU, for reasons cited above, and in Annex 11, was unable to provide detailed or well analyzed information about export or investment opportunities. It could assist in locating such information in response to an inquiry, but did not make a habit of doing so. This limited ability to provide key information prompted numerous private and public sector individuals to note in interviews that they no longer go to BCCI/BEIPU for information because "they will not have the information I need anyway." One individual cited an instance where BCCI/BEIPU staff called asking him to identify a successful foreign investor in Belize. The individual thought that BCCI/BEIPU should be able to answer just such a question for others! Thus, while businesses were utilizing BCCI/BEIPU's services, they were not using them fully as planned nor with the impact desired.

Second, BCCI/BEIPU's database of investor-exporter contacts indicates that most of BCCI/BEIPU's time was spent working with foreign companies and individuals. However, when BCCI/BEIPU identified its export, investment and employment impact, nearly half the firms listed were Belizean. BCCI/BEIPU's facilitation and public relations effort was largely absorbed by foreign companies. Effort to attract Belizean businesses as clients may pay large dividends.

Third, the number of exporter and investor facilitation contacts made by BCCI/BEIPU was high. However, utilization of more impact oriented services of BCCI/BEIPU was low. BCCI/BEIPU could perhaps place more emphasis on "converting" contacts into clients using its services. This would require improvements in some aspects of BCCI/BEIPU operations. As indicated above, BCCI/BEIPU was not able to provide needed information in some cases because it had not organized to do so or had not carried out key analyses. In addition, development of concession applications, preparation of company organization papers, and other specific services of BCCI/BEIPU were little used, perhaps because they were not aggressively marketed.

Fourth, BCCI/BEIPU very frequently sent export developers and investors to various sources in the public and private sectors for information. This referral process was very appropriate in many cases--as when BCCI/BEIPU sent a company representative to an architect to discuss plant design. However, numerous persons interviewed by the evaluation team believed that BCCI/BEIPU sent individuals to them for information that it should have provided instead. What happened, at least some of the time, was that BCCI/BEIPU did not completely satisfy investors or export developers. These individuals appeared also in GOB and other offices requesting information that BCCI/BEIPU should have provided (e.g., what are the country's immigration laws and requirements?). Public officials felt that the GOB frequently provided "facilitation and promotion" services to the same people BCCI/BEIPU had tried to serve. While all believed that BCCI/BEIPU had not produced the desired impact, some also felt that BCCI/BEIPU had not provided effective information and facilitation services.

b. Conclusions

- o Belizean and expatriate businesses did use the services provided by BCCI/BEIPU, IESC and NDF. The extent and quality of these services could be improved for some users to be fully effective and used as widely as planned; and
- o BCCI/BEIPU did not become a "one stop shop" in meeting the needs of businesses and investors.

c. Recommendation

- o BCCI/BEIPU should improve the extent and quality of its services based on its experiences with clients to date; and

- o BCCI/BEIPU should develop handout materials responsive to most queries from local and international business persons and make them readily available in response to such queries.

C. Achievement of Outputs of the Project

1. Project Paper 1986-1988

a. BEIPU fully established within BCCI

1) Discussion

BEIPU's initial establishment was slow. The project began in 1986, but BEIPU became operational only in late 1987. However, by 1988, BEIPU was established as an institution with adequate staff under the umbrella of BCCI.

2) Conclusion

- o BEIPU became fully established within BCCI.

b. Marketing plan for Belize

1) Discussion

According to BCCI/BEIPU annual evaluation reports and staff interviews, attempts were made to develop the marketing plan from 1986 through 1989. The Ministry of Economic Development ultimately agreed to undertake this assignment instead of BCCI/BEIPU (although it had not done so at the time of the evaluation). BCCI/BEIPU developed its own marketing plan which took the form of the promotional theme: **Belize: The Distinctive Edge.**

2) Conclusion

- o The marketing plan for Belize was not developed by BEIPU during the early years of the project; the Ministry of Economic Development agreed to undertake development of the plan but had not completed the task at the time of the evaluation.

c. BEIPU establishes export and tourism promotion and information services:

1) Discussion

BEIPU provided export and tourism promotion and information services through staff. Its initial staff covered agriculture, industry and tourism. Export promotion was the duty of all senior account officers.

2) Conclusion

- o The planned export and tourism promotion and information services were created by BEIPU as part of its initial establishment.

d. Project analysis, selection, and facilitation capabilities established within BEIPU

1) Discussion

BEIPU did establish project analysis, selection and facilitation capabilities. However, the project analysis and selection capabilities were limited in scope and seldom used. The unit's facilitation capabilities were the strongest and used the most.

2) Conclusion

- o The project analysis, selection and facilitation capabilities were established within BEIPU; however, the facilitation capabilities established were stronger than the other capabilities developed as part of the project and used more frequently.

e. Product improvement and marketing

1) Discussion

BEIPU's product improvement and marketing capabilities and activities were limited. Initially, the unit worked on specific products such as papaya and annatto. It also provided some direct assistance in marketing initially. These marketing activities were taken over by individuals and professional marketing organizations.

2) Conclusion

- o BEIPU developed limited product improvement and marketing capabilities and provided some services in these areas.

f. BCCI establishes a monitoring and follow-up procedure

1) Discussion

BCCI did not establish a system or procedures for monitoring and following up on BEIPU activities. However, BEIPU itself prepared annual internal evaluation reports on its activities and impact and it did use the investor tracking system as one means of documenting some activities.

2) Conclusion

- o An adequate monitoring and follow-up procedure was not established by BCCI as planned.

2. Amendment 1988-1990

a. BEIPU establishes export promotion (development) strategy and services

1) Discussion

BCCI/BEIPU did not establish an export promotion (development) strategy. It did develop a draft strategy which, at the time of the evaluation, required additional work. Thus, BCCI/BEIPU's export development effort was not well established during the 1988 to 1990 period and export development services were limited in scope and effectiveness.

2) Conclusion

- o The BEIPU export promotion strategy was not established fully. Limited export development and promotion services were provided.

b. BEIPU hires export promotion officer and secretary

1) Discussion

BCCI/BEIPU did hire an export development officer and secretary. However, the initial officer soon left the project and another was hired in late 1990. Thus, from the time the project was amended in 1988 until late 1990, BCCI/BEIPU had a director of export development only for a short time. The new director had been on the job for only three months when the mid-term evaluation took place.

2) Conclusion

- o The planned export development officer and secretary were hired, but the officer was hired much later than planned.

c. BEIPU operates loan program with National Development Foundation

1) Discussion

BCCI/BEIPU did operate a loan program with the NDF. The loan program had three implementation issues: One of the loans made under the program was for an import substitution project. Another loan was in arrears. And, BCCI/BEIPU's agreement with NDF did not always allow adequate spread for BCCI/BEIPU to realize immediate profit.

2) Conclusion

- o BCCI/BEIPU launched a pilot loan program with NDF. Resolution of the implementation issues is necessary for the program to be successful.

d. BEIPU income steadily increases higher than projected, expenditures decline

1) Discussion

Projected income for BCCI/BEIPU in the project document was US\$ 67,000 from August 1986-July 1987, US\$ 108,000 from August 1987-July 1988 and US\$ 170,000 from August 1988-July 1989. BCCI/BEIPU revised the figures for August 1987-July 1988 to US\$ 22,000 and for August 1988-July 1989 to US\$ 37,000. Actual income for these three periods was zero for August 1986-July 1987, US\$ 12,700 for August 1987-July 1988 and US\$ 15,800 for August 1988-July 1989. During the period August 1989-July 1990 BEIPU's income generation target was US\$ 23,583. Actual income generated was US\$ 19,077.

The reasons BCCI/BEIPU cited for its shortfalls during the first three years of activity were stiff competition with law and accounting firms in preparing development concessions and lack of income from planned brokerage activities. Brokerage fees could not be earned because Belize had very small volumes of non-traditional products to export upon which BEIPU could earn fees. BCCI/BEIPU did not offer an explanation in its evaluation report as to why its revenue target was not met in the August 1989-July 1990.

2) Conclusions

- o BCCI/BEIPU's income did not rise as planned; its expenditures rose beyond planned levels rather than declining; and
- o BCCI/BEIPU did not prepare a an effective plan for increasing revenues from BEIPU services.

e. Belize free port opens opening new area for BEIPU services

1) Discussion

The Belize free port was opened but few companies had taken advantage of it. It did not provide a new source of demand for BCCI/BEIPU services.

2) Conclusion

- o BCCI/BEIPU effectively supported the opening of the Belize free port but it has not yet been a significant source of demand for BEIPU services.

D. Adequacy of Inputs to Achieve Project Outputs

1. Discussion

a. Finance

There were adequate resources in the BCCI/BEIPU US\$3,260,000 program to achieve the expected project outputs. There may have been too much money, creating what became a high-cost BCCI/BEIPU operation. Many individuals in the public and private sectors believed the expenditure involved with BCCI/BEIPU's program--travel, salaries, facilities--was excessive. BCCI/BEIPU faced an existing and projected shortfall at the time of the evaluation. The lack of adequate revenue burdened BCCI/BEIPU's management and placed its accomplishments and hopes of sustaining the program under pressure.

b. Personnel

The staff of BCCI/BEIPU was adequate in numbers; the in-depth experience of some staff to do the work needed was sometimes lacking. Hailed as the most important private sector force in Belize, some officers did not have the revenue-producing zeal and hard-driving business-like approach that the organization and its clients needed.

Salaries for some staff were perceived by many to be too ample and not justified when measured against the limited impact of the program on the key goal targets desired. Overall life of project personnel costs kept increasing over the years reaching the present high of \$963,370, 38 percent of all project-related line item expenses.

c. Facilities

No provision was included in the USAID budget for facilities. Despite the budget conscious, revenue-focussed program that was reshaped in 1988, BCCI/BEIPU--during the last two years--added new staff and new programs with little regard to how they would be sustained after mid-1993.

The organization purchased an office building and an adjoining, unimproved lot. Using US\$61,000 in AID funds as a down-payment, the property was financed with a bank loan, including Bz\$50,000 for renovations. With its mounting shortfall of funds BCCI/BEIPU will be hard-pressed to maintain the building and meet loan installments (Bz\$2,070 a month), which are not eligible for AID financing.

Aside from the building, the organization has a line item of US\$170,000 for equipment and supplies, essentially for a computer system. The electronic network planned is sorely needed to bolster BCCI/BEIPU's management information system capability. However, the computer equipment needs to be coupled with an improved information system to be of maximum value in assisting BCCI/BEIPU achieve the goal of the project, retain its expanding groups of members and improve its internal operating efficiency.

d. Logistical Support

Logistical support in the form of vehicles and rent for BCCI/BEIPU's offices was provided, totalling US\$166,000. The organization purchased four vehicles which for a full staff of nineteen was more than adequate. With its large cost overruns, maintaining these vehicles could prove to be a problem. The funds for rent, US\$61,000, were used in one lump sum as a down payment on the purchase of the office building and adjacent unimproved lot.

2. Conclusions

- o BCCI/BEIPU absorbed funds rapidly to create a large and diffuse group of activities on behalf of members and clients. Its spending decisions, seen by some in the public and private sectors as a large spending spree, did not always reflect due regard for achieving the project goal or realizing self-sufficiency; and
- o The Chamber, in utilizing available funds, did not develop a system to document whether and how its spending decisions affected project success.

3. Recommendations

- o BCCI/BEIPU should manage its available resources from membership dues, USAID and other sources to achieve specific organizational and project objectives. BCCI/BEIPU should develop and implement a "job" cost system that ties expenditures to its specific activities and projects; and
- o Annual "management by objective" review sessions should be held by BCCI/BEIPU's management with participation by the Board of Directors as appropriate.

E. Usefulness of Interactions Between BCCI/BEIPU and IESC and other Public and Other Private Sector Organizations

1. BCCI/BEIPU and IESC

a. Discussion

Initially the office of the IESC country director was located with those of the Chamber's. At that time relations between both organizations were strained. Upon the appointment of a new IESC country director, it was anticipated that the Chamber would refer clients needing technical assistance to IESC. While there is little evidence that this was done at IESC or BCCI/BEIPU based on formal records, BCCI/BEIPU staff said they had made numerous referrals of clients to IESC on an informal basis.

IESC undertook six sector surveys for BCCI/BEIPU. BEIPU did not find two of these to be satisfactory. The ABLE reports prepared by IESC were accepted. However, individual VEs who carried out sector assessments for BEIPU did not perform as well. Basically, BCCI/BEIPU concluded that, based on its experiences, IESC's people may be good in company specific technical assignments but they were not always appropriate to carry out more general sector work. Another reason BCCI/BEIPU had not referred more clients to IESC was its desire to use more Belizean and Caribbean expertise. IESC sources only Americans, many of whom "are not in touch with the developing world" according to BCCI/BEIPU staff.

For these reasons BCCI/BEIPU did chill its cooperation with IESC in carrying out the Export and Investment Promotion Project. For example, it has been difficult for IESC to access reports from BEIPU. IESC proceeded to search out its clients directly and, in this way, developed a credible program supportive of the project goal. As the evaluation was occurring, efforts had begun between BCCI/BEIPU and IESC to work out things on a careful and appropriate basis because of the high degree of complementarity of both organizations in the achieving the goal of the project.

b. Conclusions

- o Gains can be secured by BCCI/BEIPU for its members and clients by developing a closer working relationship with IESC; and
- o The sharing of information and other forms of cooperation, in addition to cross-referrals, will increase the impact of the project and the value of the USAID funds spent on both organizations.

c. Recommendation

- o BCCI/BEIPU should actively seek to build a stronger cooperative relationship with IESC.

2. BCCI/BEIPU and IESC interactions with other public and private sector organizations

a. Public sector organizations

1) Discussion

A number of activities took place between BCCI/BEIPU and the public sector including, inter-alia, representation of the GOB at the political and top public officer level on BEIPU'S board; representation of BCCI/BEIPU on several GOB boards and task forces; joint undertaking of overseas missions; joint representation of Belize at investment and trade shows; regular contacts with various ministries.

BCCI monitored legislation presented to the National Assembly and was effective in securing changes to bills. It helped secure passage of a Free Trade Zone law. BCCI/BEIPU sent quarterly technical reports on its activities to four key government ministries--Economic Development, Agriculture, Natural Resources and Trade and Commerce. No reports were sent to the Ministry of Finance. BCCI/BEIPU was designated in the draft Belize development plan 1990-94 as the private sector entity to complement the Ministry of Economic development in carrying out responsibilities for private sector development.

BCCI/BEIPU requested the GOB to designate it the one stop investor service in Belize. This designation was not granted by the GOB.

BCCI/BEIPU did not always have good access to technical information from ministries. Based on interviews with public sector officials, their perspective on BCCI/BEIPU was that the organization was effective at overseas promotion but at a high cost. These officials perceived that BCCI/BEIPU was adequate at investor facilitation. They also saw the organization as trade rather than development oriented and could find no evidence of adequate impact resulting from BCCI/BEIPU activities.

IESC developed good relationships with public officials and offices. It carried out discussions from time to time with relevant ministries and public sector officials about its program and how to ensure compatibility with opportunities and policies as perceived by the GOB.

2) Conclusions

- o The interaction between BCCI/BEIPU and the public was characterized as open with good access at the political level and top levels of the public service;
- o BCCI gained positive results from its relationship with the public sector, especially in the legislative area; and
- o IESC developed good relationships with public officials and governmental offices.

3) Recommendation

- o BCCI/BEIPU and IESC should continue to foster cooperative relationships with other private sector organizations and the public sector with emphasis on documenting success stories and the impact of the Export and Investment Promotion Project on exports, employment and tourism.

a. Private sector organizations

1) Discussion

Two private voluntary organizations (National Development Foundation and Belize Family Life Association) and three private sector organizations (Cane Farmers Association, Citrus Growers Association, Northern Fishermen Cooperative) are members of BCCI. The Consortium for Belize Development based in the USA also joined the Chamber. BCCI also had some interaction with other organizations, e.g., Rotary, Drug Abuse Council, Belize Tourism Industry Association, Belize Institute of Management and Belize Agribusiness Company. BCCI had not yet attracted major organizations as members in development such as livestock, bananas, papayas, fishing, tourism, and cacao. Nor did BCCI attract the plethora of PVO's in the economic and social development and women affairs as members. Service organizations such as BIM and BABCO and professional organizations had not become members either.

BCCI/BEIPU had firm intentions of approaching these and other organizations as possible members in the near future. Discussion with BCCI/BEIPU staff showed that they had not yet

developed a strategy for attracting the above groups and others as members, but the staff was aware of this and intended to create such a strategy in 1991.

IESC was closely linked with many private sector organizations. Its cooperation with BIM, womens groups and others was good. Private organizations such as BTIA had good relations with IESC, and IESC had provided effective assistance to many of its members.

2) Conclusions

- o BCCI/BEIPU can be strengthened by attracting private organizations to its membership;
- o The numerical strength of such member organizations would expand substantially BCCI's coverage and broaden its scope and credibility; and
- o IESC developed close and effective links with private sector organizations.

3) Recommendation

- o BCCI/BEIPU should develop and implement, as part of its membership growth strategy, a plan to attract private organizations as members.

F. Effectiveness of the Project in Addressing the Needs of Belizean Women

1. Discussion

Many of the types of investments and export development activities BCCI/BEIPU made contact with would provide employment for women--agricultural processing, garments, tourism, and handicrafts. BCCI/BEIPU worked with very few women-owned or managed businesses directly in seeking to expand exports, investment or jobs.

BCCI/BEIPU did conduct, in cooperation with IESC and the Belize Women's Association, five industry workshops for tourism, garments, furniture, mariculture and handicraft. These meetings helped address the needs of women. Other training efforts sponsored by BCCI/BEIPU and carried out by BIM also involved women.

IESC's technical assistance activity reached a large number of women owned, operated and managed businesses. As shown in Annex 3, exactly 50 percent of the 64 assignments carried out under the auspices of IESC during the 1987-1990 period involved women owned, women owned and operated and women managed businesses. One explanation for IESC's success in reaching so many women entrepreneurs and managers is its concentration of work in tourism,

restaurants and other businesses which are more often begun or managed by women. Another may be that the IESC/Belize Country Director is a woman. She personally did IESC's recruiting of clients and may have been able to attract women more easily to IESC's program.

IESC's technical assistance assignments included a large number of hotels, restaurants, garment companies, tour operators and agro-processors which tended to have many women employees. These IESC projects helped these Belizean women employees in two ways. A limited amount of job creation resulted--jobs most often taken by women. And, IESC's projects placed great emphasis on training. This training directly benefitted Belizean women who constituted the bulk of the employees who received the training.

Finally, IESC helped sponsor more general training programs participated in extensively by women.

2. Conclusions

- o BCCI/BEIPU activities were of limited effectiveness in meeting the needs of Belizean women for new employment and entrepreneurial opportunities although the training activities sponsored in part by BCCI/BEIPU assisted women as well as men involved or interested in becoming involved in business or in specific sectors such as garments, handicraft, tourism, mariculture and furniture;
- o IESC did an outstanding job in reaching women owned, women owned and operated and women managed businesses. One-half of the 64 assignments carried out by IESC during 1987 through 1990 involved women in one of these categories; and
- o IESC worked extensively with businesses that provided employment for women--tourism, restaurants, education, commerce, agriculture, garments and manufacturing. A limited amount of new employment was created in these businesses as a result of IESC's assistance. IESC's heavy concentration on work-place training in these and other businesses benefitted women employees extensively as did its sponsorship of other training opportunities for women.

3. Recommendations

- o BCCI/BEIPU should place additional emphasis, as part of its work under the Export and Investment Promotion Project, on assisting women owned, women owned and operated and women managed businesses; and

- o **IESC should continue its successful effort to reach women entrepreneurs and employees, including expansion of its co-sponsorship of business development and training seminars especially focused on women.**

III. BCCI/BEIPU

A. Suitability of BCCI/BEIPU Structure, Management, Personnel and Operational Procedures to Achieve Project Purposes and Organizational Self-sufficiency

1. Discussion

Three different BEIPU or BCCI/BEIPU persons managed the project during the period under review. This resulted in a tendency to "reinvent the wheel". However, various BCCI/BEIPU internal reports--minutes, evaluations--indicated that conceptually there always was an awareness of what needed to be done: A targeted approach, preparation of hard data and bankable profiles and projects, targeted investor search.

Historically, BEIPU operated with a manager, two professionals (one in agriculture and one in industry and tourism) and support staff. The Chamber had a manager and support staff. There was a dramatic build-up of the organization following the merger of the Chamber and BEIPU. Total staff in December 1990 numbered 20 of which 10 were professionals. Six (two professionals) had been employed more than two years; three (two support staff) had been employed over one year; 11 (six professionals) were employed under six months. USAID funds paid all the professional staff. Many individuals in the public and private sector appreciated BCCI/BEIPU's expansion but were concerned that it was an expensive operation and not providing the impact that its level of expenditures should generate.

For a long time, there was no clear cut plan to sustain on-going activities after USAID money was exhausted. The new management of BCCI/BEIPU did recognize the problem of sustainability and, at the time of the evaluation, was planning approaches to deal with the problem, especially the operation of new businesses from which profits would be used to support BCCI/BEIPU activities. The new BCCI/BEIPU initiatives, e.g., consultancy, export trading, and servicing offshore companies, if launched will require additional people with hands-on experience in specific business areas.

The output targets of the project, e.g., (20 projects to package, 20 to facilitate) were reduced in the 1988 project amendment even though original targets, according to the internal evaluation reports, were achieved and staffing increased. Table 1 compares targets and performance. The only target not achieved was the "revenue" target³.

BCCI/BEIPU's strategies, policies and operational procedures were generally only being finalized at the time of the evaluation. The program approach was to have a diverse range of multi-faceted activities. There was not an adequate information system in place to enable modern management practices, e.g., tracking outputs, recording progress on activities, absence of time

³For additional discussion on this point see Annex 11.

sheets to allocate staff time to specific activities and projects and electronic database systems for financial and other records. For example, there was no basis to analyze the cost of various activities of the organization.

The recent rapid expansion of the organization included high risks and required in-depth skills to manage such diverse and innovative entities. Numerous international trips appeared to have been taken without adequate preparation or follow-up, for example. Policy (the national interest vs. the business interests of BCCI members) and membership (small business/productive sectors vs. traders) issues will place further strain on managing the organization.

BCCI/BEIPU achieved a fair degree of cohesiveness following the reorganization in 1988/89 when BCCI/BEIPU was fully integrated into the Chamber. The organization had a cadre of trained professional staff and some inadequately trained support staff.

The integration of BCCI/BEIPU and BCCI raised the following issues as confirmed by interviews and telephone conversations with BCCI members and other key informants:

- o Services offered by BCCI/BEIPU were national in scope, available to all and not confined to Chamber members. Of 1,762 inquiries processed by BEIPU since its inception, only 21 were Chamber members; 130 were Belizeans;
- o BCCI more than BEIPU benefitted from the merger. Funds expended on BCCI increased exponentially, whereas, direct funds expended on BEIPU programs remained stagnant. BCCI emerged in a stronger position with its office building financed from project funds, its outreach expanded to attract increased membership and its equipment and trained professional staff enhanced;
- o Based on a review of internal documentation and discussions in and outside the Chamber, it is evident that missions, visits and activities were undertaken without adequate preparation and hard data being available; and
- o Integrating BEIPU and BCCI created some conflicts--e.g., staff adjustments and differential benefits in terms of organizational autonomy. This conflict is graphically illustrated in the context of the self financing issue. BEIPU activities which cost the most to provide are unlikely to generate substantial income (the best prospect being the investment services). Pursuit of innovative income generating schemes by BCCI to finance BEIPU activities will create competition between BCCI and its members. Some BEIPU activities for client investors will also conflict with BCCI members' interests.

2. Conclusions

- o Lack of management continuity adversely affected efficient use of the available resources;

- o The organizational structure, management, and personnel were more than adequate to achieve the project purposes. BCCI/BEIPU appeared buoyant, going at full speed, but it was thought by some outside the organization to be too expensive an operation and not to be delivering the planned impact;
- o No clear cut, achievable plan to sustain the current level of operations from internally generated funds existed nor was one in place at the time of the evaluation. The future required such a strategy tying spending to achievable results, cutting costs and enhancing revenues. Current management recognized this need, and had begun to work with approaches to meet it; and
- o A re-focused and targeted operation, staff with more practical experience, and retrenchment of overall program scope is likely to be necessary to achieve the self financing target. How and by whom the BEIPU component of the present program will be funded will be the determining factor.

B. Suitability of Implementation Plans and Mechanisms to Meet BCCI/BEIPU Responsibilities in Business Development, Export Development and Investment Promotion

BCCI/BEIPU operated, for the first time, with sectionalized implementation plans in its fiscal year 1989-1990. These plans were developed for each Division and used by them to manage their programs during the year. The plans were not budgeted.

Also, BCCI/BEIPU had a five year operating program in place at the time of the evaluation. This program, used to guide development of divisional plans, was a sound step forward in improving management of the new BCCI/BEIPU organization. The operating plan was budgeted but expenditures were not allocated to the budget categories in the plan. Nor did it give clear indications of how BCCI/BEIPU was to arrange for dramatic revenue increases after USAID funds ran out or how BCCI/BEIPU might downsize in the event USAID funds could not be replaced with other revenue sources.

1. Business development

a. Discussion

The Business Development Division was new. It had evolved as a business strategy for 1991. The strategy was designed to "empower" small and medium business in agriculture, aquaculture, handicraft and furniture "to take charge of their own destiny". A company survey was completed from which potential small business clients could be drawn. The program was to achieve limited progress within the remaining life of the project because the transformation process for small businesses was a long term one.

The program was multifaceted. It offered a range of services such as training, technical assistance, finance (lending) and advocacy to improve the business environment for its constituents.

Two professional staff were assigned to this program. The program was funded from the Export and Investment Promotion Project and sought to mobilize other donor funding.

The division was to develop a close working relationship with: The other divisions within the Chamber; BEST; NDF; BIM; BABCO and the Business Development Committee of the Chamber.

The program was not designed to rely solely on USAID funding. Links were already developed with other funding sources such as the CDB and the Commonwealth Secretariat.

A Junior Achievement Program also was in the process of being developed. The program was inward looking, i.e., geared initially to the local market and to Belizeans.

The impact of the unit was not significant because the program was new.

b. Conclusions

- o The concept of the small business development program was laudable; some features of the design were attractive. However, the practicality of the effort and how to reconcile it with BCCI/BEIPU's self-sufficiency requirement and emphasis on impact remain important issues to be resolved;
- o The Chamber's role was not operational but to coordinate small business utilization of the services of other organizations; to avoid duplication, PVOs such as BIM, B.E.S.T. and NDF, could provide their services directly to small business without a Chamber acting as middleman; and
- o There was no separate budget or accounting for this division. But, all indications are that this program will require almost 100 percent subsidized financing.

c. Recommendation

- o BCCI/BEIPU should re-examine its programs aimed at small business with the view to passing them along to other Belizean organizations for financing and implementation.

2. Export development

a. Discussion

This program was a high priority from the outset. Yet it received minimal attention in terms of resources and personnel. Only one professional was assigned to this division. An expert from Sri Lanka was to be added to the staff for 10 months in 1991, funded by the Commonwealth Secretariat. Staff with hands-on trade experience were not part of the program.

An export development implementation plan was yet to be finalized. A draft strategy, comprehensive in scope but not analysis, covered a broad spectrum of products and activities. The Commonwealth trade expert was to finalize the plan. The draft strategy envisaged the division's involvement in identifying export markets and products; providing training and technical assistance at all levels from production to market; facilitating all types of finances; promoting products in many markets; operating a trade and market information system, including quality control; providing trading and policy advocacy.

There was a proposal to formulate an Export Development Committee. A working relationship had already started with representatives of relevant Belize government ministries to identify priority products. Links had already been forged with CARICOM, CBI and other trade information systems.

Finally, BCCI/BEIPU had targeted trade brokerage and other trade services as an area where it might be able to start an ancillary business from which profits could support other BCCI/BEIPU activities.

b. Conclusions

- o To be more effective, the trade activity will require experienced hand's-on personnel who understand the export business. Otherwise, the Chamber will mostly be confined to identifying and disseminating market and other information;
- o The Chamber has not yet developed critical trade information and product identification and targeted a few high priority products;
- o Although there was no financial plan or accountability system for this division, rough calculations indicate that the costs for the planned comprehensive program will be high and corresponding income negligible; and

- o BCCI/BEIPU participation in actual trading is likely to create conflicts of interest with some in the private sector, including some of its own members.

c. Recommendations

- o BCCI/BEIPU should consider staffing its Export Development Division with experienced export product and business personnel; and
- o BCCI/BEIPU should vet its idea, of entering directly into trading as an ancillary business with those already in the business, especially those who are BCCI members, before beginning such a venture.

3. Investment promotion

a. Discussion

This division gained considerable experience over the last four years. Its emphasis was on reactive facilitation and documentation services rather than proactive targeted investor search and support services. Annex 10 illustrates the activities of the division for projects for which it claimed impact. The documentation system for all division activities was inadequate and even chaotic. Reliance was placed mostly on institutional memory and perusal of scattered files to access and organize relevant documentation.

The bulk of the funds expended under the USAID project was allocated to this division. However, the key mechanisms (investor search, hard business data on prospects, updated country audit and an appropriate strategy) were just being put into place at the time of the evaluation. The concept of a one stop center was not realized nor were investments in non- traditional export activities significant.

There were two professionals assigned to this division. The database was inadequate, including data required to assess direct impact. The business plan targeted seven geographical regions to attract investment for Belize; seven sectors with emphasis on resources based projects; promotional strategies and measures; staff training; upgrading of data base; and support services for local businesses.

The budget or actual expenditures of the division were not available. The revenues earned by the division over the last three years had decreased and were well below target. The division made only a modest and inadequate contribution toward covering its costs. There were reservations by staff on the charging of fees for services on the basis that Belize has to operate in a competitive environment vis-a-vis its neighbors. However, during the evaluation period, the staff turned away one potential investor indicating that they were unavailable for another two months because of their heavy work load.

The main mechanisms used to complement the division included the use of Belizean Embassies/Consulates; chapters of Belizean Consortium for Development based in the USA; close collaboration with the relevant ministries of the GOB; investment promotion missions.

b. Conclusions

- o This Investment Promotion Division had the most experience and a track record which could be evaluated. Its performance was strong in general promotion and facilitation and adequate in documentation. It was inadequate in the impact components of the program. The claim of impacting positively on the design of many projects could not be substantiated;
- o The division's draft strategy is ambitious, lacks sufficient focus and is not prioritized and budgeted; generation of revenue is not emphasized in the draft strategy although there is more scope in this division than any other to generate income; and
- o The concept of a one stop Center is not likely to be realized; hence the need to decide on the role of the Center in relation to its staffing and funding capabilities and similar services provided by other organizations. There is no need for further staffing.

c. Recommendation

- o BCCI/BEIPU should narrow its draft investment promotion strategy substantially, create priority objectives for the strategy and budget activities to be undertaken to achieve the objectives.

C. Adequacy of Existing BCCI/BEIPU Tools to Achieve Project Purposes

1. Data base system

a. Trade information database

1) Discussion

The trade information database is a computer database called CARTIS, the Caribbean Trade Information System. CARTIS is a regional computerized information network with a regional coordinating center. It links the trade information centers of 13 countries of the Caribbean Community with each other and international trade centers. BCCI/BEIPU received diskettes from CARTIS containing the substantive information and program for installation on its own computer. The substantive information was supposed to be replaced every three months. However, replacements were much less frequent.

The information available from CARTIS included manufacturers and producers; buyers, sellers and producers of products; trade opportunities; market data; trade statistics; trade news; information on support services; and publications available.

The information available on the system tends to be well out of date. Trade information, for example, was covered only for the years 1983 through 1987. Other categories of information were less dated, but were not current. BCCI management indicated that they were well aware of the urgent need to make CARTIS information current, including information to be contributed by BCCI/BEIPU to the system. A staff member had been asked to devote full time to this effort. Also, the database was supposed to go "on-line" some time ago but CARTIS was only being made fully operational at about the time of the evaluation.

The CARTIS system was little used by BCCI/BEIPU staff, members of BCCI or BEIPU clients. Searches on the system were carried out by a computer specialist rather than professional staff in most cases. Without detailed hands on experience with the database and information produced, the CARTIS was of less value to BCCI/BEIPU and its members and clients. Most of the BCCI members interviewed by the evaluation team were not aware of the system. However, CARTIS was used successfully by BCCI/BEIPU staff to identify a market for Belize peanut exports.

2) Conclusions

- o The CARTIS was not an effective tool to assist in meeting BCCI/BEIPU objectives because was not current and was little used; however, it reportedly was being improved and could provide important information if "on-line" and used as an analytical tool by BCCI/BEIPU members, clients and staff; and
- o CARTIS was used mostly by one computer person in BCCI/BEIPU; senior and other professional staff did not utilize the system directly in most cases.

b. Inventory of companies and their products

1) Discussion

BCCI/BEIPU published the Exporters & Manufacturers Directory of Belize in 1989. The document provided information on BCCI/BEIPU and the following:

- o Embassies and consulates of Belize;
- o Organizations linked with foreign trade;

- o Commercial and development banking services;
- o Custom brokerage services;
- o Transportation and cargo services;
- o Product lists with SITC codes;
- o Exporters and manufacturers in Belize.

The publication is attractive and well prepared and written. It contains basic information of value to many involved in trade and manufacture and is used by them. The directory is an important addition to the business literature in Belize and directly contributes to the achievement of the Export and Investment Project's objectives.

2) Conclusions

- o The Exporters & Manufacturers Directory of Belize was attractive and well prepared; and
- o The publication contained valuable for many BCCI/BEIPU members and other users;

c. Documentation Center/Library Service

1) Discussion

The Documentation Center/Library of BCCI/BEIPU contained a variety of business, economic, trade and related publications. Although small, the Center's collection was impressive. The collection of resources included numerous trade related directories, company directories, and telephone books to enable Belizean businesses to identify contacts in the Caribbean and other countries for trade and investment activity.

Completed studies on topics of concern to BCCI/BEIPU members and clients were contained in the Center. World Bank documents, Caribbean Development Bank documents and other information from international financial institutions were included in the collection. Periodicals on trade, economics, produce and numerous other topics were collected and catalogued by the Center.

Cataloging of the collection was partially completed with on-going efforts to complete it. It was expected that complete organization of the Center's collection would occur in the first quarter of 1991. The materials in the Center were partially entered in the CARTIS bibliography module.

Use of the Center by staff, BCCI/BEIPU members and clients and others was sparse. However, there were times when the information in the Center was very helpful in accomplishing the objectives of staff and clients.

2) Conclusions

- o The Documentation Center/Library was a helpful tool in helping achieve the purpose of the project; and
- o The organization of the Center and its usefulness to BCCI/BEIPU staff, members and clients was progressively being improved during the project.

d. Trade correspondents

1) Discussion

Trade correspondent relationships were anticipated with the Embassies and Consulates of Belize abroad. The correspondents are to help facilitate investor interest, serve as contacts for those marketing a product to Belize or as an export from Belize, and to supply trade information to Belizeans and others. Letters were written asking for assistance in working with BCCI/BEIPU in fostering Belizean trade and investment in Belize. At the time of the evaluation some Embassies and Consulates had responded favorably; some had not responded. There was no record that any activities had been carried out by the correspondents. Individuals or organizations other than Embassy and Consulate staff are expected to serve as trade correspondents also. None had been recruited at the time of the evaluation.

A communications and follow-up system to make the best use of correspondents had not been developed. An information system to track correspondent relationships and substantive issues they might become involved in was not yet prepared, although some of the information involved in individual cases would be included in the investor tracking information system

2) Conclusions

- o The concept of trade correspondents as promulgated by BCCI/BEIPU has potential and may contribute to accomplishment of the project's goal; and
- o A communication and follow-up system designed to make the best use of trade correspondents had not been developed.

e. Advisory panels

1) Discussion

BCCI/BEIPU had established advisory panels in tourism, industry, and agriculture/agro-industry. The terms of reference, members and activities of the panels was not available for consideration by the evaluation team.

The advisory panels were new. No meetings had taken place nor had the panels contributed to BCCI/BEIPU activities at the time the evaluation took place. However, given the need for BCCI/BEIPU to focus its activities, these advisory panels could play a valuable role in guiding the organization.

2) Conclusions

- o BCCI/BEIPU did not completed its development and use of the advisory committee concept by the time of the evaluation; and
- o The advisory committees established could be valuable in guiding BCCI/BEIPU's future development.

f. Investment tracking system

1) Discussion

The investment tracking system was inherited from a predecessor project. The system was programed by the company implementing the earlier project in 1986 or 1987. BCCI/BEIPU management had identified the system as a trouble spot and, at the time of the evaluation, had included plans to improve it in a larger effort to strengthen BCCI/BEIPU's entire management information system.

The tracking system organized information by "flags" or codes. There were six basic category flags--organization type, current status, visits, jobs and investment, how identified, and hot/success. Identification categories were organization code (limited to six letters or numbers), contact names, products/services, and SIC code. Within each category there were several sub-categories. For example, within the category organization type there were sub-categories for trade association, bank, US company, Canadian company, Belizean company, law firm, etc. The system included space for "notes" within each contact record.

Professional staff members were responsible for completing paper forms with all the categories and sub-categories on them for input into the tracking system. For each contact, the staff person making the contact filled out the contact sheet form. After initial contact sheet information was completed and inputs, the professional staff member had only to input the

"notes" portion of the form, describing the content of the contact or activity undertaken with the investor or exporter.

Once the information was handwritten on the contact sheet forms, it was provided to a computer operator to input it into the tracking system.

The tracking system worked in a physical sense; it could identify contacts and the notes input for each if the correct flags were used. If the correct search flags were not used, however, the system would produce nothing. For example, when asked to search for all contacts involving fisheries during the last year, the tracking system indicated that there had been no such contacts. In fact, there had been repeated contacts involving fisheries companies, buyers, and others during the time period in question.

There have been serious problems with the tracking system since BEIPU began operations. These, stated briefly, are:

- o Staff members did not always write down the information for input into the computer;
- o Information in individual records in the tracking system were incomplete; after locating a record the data needed (e.g., phone numbers, address, company products) would often be missing;
- o The tracking system was not adequate to include or provide the information needed by BCCI/BEIPU; an outside consultant recommended changes which were still being implemented at the time of the evaluation;
- o The tracking system was located on one computer and not backed up; over 30 percent of the information in the system has been lost through four computer "crashes"; at the time of the evaluation the system was still not backed up;
- o The tracking system performed extremely slowly because of its internal structure; it also was not run on a fast computer. Wait times of many minutes were not uncommon to find one "hit";
- o The tracking system searched seriatim; the operator had to wait for one record to be located, check it, then begin the search again and wait for a second record to be located; and
- o The tracking system was not used very much by BCCI/BEIPU staff because it was cumbersome and the staff would rather use their institutional memory than face its difficulties. It became an input system to maintain rather than a system that could provide easily accessible output information.

Although these difficulties with the existing tracking system are legion, the overall problem of accessing the information in the system is not difficult to solve. Many new products are on the market that make the existing software used in the tracking system obsolete. Use of one of these products or a combination of them would quickly and inexpensively upgrade the performance of the tracking system and increase its usefulness to all BCCI/BEIPU staff and members dramatically.

2) Conclusions

- o The investor tracking system was a valuable resource for BCCI/BEIPU; it contained information of value to staff, members and clients;
- o The information in the tracking system was incomplete because of lost files caused by computer problems and staff not completing information forms;
- o The tracking system performed poorly in identifying information within it and providing it in a timely manner; and
- o The tracking system was not widely used because of its cumbersome operation, lack of accuracy and slow performance speed.

Recommendation

- o BCCI/BEIPU should upgrade its investor tracking system by abandoning its current software and replacing it with a more up to date system.

g. Promotional materials

1) Discussion

BCCI/BEIPU developed numerous promotional materials. Chief among these was a video tape of promoting investment in BEIPU's three major areas of activity-- agriculture, industry and tourism. The tape was updated in November 1990.

Other promotional materials developed included a brochure, "Investing in Belize," a brochure describing the activities of BEIPU, a brochure about the purposes of BCCI and how to join, and the BCCI newsletter, "Chamber Update" (discussed in a separate section below). A new informational brochure on BCCI/BEIPU was prepared, but not printed, at the time the evaluation was being carried out.

2) Conclusions

- o BCCI/BEIPU's promotional materials were well prepared; their quality had improved over the life of the project; and
- o The promotional materials were an essential ingredient in BCCI/BEIPU's facilitation and public relations activities; they served as a lead-in for other more impact related work and services.

h. Filing system

1) Discussion

The BCCI/BEIPU filing system consisted of several subsystems as follows:

- o Administrative;
- o Financial;
- o Membership;
- o Substantive by category--e.g., peanuts, trade;
- o Companies assisted--concession applications and company formations;
- o Investor contacts--hard copies of computer printouts.

Of these systems, the following portions are maintained in electronic form: Membership records and mailing list of members (in Lotus 123), Documentation Center holdings (partially entered in the CARTIS library sub-system), financial records (financial statements, reports to USAID/Belize, social security reports and income tax reports--all in Lotus 123), and the investor tracking system discussed above.

Within each of the non-electronic systems and outside them were numerous sub-systems and "cuff records". Individual staff members retained files for their personal use rather than place them in the central filing system. There was little cross-filing.

No specific core concept governed the filing system. In particular, when information about BCCI/BEIPU activities involving a particular company was desired, obtaining it usually depended on the institutional memory of a professional staff member who knew where all the pieces of information regarding a particular BCCI/BEIPU client could be located. Staff without

such institutional memory were unable to locate large amounts of information within BCCI/BEIPU. No "number" or other easily computerized tracking device was used to tie file materials to an activity area, a client, a member, etc.

Management of BCCI/BEIPU had recognized its internal filing system as a problem area and, at the time of the evaluation, had taken steps to improve it. An outside expert was brought in to assess the system. The expert identified problems with personnel training and recommended actions to solve them. BCCI/BEIPU was taking action to train its personnel with filing responsibilities.

2) Conclusions

- o BCCI/BEIPU's filing system continued to need improvement at the time of the evaluation, but efforts were being made to address the problem; and
- o Improved and additional electronic filing systems would be appropriate and were included by BCCI/BEIPU management in its planned improvement of the management information system.

2. Investor search services

a. Discussion

BCCI/BEIPU carried out some investor searches for their own internal use. Upon determining appropriate areas for outside investment, BCCI/BEIPU selected companies that might be interested in investing in such areas in Belize. When a trade mission approached, BCCI/BEIPU staff began to focus on companies that might visit the show or which were located in the geographical areas where the show would occur. Potential companies were selected from company lists (e.g., the official show directory of the Bobbin Show). Letters were written to the companies stating the advantages of investing in Belize and asking to speak further with them if they were interested. When companies responded to the letters with interest, BCCI/BEIPU staff would arrange to visit with them when attending a trade show.

The major weakness of this approach was that it elicited too little information about the companies being approached. Due diligence was not possible with respect to the companies contacted because of the lack of data about their activities, their intentions, etc.

Some of the companies identified by BCCI/BEIPU did visit Belize and consider its opportunities for investment in specific business sub-sectors. The BCCI/BEIPU staff planned to concentrate more effort on this approach in the future to pinpoint companies capable of investing successfully.

b. Conclusions

- o BCCI/BEIPU made a potentially productive start in initiating investor searches and exploration since the amendment to the project; and
- o A more systematic and intensive approach will be necessary to ensure the start made produces the impact sought by the Export and Investment Promotion Project.

c. Recommendation

- o BCCI/BEIPU should develop a more robust investor search system to pre-select investors for targeted approaches by its staff.

3. Investment and trade missions

a. Discussion

During the period August 1986-July 1987, BEIPU participated the Caribbean/Latin American Conference, The FFVA, the Mini-Exhibition in St. Lucia. BEIPU also participated in a Belize Embassy sponsored investor presentation in Washington, DC. The Unit coordinated the visit of an inbound investment mission from Norway, one from the Sino-Belize Association, and another from the UK. BEIPU coordinated an inbound trade mission from Guyana. It assisted numerous groups from Mexico and Guatemala during the period.

During the August 1987 to July 1989 period BEIPU attended the Bobbin Show, the UFFVA, Encuentro, PMA, went on a papaya marketing mission and attended the Miami Conference. It attended most of these conferences in both years. There was one inbound investment mission during this period conducted in conjunction with Sound Money Investors.

During August 1989 to July 1990, BEIPU attended the Bobbin Show, PMA, the Miami Conference, UFFVA and Jamaica Expo 90. It carried out an investment mission for garment manufacturers in California and a trade mission to Merida, Yucatan. BCCI/BEIPU hosted incoming trade missions from Jamaica and Taiwan and co-hosted an incoming trade mission from New Orleans.

The contacts made during these trips were documented in "trip reports." While the project paper said BCCI/BEIPU should document the impact of attendance at each trade show before attending the next, this action was never taken by BCCI/BEIPU. Internal records of BCCI/BEIPU did not document the results of these trips. Nor could staff, through their own experience, verify the importance of the contacts made or the contribution of the representations made to the achievement of the goal of the project. Such verification was important for BCCI/BEIPU to undertake because of the large amount of international travel undertaken by its

staff. BCCI/BEIPU management had recognized the necessity of being more careful in taking promotional trips at the time of the evaluation. An evaluation of the benefits of attending expositions and mounting trade/investment missions abroad was planned. During the last year of the project, management indicated that the amount of travel undertaken for such purposes had been reduced.

Despite the lack of documented impact from attendance at trade, investment and regional development shows, virtually all BCCI/BEIPU staff and board members, USAID/Belize staff and public and private sector individuals interviewed by the evaluation team believed the "shows" were important. Belizean participation in these shows illustrated its active interest, its potential, and made Belize a target of opportunity for buyers, investors and others. Without a presence and quality representation at such events, Belize's potential was lost from the view of many who could help the project achieve its goal--increased exports, investment, tourism and jobs. Numerous examples of investors, buyers and others who came to Belize as a result of show contacts could be given by BCCI/BEIPU staff and others from memory.

b. Conclusions

- o BCCI/BEIPU attended many trade shows and other promotional events during the project, sometimes in force; the impact of these event on project achievement was not documented by internal records or staff recall;
- o All those who planned BCCI/BEIPU attendance at and participated in such events believed they were important in heightening the image of Belize, establishing contacts between Belizeans and investors and buyers abroad and in creating learning experiences for BCCI/BEIPU staff and members of the private sector.

c. Recommendation

- o BCCI/BEIPU should undertake an evaluation of its international travel as anticipated in the original project document. Based on this evaluation, those expositions and trade and investment missions found to be most fruitful should be targeted for well planned efforts by BCCI/BEIPU staff.

4. Technical assistance

a. Discussion

BCCI/BEIPU provided little technical assistance directly or indirectly under the project. It did assist clients by searching technical assistance for them from other sources-- IESC, CDB, CFTC and others. During the August 1986-July 1987 period IESC was contracted

to undertake sectoral studies on garment manufacture, agro-processing, handicrafts and cut flowers. Other technical assistance was offered under BCCI/BEIPU auspices in the August 1989 to July 1990 period in the area of root crops, handicrafts and the furniture industry. During the 1986 through 1990 period, BCCI/BEIPU did informally refer numerous clients to IESC for further technical assistance services.

BCCI/BEIPU itself provided limited technical assistance in the form of specific fisheries expertise to two clients. They were not charged for BCCI/BEIPU's efforts on their behalf.

b. Conclusion

- o Provision or sponsorship of technical assistance by BCCI/BEIPU was not a significant factor in its activities and did not contribute substantially to achievement of the project goal.

5. Business profiles and feasibility studies

a. Discussion

BCCI/BEIPU prepared a limited number of business profiles and feasibility studies through 1990. One investment opportunity profile--citrus--was prepared between August 1987 and July 1989. Another investment profile for bananas was drafted during the August 1989-July 1990 period. A profile on shrimp was also begun during the latter period.

Six prefeasibility studies of specific business opportunities were completed (see Annex 10). The studies were frequently referred to as feasibility studies. The sector studies in root crops, handicrafts, furniture, ginger and cut flowers were sometimes referred to by BCCI/BEIPU staff as feasibility or prefeasibility studies.

Business profiles and feasibility studies were one of the products and information sources lacking in BCCI/BEIPU's services to exporters, investors, and others. BCCI/BEIPU's own knowledge base was weakened because of the lack of solid feasibility studies and business profiles.

b. Conclusion

- o The business profile and feasibility study tool was not used fully in helping achieve the goal of the project.

6. Newsletter

a. Discussion

The BCCI produced its BCCI Newsletter, a quarterly publication, for many years. The earliest copy available in the Documentation Center was January 1984. During 1988 a joint BEIPU/IESC quarterly newsletter--Belize Business--was published.

When BCCI and BEIPU were joined it was decided they would publish a joint monthly newsletter. The first issue of the new monthly, which absorbed and expanded the work of the BCCI Newsletter, was published in July 1989. Its name was Chamber Update. The format, paper and printing of the Chamber Update were dramatically upgraded. Subsequently, additional cosmetic changes were made that improved the appearance of the newsletter further.

The Chamber Update was a 12 page newsletter format publication; its masthead prominently displayed the BCCI logo and its pages contained pictures, graphics and artful inserts. The content of the newsletter included original substantive articles on key issues of interest to members, interviews with businessmen and government officials, editorials, news of the Chamber and news about prominent business visitors to Belize, international and local news briefs and inserts on contacts with businesses seeking markets, investment and product. Each issue filled a niche in the economic and business news in Belize.

Most importantly, the publication was attractive, well prepared and written and prominently tied to the Belize Chamber of Commerce and Industry. It was a good mix of "image" building and substantive, useful information for Chamber members and potential members, for politicians and for visitors interested in economic and business matters in Belize.

b. Conclusions

- o The Chamber Update was well prepared, attractively packaged and timely; as such it was an important tool in achieving the purpose and some elements of the goal of the project; and
- o BCCI's newsletter can be an important element in the strategy for building BCCI's future capacity and in making BEIPU's efforts to achieve the goal of the project more efficient.

D. Perception of BCCI/BEIPU by the Government of Belize.

1. Contribution of BCCI/BEIPU to development of business, exports and investment

a. Discussion

GOB officials believed that BCCI/BEIPU did contribute to development of business, exports and investment through its facilitation of investment and export development and its creation of a high profile for the private sector in Belize. The increased dynamism of BCCI was a significant factor in business development. "A strong Chamber is good for Belize," one official said. However, GOB officials were unanimous in their view that BCCI/BEIPU did not have any direct impact on exports, investment, tourism and job creation.

The GOB officials interviewed did not believe BCCI/BEIPU was capable of bringing about the desired direct impact of greater exports, investment, job creation and tourism. They cited its lack of staff experience in business, a lack of aggressiveness commensurate with programs of Belize's neighbors, inadequate concentration on market identification, and other reasons for this conclusion. Some had heard from investors that BCCI/BEIPU's staff was not skilled enough to help them. Others had experienced BCCI/BEIPU as an organization that could not provide key information needed by investors or themselves.

b. Conclusions

- o BCCI/BEIPU did, according to most GOB officials interviewed, contribute indirectly to business, export, investment, tourism and job development through its facilitation activities and its high profile as a dynamic private sector organization;
- o GOB officials were unanimous--BCCI/BEIPU had no discernable direct impact in enhancing exports, investment and job creation; and
- o BCCI/BEIPU was perceived as not being capable of bringing about the desired direct impact of greater exports, investment, job creation and tourism.

2. Perceptions of BCCI/BEIPU strengths and weaknesses

a. Discussion

1) Strengths

- o GOB officials were unanimous--BCCI had become more dynamic and visible. Its appearance as an important private

sector institution among public and private sector officials was strong and getting stronger;

- o BCCI/BEIPU was perceived as:
 - Being strong in facilitation and public relations;
 - Cooperating with GOB on important issues of mutual interest like the export processing free zone and fashioning the new five year plan;
 - Operating effectively within GOB policy with respect to exports, investment, and job creation;
 - Being effective in dealing with the government on issues of interest to its members; and
 - Being quite capable in developing development concession and company formation applications by some, but not by others.

2) Weaknesses

- o BCCI/BEIPU was perceived as not being aggressive enough to bring about the impact desired or to foster effective competition against neighbor states;
- o BCCI/BEIPU also was perceived as:
 - Providing help to those that need it the least;
 - Spending too much money without accountability for the results achieved;
 - Traveling excessively and without results to justify such travel;
 - Not being the appropriate entity to carry out export promotion, a function which more properly belonged to the Ministry of Trade and Industry;
 - Not being properly structured to carry out the tasks given it; and

- Not being capable of providing necessary market information for Belizean export products.

b. Conclusions

- o The GOB viewed BCCI/BEIPU as having become a dynamic organization capable of facilitating policy dialogue, representing its members interests with the GOB and effectively representing Belize's private sector at home and abroad;
- o The GOB viewed BCCI/BEIPU as operating effectively within GOB policy with respect to exports, investment, and job creation and as being strong in facilitation and public relations.
- o BCCI/BEIPU was perceived as not being aggressive enough to bring about the impact desired or to foster effective competition against neighbor states; and
- o BCCI/BEIPU also was perceived as providing help to those that need it the least and not being capable of providing necessary market information for Belizean export products.

3. Consistency of BCCI/BEIPU strategy with Government of Belize policies

a. Discussion

BCCI/BEIPU's strategy and activities were perceived by GOB officials as being fairly consistent with government policies. The GOB, for example, maintains that the basis for economic growth is a creative partnership between the public and private sectors. The new, more dynamic role of BCCI/BEIPU strengthens the participation possible by the private sector and puts more life into the partnership. The focus of BEIPU activities on increased exports, investment, jobs and tourism is clearly consistent with GOB policy.

Another tenant of GOB policy is that the productive base of Belize's economy must be broadened. This broadening will result from crop diversification, industrial growth and tourism development. Belize's natural resource base must be wisely used while providing the basis for sustainable economic development. BCCI/BEIPU is not yet, according to many GOB officials, in the mainstream of this development strategy. Its membership is concentrated too much in distributive trade, and the issues it raises with government tend to be issues involving commerce. More attention to agriculture, manufacturing and other productive sectors of the nation's economy is necessary by BCCI/BEIPU to support fully this central strategy element.

The GOB's economic strategy is designed to reach both rural and urban areas. BCCI/BEIPU membership and activities concentrate largely on urban areas. The Chamber is

perceived by GOB officials as reaching out to rural areas, but the extent of BCCI/BEIPU's success is unknown. For BCCI/BEIPU to be fully consonant with GOB policy, more attention to rural businesses and issues would be appropriate.

Finally, BCCI/BEIPU's impact on women and youth are not known by GOB officials but are perceived to be very limited. Special Chamber concentration on these two groups, especially in rural areas, would place it fully in league with an important tenant of GOB policy.

BCCI/BEIPU did make a solid effort to become a major private sector organization in Belize. It sought, according to most GOB officials, to become a national chamber of more than commercial and urban interests. The Chamber did become more dynamic and able to serve more members in different ways. GOB officials thought that continuation of these efforts could expand the Chamber's service to manufacturers, agriculturalists and others in the productive sectors. The Chamber might expand more into the countryside in the future. And, additional success in building membership and a financial base may allow BCCI/BEIPU to serve women, youth and other disadvantaged groups more fully.

Some GOB officials did not want BCCI/BEIPU too deeply involved in GOB economic and business affairs. They were concerned this involvement could introduce USAID/Belize's interests rather than BCCI/BEIPU's.

b. Conclusions

- o BCCI/BEIPU strategy was seen by GOB officials as being generally consistent with GOB policies;
- o However, BCCI/BEIPU was perceived as an organization concerned with commercial and trade issues. No significant issues had been raised with the GOB by BCCI/BEIPU that involved the productive sectors--agriculture, tourism, manufacturing--which are the key productive sectors in the GOB's economic policy;
- o BCCI/BEIPU was believed to be mainly an urban institution; its continued expansion into rural areas will enable it to serve its members in those areas which are also an important part of the GOB's balanced economic growth policy;
- o The GOB seeks to meet the economic needs of women and youth, but BCCI/BEIPU does not appear to take an active role in serving these groups;
- o BCCI/BEIPU was perceived as having made a credible effort to meet the terms of reference of the project as a Chamber of Commerce; and

- o GOB officials consistently raised their concern that BCCI/BEIPU could be operating in the interest of USAID/Belize.

E. Impact of BCCI/BEIPU's Public Relations/Communications Program

1. Discussion

BCCI/BEIPU's public relations/communications program involved preparation of a newsletter (once a month), brochures, a video tape presentation about business in Belize, news releases, participation in radio talk shows, visits to GOB officials, and preparation and distribution of publications containing information useful to members. Another aspect of the program was participation in trade fairs and development seminars and meetings on behalf of BCCI/BEIPU and Belize.

The quality of the public relations/communications program was high. Printed materials were attractive and well presented. Information provided was, for the most part, relevant and timely.

The newsletter, in particular, filled a country-wide niche for local business news. Many BCCI/BEIPU members interviewed said they read and appreciated the newsletter for its substantive content. Some who had recently joined BCCI/BEIPU said the newsletter was very instrumental in convincing them that the Chamber was an active organization serving members interests.

The public relations/communications program led Chamber participation in community service events and activities--e.g., an anti-litter campaign, reduction in drug abuse, development of a downtown parking lot. These high profile activities gave the Chamber good exposure to many Belizeans, extending the good will of BCCI/BEIPU well beyond the business community.

The BCCI/BEIPU public relations/communications program emphasized BCCI activities and services. The Director of Public Relations/Communications perceived his role as selling the Chamber, not BEIPU. Skilled at policy issues and working directly with the government, the Director's natural predilection was to emphasize policy dialogue with government and issues of direct importance to BCCI members rather than BEIPU activities that served mostly non-members.

The BCCI/BEIPU public relations/communications program had one negative impact on the Chamber. Some articles written in the newsletter dealt with specific business issues of members. Some of the members written about were unappreciative of the treatment given them and the issues involved. Chamber management decided to institute controls over the program to ensure the accuracy of each article and that its newsletter would serve the interests of all Chamber members.

2. Conclusions

- o The public relations/communications program helped change the perception of BCCI held by many in the public and private sectors; BCCI/BEIPU became known as a dynamic, growing organization doing important things for its members;
- o BCCI/BEIPU's public relations/communications program was instrumental in attracting new members to the organization; and
- o BCCI/BEIPU's public relations/communication program focused on creating a high profile for BCCI, not BEIPU.

F. Effectiveness of BCCI/BEIPU'S Representation of the Belizean Private Business Sector

1. Discussion

BCCI/BEIPU membership fluctuated from 126 members in 1985 to a low of 92 in 1988 and a high of 262 as of December, 1990. Its geographical spread improved steadily with members in all districts.

Traditionally the Chamber was viewed as a social club representing the elite private sector, with a bias toward merchandising. It was thought by some to be anti-competitive in its thinking, not an agent of change in the development of the nation. That image began to change as the Chamber initiated a series of measures to position the organization as the leading private sector entity in Belize tackling national issues. It has gained credibility and support of the private sector as a result of: Its involvement with the development activities of BEIPU, and previously BIM; its initiative in promoting the Free Trade Zone legislation; its out-reach program to facilitate small businesses; its advocacy in public affairs issues such as drugs and crime; and its legislative agenda, e.g., ILO draft labor laws.

The Chamber's survey of small business clearly showed that the Chamber message had not reached this target group. And, the high cost of membership continues to be a deterrent to small businesses. The evaluation teams contacts indicated that the private sector in general is not too familiar with the activities of BEIPU.

The potential membership of the Chamber is conservatively estimated at 2,750 based on the number of recorded trade licenses in 1990. The Chamber's target is to recruit 1,000 members by 1992, or 36.3 percent of those with trade licenses. Membership drives were spotty. There was no organized, focused strategy and implementation plan to target different market segments of potential members. There are important segments of the economy, such as bananas, livestock and non-traditional productive enterprises and PVO's, which were not adequately represented in BCCI.

The BCCI staff took the lead on issues for advocacy by the Chamber. But, the staff did not develop a feed-back mechanism to determine the wishes of the membership. A large majority of the members contacted by the evaluation team favored such activities. However, there will be an increasing need for feed-back interactions between members and staff so the Chamber will be able to deal effectively with the conflicts which have emerged among the varying interests of its broadened membership.

2. Conclusions

- o The BCCI was steadily improving. It was clearly the most dynamic private sector organization in Belize representing the business sector. It continued to work at addressing the conflicts among the varying interests and perspectives of its members which could undermine its success; and
- o Work remained to be done to expand and broaden its membership base. Focus on providing broader membership with services and information relevant and of importance to them was not yet a high priority. Retention of new members was understood to be necessary but specific programs still had to be developed.

G. Performance of BCCI/BEIPU in Meeting the Needs of Local and Foreign Investors

1. Discussion

There was confusion as to what BCCI/BEIPU could offer effectively on the part of many. The perception and sales pitch was that BCCI/BEIPU was a one stop investment center, but it was precluded from achieving this status. Many still held it accountable for being a "one stop shop." When it did not perform to this standard some reached the general conclusion that BCCI/BEIPU did not impact adequately in relation to its available resources and mandate.

BCCI/BEIPU dabbled in varying degrees with the entire spectrum of activities involved with a successful investment promotion program. It tried to be "all things to all people". These included:

- o Research--no evidence of serious involvement;
- o Identification of new opportunities--reactive, not proactive. No evidence of initiation;
- o Project prefeasibility--Annex 10 lists involvement in six studies during the July 1987-1990 period, of which two were sustained. Renewed sub-sector

prefeasibility attempts were initiated in 1989/90 in furniture, root crops, cut flowers, garments and handicraft as sector studies;

- o Project design--Annex 10 lists many project design efforts. But, they are not verifiable from internal documents or staff interviews. The design efforts appear to have consisted mostly of conversations rather than formal project designs;
- o Investor/market search--Of 1,762 contacts between 1985 and 1990, BCCI/BEIPU claimed success for 87 projects (64 between 1987 and July 4, 1990) where the investor felt that BCCI/BEIPU could assist especially in acquiring a concession. There was no evidence of initiation of these successes by BCCI/BEIPU. Mostly BCCI/BEIPU's involvement was re-active. Review of internal data available and the preliminary telephone survey by the evaluation team indicated that of 64 successes claimed during the 1987-90 period, 13 were for expansion. Only 2ⁿ survived, about a 50 percent success rate. This was also confirmed by information obtained from the Ministry of Economic Development;
- o Promotion--BCCI/BEIPU was active in general promotion missions (exports and investments) during the 1985 to 1990 period. It also prepared general promotional materials. BCCI/BEIPU's skills in these areas were viewed as generally positive. However, many public and private sector individuals expressed reservations regarding the high cost of such overseas promotional exercises;
- o Marketing--Trading by BCCI/BEIPU occurred in five products in 1986 (garments, beef, yams, annato, papayas, pepper). Not until 1990 was BCCI/BEIPU involved again in trading, this time in two products. However, these markets were not retained. Data secured from the government statistical office in Belmopan showed that exports of non-traditional products totaled Bz\$4.5 million in 1986 and Bz\$6.1 million in 1989. As a percentage of total exports, this group moved slightly during this period--from 3 percent in 1986 to 3.3 percent in 1989. This suggests that the Export and Investment Promotion Project had a marginal impact on increasing non-traditional exports;
- o Facilitation (Public sector and business contacts, meetings, etc.)--The feedback gathered by the evaluation team was that BCCI/BEIPU does a credible job in this area;
- o Data dissemination (economic, social, technical, market, etc.)--In this area BCCI/BEIPU lacked hard and relevant data. It referred many investors to public sector officials for some of this data rather than only to discuss policy issues. Review of BCCI/BEIPU's databases confirmed this conclusion;
- o Documentation services (Concessions, company formations, etc.)--These services were provided by BCCI/BEIPU and many in the private sector. BCCI/BEIPU

assisted with at least 22 company documents. It developed 29 concession applications during the period 1987-90. Only 17 of the 29 concessions were approved (59 percent). Investors believed this level should be higher because BCCI/BEIPU "has the inside track". The approved BCCI/BEIPU concessions were 11.8 percent of the total number of concessions approved during 1986-90;

- o Technical assistance (including training)--Some 14 cases of "technical assistance" were recorded in Annex 10, e.g., exposure to technology, training, participation in trade fairs by specific company's representatives. The results and feedback have been generally positive; and
- o Impact analysis--The annual evaluation reports are unreliable as a basis for assessing BCCI/BEIPU impact. The BCCI/BEIPU claim to have been significantly responsible for 87 (1986-90) and 64 (1987-90) projects is questionable. No reliable system was in place to properly assess impact. Based on the review by the evaluation team, BCCI/BEIPU's interventions were as modest as their impact.

2. Conclusions

- o Local investors expected all and more of what the foreign investor expected of BCCI/BEIPU. As a minimum the solid foreign investor expected the country to be supportive of investment interests, to provide business, economic, and social data on a professional basis, and for competent authorities to meet and discuss the issues impacting on the projects. If more assistance was available the investor would access it also. The local investor, in addition, required technical assistance including training, and support in project preparation, marketing and financing. The latter assistance did not necessarily need to be provided, but it was important that it be located;
- o BCCI/BEIPU did not become a "one stop shop." When it did not perform to this standard some unfairly reached the conclusion that BCCI/BEIPU did not impact adequately in relation to its available resources and mandate; and
- o BCCI/BEIPU provided some services to investors albeit a modest amount in relation to its mandate. There continued to be a gap between the services delivered and what the investor really needed. There were some successes and there were some disappointments.

H. Appropriateness of Pilot Credit Scheme as a Mechanism to Encourage Exports

1. Discussion

The Belize economy is expanding rapidly. Investments in agriculture, exports and tourism are on the increase. A survey taken by the USAID conservatively estimated that the aggregate demand for term credit over a five year period was US\$50-75 million. This unfilled demand for medium and long-term credit on one hand and the lack of an institutional mechanism on the other to channel the credit presented a two-fold, serious constraint to the development of the country. Local banks in Belize do not as a matter of policy extend long-term investment credit to local businesses. They are restricted to conservative, short-term working capital mercantile loans, the emphasis being on profit, not development.

As a result of the above two constraints, the enterprises served by BCCI/BEIPU over the years have not been able to secure adequate development financing on a consistent basis. The need for BCCI/BEIPU to have at its disposal a ready source of development credit was an essential one. It was a role BCCI/BEIPU must play and which in the long run will have a positive impact on its own stature as an institution, not to mention the impact on the companies receiving the financing.

Thus, this was the rationale for establishing the US\$100,000 pilot credit program. BCCI/BEIPU did not undertake the administration of a credit program. Instead, the program was turned over to a bank for administering and the institution chosen was the National Development Foundation of Belize (NDF/B). It was decided that a small pilot program would be started first until BCCI/BEIPU and the administering bank gained experience. This would be followed by a larger input of funds, obtained from other donors, so that the credit program could reach out to more enterprises in need of financing, and have a much bigger, overall impact.

2. Conclusion

- o The above rationale remains the same today. BCCI/BEIPU was gaining experience. The program assures BCCI/BEIPU direct access to credit for the first time, a necessary adjunct to a vibrant export development and promotion effort; and
- o BCCI/BEIPU was on the lookout for additional resources to increase substantially the number of enterprises it could assist and reduce a serious constraint to the development of export enterprises.

I. To What Extent is the Income Generation Program, Including Membership, Likely to Bring about Self-Sufficiency?

1. Discussion

a. Past

The major thrust of the 1988 USAID amendment focused on export promotion revenue producing services and self-sufficiency. For the first time, BCCI received outside USAID assistance (US\$260,000) to strengthen its institutional capacity (staff & resources) so it could become a more dynamic organization, enabling it to increase its membership and secure a healthier financial base. BCCI/BEIPU was given additional resources (US\$600,000) so it could increase and perfect its revenue-producing services, thereby generating the income it needed to achieve self-sufficiency. Without the additional resources, it was felt BCCI/BEIPU would not be able to come close to self-sufficiency. With the funding, it was determined, BCCI/BEIPU's expenses were to decrease by 83 percent, and income increase by 88 percent, over an extended six year period, ending July 1984. This was to bring it closer to, and within reach of, self-sufficiency.

The trust of the USAID funding was a budget-conscience, well managed, business operation that focused on revenue producing services and introduced a new project component, Export Promotion. It was projected that BCCI/BEIPU's income would increase steadily from US\$14,000 (actual) in 1988 to US\$60,000 in 1994. A special BCCI/BEIPU account was to be opened in which the revenues for years 1986/7 to 1993/4 were to be deposited. Such deposits made to this account were estimated to reach US\$293,433 in the final year. These targets were not reached.

b. Present

At present, the management of BCCI/BEIPU acknowledge the need for a program to make the organization self sufficient. Having recognized the program, management, at the time of the evaluation, had developed a partial plan to make BCCI/BEIPU self sufficient at the same level of operations as financed by the Export and Investment Promotion Project. A look at the organization at the time of the evaluation revealed a very dramatic shift in program focus from what was expected in 1988. The focus of the Chamber was:

- o Increasing membership, reaching a goal of 350 by 1990; and
- o Providing an array of services from trade shows to project feasibility studies, aimed at helping principally the enterprises that are members of the Chamber.

As can be seen from the section on shortfall of funds below, self-sufficiency was out of the question. From the beginning of the USAID program, attempting to make a non-profit

"public service" organization into a profit making, self-financing one, was over optimistic and a flaw in the project's design.

BCCI/BEIPU revenues were minimal and the shortfall of funds that will take place over the next 2.5 years when the USAID project terminates, July 31, 1993, require immediate action. The shortfall necessary to complete the program at existing levels of spending is US\$469,565. To expect this could be made up by self-generated income or other donors is unrealistic. BCCI/BEIPU has no other cash resources, other than USAID funds, except for an account to which members dues are deposited. Once collected and deposited they are immediately withdrawn to pay current bills not eligible for USAID funding. Current balance: Bz\$1,200

The program will continue at present high levels until USAID funds are close to exhaustion. This will take place in 1992 well before the 1993 terminal date. Unless substantial funds are obtained from another source a retrenchment will take place reallocating remaining USAID funds and forcing a greatly scaled down program, either financed by other donors, which is unlikely, or by dues from BCCI'S membership which is likely.

With continued emphasis on membership recruitment in the years ahead, it is expected that the membership and contributions will grow as follows:

| | <u>1991</u> | <u>1992</u> | <u>1993</u> | <u>1994</u> |
|----------------------|-------------|-------------|-------------|-------------|
| Membership | 600 | 800 | 1,000 | 1,100 |
| Contributions (Bz\$) | 180,000 | 220,000 | 240,000 | 250,000 |

With dues of this magnitude, BCCI could support a small but high-quality staff to provide the type of services that a Chamber of Commerce should provide--investment and promotional services. By doing this, BCCI'S services would be self-supporting and they would be increased or decreased commensurate with the contributions from members. It would be done by Belizeans on their own without outside assistance.

The most serious problem facing BCCI is the shortfall of funds. This and other observations of the organization's finances are described below:

c. Shortfall of Funds

The total amount of the USAID financing over the life of the project was US\$3,260,000, of which US\$2,830,000 has been obligated. Of the US\$3,260,000, US\$517,000 was allocated to project management administered by USAID. These funds are not available for line item project costs. The undisbursed balance was US\$1,470,435 as of October 31, 1990. Projecting to December 1990 this was expected to be reduced to US\$1,300,435 assuming a level of spending for November and December 1990 of US\$170,000.

Looking at the next 2.5 years until the end of the project as of July 31, 1993, BCCI/BEIPU estimated that in order to achieve its "target and objectives", the levels of spending would be as shown in Table 2.

With only US\$1,300,435 in USAID funds available at the end of December 1990, and an estimated spending need of US\$1,770,000 there will be a shortfall of funds over the next 2.5 years of US\$469,565. If the project is to continue at the current level of spending, this shortfall will have to be made up from sources other than USAID. A detailed breakdown of the shortfall by line item and by year is shown in Table 3.

d. Other Sources of Financing

BCCI/BEIPU realized the need to raise substantial amounts of new funding to keep the organization going at existing levels until the USAID Program terminates in July 1993, and then for the years beyond 1993. Over the next 2.5 years, BCCI/BEIPU projected it will attempt to raise funds from other sources as shown below:

| | US\$ July | | | |
|--------------------------------------|---------------|---------------|-----------------------------|---------------|
| | <u>1991</u> | <u>1992</u> | <u>1993</u> (six months) | <u>Total</u> |
| Membership | | | | |
| Contributions | 70,000 | 90,000 | 62,000 | 222,000 |
| Professional Fees | 17,000 | 25,000 | 22,000 | 64,000 |
| Business Consultants | 35,000 | 65,000 | 37,000 | 137,000 |
| Contributions from other Agencies | <u>25,000</u> | <u>25,000</u> | <u>14,000</u> | <u>64,000</u> |
| | 147,000 | 205,000 | 135,000 | 487,000 |

BCCI/BEIPU was careful to point out that it may not be possible to obtain the level of resources shown above. Beyond mid-1993, BCCI/BEIPU will need to identify additional new sources of financing to continue delivering the services at its present levels. The organization estimates its total annual requirements to be around US\$800,000, and contends that a realistic target is to raise 35 percent of this amount with an urgent need to identify a source for the other 65 percent, or US\$520,000 annually.

Despite the organization's efforts to attract new resources, raising this much money will be difficult. There is a limit to what is achievable given the organization's high-cost operation on one hand and its declining revenue base on the other. Management's preoccupation with raising additional resources could be a harmful diversion from its primary responsibility of managing BCCI/BEIPU's diversified operations. The chances of BCCI/BEIPU attaining other resources in sufficient amounts to offset the shortfall by 1993 and the years beyond--to achieve self-sufficiency--are not promising.

Table 2: Total Estimated Levels of Spending (USAID and Other Sources in US\$)

BCCI/BEIPU EVALUATION

Table 2: Total Estimated Levels of Spending (USAID and Other Sources in US\$)

| Line Item | 1991 | 1992 | 1993 (Six months) | Total |
|------------------------------------|---------------|---------------|----------------------|----------------|
| Operation | | | | |
| Personnel | 248000 | 254000 | 173750 | 675750 |
| Equipment & Supplies | 73000 | 33000 | 17500 | 123500 |
| Logistical Support & Overhead | 22000 | 23000 | 11500 | 56500 |
| Vehicle | 0 | 0 | 0 | 0 |
| Travel | 11000 | 14000 | 7000 | 32000 |
| Audit | 5000 | 5000 | 3000 | 13000 |
| Office Space | 0 | 0 | 0 | 0 |
| Institutional Strengthening | | | | |
| Short Term TA | 38000 | 30000 | 10000 | 78000 |
| Program | | | | |
| Short Term TA | 43000 | 45000 | 38666 | 126666 |
| Investor Search | 10000 | 10000 | 8750 | 28750 |
| Client Training | 30000 | 38000 | 25334 | 93334 |
| Promotion | 227000 | 213000 | 102500 | 542500 |
| Subtotal | 707000 | 665000 | 398000 | 1770000 |
| Contingency/Inflation | 0 | 0 | 0 | 0 |
| Subtotal | 707000 | 665000 | 398000 | 1770000 |
| Tourism | 0 | 0 | 0 | 0 |
| Project Management | 30000 | 35000 | 0 | 65000 |
| Evaluation | 0 | 0 | 35000 | 35000 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| Subtotal | 30000 | 35000 | 35000 | 100000 |
| TOTAL | 737000 | 700000 | 433000 | 1870000 |

Table 3: Projected Shortfall of Funds (US\$)

BCCI/BEIPU EVALUATION

Table 3: Projected Shortfall of Funds (US \$)

| LINE ITEM | 1991 | 1992 | JULY 1991 | ESTIMATED SHORTFALL TO JULY 1991 |
|-------------------------------|------------|------------|--------------|-------------------------------------|
| OPERATION | | | | |
| PERSONEL | 45,200.00 | 51,600.00 | 43,815.62 | 140,615.62 |
| EQUIPMENT & SUPPLIES | 26,200.00 | 16,200.00 | 8,455.75 | 30,855.75 |
| LOGISTICAL SUPPORT & OVERHEAD | 0.00 | 0.00 | 0.00 | 0.00 |
| VEHICLE | 0.00 | 0.00 | 0.00 | 0.00 |
| TRAVEL | 6,900.00 | 5,600.00 | 3,682.50 | 16,182.50 |
| AUDIT | 2,000.00 | 2,000.00 | 1,792.50 | 5,792.50 |
| OFFICE SPACE | 0.00 | 0.00 | 0.00 | 0.00 |
| INSTITUTIONAL STRENGTHNING | | | | |
| SHORT TERM T/A | 7,700.00 | 12,000.00 | 5,975.00 | 25,675.00 |
| PROGRAMME | | | | |
| SHORT TERM T/A | 12,700.00 | 24,000.00 | 8,102.93 | 44,302.93 |
| INVESTOR SEARCH | 2,000.00 | 4,000.00 | 5,227.94 | 11,227.94 |
| CLIENT TRAINING | 7,000.00 | 14,400.00 | 11,137.07 | 32,537.07 |
| PROMOTION | 37,800.00 | 57,765.00 | 46,810.69 | 142,375.69 |
| CREDIT PROGRAMME | 0.00 | 0.00 | 0.00 | 0.00 |
| ----- | | | | |
| SUB TOTAL | 147,000.00 | 187,565.00 | 135,000.00 | 469,565.00 |
| CONTINGENCY/INFLATION | 0.00 | 0.00 | 0.00 | |
| ----- | | | | |
| SUB TOTAL | 147,000.00 | 187,565.00 | 135,000.00 | 469,565.00 |
| TOURISM | 0.00 | 0.00 | 0.00 | 0.00 |
| PROJECT MANAGEMENT | 0.00 | 0.00 | 0.00 | 0.00 |
| EVALUATION | 0.00 | 0.00 | 0.00 | 0.00 |
| LONG TERM T/A | 0.00 | 0.00 | 0.00 | 0.00 |
| MISCELLANEOUS | 0.00 | 0.00 | 0.00 | 0.00 |
| SUB TOTAL MGT | 0.00 | 0.00 | 0.00 | 0.00 |
| ----- | | | | |
| TOTAL | 147,000.00 | 187,565.00 | 135,000.00 | 469,565.00 |
| ----- | | | | |

c. Personnel Costs

To give some idea of BCCI/BEIPU'S high cost operation, a look at salaries was warranted. USAID financed all personnel costs, largely salaries, under the Program. In 1988, the line item for Personnel including the amended Program for BEIPU was US\$644,032, and for BCCI (including new and existing employees) US\$150,000, or a combined figure of US\$794,000. Today, the life of project line item for Personnel is US\$963,370, representing an increase of US\$169,000 (21 percent) in two years. USAID'S ability to continue financing salaries is limited by the shortfall. To illustrate, there will not be sufficient USAID funds to cover staff salaries over the next 2.5 years, as follows:

| | |
|---------------------------|------------------|
| USAID Line Item-Personnel | US \$963,000 |
| Used to August '90 | - <u>499,000</u> |
| Available | US \$464,000 |

The salary costs of the organization during the remaining life of the USAID Program were estimated to be US\$826,000. With only US\$464,000 available in USAID funds, BCCI/BEIPU will have to come up with US\$362,000 from other sources over the next 2.5 years if it is to meet its salary costs at existing levels. Many complaints about the high salaries of BCCI/BEIPU staff were received during the evaluation.

f. New Building

BCCI/BEIPU purchased a new office building and an adjacent lot in 1989 which was financed by USAID funds and a bank loan, as follows:

| | |
|-----------------------|-----------------------------|
| Cost of Building/Lot | Bz\$176,000 |
| Cash (USAID) | <u>122,000</u> (US\$61,000) |
| | Bz\$ 54,000 |
| Improvements, Repairs | <u>50,000</u> |
| | Bz\$104,000 |

Terms: 8 years

Interest: 13% P.A.

Monthly Payments: Bz\$2,070.(not USAID financed)

This appeared to be a good investment for the organization and the transaction was approved by USAID; however, the use of \$61,000 in USAID funds was an extraordinary use of funds arguably outside the scope of the program. BCCI/BEIPU received a bank loan without adequate revenue to justify it.

g. Credit Program

A small Pilot Program was authorized by USAID in 1988 setting aside US\$100,000 for the purpose of financing the needs of BCCI/BEIPU'S exporting clients. An initial disbursement of US\$50,000 was made, financing three enterprises, two were export-oriented and one was import substitution. The latter is ineligible for USAID financing. BCCI/BEIPU did not give this Program the focused supervision it required.

h. Promotion

For an organization struggling with a large shortfall and diminishing revenues, the large expenditures for Promotion (includes travel) over the years appears to be far out of line. The current budget line item for is of \$562,000, which in itself appears high.

An example of the excessive use of funds for Promotion related to the expenditure of US\$17,933 for sending 11 officials to the Miami Conference on the Caribbean in December 1990. This consisted of five BCCI/BEIPU Managers, four BCCI Board Members and two government officials. BCCI/BEIPU surplus for the entire year of 1990 is expected to be only around US\$6-8,000, far below the expense of one conference.

i. Surplus Earnings

In spite of the merger of BCCI/BEIPU, new staff, new building, high level of activities, earnings showed a decline, reflecting the organization's change of focus from revenue producing to "public service" free services. Surplus for the past four years are shown below:

| | US\$ |
|------|---|
| 1987 | 7,433 |
| 1988 | 14,000 |
| 1989 | 10,500 |
| 1990 | 8,000 (as of September, but expected to be less at year's end). |

2. Conclusions

- o BCCI/BEIPU today carries a high level of activity while producing minimal income and burdened with a serious shortfall of funding. It faces a major retrenchment as USAID funds run out before the July 31, 1993 terminal date--thus reducing achievement of the project purpose substantially from its current level;
- o Prospects for obtaining other resources or for USAID or other donors to continue the Program at existing or reduced levels are remote. The income

generation program which now involves only consulting and membership dues, produces minimal resources and will not bring BCCI/BEIPU to self-sufficiency;

- o There may be a role for the Government to play in promoting Belize, as in other countries, but to date it has stayed on the sidelines;
- o Attempts to place BCCI/BEIPU's high cost operations on a revenue producing self-financing basis were unrealistic and a flaw in the design of the Program; and
- o BCCI/BEIPU has given the highest priority to increasing membership contributions and to giving priority services to its own members.

3. Recommendations

- o Based upon its plan to reshape BEIPU's activities and its more intensive strategy to further strengthen BCCI's national membership and service, and after in-depth consultations with USAID/Belize and the GOB, BCCI/BEIPU should agree upon an appropriate scope and strategy for its operations prior to and following 1993. (Optional strategies and their pros and cons are set out in Chapter III and Annex 6.). The plan should be completed within two months. It should:
 - Clearly illustrate how BCCI/BEIPU will sustain operations within available resources after USAID funding is exhausted; and
 - Indicate how BCCI/BEIPU's will focus its resources on key objectives and arrange to put into place systems--financial, information, etc.--to maximize the efficient use of available capacity and resources to apply it.
- o BCCI/BEIPU should conserve resources now to prepare for the time USAID funds run out. All membership fees, BCCI/BEIPU consultant division profits and other revenues not supplied by USAID should be banked as savings to be applied during the transition period to self-financing that will occur when USAID funding is exhausted; and
- o To conserve non-USAID resources now BCCI/BEIPU should reduce its operations to that level which can be supported solely by current USAID project funding at planned expenditure rates.

J. Potential Options for BCCI/BEIPU's Future

The basic concerns faced by BCCI/BEIPU in seeking self sufficiency during the 1991 to mid-1993 period and after 1993 will be:

- o How best to continue and enhance BCCI as a strong private sector force, increasing membership and revenues; and
- o How to obtain maximum impact from BCCI/BEIPU operations between 1990 and mid-1993 and after 1993 at the level of effort BCCI/BEIPU revenues from all sources allow.

BCCI/BEIPU can select among many options in determining how to proceed during the pre-1993 period and in the post-1993 period. The best option for pre-1993 strategy will depend substantially upon BCCI/BEIPU's post-1993 objectives. And, its post-1993 objectives will be governed largely by how self-sufficient the organization can become.

Self-sufficiency can be pursued via two basic approaches: Continuing BCCI/BEIPU services under private sector management or continuing them under public sector management. Involvement of both the public and private sectors in providing BEIPU type services also is possible. Strategy options for providing services and seeking self-sufficiency in both pre-1993 and post-1993 are:

Option 1: Private Sector

Pre-1993: Operate BCCI/BEIPU according to the strategy for strengthening BCCI and the new plan for increasing BEIPU impact, spending USAID funds at the most appropriate rate to carry out both and to prepare for the selected objective for BEIPU after 1993:

- BCCI/BEIPU spends rapidly; and
- BCCI/BEIPU spends more slowly.

Post-1993:

- 1a: Eliminate BEIPU when the USAID/Belize funds to support it are depleted.
- 1b: Make BEIPU independent, spinning it off to become self-sufficient by providing services for a fee.
- 1c: Continue BEIPU within BCCI, with BCCI providing all its funding.

- 1d: Create BEIPU as an independent private-public "organization" outside BCCI and the GOB with funding from BCCI and the GOB; and
- 1e: Split BEIPU functions, BCCI continuing to fund some and the GOB absorbing and funding others.

Option 2: Public Sector

Pre-1993: Operate BCCI/BEIPU according to the strategy for strengthening BCCI and the new plan for increasing BEIPU impact, spending USAID funds at the most appropriate rate to carry out both and to prepare for the selected objective for BEIPU after 1993:

- BCCI/BEIPU spends rapidly; and
- BCCI/BEIPU spends more slowly.

- Post-1993:**
- 2a: Have GOB absorb and fund all BEIPU operations;
 - 2b: Continue BEIPU within BCCI funded entirely by the GOB;
 - 2c: Make BEIPU independent, spinning it off to become self-sufficient by providing services for a fee; GOB contracts with BEIPU to provide desired services;
 - 2d: Create BEIPU as an independent private-public "organization" outside BCCI and the GOB with funding from BCCI and the GOB; and
 - 2e: Split BEIPU functions, BCCI continuing to fund some and the GOB absorbing and funding others.

ANNEX 1

Scope of Work

Best Available Document

SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

1. Purpose

The purpose of this Contract is to provide a mid-term evaluation of private sector activities under the Belize Export and Investment Project (505-0027) to determine whether they are achieving expected project results and to recommend mid-course corrections. The evaluation is to be used by USAID and the organizations implementing the Project to help improve the performance of the Project and to obtain information which managers need to keep the Project on track toward its development objectives.

2. Background

The Export and Investment Promotion Project was authorized in FY 1985 and subsequently amended for a total of US\$4.5 million in A.I.D. funds. The private sector component provides US\$3,460,000, of which \$2,820,000 has been obligated, and is being implemented through separate agreements with the BCCI/BEIPU and the International Executive Service Corps (IESC). The project assistance completion date (PACD) has been extended to July 1993.

The Project goal is to generate employment, income and foreign exchange in the Belizean economy. The purpose of the assistance to BCCI/BEIPU is to develop the capacity of the private sector to promote, provide technical assistance for, and facilitate export and tourism projects undertaken in Belize. The purpose of the IESC grant is to provide technical assistance to private sector enterprises and organizations, in support of the Caribbean Basin Initiative and A.I.D. export and investment promotion and tourism activities.

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a. BCCI/BEIPU

This project is a follow-on to the Export Promotion OPG (505-0027) with the Belize Chamber of Commerce and Industry which successfully established the Belize Export and Investment Promotion Unit. The unit, which was a self-operating entity, is now integrated within its parent organization, the Belize Chamber of Commerce and Industry. BCCI/BEIPU has a staff of nine which directly supports export and investment promotion activities. The General Manager, Administrative Assistant and Accountant also have broader BCCI responsibilities, while three sectoral managers and three secretaries comprise the BEIPU division.

In addition to supporting BEIPU activities, the project includes a BCCI component that provides financial resources to the umbrella organization for its institutional strengthening program, i.e., adequate finances, effective staff, program of work and membership drive.

Self-sufficiency of both organizations is a major concern, and the closer linkage of BCCI and BEIPU increases the organization's potential to achieve this objective. Financial consolidation now being considered will bring the BEIPU division fully integrated into BCCI.

b. IESC

IESC is a U.S. private voluntary organization with headquarters in Stamford, Connecticut, and a counterpart office in Belize managed by a Country Director. The project provides US\$250,000 over the life of the Project (LOP), which has been extended to 1993. These funds provide for short-term technical assistance in support of small- and medium-sized export-oriented and tourist-related enterprises in the private sector. Administrative expenses, including office equipment, have been funded through the separate Trade and Investment Services Project (505-0040). That project agreement was recently amended to change the focus from trade investment promotion services to support for the private sector through technical assistance.

3. Task

The Contractor team will review Project documents and conduct interviews with personnel of the implementing organizations and USAID, as well as representative members of the Belizean business community and foreign investors, in order to respond to the following questions:

a. What progress has been made toward achievement of the Project's purpose and goal? How does actual performance compare to the Project log-frame projections of outputs?

b. To what extent have project supported efforts resulted in increased employment, income and foreign exchange in the Belizean economy?

DHW

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3 ✓

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c. Have the financial, personnel, facilities and logistical inputs from A.I.D and other sources been adequate to achieve project outputs?

Specifically, the evaluation will address the following questions with regard to BCCI/BEIPU:

(1) Are the organizational structure, management, personnel and operational procedures of BCCI/BEIPU suitable to achieving the project purposes and organizational self-sufficiency by the end of the project?

(2) Are the proper implementation plans and mechanisms in place to adequately meet the organization's responsibilities in business development, export development and investment promotion?

(3) Are the following tools adequate and being used to achieve project purposes?

- (a) Data base system
- (b) Investor search services
- (c) Investment and trade missions
- (d) Technical assistance
- (e) Business profiles and feasibility studies
- (f) Newsletter

(4) How is BCCI/BEIPU perceived by the Government; is it recognized as the vehicle for development of business, exports and investment in Belize? Is the Strategy Statement and Marketing Plan consistent with project objectives and Government of Belize policies?

(5) What impact is the public relations/communications program having on policies and the business climate in Belize?

(6) How well does BCCI/BEIPU represent the interests of the Belizean private business sector, and how is it perceived by that sector?

(7) Has BCCI/BEIPU performed effectively in assessing and meeting the needs of both local and foreign investors?

(8) Is the Pilot Credit Scheme an appropriate vehicle to encourage exports?

(9) To what extent is the income generation program, including membership, likely to bring about self-sufficiency?

(10) The evaluation will address the following questions with regard to IESC:

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(a) Has IESC effectively provided technical assistance to the private sector resulting in technology transfer which has increased employment and income?

(b) Have adequate resources been made available to achieve project purposes?

(c) Is the IESC component cost effective?

(d) Have the areas targeted by IESC been consistent with the project's purposes and Government of Belize development strategy?

(11) With regard to both organizations and the project as a whole, the evaluation will address the following questions:

(a) Are there useful interactions between BCCI/BEIPU and IESC and with other public and private organizations?

(b) Have project activities effectively addressed the needs of Belizean women in the private sector?

In addition to responding to the above questions, the evaluation report will recommend specific actions to improve the performance of the project in achieving its intended results. Where expected outputs or results are not fully attainable, the report will recommend changes to adjust project expectations to be realistic. Options may be presented where objectives can be achieved only with additional resources or over a longer period.

The report will specifically address the prospects for long-term sustainability, including recommendations for steps to be taken to improve prospects for sustainability at reasonable levels of operation after the current PACD.

Finally, the report will include a section on lessons learned.

4. Methods and Procedures

The evaluation will be collaborative. The contracted evaluation team will consist of three persons, including at least one Belizean, who will work closely with the project managers from BCCI/BEIPU, IESC and USAID.

Information on the project goal, purposes, outputs and inputs and project activities to date will be drawn from project documents including the Project Paper as amended, project agreements between A.I.D. and the implementing organizations,

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project correspondence and reports. The latter include monthly activity reports, technical quarterly reports, the BCCI General Manager's reports, financial reports, annual implementation plans and annual internal evaluation reports.

In addition, the team will interview project personnel, including staff of BCCI/BEIPU and IESC and members of the Chamber Executive Council and the BEIPU Committee, as well as Government representatives from the Ministries of Economic Development, Commerce, Industry and Natural Resources, Finance, and Tourism and the Environment. Members BCCI and other private business representatives will also be interviewed to solicit their views.

A draft report outlining the team's preliminary findings and recommendations will be circulated to USAID, BCCI/BEIPU and IESC for comment and discussion prior to final preparation. In order to encourage candor, this draft will include separate sections relating to BCCI/BEIPU and IESC, respectively. The draft submitted to each organization for discussion will include only the section relevant to its activities.

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ANNEX 2

List of Persons Contacted

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LIST OF PERSONS CONTACTED

| NAME | ORGANIZATION | TITLE |
|----------------------|----------------------------------|--------------------|
| Hon. Florencio Marin | Ministry of Natural Resources | Ag. Prime Minister |
| Hon. Said Musa | Ministry of Economic Development | Minister |
| Hon. Ralph Fonseca | Ministry of Finance | Minister of State |
| Hon. Vildo Marin | Ministry of Education | Minister of State |
| Keith Arnold | Ministry of Finance | Finance Sec. |
| Crecencio Sosa | Ministry of Trade & Commerce | Perm. Sec. |
| Rodney Neal | Ministry of Agriculture | Perm. Sec. |
| Joseph Waight | Ministry of Economic Development | Perm. Sec |
| Martin Aldana | Ministry of Statistical Unit | Statistical |
| Paul Biseck | U.S.A.I.D. | ADO Prog. Officer |
| Pedro Perez | U.S.A.I.D | ADO Prog. Officer |
| Gororgiana Griffith | U.S.A.I.D. | Admin. Officer |
| Edward Musa | BCCI | President |
| Larry Mac Claren | BCCI | Director |
| Paul Hunt | BCCI | Director |
| David Usher | BCCI | Director |
| Arsencio Burgos | BCCI/BEIPU | Director |
| John Searle | BEIPU | Director |
| Herbert Masson | BEIPU | Director |
| Kent McField | BCCI/BEIPU | Past President |
| Paul Morgan | BIM-Small Business | Manager |
| Joe Novelo | BABCO | Manager |
| Carlos Santos | BEST | Manager |
| Manuel Cuellar | NDF | Manager |
| Hugh Fuller | BCCI | Manager |
| Linda Bautista | IESC | Belize Rep. |
| Gordon Ashby | IESC | Volunteer |
| Charles Chavannes | Seven-Up | Owner/Manager |
| Hector Thompson | H.D. Thompson | Owner/Manager |
| Janice Aguilar | Caribbean Holidays | Owner/Manager |
| Rudy Gallego | Gallego Furniture | Owner/Manager |
| Treavor Roberts | Roberts Engineering Works | Owner/Manager |
| John Kuylen | Kuylen Store, Dangriga | Owner/Manager |
| Orlando Harrison | Tropical Juice Co, San Ignacio | Owner/Manager |
| Emelio Sarmiento | Sheep Farm, Corozal | Owner/Manager |
| Ludicia Magil | Magil Mexican Products, Corozal | Owner/Manager |
| Robert Pennil | Pennil Hardware, Punta Gorda | Owner/Manager |
| Godsman Ellis (Mrs) | Piache, San Ignacio | Owner/Manager |
| Gus Tabony | Tabony Industry | Owner/Manager |
| Cruzita Salazar | Rock's Shopping Centre | Owner/Manager |
| Richard Price | Grille Resturant | Owner/Manager |
| Joe Mena | Belmopan Pole Co, Belmopan | Owner/Manager |

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| | | |
|------------------|------------------------------|---------------|
| Rachael Emmer | Four Fort St. | Owner/Manager |
| Sue Williams | Mom's Triangle Inn | Owner/Manager |
| Denver Pratt | Friendly Family Foods | Owner/Manager |
| H. Sabani | Gem Industry | Owner/Manager |
| Robert Lopez | Hummingbird Rattan, Belmopan | Owner/Manager |
| Marie Sharp | Melinda's | Owner/Manager |
| Celi McCorkle | Holiday Hotel | Owner/Manager |
| Vinod Bhojwani | Mona Lisa | Owner/Manager |
| Paul Castillo | People's Store, Orange Walk | Owner/Manager |
| Jerome Gault | Gault Pharmacy | Owner/Manager |
| Luis Swasey | Belize Bank | Manager |
| Chuck Fleer | Alt, Trade Centre | Manager |
| Albert Moore | J.S. Espat Ltd | Manager |
| Evan Godfrey | Belize Meats | Manager |
| John Bueso | Pepso Cola | Manager |
| John McCutcheon | Belize Mills | Manager |
| Chuck Cobb | Crutchfield Car. Farms | Manager |
| Winston Millar | BEIPU/Investments | Manager |
| Gilroy Graham | BEIPU/Business Development | Manager |
| Treavor Vernon | BCCI/Finance & Membership | Manager |
| Rene Nunez | BCCI/Consultancy | Manager |
| Norris Hall | Public Affairs | Manager |
| Magdalene Brown | Administration | Manager |
| Azucenta Quan | BEIPU/Exports | Manager |
| Shelly Young | BEIPU/Investments | Manager |
| Daniel Saldano | BEIPU/Business Development | Manager |
| Fred Vernon | BCCI/Information | Assistant |
| Andrew Bradley | BCCI/Accounts | Jr. Acct. |
| Margaret Jenkins | BCCI/Computer | Operator |
| Bibi Gaznabbe | BCCI/Administration | Secretary |
| Susan Smith | BCCI/Administration | Secretary |
| Joan Flores | BCCI/Administration | Clerk/Typist |
| Joan Avelar | BCCI/Administration | Receptionist |
| Jackie Charley | BCCI/Administration | Clerk/Typist |

ANNEX 3

IESC Assignments Completed, 1987-1990

Ann. Rept. Accounting for SEEC

| No. | Project | Year | Client | Type | Sector | Gender | Days | Cost | | |
|-----------------|---------|------|---------------------|-----------------|---------------|--------|------|---------------------|--------|--------|
| | | | | | | | | US\$10 ³ | Client | |
| 1 | 15371 | 1987 | Ec. Bank Consorcio | Feasibility | Banking | M | 24 | 6303 | 0 | |
| 2 | 15496 | 1987 | Sportex Ltd | Training | Garments | F | 28 | 10292 | 3000 | |
| 3 | 15671 | 1987 | Villa Hotel | Feasibility | Tourism | NR | 4 | 3328 | 750 | |
| 4 | 15675 | 1987 | Belize Bank | Implementation | Banking | F | 30 | 5000 | 0 | |
| 5 | 15973 | 1987 | BEIPC | Feasibility | Manufacturing | M | 11 | 0 | 0000 | |
| 6 | 15974 | 1987 | BEIPC | Pre-feasibility | Agriculture | M | 14 | 0 | 0 | |
| 7 | 16075 | 1987 | BEIPC | Pre-feasibility | Garments | F | 12 | 0 | 0000 | |
| 8 | 16081 | 1987 | Tatony Ind | Implementation | Garments | M | 25 | 5420 | 1000 | |
| 9 | 16082 | 1988 | Antig. Travel | Training | Tourism | M | 20 | 1140 | 500 | |
| 10 | 16103 | 1988 | Ta. Grill | Training | Restaurant | F | 20 | 1700 | 300 | |
| 11 | 16086 | 1988 | Non x Triangle | Training | Restaurant | NO/O | 25 | 6370 | 500 | |
| 12 | 16077 | 1989 | Universal Travel | Training | Tourism | NO/O | 13 | 4320 | 210 | |
| 13 | 16080 | 1988 | Paradise Breeze | Training | Tourism | NR | 12 | 2604 | 1430 | |
| 14 | 16082 | 1988 | San Pedro Holiday | Training | Tourism | NO/O | 11 | 2660 | 1320 | |
| 15 | 16083 | 1988 | Sun Breeze | Training | Tourism | NR | 12 | 2604 | 1430 | |
| 16 | 16084 | 1988 | E. Eiver Lodge | Training | Tourism | F | 12 | 2604 | 1430 | |
| 17 | 17008 | 1988 | Curacao Co. | Implementation | Agriculture | M | 15 | 6152 | 700 | |
| 18 | 17015 | 1988 | Corozal Agr Fed | Feasibility | Agriculture | M | 17 | 6220 | 600 | |
| 19 | 17030 | 1988 | JC Epat | Implementation | Agriculture | F | 29 | 6374 | 1000 | |
| 20 | 17170 | 1989 | Ec. Global Travel | Training | Tourism | M | 23 | 6957 | 1200 | |
| 21 | 17257 | 1989 | BTIA | Training | Tourism | NR | 44 | 9925 | 1000 | |
| 22 | 17324 | 1989 | Bays Air | Implementation | Transport | NR | 28 | 5061 | 700 | |
| 23 | 17364 | 1988 | Paradise House | Training | Tourism | NR | 22 | 2654 | 3470 | |
| 24 | 17508 | 1988 | Sun Breeze | Training | Tourism | NR | 20 | 2600 | 2630 | |
| 25 | 17637 | 1988 | Pelican Resort | Training | Tourism | NO/O | 27 | 3220 | 2000 | |
| 26 | 17672 | 1989 | Four Fort Street | Training | Tourism | NO/O | 20 | 6630 | 500 | |
| 27 | 17687 | 1989 | Tony's Inn | Training | Restaurant | NO/O | 9 | 2440 | 1100 | |
| 28 | 17888 | 1989 | Island Fer. | Pre-feasibility | Tourism | M | 29 | 4340 | 2200 | |
| 29 | 17889 | 1989 | Bellevue Hotel | Training | Tourism | NO | 13 | 3724 | 1620 | |
| 30 | 17934 | 1990 | Tropic Air | Implementation | Transport | M | 53 | 3936 | 6000 | |
| 31 | 18029 | 1990 | Ec. Escomerica | Training | Tourism | M | 26 | 4978 | 1400 | |
| 32 | 18030 | 1989 | Angeles Press | Training | Services | M | 28 | 6300 | 1300 | |
| 33 | 18078 | 1988 | Gt. Ec. Productions | Implementation | Advertising | M | 29 | 8047 | 1000 | |
| 34 | 18079 | 1988 | Eyo'on Clinic | Training | Health | NO | 28 | 7421 | 1500 | |
| 35 | 18123 | 1989 | Tiger Run Farm | Implementation | Agriculture | F | 15 | 1585 | 3100 | |
| 36 | 18139 | 1989 | San Pedro Holiday | Training | Tourism | NO/O | 26 | 1949 | 4510 | |
| 37 | 18202 | 1989 | Bays Airways | Implementation | Transport | NR | 14 | 3035 | 1200 | |
| 38 | 18203 | 1989 | St. John's College | Feasibility | Education | M | 17 | 5477 | 1500 | |
| 39 | 18215 | 1989 | Journey's End | Marketing | Tourism | M | 10 | 11376 | 2400 | |
| 40 | 18470 | 1989 | Island Air | Implementation | Transport | M | 29 | 4702 | 1500 | |
| 41 | 18589 | 1990 | Janes Brodie Co | Training | Commerce | F | 25 | 5254 | 3000 | |
| 42 | 18807 | 1990 | Helinda Ltd | Feasibility | Manufacturing | NO/O | 18 | 4197 | 2270 | |
| 43 | 19104 | 1990 | Don Quixote | Marketing | Tourism | F | 6 | 5000 | 400 | |
| 44 | 19105 | 1990 | Tony's Inn | Training | Tourism | NO/O | 19 | 4157 | 2200 | |
| 45 | 19140 | 1990 | Adventure Int. | Marketing | Tourism | NR | 5 | 1760 | 150 | |
| 46 | 19141 | 1990 | Adventure Int. | Training | Tourism | NR | 15 | 2170 | 1100 | |
| 47 | 19150 | 1990 | Cisco Construction | Implementation | Construction | F | 44 | 1450 | 3400 | |
| 48 | 19196 | 1990 | Ed. Frog Int. | Training | Tourism | NO | 28 | 2922 | 2700 | |
| 49 | 19202 | 1990 | Escompat Pole | Training | Manufacturing | M | 8 | 2094 | 750 | |
| 50 | 19210 | 1990 | Peck's Int. | Training | Tourism | NO/M | 9 | 1770 | 1500 | |
| 51 | 19220 | 1990 | SpaceLine | Training | Manufacturing | M | 12 | 4703 | 200 | |
| 52 | 19222 | 1990 | Sun Breeze | Training | Tourism | NR | 14 | 1415 | 2400 | |
| 53 | 19202 | 1990 | Merlie & TV | Training | Commerce | NO | 15 | 3457 | 300 | |
| 54 | 19203 | 1990 | Calai Peck Tavern | Training | Restaurant | M | 10 | 3904 | 300 | |
| 55 | 19264 | 1990 | Screen Process | Implementation | Services | M | 10 | 4560 | 750 | |
| 56 | 19208 | 1990 | Edie's Kitchen | Training | Restaurant | NO/O | 15 | 3600 | 650 | |
| 57 | 19209 | 1990 | Ec. Medical | Feasibility | Health | M | 20 | 6030 | 1500 | |
| 58 | 19320 | 1990 | Universal Travel | Implementation | Tourism | NO/O | 20 | 5797 | 750 | |
| 59 | 19321 | 1990 | The Belizean | Training | Tourism | NR | 36 | 1450 | 6600 | |
| 60 | 19447 | 1990 | Rising Sun | Training | Tourism | F | 12 | 2722 | 1500 | |
| 61 | 19743 | 1990 | Pyramid Island | Training | Tourism | NR | 17 | 923 | 5100 | |
| 62 | 19707 | 1990 | Lock & Shopping Ctr | Implementation | Services | NR | 25 | 2840 | 3300 | |
| 63 | 19708 | 1990 | Association for | Implementation | Services | NR | 50 | 1450 | 1200 | |
| 64 | 19709 | 1990 | M. Amer Ltd | Training | Tourism | NO/M | 14 | 1751 | 800 | |
| TOTALS | | | | | | | | 1794 | 265760 | 119981 |
| AVERAGES | | | | | | | | 22 | 4100 | 1570 |

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| Total | Cost PS | Client M | Client Pay | Client Outside | Adjusted Cost | Cost PS | Client Pay |
|--------|---------|----------|------------|----------------|---------------|---------|------------|
| 622 | 76 | 7 | 0% | 100% | 3902 | 47 | 0% |
| 1220 | 476 | 107 | 16% | 77% | 2400 | 67 | 10% |
| 4076 | 1019 | 101 | 16% | 0% | 6670 | 1419 | 13% |
| 6002 | 167 | 0 | 0% | 0% | 17000 | 567 | 0% |
| 9000 | 810 | 810 | 100% | 0% | 13000 | 1210 | 67% |
| 0 | 0 | 0 | 0% | 0% | 6000 | 400 | 0% |
| 9000 | 750 | 750 | 100% | 0% | 13000 | 1150 | 65% |
| 6420 | 257 | 40 | 16% | 0% | 16420 | 657 | 0% |
| 6640 | 237 | 10 | 8% | 92% | 17040 | 637 | 3% |
| 6061 | 234 | 11 | 5% | 95% | 16400 | 634 | 2% |
| 6676 | 276 | 20 | 7% | 93% | 16676 | 676 | 3% |
| 4572 | 252 | 10 | 5% | 95% | 9773 | 752 | 3% |
| 4114 | 343 | 119 | 35% | 65% | 8914 | 743 | 16% |
| 3969 | 263 | 120 | 33% | 67% | 8309 | 763 | 16% |
| 4114 | 241 | 119 | 35% | 65% | 8914 | 743 | 16% |
| 4114 | 343 | 119 | 35% | 65% | 8914 | 743 | 16% |
| 7152 | 477 | 47 | 10% | 90% | 13162 | 877 | 5% |
| 6020 | 402 | 31 | 9% | 91% | 13620 | 802 | 4% |
| 7374 | 254 | 34 | 14% | 86% | 18974 | 654 | 5% |
| 8157 | 355 | 52 | 15% | 85% | 17357 | 755 | 7% |
| 10925 | 240 | 23 | 9% | 91% | 28525 | 640 | 4% |
| 6761 | 200 | 25 | 12% | 88% | 16901 | 600 | 4% |
| 6129 | 279 | 150 | 17% | 43% | 14929 | 679 | 23% |
| 5310 | 190 | 94 | 49% | 51% | 16510 | 590 | 16% |
| 6100 | 220 | 100 | 47% | 53% | 16200 | 620 | 17% |
| 7130 | 275 | 19 | 7% | 93% | 17630 | 675 | 3% |
| 3540 | 304 | 122 | 31% | 69% | 7140 | 794 | 15% |
| 6020 | 320 | 79 | 34% | 66% | 10220 | 620 | 13% |
| 5344 | 411 | 120 | 30% | 70% | 10544 | 811 | 15% |
| 10736 | 203 | 120 | 63% | 37% | 31936 | 603 | 21% |
| 6370 | 225 | 50 | 22% | 78% | 17570 | 620 | 8% |
| 7690 | 275 | 40 | 17% | 83% | 18090 | 675 | 7% |
| 9047 | 340 | 34 | 10% | 90% | 21447 | 740 | 5% |
| 8521 | 319 | 54 | 17% | 83% | 20121 | 719 | 7% |
| 4765 | 210 | 210 | 67% | 33% | 10765 | 710 | 30% |
| 6459 | 240 | 170 | 70% | 30% | 16859 | 640 | 27% |
| 4235 | 303 | 85 | 26% | 74% | 9035 | 703 | 12% |
| 6677 | 410 | 80 | 21% | 79% | 13777 | 810 | 11% |
| 13776 | 1370 | 240 | 17% | 83% | 17776 | 1770 | 14% |
| 6202 | 214 | 52 | 24% | 76% | 17002 | 614 | 8% |
| 8254 | 330 | 120 | 36% | 64% | 18254 | 730 | 16% |
| 6467 | 359 | 120 | 35% | 65% | 13667 | 759 | 17% |
| 5400 | 900 | 67 | 7% | 93% | 7400 | 1300 | 5% |
| 6437 | 339 | 120 | 35% | 65% | 14037 | 739 | 16% |
| 2030 | 430 | 142 | 32% | 68% | 5030 | 830 | 17% |
| 3804 | 254 | 182 | 46% | 54% | 9804 | 654 | 16% |
| 4050 | 110 | 77 | 70% | 30% | 22450 | 510 | 15% |
| 5522 | 212 | 104 | 49% | 51% | 15922 | 612 | 17% |
| 2044 | 356 | 94 | 26% | 74% | 6044 | 756 | 12% |
| 3290 | 360 | 160 | 46% | 54% | 6890 | 760 | 22% |
| 4902 | 409 | 17 | 4% | 96% | 9702 | 809 | 3% |
| 3810 | 270 | 170 | 62% | 38% | 9410 | 670 | 25% |
| 3707 | 200 | 20 | 5% | 95% | 9707 | 650 | 3% |
| 4204 | 234 | 17 | 7% | 93% | 11404 | 634 | 3% |
| 5010 | 500 | 70 | 10% | 90% | 9610 | 960 | 8% |
| 4010 | 204 | 40 | 15% | 85% | 10204 | 604 | 6% |
| 9300 | 410 | 70 | 10% | 90% | 16200 | 810 | 9% |
| 6547 | 200 | 30 | 11% | 89% | 14547 | 720 | 5% |
| 8050 | 224 | 150 | 62% | 38% | 22450 | 624 | 28% |
| 4022 | 352 | 100 | 30% | 70% | 9022 | 752 | 17% |
| 6023 | 354 | 300 | 85% | 15% | 12023 | 754 | 40% |
| 6140 | 240 | 130 | 54% | 46% | 10140 | 640 | 20% |
| 2500 | 47 | 21 | 4% | 96% | 2500 | 47 | 5% |
| 2011 | 107 | 61 | 30% | 70% | 0111 | 507 | 10% |
| 300740 | 22050 | 6300 | 31% | 69% | 940340 | 47050 | 10% |
| 6040 | 340 | 100 | | | 14700 | 740 | |

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ANNEX 4

Project Identification Data

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Annex 4

Belize Export and Investment Project Identification Data

Country: Belize

Project Title: Belize Export and Investment Project

Project Number: 505-0027

Project Dates:

First Project Authorization: June 30, 1986

Second Project Agreement based on Project Amendment: July 28, 1988

Final Obligation Date: FY 1990

Most Recent Project Assistance Completion Date: 1993

Project Funding:

| | |
|----------------------------------|--------------|
| A.I.D. Bilateral Funding (Grant) | \$ 3,260,000 |
| Private Sector Contribution | \$ 950,000 |
| Host Country Counterpart Funds | \$ 830,000 |
| | <hr/> |
| Total | \$ 5,040,000 |
| | ===== |

Mode of Implementation: Host Country and PSC

Project Designers:

Responsible Mission Officials:

1986-1988:

Mission Director: Neboysa R. Brashich
Project Officer(s):

1988-1990:

Mission Director: Mosina H. Jordan
Project Officer(s): Pedro Perez

Previous Evaluations: None

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ANNEX 5

Project Paper Log Frame

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title and Number: Export and Investment Promotion 505-0027

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|---|---|---|
| <p><u>Goal:</u> To generate employment, income and foreign exchange in the Belizean economy</p> | <p>--Increased exports of both non-traditional agricultural and industrial goods. --Increased tourism to Belize --Increased employment in the agricultural, industrial and tourism sectors.</p> | <p>--GOB data and statistics --BCCI data and statistics --Project reports and evaluations</p> | <p>--GOB policy environment continues to be very supportive of export and tourism development. --GOB/BCCI relationship continues to be good.</p> |
| <p><u>Purpose:</u> To develop the capacity of the private and public sectors to promote, provide technical assistance for, and facilitate export and tourism projects undertaken in Belize.</p> | <p>--BEIPU fully established within the BCCI and working efficiently with the GOB. --Belizean and expatriate businesses utilizing services provided by BEIPU and BCCI.</p> | <p>--Mission, BCCI, contractor and other records. Project reports and evaluations.</p> | <p>--The private sector and key Government officials accept BEIPU as the preferred entity for promoting export development. --BCCI organization and membership become broader based and extend beyond Belize City to other areas of the country. --Efforts to change the "trader" mentality succeed --Businesses have access to credit and foreign exchange required for expansion or development of new ventures. --GOB continues their intention of expanding the tourism industry.</p> |

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| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|---|--|--|
| <u>Outputs</u> | | | |
| A. Private Sector Component | | | |
| 1. BEIPU fully established within BCCI | 1. Four-person professional staff set up in BCCI | | 1. BCCI able to recruit Belizeans for the professional positions. |
| 2. Marketing plan for Belize | 2. A detailed strategy for increasing investments, exports and tourism is completed within six months after the project is initiated. | 2. Written report containing strategy | 2. Plan will be accepted by private and public sectors |
| 3. BCCI establishes export and tourism promotion and information services | 3a. Major investments from at least 3 different countries are made in Belize, preferably on a joint venture basis. | 3. Reports, records, evaluations, site inspections | 3. Belizean, U.S. and other businessmen view BCCI as prime resource for facilitating their projects. |
| | 3b. The BCCI establishes a "twinning" relationship with two state business organizations in the U.S. | | |
| | 3c. Investors' search services accessed. | | |
| | 3d. Data Base, including investor, market and resource lists, established at BCCI. | | |
| | 3e. At least 10 trade missions completed to promote investments in and exports from Belize. | | |
| | 3f. Belizean and expatriate businessmen utilizing BEIPU promotional and informational services on a regular basis. | | |

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| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | |
|---|--|---|----------------------|
| 4. Project analysis, selection, and facilitation capabilities established within BEIPU. | 4a. BEIPU professional staff includes one expert in each: agriculture, industry and tourism. | Reports, records, evaluations, site inspections | |
| | 4b. 20 projects per year selected for development and facilitation by the BEIPU staff. | | |
| | 4c. 20 projects per year receive BEIPU assistance in project packaging, investor matching, GOB documentation, and/or arrangement of financing. | | Co ar or in |
| 5. Product improvement and marketing | 5a. 8-10 projects per year receive short-term technical assistance from IESC, Project Sustain or other sources in production technology improvement. | Reports, records, evaluations, site inspections | 5a pr efl |
| | 5b. 3-5 projects per year receive short-term TA in specialized marketing areas. | | 5b. TA |
| 6. BCCI establishes a monitoring and follow-up procedure | 6a. BCCI contacting many potential investors and markets on a frequent and regular basis through telephone calls, letters, bulletins, etc. | Records, reports, evaluations and on-site inspections | |
| | 6b. BCCI providing reliable information on project successes, foreign exchange and employment generated by BCCI-assisted projects. | | |

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| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|---|-----------------------------------|--|
| Public Sector Component | | | |
| Belize Tourist Board 3) Strengthened | 1a. A tourism marketing plan developed to promote Belize as a travel destination. | Written report containing plan | Plan will be accepted by private and public sectors |
| | 1b. Increased tourism to Belize | Records | BTB will be able to track the results of efforts by monitoring the increased amount of tourism traffic coming into Belize. |
| Office of Economic Develop- (OED) Strengthened | 1a. Micro-computer system installed with trained OED personnel | | Training available to OED |
| | 1b. Continued uncomplicated investment incentive programs | Records | OED will be able to handle the increased volume of inquiries generated by this project. |
| Life of Project (\$000) | | | |
| A.D. Grant | 2,500 | 1. A.I.D. records | Sufficient funds available in the OYB. |
| Belize membership contributions and services | 1,500 | 2. BCCI records Project audits | BCCI membership expanded and willing to contribute. |

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ANNEX 6

Project Amendment Logframe

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|--|---|--|--|
| | <p>sharply. --BEIPU income soars. --Belizean and expatriate businesses utilizing services provided by BEIPU, BCCI, IESC, and Belize Bank.</p> | | <p>pour into country, to cayas also Pine Ridge area to visit Caracol and other mayan sites. --Belize Bank takes lead in development lending taking steps to start development bank with BEIPU</p> |
| <u>Outputs</u> | | | |
| A. Private Sector | | | |
| 1. <u>BEIPU</u> | | | |
| a. Establishes export promotion strategy and services | 1. Two new departments set up in BCCI | | 1. Export Advisor completes task in 6 months |
| b. Hires Export and Promotion officer and secretary | 2. Staff trained and in place in new departments | 2. Written report containing strategy | 2. BCCI recruits Belizean for positions. |
| c. Operates loan program with Belize Bank | 3. Manager BCCI and Executive Director BEIPU merge | 3. Reports, records, evaluations, site inspections | 3. Belizean, U.S. and other businessmen view BEIPU as private projects. |
| d. BEIPU income steadily increases higher than projected, expenditures decline | | 4. Belize Bank Reports | |
| e. Belize free port opens opening new area for BEIPU services | | | |

PROJECT DESIGN SUMMARY \$1.5 million Amendment
LOGICAL FRAMEWORK

Project Title and Number: Export and Investment Promotion 505-0027

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|--|--|---|
| <p><u>Goal:</u> To generate employment, income and foreign exchange in the Belizean economy.</p> | <p>--Increased exports of both non-traditional agricultural and industrial goods. --Increased tourism to Belize --Increased employment in the agricultural, industrial and tourism sectors.</p> | <p>--GOB data and statistics --BCCI/BEIPU data and --Belize Bank Record Project reports and evaluations</p> | <p>--GOB policy environment continues to be supportive of export and tourism development --GOB/BCCI relationship continues to be good.</p> |
| <p><u>Purpose:</u> To develop the capacity of the private and public sectors to promote, provide technical assistance for, and facilitate export and tourism projects undertaken in Belize.</p> | <p>--BEIPU hires Export Promotion Officer and secretary; BEIPU pilot Credit Program well administered by Belize Bank; indigenous companies receiving technical and financial assistance. --BCCI membership rises</p> | <p>--Mission, BCCI, Belize Bank, Contractor and other records. Project reports and evaluations.</p> | <p>--BCCI membership rises sharply. --Economic activity in Belize robust on all fronts. --Enterprises entering export activities increases substantially --Tourists continue to</p> |

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|---|--------------------------------|---|
| B. Public Sector Component | | | |
| 1. Caracol two year consolidation work complete | 1a. Impressive Maya buildings clearly in view; other sites under reconstruction | Written report containing plan | University Central Florida operates effectively |
| -Other archaeological sites being consolidated | 1b. Increased tourism to Belize | Records | Local workers available as scheduled; no interference from rain |
| <u>Inputs</u> | | | |
| Life of Project (\$000) | | | |
| 1. A.I.D. Grant | \$1,500 | 1. A.I.D. records | Sufficient funds available in the OYB |
| 2. Belize | | | |
| BCCI: Membership contributions | | 2. BCCI records | BCCI membership soars |
| BEIPU: In-kind contributions | | Project audits | willing to assist, fund |
| IESC: client company | | 3. Belize Bank | BEIPU. |
| contribution | | | |
| Caracol: GOB and private | | 4. IESC records | |
| contributions | | | |
| Belize Bank: Loan funds | | | |

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ANNEX 7

Strategy Options with Pros and Cons

Annex 7

Pros and Cons of Strategy Options for BEIPU Operations

A. Introduction

The options presented in Annex 6 and amplified in this Annex are illustrative of those BCCI/BEIPU, USAID/Belize and the Government of Belize are likely to consider. The pros and cons for each option will vary in importance for each organization considering them. Since a presentation of pros and cons for each option from the perspective of different groups would be very complex, the evaluation team presented them for the option as a whole. Different individuals and organizations, in reviewing the pros and cons of each option from their own perspectives, will need to attach their own importance to each pro and con to come to a final recommended option.

A. ✓ Option 1: Private Sector

Option 1a: Operate BCCI/BEIPU at Present Rate of Expenditure and Eliminate BEIPU When Money Runs Out

Pre-1993: Spend the money available at the rate planned by BCCI, furthering the current one time "big push" to foster Belize's development, create the perception of a dynamic Belizean private sector environment, and build BCCI's image and capacity as a progressive private sector institution.

Post-1993: When USAID and other available funds run out in late 1992 BEIPU would disappear, together with all its functions; BCCI would continue the level of activity sustainable through membership dues.

a. Pros

- o Promotes the image of a dynamic private sector by sustaining current levels of activity by BCCI/BEIPU;
- o Supports BCCI membership and capacity growth at maximum levels in the short-term;
- o Arguably completes the task of promoting Belize to investors and markets;
- o Enables GOB to remain aloof from BCCI/BEIPU until the program is finished; and
- o Removes the conflict of interest between BCCI and BEIPU inherent in the existing integration.

b. Cons

- o Eliminates BEIPU functions, some of which are important for Belize,

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in late 1992;

- o Expands BCCI at the expense of BEIPU with funds initially intended to support BEIPU activity and capacity strengthening;
- o Probably does not complete the task of promoting Belize to investors and markets; and
- o Creates a "sudden stop" in the provision of BEIPU services and a sharp reduction in the level of BCCI services, damaging the image created by the "big push."

Option 1b: Make BEIPU an Independent Not-For Profit Operation

Pre-1993: Continue BEIPU activity within the Chamber between now and 1993 at the most appropriate rate to achieve the desired impact. During the 1991 to 1993 period emphasize preparing BEIPU to stand alone.

Post-1993: When USAID and other available funds run out BEIPU would operate independently as a not-for-profit consulting firm and continue activity that businesses and other clients would pay for or that other donors would support, including establishment and operation of any other business activity. BCCI would continue the level of activity sustainable through membership dues and other revenue sources.

a. Pros

- o Continues BEIPU services, although at an undetermined level;
- o Retains BEIPU as a private sector activity;
- o Places BEIPU activity in the marketplace, helping ensure its cost effectiveness; and
- o Provides BEIPU with the possibility of providing its own funding by creating ancillary profit making businesses to support its current activities.

b. Cons

- o Does not ensure the availability or longevity of BEIPU activities;
- o Leaves important national investment promotion, export development and business development functions entirely in the hands of a private firm;
- o Relieves GOB and others of the responsibility of providing funds for BEIPU activities; and
- o Opens BEIPU activities up to potential conflicts of interest vis-a-vis

private investors or other businesses run by the independent BEIPU firm.

Option 1c: Have BCCI Continue and Fund All BEIPU Operations

Pre-1993: Continue BEIPU activity within the Chamber between now and 1993. Use existing USAID and other available funds to move toward the levels of BEIPU and BCCI activity anticipated with BCCI funding for both.

Post-1993: When USAID and other available funds run out BEIPU would continue to operate under Chamber auspices at the level of activity funded by BCCI. BCCI would continue the level of activity sustainable through membership dues and other available revenue sources.

a. Pros

- o Retains BEIPU activities within a private sector organization--BCCI;
- o Continues the responsiveness and efficiency of BCCI/BEIPU in responding to the concerns of foreign and domestic business persons; and
- o Retains the image of BCCI/BEIPU as an important source of services by continuing to provide some BEIPU services to BCCI members and the private sector.

b. Cons

- o Greatly reduces the volume of services that can be provided by BCCI/BEIPU;
- o Places the funding of BEIPU services entirely on BCCI members and management when these services benefit others in the private sector and the country at large;
- o Leaves important national investment promotion, export development and business development functions entirely in the hands of BCCI/BEIPU when the organization has meagre resources to carry them out;
- o Relieves GOB and others of the responsibility of providing funds for BEIPU activities; and
- o May overburden BCCI in arranging funding to provide BEIPU activities.

Option 1d: Make BEIPU an independent public-private sector organization

Pre-1993: Continue BEIPU activity within the Chamber between now and

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1993. Use existing USAID and other available funds to move toward the levels of BEIPU activity anticipated from joint BCCI and GOB funding.

Post-1993: When USAID and other available funds run out BEIPU would become an independent public-private sector entity funded in part by BCCI and in part by the GOB. An independent Board of Directors made up of public and private sector members would guide BEIPU activities.

a. Pros

- o Provides for funding from BCCI, GOB and other sources;
- o Enables more flexible management of operations, pay scales;
- o Maintains the perception of private sector provision of BEIPU services;
- o May result in more BEIPU services being provided than in BCCI or the GOB alone funded BEIPU activities; and
- o Brings the public and private sectors together in an area where their cooperation is essential.

b. Cons

- o May introduce more political content into the activity of BEIPU;
- o Removes BEIPU from the high private sector profile and dynamism of the BCCI; and
- o Eliminates BEIPU activities as a benefit for BCCI in increasing membership and serving its members directly.

Option 1e: Split BEIPU functions between BCCI and the GOB

Pre-1993: Continue BEIPU activity within the Chamber between now and 1993. Use existing USAID and other available funds to move toward the levels of BEIPU activity anticipated from BCCI funding and from GOB funding.

Post-1993: When USAID and other available funds run out selected BEIPU activities would be continued and funded by BCCI. The GOB would absorb and fund other agreed upon functions now being carried out by BEIPU. Some BEIPU functions might be discontinued.

a. Pros

- o Retains some BEIPU activities within a private sector organization-- BCCI;
- o Places other substantial BEIPU activities within the GOB where they

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normally belong;

- o Continues to provide a private sector organization where business persons can go to meet some of their needs;
- o Retains the image of BCCI/BEIPU as an important source of services by continuing BCCI/BEIPU services to BCCI members and the private sector; and
- o Potentially provides a satisfactory and sustainable level of BEIPU services.

b. Cons

- o Creates the possibility of overlap or even conflict between the BEIPU type activities of the BCCI and the GOB; and
- o May overburden BCCI in arranging funding to continue BEIPU type activities.

B. Option 2: Public Sector

Option 2a: Have GOB Absorb and Fund all BEIPU Functions

Pre-1993: Continue BEIPU activity within the Chamber between now and 1993. Use existing USAID and other available funds to move toward the levels of BEIPU activity anticipated from GOB funding.

Post-1993: When USAID and other available funds run out BEIPU activities would be absorbed and funded by the GOB. Some BEIPU functions might be discontinued. BCCI would continue BCCI functions at the level sustainable through membership dues and other available revenue sources.

a. Pros

- o Places BEIPU activities within the public sector where many of them normally belong; and
- o Removes the responsibility of the private sector for funding BEIPU activities, some of which conflict with BCCI member interests;

b. Cons

- o Likely to make BEIPU activities less responsive to private sector concerns and ways of doing business;
- o May reduce the efficiency with which BEIPU operates;
- o Places BEIPU in a political atmosphere which will influence it

operations and perhaps its objectivity; and

- o Eliminates BEIPU activities as a benefit for BCCI in increasing membership and serving its members directly.

Option 2b: Have GOB Fund all BEIPU Functions Within BCCI

Pre-1993: Continue BEIPU activity within the Chamber between now and 1993. Use existing USAID and other available funds to move toward the levels of BEIPU activity anticipated from GOB funding.

Post-1993: When USAID and other available funds run out BEIPU activities would continued to be operated by BCCI at the level funded by the GOB. Some BEIPU functions might be discontinued. BCCI would continue BCCI functions at the level sustainable through membership dues and other available revenue sources.

a. Pros

- o Continues BEIPU services at a significant, although undetermined, level;
- o Ensures GOB support for many BEIPU activities normally carried out by the public sector;
- o Retains BEIPU activities under the auspices of a private sector organization--BCCI;
- o Sustains the image of a dynamic private sector by maintaining significant levels of activity by BCCI/BEIPU; and
- o Continues support for BCCI membership and capacity growth at significant levels in the longer-term.

b. Cons

- o Introduces GOB control into what has been a private sector activity; and
- o Heightens potential conflicts between BCCI members and BEIPU activities now being financed by the GOB.

Option 2c: Make BEIPU an Independent Not-For Profit Operation (Same as Option 1b)

Pre-1993: Continue BEIPU activity within the Chamber between now and 1993 at the most appropriate rate to achieve the desired impact. During the 1991 to 1993 period emphasize preparing BEIPU to stand alone.

Post-1993: When USAID and other available funds run out BEIPU would

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operate independently as a not-for-profit consulting firm and continue activity that businesses and other clients would pay for or that other donors would support, including establishment and operation of any other business activity. BCCI would continue the level of activity sustainable through membership dues and other revenue sources.

Option 2c: Make BEIPU an independent public-private sector organization (Same as Option 1d)

Pre-1993: Continue BEIPU activity within the Chamber between now and 1993. Use existing USAID and other available funds to move toward the levels of BEIPU activity anticipated from joint ECCI and GOB funding.

Post-1993: When USAID and other available funds run out BEIPU would become an independent public-private sector entity funded in part by BCCI and in part by the GOB. An independent Board of Directors made up of public and private sector members would guide BEIPU activities.

Option 2e: Split BEIPU functions between BCCI and the GOB (Same as Option 1e)

Pre-1993: Continue BEIPU activity within the Chamber between now and 1993. Use existing USAID and other available funds to move toward the levels of BEIPU activity anticipated from BCCI funding and from GOB funding.

Post-1993: When USAID and other available funds run out selected BEIPU activities would be continued and funded by BCCI. The GOB would absorb and fund other agreed upon functions now being carried out by BEIPU. Some BEIPU functions might be discontinued.

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ANNEX 8

Financial Plan for Project by Line Item

BELIZE CHAMBER OF COMMERCE AND INDUSTRY
AND
BELIZE EXPORT AND INVESTMENT PROMOTION UNIT
FINANCIAL PLAN
U.S.\$000

| LINE ITEM OPERATION | TOTAL OBLIGATION | ESTIMATED LIFE OF PROJECT |
|---------------------------|---------------------|------------------------------|
| PERSONEL | 873,000.00 | 963,000.00 |
| EQUIPMENT & SUPPLIES | 169,000.00 | 207,000.00 |
| LOGISTICAL SUPPORT | 254,500.00 | 275,000.00 |
| VEHICLE | 17,000.00 | 17,000.00 |
| TRAVEL | 10,000.00 | 27,000.00 |
| AUDIT | 16,000.00 | 26,000.00 |
| OFFICE SPACE | 61,000.00 | 61,000.00 |
| | | |
| INSTITUTIONAL STRENGTNING | | |
| SHORT TERM T/A | 103,000.00 | 113,000.00 |
| | | |
| PROGRAMME | | |
| SHORT TERM T/A | 62,000.00 | 102,000.00 |
| INVESTOR SEARCH | 17,000.00 | 17,000.00 |
| CLIENT TRAINING | 53,000.00 | 78,000.00 |
| PROMOTION | 427,500.00 | 562,000.00 |
| CREDIT PROGRAMME | 100,000.00 | 100,000.00 |
| | | |
| SUB TOTAL | 2,163,000.00 | 2,548,000.00 |
| CONTINGENCY/INFLATION | 150,000.00 | 150,000.00 |
| | | |
| SUB TOTAL | 2,313,000.00 | 2,698,000.00 |
| | | |
| TOURISH | 50,000.00 | 50,000.00 |
| PROJECT MANAGEMENT | 150,000.00 | 195,000.00 |
| EVALUATION | 75,000.00 | 75,000.00 |
| LONG TERM T/A | 220,000.00 | 220,000.00 |
| MISCELANEDOUS | 22,000.00 | 22,000.00 |
| SUB TOTAL MGT | 517,000.00 | 562,000.00 |
| | | |
| TOTAL | 2,830,000.00 | 3,260,000.00 |

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ANNEX 9

Informal Field Checks of BCCI/BEIPU Claimed Impacts

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Assessment of BEIPU Claimed Impacts

| Company | BEIPU Claims | Available BCCI Documentation | Interview Recalls |
|--------------------|---|---|--|
| Pepsi-Cola | <p>Employment 1986: 45 1987: 45</p> <p>Investment to date (1986/87): US \$400,000</p> | <p>Listing of Firms from Annual Evaluation Report 1986/87.</p> | <p>Pepsi reports nothing to do with BEIPU. Knows little about them, not a member of BCCI.</p> |
| Belize Mills | <p>Employment 1986: 34 1987: 35</p> <p>Investment to date (1986/87): US \$2,000,000</p> | <p>Listing of Firms from Annual Evaluation Report 1986/87.</p> | <p>Belize Mills reports little contact with BEIPU. Don't export. Therefore no need for services; understand they do a good job, but no first hand knowledge.</p> |
| Mon's Triangle Inn | <p>Employment 1987/88: 71</p> <p>Planned Investment: US \$2 million</p> <p>assisted in preparing proposal for funding new hotel; charged fee of BZ \$2,750; provided assistance re development concession.</p> | <p>Listing of Firms from Annual Evaluation Report 1987/88; Investor Tracking System Report dd 12/20/88.</p> | <p>Mon's reported: not too professorial; made some mistakes in funding proposal; helped with concession; did provide some help; paid only nominal fees; no contacts last couple of years.</p> |
| Laguna Madre | <p>Helped with development concession and gave economic data, into re areas for shrimp farming, misc info.</p> <p>Employment 1987/88: 125</p> <p>Planned Investment: US \$3.8 million</p> <p>Export Revenue: US \$27.4 million</p> <p>Worked closely with co.</p> | <p>Listing of Firms from Annual Evaluation Report 1987/88; Investor Tracking System Report dd 12/20/88.</p> | <p>Assisted in arranging group meetings with shrimp farmers. This was basically their only help. Did give some help re government legislation for shrimp farmers; provided help in past two years.</p> |

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Assessment of BEIPU Claimed Impacts (con.)

| Company | BEIPU Claims | Available BCCI Documentation | Interview Recalls |
|-----------------------------|--|--|--|
| Belize Honey Producers | Planned Investment Had some meetings with Peace Corp volunteers re project but no follow-up. | Listing of Firms from Annual Evaluations Report 1989/90; Investor Tracking System Report dd 12/20/88. | BEIPU didn't do too much; gave a few names of investors; no fees. |
| Friendly Family Foods, Ltd. | Prepared development concession; identified buyer and brokerage service; provided assistance on suppliers of cans. Will be charged BZ \$3,000. | Listing of Firms from Annual Evaluations Report 1987/88; Investor Tracking System 5/10/88 (memo); and project file. | Provided good help with paper work, i.e. develop concession. |
| Contris Meats | Prepared development concession applic. Jobs created: 17 Planned Investment: US \$324,000 Proj. annual export revenue: US \$148,000 | Listing of Firms from Annual Evaluations Report 1987/88; and project file. | Had nothing to do with BEIPU. |
| J.S. EsPat | Prepared development concession; Jobs created: 20 Planned Investment: US \$900,000 Proj annual export revenue: US \$1.7 million | Listing of Firms from Annual Evaluations Report 1989/90; Ltr. 11/8/89 in file expresses appreciation for splendid job re develop conc. and enclose check for BZ \$2,000. | No direct dealings. Have received letter re seminars export opportunities; believe need for BEIPU, good feeling about BEIPU. |
| J. Loskot | Export Wood Products | Listing of Firms from Annual Evaluation 1987/88. | Doing excellent job; getting people together; good working relationship; paid no fees. |
| Melinda's, Ltd. | Locate markets, and provide training and experience via Traille study. | Listing of firms from Annual Evaluation 1987/88 and file. | Provided excellent help. Exports expanding. Satisfied with that. BEIPU assisted in exposure especially in packaging. However, she was fully responsible for funding. |

Assessment of BEIPU Claimed Impacts (con.)

| Company | BEIPU Claims | Available BCCI Documentation | Interview Recalls |
|--------------------|---|---|--|
| Hummingbird Rattan | Employment: 20 BZ \$250,000 Investment BZ \$150,000 Exports | Computer database tracking systems shows four contacts by BEIPU: 1) Idea of rattan factory 2) BEIPU sends for rattan seed info. 3) Graham investigates rattan avail. in Punta Gorda 4) Lopez needs major financing; BEIPU will ask DFC. BCCI/BEIPU file shows BEIPU assistance in forming company. | Company claimed it used BEIPU to do its concession application after it decided to expand. BEIPU said it would provide profiles of rattan industry, furniture shows and training but did not do so. BEIPU tried to help with information on rattan but could not. MED and USAID helped with rattan study. Firm employs 11 staff; has 30 part-time weavers and 2 supervisors for them. Expanded twice--once at time of concession application, then later built onto building again. Last expansion is incomplete. Company is exporting seats and backs to U.S. One U.S. plant sends parts; Hummingbird weaves them and sends them back. |

ANNEX 10

BCCI/BEIPU's Claimed Activity Impacts by Recipient

DECEMBER 1981 EVALUATION
ACTIVITY REPORT - MICHIGAN CITRUS IMPACT

| ITEM | FENS. | PROJECT DEFINITION | LOCATION | INDUSTRY F. SHOWS | AUXILIARY | TRAINING | CONGRESS. APPL. CL. | COMPANY DEFINITION | CONSULT. | I/A | TYPE DOC. | ST | STATUS | MB |
|---------------------------|-------|-----------------------|----------|----------------------|-----------|----------|------------------------|-----------------------|----------|-----|--------------|----|--------|----|
| Michigan Fruit | | | | | | | | ✓ | ✓ | | File | ✓ | ✓ | |
| Michigan's Relation | | ✓ | | | | | ✓ | ✓ | ✓ | | File | | ✓ | |
| Michigan Int'l | | ✓ | | | | | | ✓ | ✓ | | File | ✓ | | |
| Michigan Young | | | | | | | | ✓ | | | | | | ✓ |
| Michigan Corp. | | ✓ | | | | | ✓ | ✓ | ✓ | | File | | | ✓ |
| Michigan State Dev. | | | | | | | | ✓ | ✓ | | | | | ✓ |
| Michigan Women's Group | | | | | | | | | ✓ | ✓ | Comp. | | ✓ | |
| Michigan For Sale Ltd. | ✓ | ✓ | ✓ | ✓ | | | ✓ | | ✓ | ✓ | File | ✓ | ✓ | |
| Michigan Producers | ✓ | ✓ | ✓ | | ✓ | ✓ | | | ✓ | | File | | ✓ | |
| Michigan Honey Prod. Soc. | | | ✓ | | | | | | ✓ | | Comp. | | ✓ | |
| Michigan Marketing Board | | | ✓ | | | | | | | | Comp. | | ✓ | |
| Michigan Producers Inc. | | ✓ | | | | ✓ | ✓ | | ✓ | ✓ | File | | ✓ | |
| Michigan Citrus Growers | | ✓ | | | | | ✓ | | ✓ | | File | ✓ | ✓ | |
| Michigan's Ltd. | | | ✓ | ✓ | ✓ | ✓ | | | ✓ | | Comp. | | ✓ | |
| Michigan's Ltd. | | | | | | ✓ | | | | | | | ✓ | |
| Michigan's Farmers | | | | | | ✓ | | | | | | | ✓ | |
| Michigan's Label Int'l | | ✓ | | | | | | ✓ | ✓ | | File | | | ✓ |
| Michigan's Export Ltd. | | ✓ | | | | | ✓ | | ✓ | | File | ✓ | ✓ | |
| Michigan's Export Ltd. | | | | | | | ✓ | ✓ | ✓ | | File | | ✓ | |

ANNEX 11

Additional Discussion of the Project's Contribution
to Goal Achievement

Annex 11

Additional Discussion of the Project's Contribution to Goal Achievement

The internal records of BCCI/BEIPU regarding how its increased capacity helped fuel "successes" were sparse. Nor could BCCI/BEIPU management and staff substantially document these impacts from their institutional memory. Field interviews with a limited sample of the businesses used as BCCI/BEIPU successes (see Annex 9) showed that BCCI/BEIPU's claims regarding its impact tended to be overstated.

Several issues are involved in assessing the nexus between BCCI/BEIPU activities and the achievement of the goal of the project. First, BCCI/BEIPU was only briefly or tangentially involved with many of the business activities it counted in reaching its targets. In some cases, BCCI/BEIPU involvement was limited to one brief office meeting with the company cited as a success (e.g., ABC Associates). In other cases, BCCI/BEIPU carried out one activity in support of these successful businesses--e.g., preparation of a concession application or of company organization papers. Frequently, the businesses claimed as BCCI/BEIPU successes were already operating and in the process of undergoing expansion when BCCI/BEIPU began its assistance (e.g., Hummingbird Rattan, Crutchfield Farms). In the field interviews carried out by the evaluation team, businesses generally did not believe that BCCI/BEIPU activity on their behalf was a significant factor in their success.

Second, the successes claimed by BCCI/BEIPU frequently did not exist. BCCI/BEIPU, in preparing its annual impact for the BCCI and BEIPU executive councils and USAID, cited businesses planning to make investments, expand exports, or create employment. The "plans" of many of these businesses were not actualized and BCCI/BEIPU's claimed achievement was not realized. Where the business activities cited by BCCI/BEIPU do exist, their investment, exports and employment creation was often less than claimed by BCCI/BEIPU.

Third, BCCI/BEIPU cited in a few instances the same business activity under different names in different years, resulting in double counting of target achievement.

Fourth, BCCI/BEIPU had no follow-up program to monitor the business successes claimed by it from year to year. It did not know whether the targets "met" by BCCI/BEIPU in a past year via planned activities actually ever were achieved by the business implementing its plans.

BEIPU's proclaimed contacts with new investment prospects in its annual reports appear to be valid. However, the specific contacts counted could not be identified from BCCI/BEIPU internal records to determine whether they were new investors.

BCCI/BEIPU's generation of new investments was chronicled in annual evaluation reports. However, as noted above, it was not possible to document the claimed impact from internal BCCI/BEIPU records. Nor could BCCI/BEIPU staff, from institutional memory, validate the new investment impact claimed in the annual evaluation reports.

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The evaluation team did carry out field checks of BCCI/BEIPU's claimed investment generation. The results, set out in Annex 9, show that much of what BCCI/BEIPU claimed as new investment was not attributable in a significant way to BCCI/BEIPU activity. Some planned investor activity did not occur.

BCCI/BEIPU's activities in expanding export capability could not be verified by the evaluation team. The improvements made in the capability of these companies could not be identified from BCCI/BEIPU records or staff recall. No baseline data or assessment of the impact of BCCI/BEIPU activity was developed to validate the improvement claimed in export capability.

The claimed impact of BCCI/BEIPU's activities in developing new local small businesses could not be documented from internal records. It was not possible for the evaluation team to validate BCCI/BEIPU claims to have helped establish and expand a certain number of small businesses in each reporting period.

Several ways to improve the nexus between BCCI/BEIPU's enhanced capacity and increased investment, export and employment can be identified.

First, the BCCI/BEIPU staff was good at public relations and facilitation. Conversations with visiting business persons and investors, representation at trade shows, visits with potential buyers abroad, and obtaining information for investors and exporters were areas of activity in which the staff performed well. These tasks varied widely, there were many, and they were time consuming. The staff concentrated most of their energy on doing them but did not always organize these efforts fully. For example, BCCI/BEIPU did not develop a complete set of the general information needed by visiting investors and exporters. In particular, it was not fully prepared with a set of available, already prepared handouts answering the "most frequently asked questions." BCCI/BEIPU's facilitation and public relations tasks were not only numerous but also were diffuse. When concentrating on this large diffuse area of activity, BCCI/BEIPU staff was not always able to focus on the goal of the project--exports, investment and job creation. Project resources were spent doing things, not always in creating impact. Being more focused on facilitating activities that contribute directly to goal achievement and organizing to be more efficient and effective in doing so will strengthen BCCI/BEIPU's ability to succeed and to document its own success.

Second, the BCCI/BEIPU staff did not determine which export and investment opportunities were best to pursue. Without this knowledge, it could not plan or undertake detailed analysis and preparation to provide the information and services necessary to support high priority export and investment opportunities. The staff did not undertake hard hitting analysis documenting the export or domestic market potential of the specific products it was promoting. Nor did it determine the likely profitability of export or investment opportunities being promoted. Belizean FOB prices compared to US or other CIF prices were never determined by BCCI/BEIPU staff for the products it promoted as exports. Costs of different elements in the marketing chain for products or investments being promoted were not determined. Individual bits of current knowledge flowing into the BCCI/BEIPU office were not incorporated into project/product files for use by those requesting information. Identifying priority export and investment opportunities and

organizing more tightly to pursue them will improve BCCI/BEIPU's use of its capacity to achieve the goal of the project.

Third, the BCCI/BEIPU staff did not consistently find out which companies or investors were most able to develop Belize's export and investment opportunities. The staff did not critically analyze companies or investors to determine their true capability. Due diligence investigations were not carried out on new companies, buyers, brokers, or investors. Monitoring of company activities to determine their progress and performance was not done. Improvement in determining who to work with most carefully and why will enhance the project's impact on the desired targets--investment, exports and employment.

Fourth, BCCI/BEIPU staff did not learn the businesses of the key products they were developing and promoting. They did not study and understand the steps, the technology, the logistics, the information needs and other aspects involved in the production, processing and marketing of these products. They seldom visited and observed businesses they sought to help. Without understanding these businesses, they could not develop completely the information, contacts and sources of assistance critical to supporting them. Trusted sources of materials, sources of finance, creditworthy buyers of product, quality shippers and inspectors, new markets and other actual links in the production and marketing chain for investments and products being developed or promoted were not identified and verified by the staff. Without having this and other such information at its disposal, the staff knew less than the companies it tried to help. The company and individual contacts and other information obtained by BCCI/BEIPU's extensive travel was not organized for use by those carrying out projects or used effectively by BCCI/BEIPU staff to increase project impact. Becoming "expert" in areas of large significance to expanded investment, exports and employment will heighten the nexus between BCCI/BEIPU's improved capacity and its impact on goal achievement.

Fifth, BCCI/BEIPU staff did not become credible to public sector officials as developers of projects on behalf of private sector investors and exporters. They were perceived, however, as being successful facilitators. The high salaries and extensive travel of the staff were of concern to public sector officials (even though some of them benefitted from BCCI/BEIPU financed travel). Most importantly, the public sector perceived that the staff had achieved minimal impact. They had not contributed to the detailed, nitty-gritty process of actually expanding investment and exports. And, having not done their homework or operated a business of their own, the BCCI/BEIPU staff were perceived by a few individuals as not being capable of bringing about investment and export expansion. Documenting success stories and BCCI/BEIPU's contributions to them will help solve this problem.

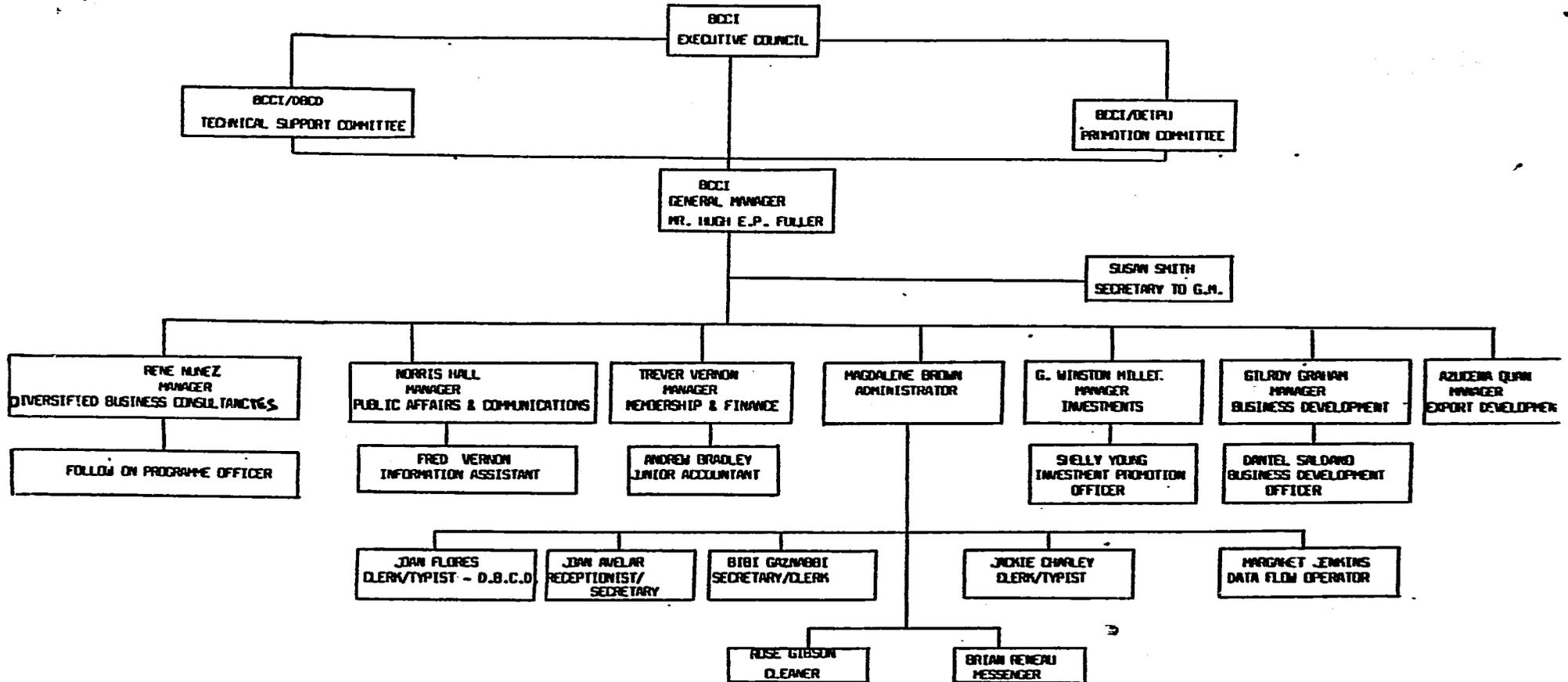
Sixth, BCCI/BEIPU was seen by foreign clients not as a source of expertise but as a group with GOB "contacts." These individuals and companies tend to use BCCI/BEIPU's services because they believe BEIPU knows its way around and can help them as a good lobbyist would in other countries. By becoming even better at this portion of its work and applying its skills in this area to priority companies and areas of business and economic activity, BCCI/BEIPU can increase its impact on target achievement and increase the impact of the project on investment, exports, and employment.

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ANNEX 12

BCCI/BEIPU Organization Chart

**BELIZE CHAMBER OF COMMERCE AND INDUSTRY
ORGANISATIONAL CHART**



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