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AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES A. I. D. MISSION TO BELIZE

EMBASSY OF THE UNITED STATES OF AMERICA
P.O. BOX 817, BELIZE CITY, BELIZE
TELEPHONE 501-2-31066, TELEFAX 501-2-30215

October 23, 1992

Mrs. Bridget Cullerton
Managing Director
Belize Enterprise for Sustained Technology
Forest Drive
Belmopan

Subject: Grant Agreement No. 505-0008-G-OPG-1001-01.

Dear Mrs. Cullerton:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby amends Grant No. 505-0008-G-OPG-1001-00 of March 12, 1991, to the Belize Enterprise for Sustained Technology (hereby referred to as "BEST" or "Grantee") to increase the amount of the grant and obligate an additional sum of nineteen thousand U.S. dollars (US\$19,000) for a total of two hundred and nineteen thousand U.S. dollars (US\$219,000). The purpose of this Amendment is to continue supporting cooperative and association strengthening activities by specifically assisting the Belize Papaya Growers' Association (BPGA).

Accordingly, Attachment 1 to the Agreement, the Schedule, is amended as follows:

In Section C.1, the total estimated amount is increased to US\$219,000.

In Section C.2, the amount of obligation is increased to US\$219,000.

In Section D, Table 1, the Illustrative Financial Plan is deleted in its entirety and replaced with the revised Table 1, Attachment 1 to this amendment.

Attachment 2 to the Agreement, the Program Description, is modified by the description of additional activities provided as Attachment 2 to this Amendment.

In Attachment 3, "Mandatory Standard Provisions For Non-U.S., Nongovernmental Grantees", Section 2, "Accounting, Audit, and Records (May 1986)", is deleted in its entirety and replaced with the attached revised Section 2, "Accounting, Audit, and Records (May 1991)".

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

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

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

Sincerely,



Barbara P. Sandoval
A.I.D. Representative

Acceptance:

By: 
Bridget Cullerton
Title: Managing Director,
Belize Enterprise for
Sustained Technology

Date: October 23, 1992

FISCAL DATA

Appropriation : 72-11M1021
BPC : LDAA-86-25505-AG13
Project Number : 505-0008
This Obligation : US\$19,000
Reservation Control No. : P920414
Element Number : No. 7

For MACS (CONT Office) purposes: This agreement earmarks and commits \$19,000 after de-earmarking and de-committing funds through PIL # 54. The \$19,000 remains obligated under the GOB grant agreement.

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Attachment 1
to Amendment 1

TABLE I

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

Item	YEAR 1			YEAR 2			Total	
	USAID	Others	Total	USAID	Others	Total	USAID	Others
1. Salaries/Benefits	107.5	108.0	215.5	64.5	151.0	215.5	172.0	259.0
2. Office Expenses	4.0	26.0	30.0	2.5	27.5	30.0	6.5	53.5
3. Local Travel and Subsistence	13.5	30.5	44.0	8.0	36.0	44.0	21.5	66.5
4. International Travel & Subsistence	0.0	13.5	13.5	0.0	13.5	13.5	0.0	27.0
5. Legal and Audit	0.0	5.0	5.0	0.0	5.0	5.0	0.0	10.0
6. Training	0.0	15.0	15.0	0.0	15.0	15.0	0.0	30.0
7. Capital Expenses	0.0	21.5	21.5	0.0	21.5	21.5	0.0	43.0
8. Assistance to BPGA	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>19.0</u>	<u>0.0</u>	<u>19.0</u>	<u>19.0</u>	<u>0.0</u>
TOTAL	<u>125.0</u>	<u>219.5</u>	<u>344.5</u>	<u>94.0</u>	<u>269.5</u>	<u>363.5</u>	<u>219.0</u>	<u>489.0</u>

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

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PROGRAM DESCRIPTION

A. Goal and Purpose

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

The purpose of this Grant Amendment is to provide support for BEST to:

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

B. Period of Grant Amendment

1. The effective date of this Grant Amendment is October 23, 1992. The expiration date of this Grant Amendment is December 31, 1992.

2. Funds obligated under this Amendment are available for expenditures for the estimated period September 1 through December 31, 1992, as shown in the Illustrative Budget for the Belize Papaya Growers' Association. Expenses incurred during the period from September 1, 1992, until the effective date hereof shall be reimbursable to the extent that they would have been reimbursable if incurred during the period of the Grant.

C. Background and Status of the Program

Activities/Outputs

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

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

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

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

Twelve members of the BPGA have had production loans approved by the Development Finance Corporation (DFC) and the National Development Foundation of Belize (NDFB). The total loan package is Bz\$640,000 from the DFC and Bz\$25,000 from the NDFB. Eighteen acres of papaya have been planted for the export market and nine more need to be planted before the end of 1992. The obstacle facing the BPGA at this time is the lack of project management and coordination of disbursements, input procurement, agronomic technical assistance coordination and office management and accounting. BEST has included the BPGA in its roster of clients, but has not been able to give the intensity of assistance that they need at this point of their existence.

With these problems in view, BEST is being given these additional US\$19,000 to allow them to increase and intensify their assistance to the BPGA during this important initial phase of their growth. A general proposal for assistance to the BPGA has been formulated and outlined in BEST/USAID letter of September 1, 1992. The funds of this grant will finance a portion of this technical assistance to the BPGA in the areas of agronomy, business management, accounting and public relations/liaison at both the individual farmer level and the operations of the Association as a whole. Funds from this grant will also be utilized by BEST to operate an office for the BPGA until December 31, 1992. After this date, the BPGA will take on the financial responsibility of the continued operation of their office.

* 2. ACCOUNTING, AUDIT, AND RECORDS (MAY 1991)

(a) The grantee shall maintain books, records, documents, and other evidence relating to the AID-sponsored project or program in accordance with generally accepted accounting principles formally prescribed by the U.S., the cooperating country, or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) to sufficiently substantive charges to this grant. Accounting records that are supported by documentation will as a minimum be adequate to show all costs incurred under the grant, receipt and use of goods and services acquired under the grant, the costs of the program supplied from other sources, and the overall progress of the program. The grantee records and subgrantee records which pertain to this grant shall be retained for a period of three years from the date of expiration of this grants and may be audited by AID and/or its representatives. The grantee shall insert this paragraph (a) in all subgrants valued in excess of \$10,000.

(b) If the grantee receives \$25,000 per year or more under this grant, the grantee agrees that it shall have an audit made of the funds provided under this grant and of the financial statements of the organization as a whole. The grantee shall select an independent auditor in accordance with the "Guidelines for Financial Audits Contracted by Foreign Recipients" issued by the AID Inspector General. The audit shall be a financial audit performed in accordance with such guidelines and in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Audits shall be performed annually.

(c) The audit report shall be submitted to AID within 30 days after completion of the audit, but the audit shall be completed and the report submitted not later than 13 months after the close of the grantee's fiscal year. The AID Inspector General will review this report to determine whether it complies with the audit requirements of this grant. No audit costs may be charged to this grant if audits have not been made in accordance with the terms of this provision. In cases of continued inability or unwillingness to have an audit performed in accordance with the terms of this provision, AID will consider appropriate sanctions which may include suspension of all or a percentage of disbursements until the audit is satisfactorily completed. *

* (d) The grantee shall require subgrantees that receive \$25,000 or more per year under this grant to have audits performed in accordance with the requirements of this provision. The subgrantee's audit report shall be submitted to the grantee within 30 days after completion of the audit, but the audit shall be completed and the report submitted not later than 13 months after the close of the subgrantee's fiscal year. The grantee shall ensure that appropriate corrective actions are taken on the recommendations contained in subgrantees' audit reports; consider whether subgrantees' audits necessitate adjustment of its own records; and require each subgrantee to permit independent auditors to have access to records and financial statements as necessary. *