

USAID/BELIZE

## Abridged FY 1994-1995 ABS

## Mission Director's Narrative Statement

PROGRAM OVERVIEW

USAID/Belize's small program requires FY94 and FY95 funding only for mortgages for six projects and PD&S. No new projects are planned for FY 1994 or FY 1995 and we have received very favorable response to the initial framework for a More Developed Country program starting in FY 1996/97. This, as we have said before, limits our flexibility, but simplifies our response to further reductions in both program and OE levels.

We must fund three of the six projects at the ABS level to meet earmarks. These are the two projects supporting our major strategic objective — improved use of terrestrial natural resources — and the new Civic Action against Drug Abuse (CADA) project.

Again, rather than further reduce the modest amounts planned for our second strategic objective — improved Government fiscal resources — which is one small project and PD&S and the CAPS program, we would take the bulk of any mandatory cut from the Bridges Project in FY94 to meet the 75% level and bring the project to an early end without meeting all the outputs if the overall program is reduced to the 50% level in FY95.

OPERATING EXPENSE

As you will note from Attachment 3, FY 1994 and 1995 Operating Expense, USAID/Belize did not provide a "Base (75%)" level for either of the two years. At the Bureau's request, during FY 1994 we will decrease our USDH level by 50% — from six to three USDHs. We will also decrease our FSNPSC level by four. These staff reductions, although resulting in cost savings in future years, have fixed costs during FY 1994 in terms of travel/relocation to the U.S. and the increased cost related to termination pay for FSNPSCs.

The Mission is able to maintain the levels for both FY 1994 (\$1,142,300) and 1995 (\$1,071,800) within the FY 1993 authorized level of \$1,149,000. However, this is only accomplished by eliminating ~~all~~ NXP procurement, except a small amount in FY 1994 required for ~~our~~ new LAN ADP installation, and in FY 1995 by limiting procurement to essential office equipment replacement. You will note that our FY 1995 minimum requirement is only some

\$70,000 less than FY 1994, despite the reduction of three USDHs. Although housing costs have a significant reduction in FY 1995, this is offset by costs associated with the transfer/replacement of one USDH and FSN/TCNPSC costs — termination pay. Beyond this no further reductions can be made. There is little cost savings associated with office maintenance since repairs, utilities, communications and security services are fixed. In addition, with a 50% reduction in USDHs, a cadre of FSNs must remain to assure adequate project implementation, close-out and accountability. We see no reason in making false and misleading projections, it is simply that there is a basic cost to doing business that we cannot go below.

After FY 1995, our Trust Funds will be depleted with no further contributions by the GOB due to lack of local currency generating programs.

We consider our budgeted costs essential to maintain our minimum projected staffing levels.

**ATTACHMENT 1**

**FY 1994 PROGRAM BY STRATEGIC OBJECTIVE (\$000)**

STRATEGIC OBJECTIVE	POLICY AREA	FY 1994 CONGRESSIONAL	
		100%	75%
<b>1. IMPROVED NATURAL RESOURCE MANAGEMENT</b>		<b>2,550</b>	<b>2,550</b>
	POP/HEALTH		
	ECONOMIC GROWTH		
	ENVIRONMENT	<b>2,550</b>	<b>2,550</b>
	DEMOCRACY		
<b>2. IMPROVED FISCAL RESOURCE</b>		<b>505</b>	<b>505</b>
	POP/HEALTH		
	ECONOMIC GROWTH	<b>505</b>	<b>505</b>
	ENVIRONMENT		
	DEMOCRACY		
<b>3. OTHER</b>		<b>2,350</b>	<b>1,132</b>
		<b>2,350</b>	<b>1,132</b>
<b>TOTAL</b>		<b>5,405</b>	<b>4,187</b>

ATTACHMENT 2

FY 1995 PROGRAM BY STRATEGIC OBJECTIVE (\$000)

STRATEGIC OBJECTIVE	POLICY AREA	BASE: 100% FY 1994 CP LEVEL					
		50% OF BASE ONGOING	OF BASE NEW	75% OF BASE ONGOING	OF BASE NEW	100% OF BASE ONGOING	OF BASE NEW
1. IMPROVED NATURAL RESOURCE MANAGEMENT		1,519	0	1,519	0	1,519	0
	POP/HEALTH						
	ECONOMIC GROWTH						
	ENVIRONMENT	1,519	0	1,519	0	1,519	0
	DEMOCRACY						
2. IMPROVED FISCAL RESOURCE		485	0	485	0	485	0
	POP/HEALTH						
	ECONOMIC GROWTH	485	0	485	0	485	0
	ENVIRONMENT						
	DEMOCRACY						
3. OTHER		699	0	2,050	0	3,401	0
		699	0	2,050	0	3,401	0
TOTAL		2,703	0	4,054	0	5,405	0

BELIZE (505)  
 FY 1994 ANNUAL BUDGET SUBMISSION

TABLE V : PROPOSED PROGRAM RANKING

RANK	PROJECT	TITLE	PROGRAM FUNDING	
			APPROP	INCR
(\$000)				
<b>MCC LEVEL</b>				
	505-0000	PROGRAM DEVELOPMENT AND SUPPORT	EH	50
	505-0000	PROGRAM DEVELOPMENT AND SUPPORT	FN	150
	505-0000	PROGRAM DEVELOPMENT AND SUPPORT	HE	50
	505-0000	PROGRAM DEVELOPMENT AND SUPPORT	SD	250
	505-0041	DEVELOPMENT TRAINING SCHOLARSHIPS	EH	305
	505-0042	RURAL ACCESS BRIDGE	FN	282
	505-0043	NATURAL RESOURCES MGMT AND PROTECTION	FN	1,800
	505-0044	TOURISM MANAGEMENT	SD	650
	505-0047	CAPS II	EH	400
	505-0048	CIVIC ACTION AGAINST DRUG ABUSE	EH	75
	505-0048	CIVIC ACTION AGAINST DRUG ABUSE	HE	175
		TOTAL MCC REQUEST		4,187
<b>INCREMENT LEVEL</b>				
		TOTAL INCREMENT REQUEST		0
		TOTAL REQUEST		4,187

USAID / BELIZE : ABRIDGED FY 1994 -

1995 ABS [ANNUAL BUDGET SUBMISSION]

BELIZE

ANNUAL BUDGET SUBMISSION (ABS)

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