

PD-ABL-191
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BELIZE

ANNUAL ACTION PLAN

FY 89 - 90



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

MARCH, 1988

ACTION PLAN
TABLE OF CONTENTS

Preface - Ambassador's Statement

Part I - STRATEGY AND OVERVIEW OF PERFORMANCE

A. Country Strategy Summary.....	1
B. Progress Towards Established Goals.....	4
C. Goals/Objectives/Problem Areas Matrix.....	10

Part II - PROPOSED FY 89/90 PROGRAM

A. PLANS BY GOAL AND OBJECTIVE

Goal: Short-Term Economic Stabilization	
3 - Stabilize Financial Structures.....	11
Goal: Basic Structural Reforms Leading to Rapid and Sustained Economic Growth	
1 - Increase Agricultural Production.....	15
2 - Strengthen the Private Sector.....	22
5 - Promote Exports.....	27
7 - Expand and Improve the Infrastructure.....	36
Goal: Wider Sharing of the Benefits of Growth	
9 - Improve Health and Health Services.....	40
10 - Reduce Infant and Child Mortality.....	47
12 - Improve Educational Opportunities.....	52
13 - Increase Numbers and Improve Effectiveness of Participant Training.....	61

B. PROGRAM SUMMARY

1. Summary Program Funding Table.....	65
2. Summary Project List, by Objectives.....	67

C. SPECIAL PROGRAM ANALYSIS

1. Amendment and New Project Descriptions.....	68
a. Project Documentation and Development Schedule.....	68
b. National Development Foundation of Belize.....	69
c. Village Level Water and Sanitation.....	71
d. Export and Investment Promotion.....	73
e. Training for Employment and Productivity.....	76
f. Commercialization of Alternative Crops.....	79
g. Export Investment Credit.....	83
2. Food Aid.....	85
3. USAID/Belize Local Currency.....	86
4. Women in Development.....	91

PART III - MANAGEMENT STRATEGY

A. Management Strategy.....	93
B. Staffing Requirements.....	97
C. Operating Expense Tables.....	99
D. Evaluation Plan and Report.....	112
E. Country Training Plan.....	117
F. Gray Amendment.....	124

ANNEX: Tropical Forests/Biological Diversity

AMBASSADOR'S STATEMENT

The U.S. Economic Assistance Program supports strategic U.S. interests in maintaining Belize as a stable democratic "bridge" between the Caribbean and Central American regions. More importantly, it serves as an important counterpoint to the unstable political and economic situation of its neighbors.

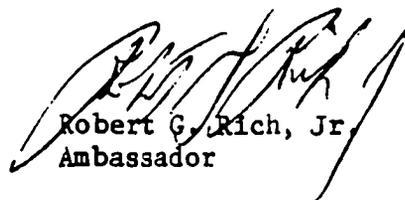
The size of its population (170,000), combined with its natural resource base, provides the country an excellent chance of attaining middle-income status within a decade or two. However, fiscal instability arising from chronic trade and budgetary deficits, a narrow productive base due to an under-developed agricultural sector, and a lack of productive infrastructure to develop domestic industry and attract foreign investment are formidable constraints to long-term growth.

Over the past five years since the inception of the program, a lot has been achieved. Unlike its neighbors, Belize has been singularly successful in its economic stabilization program which has resulted in increased revenues, increased public sector savings, healthy foreign exchange reserve levels, elimination of crippling public sector subsidies and privatization/restructuring of public enterprises.

Unfortunately, these gains are now being threatened by new developments. Drug traffickers, Belizean and foreign, sensing the vulnerability of Belize's still fragile economic and institutional structures, are increasingly seeking to exploit the country as a production and operating base. And Belize's social fabric is being strained by a very young population rapidly entering the reproductive period, and by a wave of Hispanic refugees fleeing political and economic unrest in Belize's Central American neighbors, a wave that will continue as long as the unrest continues.

Therefore, additional efforts are necessary if Belize is to achieve a more rapid growth rate through diversification of agricultural products, increased exports and additional import substitution. The Action Plan for FY 1989-90 supports most capably our continued efforts in this arena.

Over the longer term, however, the new developments outlined above signal the need for an in-depth look at our development strategy, including a new Country Development Strategy Statement. I strongly believe that prudent management requires a new blueprint for orderly planning of a cogent economic assistance strategy for Belize in the 1990's.


Robert G. Rich, Jr.
Ambassador

PART I - STRATEGY AND OVERVIEW OF PERFORMANCE

A. COUNTRY STRATEGY SUMMARY

USAID/Belize's FY 1986 CDSS presented in April 1984 lays out a strategy to assist Belize in addressing the constraints to growth with a program that focuses on economic stability, agricultural diversification, export promotion, infrastructure development, and selected human resources development. This strategy is consistent with the recommendations of the National Bipartisan Commission on Central America (NBCCA) Report which emphasizes progress in Central America in four areas: near-term economic stabilization; structural economic transformation aimed at self-sustaining growth over the medium-term; wider distribution of the benefits of growth; and institutionalization of democratic processes.

Over the past years, USAID's ESF program has assisted the Government of Belize (GOB) in achieving economic stability through dollar cash transfers for balance of payments assistance. The corresponding ESF local currency has been utilized to support public sector infrastructure investment and other donor-assisted development projects essential for long-term economic development. USAID's current focus on economic growth and diversification will enhance the equitable distribution of economic resources over the longer term and help nurture a democratic, independent, economically stable Belize.

Recognizing that Belize's opportunities for long-term growth lie mainly in the development of vast agricultural lands with low population pressure and the country's significant tourism potentials, USAID has directed its agriculture and private sector projects towards these opportunities. Health, education and training projects, while seeking to achieve equity and broad participation in development, are all oriented to supporting agriculture and private sector activities which lay the basis for long-term growth.

USAID has developed this FY 1989-90 Action Plan in accordance with the guidance from last year's Action Plan Review. Proposed new project amendments are designed to permit orderly completion of activities by 1992, the last year of the Central American Initiative. Despite significant progress, Belize will continue to suffer from a serious lack of infrastructural and institutional development. Hence, the Ambassador and U.S. Mission believe that a new CDSS should be prepared in late 1988 to allow for orderly planning and development of a cogent economic assistance strategy for Belize in the 1990's. Moreover, the changed domestic economic situation and forthcoming U.S. and Belizean national elections require more in-depth analyses and discussions regarding future directions and our involvement in this strategic country.

1. Short-Term Economic Stabilization

USAID/Belize's ESF program during 1985-1987 assisted the GOB in achieving financial stability through balance of payments support and implementation of important policy changes to improve public finances and the economic structure.

Local currency generated by the dollar transfers have financed productive public infrastructure and development projects assisted by USAID and other donors. The ESF program has focused on reducing the drain of public enterprises on the GOB budget, removing quantitative trade restrictions, and assisting the GOB to achieve and maintain public savings. These efforts, together with the implementation of appropriate GOB monetary and financial policies along the lines recommended by the IMF Stand-by Arrangement completed in June 1986, have resulted in considerable improvements in the country's external and fiscal accounts.

Having achieved this goal, USAID is now in the process of completing its ESF cash transfer program in Belize. During the Action Plan period, the remaining major activities related to the current ESF program are the Local Currency Program expected to be completed by 2Q FY 89 and the grant assistance to the Ministry of Economic Development to strengthen public investment programming and undertake feasibility/policy studies crucial for facilitating productive investment in Belize. The Mission will focus these efforts to assist the GOB maintain financial stability and facilitate long-term economic growth.

2. Basic Structural Reforms Leading to Rapid and Sustained Economic Growth

To strengthen the economy and lay the foundation for sustained long-term growth, Belize's agricultural production and export base must be developed and diversified and private sector development enhanced. In accordance with Belize's comparative advantage and the GOB Five-Year Macro-Economic Plan, agriculture is the largest account in the Mission's portfolio. Major agricultural projects are designed to increase farm production and develop and promote non-traditional export crops, primarily to assist the GOB in reducing Belize's heavy reliance on sugar as the main source of foreign exchange. The Commercialization of Alternative Crops Project is developing non-traditional export crops such as winter vegetables and tropical fruit in northern Belize, while the Toledo Agricultural Marketing Project is developing cocoa cultivation in the south. The Livestock Development and the Macal Dairy Cooperative Projects are enabling the country to improve production of meat and dairy products as well as save and possibly earn foreign exchange. In the same manner, the proceeds from the PL 480 Section 416 program (to offset the sugar quota reduction for Belize) are used to finance GOB agricultural diversification projects in the sugar-producing regions.

The strengthening of the Belizean private sector and increasing exports are the objectives of the Mission's private sector program. The National Development Foundation of Belize (NDF/B), supported by a grant for institutional development, is providing a major source of credit and technical assistance to local micro- and small enterprises. The Export and Investment Promotion Project is developing the private Belize Export and Investment Promotion Unit's (BEIPU) capacity to carry out a full range of investment and tourism promotion activities in coordination with the GOB. USAID is reviewing the most efficient and effective strategy among various viable institutional options prior to implementing the Export Investment Credit Project in FY 1990.

When implemented, this project will support agricultural and light industry export activities and tourism by modernizing the Belizean financial system in order to channel a larger flow of financial resources to these productive sectors.

The major USAID activity in expanding and improving infrastructure is the Rural Roads and Bridges Project which directly funds the upgrading of rural access roads and bridges essential to improving agricultural production and productivity. Likewise, USAID has utilized ESF Program-generated local currency as counterpart contributions to AID and other foreign-assisted capital projects to improve the country's infrastructure.

USAID strategy in this goal area has not changed significantly since the FY 1986 CDSS or three previous Action Plans. The only noteworthy modifications made from last year's Action Plan were the decision reached during the Review not to proceed with the proposed Fisheries Development project as a major new activity in FY 89 and the USAID decision to defer the implementation of the Credit Project. USAID is proposing an ESF-funded agricultural sector support activity through an amendment to the Commercialization of Alternative Crops Project. This amendment will focus on improving fisheries and forestry policies and production to enhance these sectors' foreign exchange contributions to the economy and long-term growth. To further enhance such foreign exchange contributions, the Export and Investment Promotion Project will be amended to follow up on successes and take advantage of investment opportunities resulting from other donor assistance. The NDF/B Project will also be amended in FY 88 to provide additional funding for credit assistance to Belizean micro- and small enterprises.

3. Wider Sharing of the Benefits of Growth

USAID is funding health and education projects aimed at ensuring that the benefits of the growth process are broadly distributed among Belizeans and sustaining the relatively good socio-economic conditions in Belize vis-a-vis its neighbors. These projects are focused on strengthening GOB and indigenous organizations actively engaged in human resources development in Belize. USAID's major health activity is the Increased Productivity Through Better Health Project, which seeks to improve the health of the population as a whole through the control of malaria and dengue fever and the expansion of rural water and sanitation coverage in rural communities in three districts. The Village Level Water and Sanitation is the other major health project providing rural water systems and sanitation programs in the two northern districts. In FY 88, USAID has consolidated four PVO projects initiated in FY 85-86 to reduce infant and child mortality into the umbrella Child Survival Support Project to strengthen and extend child survival programs in Belize through GOB and private sector initiatives with emphasis on ORT, immunization, maternal/child nutrition, maternal health care and family life education services.

The Central America Peace Scholarship Program and the Training for Employment and Productivity Projects are the major Mission efforts designed to provide educational opportunities for deserving individuals, while contributing to increasing the pool of skilled manpower in both the public and private sectors. Likewise, the Drug Awareness Project is the USAID's major vehicle for widespread drug education in Belize in order to reach parents, decision-makers, opinion leaders and youth about the dangers of the growing narcotics production, trade and consumption in the country.

B. PROGRESS TOWARDS ESTABLISHED GOALS

1. Overview of Accomplishments and Targets During the Action Plan Period

GOAL ONE -- Economic Stabilization

With assistance from the ESF Program and the IMF Stand-by Credit Arrangement completed in mid-1986, Belize has succeeded in achieving and maintaining financial stability during the past three years. GOB implementation of prudent monetary and fiscal policies under its economic stabilization program as well as favorable world economic developments have allowed the country to achieve surpluses in its external accounts. Specifically, in 1987, the country's BOP and fiscal performance is noteworthy:

- Belize had a BOP surplus for the third straight year, estimated at over \$9.0 million or 4.0% of GDP;
- the Central Bank's net foreign exchange reserves increased to \$24 million by year-end 1987 from a negative level in December 1984, prior to the start of the GOB's economic stabilization program;
- the estimated overall public sector deficit for GOB FY 87/88 (ending on March 31, 1988) was equivalent to 3.4% of GDP, a decline from 1986's 1.0% of GDP surplus and slightly higher than the projected 3.0% of GDP in last year's Action Plan; however, this deficit is due mainly to increased GOB investment in the telecommunication sector (equivalent to 3% of GDP) not taken into account in early 1987;
- public sector savings in GOB FY 87/88 are estimated to be equivalent to 6.6% of GDP or higher than the projected 5.0% of GDP, the result of new revenue measures instituted during the year;
- GOB has been responsive to the conditionalities of the ESF Program Agreement, resulting in continuing improvement in the financial conditions of the Belize Electricity Board; administrative changes allowing the Belize Marketing Board to function as a grain price stabilization entity; strengthening of the Ministry of Economic Development's technical capability; and, further trade liberalization through reductions in the import and price control lists.

The medium-term BOP prospects for Belize are now much improved. The economy's vulnerability to changes in sugar prices should be reduced significantly by 1990 as diversification efforts bear positive results. BOP surpluses of 1%-2% of GDP are projected during 1988-1990. With continued prudent monetary and fiscal policies, the overall GOB fiscal deficit is projected to remain at 3.0% of GDP while public savings will reach 5.0% of GDP annually. The high level of public sector savings will enable the GOB to finance a growing portion of public capital formation from its own resources over the medium-term.

GOAL TWO -- Laying the Basis for Long-term Economic Growth

With considerable progress made in the area of short-term economic stabilization, USAID's current focus is on laying the groundwork to assist the country to achieve and sustain long-term economic growth. The Mission recognizes that vigorous private sector investment in productive sectors, especially agriculture, is necessary for both economic stability and accelerated development. Our FY 89-90 program will place more emphasis on instituting basic structural reforms leading to rapid and sustained private sector-led and export-oriented economic growth.

During the past year, some significant gains have been achieved by USAID projects to increase agricultural production, strengthen the Belizean private sector, promote exports and improve the rural infrastructure. These are summarized below.

Increasing agricultural production

- After a two-year slump, overall agricultural value-added increased by a hefty 8% in 1987, reflecting across the board increases for all crops and commodities, except sugar.
- In particular, USAID efforts to increase domestic livestock and dairy production have resulted in reduced importation of these products, and in the case of beef, some export earnings.
- Domestic livestock and dairy production increased by 16% and 47%, respectively, in 1987; between 1984, the first year of the Livestock Development Project, and 1987, annual local production of beef and pork products grew by 28%.

Strengthening the private sector

- Private investment as a percent of GDP increased from 9% in 1986 to 10% in 1987, after remaining stagnant since 1984.
- Banking system to the private sector increased 3.6% in real terms after a 10% decline in 1986, reflecting a renewed growth in overall economic activity during the year.
- USAID's Commercial Bank Discount Fund Project, prior to its PACD on June 30, 1987, disbursed \$1.7 million in 1987 to support six foreign exchange earning or saving projects.
- NDF/B provided credit and technical assistance to 432 micro- and small enterprises in 1987; it has already provided 550 loans with a total loan portfolio of \$900,000 at a very low default rate of 6%, creating or protecting over 925 jobs.

Promoting exports

- Belize's total exports increased by 12% in 1987, despite a 47% reduction in the U.S. sugar import quota; notably, banana and citrus exports grew by 56% and 40%, respectively.
- Belize's vegetable exports increased seven-fold in 1987, from \$360,000 in 1986 to \$2.35 million; while this increase is not entirely attributable to the Commercialization of Alternative Crops (CAC) Project, the technical assistance and marketing support provided by the latter has encouraged several major new investments in vegetable and tropical fruit cultivation for export.
- To date, eighteen export crops and two oilseed crops for import substitution have already been identified for further production and marketing trials under the CAC Project based on encouraging results from farm trials.
- This is also significant since the project is conducting tests in the predominantly sugar-producing northern districts;
- Tourist arrivals increased by 11% during 1987;
- BEIPU has contributed to both export and private investment growth by facilitating 38 new projects, including 12 major foreign investments in Belize; the projects included shrimp farming ventures, winter vegetable production for export, garment and wood production.
- To improve the business climate and stimulate more productive investment, the GOB is in the process of streamlining the investment incentive system; initial changes to improve the system have been initiated in early FY 88.

Expanding and improving the infrastructure

- Under the Rural Access Roads and Bridges Project, 100 kms. out of the targeted 131 kms. of rural roads were reconstructed; the shortfall is due mainly to adverse weather conditions in project sites.
- Nine bridges out of 11 targeted were built; the Ministry of Works (MOW) plans to complete the remaining 2 bridges in 1988.
- 250 MOW personnel have undergone on-the-job training in rural road construction, rehabilitation and maintenance.

The encouraging developments in agriculture and exports indicate that the Belize appears to be in the initial take-off stage for sustainable long-term growth. During the Action Plan period, major USAID projects like Livestock Development and CAC will continue to assist the GOB and private sector to solidify the gains achieved so far in expanding and diversifying the agriculture sector. Likewise, the CAC project will be expanded in FY 89 to include fisheries and forestry in order to enhance these sectors' foreign exchange potentials. In addition, the Toledo Agricultural Marketing project will be promoting cocoa as an alternative commercial crop for milpa (slash and burn) farmers in the south, utilizing the results of the Accelerated Cocoa Development project completed in 1Q FY 88. Section 416-generated local currencies will also support selected GOB agricultural diversification activities in the two northern sugar-producing districts.

Partly as a result of these activities, the agricultural sector and Belizean non-sugar agricultural exports over the medium-term (1988-90) should grow by about 5% and 12% per annum. Production levels and markets for non-traditional crops are expected to be fully developed by the end of the decade, resulting in a more rapid growth in non-traditional agricultural exports in the 1990's.

A major growth constraint in both the agriculture and the private sectors is the lack of available medium- and long-term credit for investment. USAID is planning to implement the new Export Investment Credit Project in FY 90 to address the institutional constraints which have deterred local financial institutions from providing financing to newly emerging but important productive investments in agriculture and tourism. Credit needs of micro- and small enterprises would continue to be met by the NDF/B while small farmers in the Orange Walk and Corozal districts will have access to Section 416 local currencies programmed for agricultural diversification credit. During the Action Plan period, banking system credit to the private sector is projected to grow by nearly 6% in real terms. Also, some 840 micro- and small enterprises would have received credit from the NDF/B project.

The Export and Investment Promotion and Private Sector Investment (IESC) Project will generate at least 12 new investments per annum, valued at \$6 million during 1988-1990. Likewise, with tourist arrivals growing by 12% annually, the tourism sector will continue to be a major source of foreign exchange over the medium-term.

The GOB is being assisted with new equipment and spare parts under the Rural Roads and Bridges Project to support infrastructure development during 1988-90. Section 416 local currencies will also be utilized for rural infrastructure in the northern districts. As a result, an additional 100 kms of rural roads will be rehabilitated annually during this period and 1,000 kms. of rural roads will be maintained. Also, the GOB should finish installing an additional eight bridges by end-FY 90.

GOAL THREE -- Equity and Broad Participation in Development

The major thrusts of USAID projects under this goal area have been to assist the GOB and indigenous organizations to maintain the relatively good health and socio-economic status of Belizeans. Indicators under this goal are summarized below.

Improving health status

- Confirmed cases of malaria have declined from 25 (per 1,000 population) in 1984 to 19 in 1987.
- The 1987 figure, however, is higher than the 1986 level of 16 per 1,000 due to the influx of illegal migrants from neighboring countries who bring the malaria parasite and, by avoiding authorities, succeed in keeping the transmission of malaria active.

- The proportion of the rural population with access to safe water increased by three percentage points to 45%. This is significantly lower than the 53% projected last year, partly because a restructuring of GOB ministries led to the transfer of well-drilling responsibilities from the Ministry of Health to Ministry of Natural Resources, causing personnel changes and GOB management re-orientation to project objectives. Also, poorly maintained equipment, poor site selection and overestimation of drilling capacity contributed to the shortfall.
- The percent of rural population with access to adequate sanitation increased by 7 percentage points to 69%.

Reducing infant and child mortality

- Infant mortality rate was 25/1,000 live births in 1987 or almost at the same level as in 1986.
- USAID assistance to child survival activities in Belize has helped increase the national immunization coverage for all antigens to 70% of children under 1 year in 1987 from less than 50% in 1984.

Improving educational opportunities

- Under the Training for Employment and Productivity (TEP) Project, the Belize Institute of Management (BIM), a private entity established in collaboration with BCCI, has been made operational and is providing management and skills training courses to Belizeans.
- BIM provided management courses and skills training to 560 private sector and GOB employees involved in export-oriented and tourism activities in 1987.
- 2,000 individuals were enrolled in TEP-associated vocational skills training offered by the Ministry of Education.
- The PRIDE Drug Awareness Program assisted 20 youth, civic and church organizations to promote drug education activities countrywide. The drug education program has been successful in helping organize youth groups to promote anti-drug use campaigns and spreading awareness among parents and community leaders of the drug situation in their country.

Increasing and improving participant training

- Under the CAPS program, over 76 participants have undergone training in the United States in 1987, 14 of whom are enrolled in long-term training.
- 27, or 43%, of these participants are women.
- These participants included farmers, secondary school teachers, community health workers and youth leaders.

Over the medium-term, the GOB believes that with improved management of the vector control program, the incidence of malaria will be reduced to 8/1000 by 1989. By 1990, the proportion of the rural population with access to clean drinking water will reach 73%, while the entire rural population will have access to adequate sanitation. These improvements in the health status and delivery of health services are enhancing the country's long-term development.

The Increased Productivity Through Better Health and Village Level Water and Sanitation Projects will continue to be the main USAID activities assisting the GOB to meet these targets. The Child Survival Support Project targets 90% national coverage rate for fully vaccinated children under 1 year by 1990.

During 1988-90, over 2,500 individuals will be trained annually in vocational or management courses under the TEP project, thereby improving productivity and increasing the supply of skilled persons required for sustained long-term economic growth. The 1988-90 CAPS program targets an additional 210 Belizean participants, of whom 44 would be undergoing long-term training. Short-term training would include cooperative and female community health workers.

2. Critical Program/Policy Issue

As discussed above, the U.S. Mission recommends that a new CDSS should be prepared in late 1988. The U.S. Mission requests that AA/LAC concur in this recommendation at the Review.

C. GOALS/OBJECTIVES/PROBLEM AREAS MATRIX

	GOALS				PROBLEM AREAS				
	STABILIZATION	REFORMS/ GROWTH	SPREADING BENEFITS	DEMO- CRACY	INCOME	HUNGER	HEALTH	EDUCA- TION	POPUL- ATION
1. Increase agricultural production		<input checked="" type="checkbox"/>	x		<input checked="" type="checkbox"/>	x			
2. Strengthen the private sector		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
3. Stabilize financial structures	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>				
4. Increase GDP		x			x				
5. Promote exports		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
6. Preserve and manage natural resources		x			x				
7. Expand and improve the infrastructure		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
8. Increase access to voluntary family planning services			x						x
9. Improve health and health services			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
10. Reduce infant and child mortality			<input checked="" type="checkbox"/>			x	<input checked="" type="checkbox"/>		
11. Improve housing			x						
12. Improve educational opportunities		x	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	
13. Increase participant training		x	<input checked="" type="checkbox"/>	x				<input checked="" type="checkbox"/>	
14. Strengthen democratic institutions				x					
15. Other		x	x	x					

PART II - PROPOSED FY 89/90 PROGRAM

OBJECTIVE 3: STABILIZE FINANCIAL STRUCTURES

1. COUNTRY DEVELOPMENT TRENDS INDICATORS

	1985 <u>Actual</u>	1986 <u>Actual</u>	1987 <u>Proj.</u> <u>Actual</u>		1988 <u>Proj.</u>	1989 <u>Proj.</u>	1990 <u>Proj.</u>
A. Consolidated Non-financial Public Sector Budget Deficit as a % of GDP <u>a/</u>	-2.5	-0.9	-3.0	-3.4 <u>b/</u>	-3.0	-3.0	-3.0
B. Consolidated Non-financial Public Sector Savings (excluding grants) as a % of GDP <u>a/</u>	4.5	6.8	n.a	6.1 <u>b/</u>	4.5	4.5	4.5
C. Current Account BOP Deficit (-) (excluding extraordinary financing) as a % of GDP	-9.1	-2.8	-4.6	-2.4	-3.7	-5.9	-5.1
D. Overall BOP Surplus/Deficit (-) as a % of GDP	5.1	5.0	-2.9	4.0	1.9	1.9	0.9

2. A.I.D. PROGRAM PERFORMANCE INDICATORS

	1985 <u>Actual</u>	1986 <u>Actual</u>	1987 <u>Proj.</u> <u>Actual</u>		1988 <u>Proj.</u>	1989 <u>Proj.</u>	1990 <u>Proj.</u>
A. Consolidated Non-financial Public Sector Savings (including grants) as a % of GDP <u>a/</u>	4.8	7.4	4.0	6.6 <u>b/</u>	5.0	5.0	5.0

a/ Budget data is based on GOB FY which runs from April 1 to March 31; for example, 1985 figures above refer to the period April 1, 1985 to March 31, 1986.

b/ These are estimated figures by the IMF since the GOB FY 1987/88 will end on March 31, 1988.

Source of basic data: IMF Report on Belize, SM/87/250

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1987 AND EARLY 1988, AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN

<u>Target</u>	<u>Planned</u>	<u>Actual</u>
Economic Stabilization Program for FY 1988-1989 in place	1Q FY 88	Not implemented
<u>Discussion:</u> The proposed follow-on AID Economic Stabilization Program for FY 1988-1989 was not implemented since Belize was successful in improving its external accounts position. USAID decided a new balance of payments assistance program was not necessary.		

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

	<u>QUARTER/YEAR</u>
A. Encourage GOB to improve programming and evaluation of public sector investment program	Continuous
B. Assist GOB in improving coordination among donors in Belize	Continuous

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

	<u>QUARTER/YEAR</u>
A. Free Trade Zone Feasibility Analysis completed	4Q FY 88
B. GOB and External Donors Meeting held under MED sponsorship	1Q FY 89
C. Three major feasibility/policy studies completed	2Q FY 89
D. ESF Local Currency Program completed	2Q FY 89
E. Five major feasibility/policy studies completed	3Q FY 89
F. New GOB Five-Year (1990-95) Macro-economic Development Plan	4Q FY 89
G. Improvement of BEB financial and management operations	Continuous

6. PROJECTS SUPPORTING OBJECTIVE

<u>TITLE</u>	<u>Number</u>	<u>New (N) or Ongoing (O)</u>	<u>Type of Funding</u>	<u>LOP (\$000)</u>	<u>L/G/LC</u>	<u>OBLIGATIONS</u>			
						<u>Cum thru FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
Counterpart Fund II	505-0012	O	ESF	2,579 15,000	G L	2,579- 15,000	-0- -0-	-0- -0-	-0- -0-

7. NARRATIVE

A. Progress Toward Objective Targets. USAID/Belize's ESF economic stabilization program has assisted the country achieve financial stability. During 1985-1987, the Program has provided \$13.0 million ESF cash transfers to the GOB for balance of payments (BOP) assistance while it implemented a comprehensive economic stabilization program along the lines recommended by the IMF under a Stand-by Arrangement completed in mid-1986. The local currency generated by the dollar transfers provided capital budget support, mostly as counterpart to USAID and other donor assisted projects, while the GOB implemented important structural improvements of public finances and economic policies. ESF Program conditionality focused on assisting the GOB to improve its finances by effecting reforms in the two major parastatals (i.e., the Belize Electricity Board (BEB) and the Belize Marketing Board (BMB)), and implement selected policy reforms to enhance Belize's trade and domestic pricing policies and public sector investment programming. Compliance with the conditions was facilitated by technical support to the BEB, BMB and the Ministry of Economic Development (MED) financed by ESF grant assistance.

Over the past three years, GOB implementation of prudent monetary and fiscal policies, and favorable recent world market developments enabled the country to achieve and sustain external and internal accounts stability. In 1987, Belize was able to achieve a BOP surplus for the third straight year. Although the IMF and USAID had earlier projected a BOP deficit due to the 47% reduction in U.S. sugar import allocations for Belize, a significantly higher sugar export price in the EEC market and over 40% growth in banana and citrus exports enabled the country to increase total exports by 12% in 1987. In addition, increased tourism-related foreign exchange earnings, private transfers and public sector lending resulted in lower-than-expected current account deficit (2.4% of GDP vs last year's projection of 4.6% of GDP) and BOP surplus estimated at over \$9.0 million or 4.0% of GDP. Consequently, the level of gross official foreign exchange reserves at end-1987 was equivalent to over three months of imports of goods and services. By comparison, this level was equivalent to only two weeks of imports by end-1984, or prior to the implementation of the GOB's economic stabilization program.

A key element of the GOB economic stabilization program was to confine the overall GOB budget deficit to 4.5% of GDP and achieve public sector savings equivalent to 4.2% of GDP. The GOB has surpassed these targets during the past three years as a result of strong revenue performances by both the GOB and parastatals. Various indirect taxes and license fees were increased and measures to eliminate the current deficit of the public enterprises, including the BEB, were adopted. The FY 87/88 budget deficit of 3.4% of GDP is slightly higher than last year's Action Plan projected 3.0% of GDP level due mainly to increased GOB investment in the telecommunications sector (estimated to be equivalent to 3% of GDP) which was not taken into account in early 1987. On the other hand, public sector savings is estimated at 6.6% of GDP, or higher than the earlier projected 4.0% of GDP, due to the 10% increase in GOB revenues arising partly from new measures instituted in early 1987. Such a higher level of public sector savings should allow the GOB to finance an increasing portion of its capital investment from its own resources.

The BEB's financial conditions have improved considerably. Prior to 1985, the BEB was beset with serious financial problems and received some \$4 million annual subsidy from the GOB. The ESF Program, is financing a Management and Financial Advisor to assist in improving the BEB's operations. The BEB's financial situation has turned around since 1986 as a result of long-term debt restructuring, retirement of short-term debt indebtedness and improved revenues and

collections. BEB had a net operating surplus of \$1.9 million in GOB FY 86/87 and a projected \$1.5 million in GOB FY 87/88. BEB no longer requires transfers from the GOB and is, in fact, contributing to public sector savings.

With ESF-funded technical assistance, in 1987 the GOB initiated administrative changes necessary for transforming BMB into a price stabilization entity. The GOB also agreed to encourage private firms and farmer groups to participate in postharvest/marketing activities for grains and other key food commodities. Further technical assistance to restructure the BMB to function as an entity concerned exclusively with agricultural commodity price stabilization (as opposed to its previous role as the GOB's buyer of last resort) for various agricultural and consumer goods will now be carried out under the Toledo Agricultural Marketing Project (505-0016).

The GOB has implemented several policy changes that impact positively on the BOP and GOB budget in the longer term. After eliminating import prohibitions in mid-1986, the GOB is now significantly reducing the import licensing and price control lists and converting the export license requirement to a simplified, registration system. Likewise, MED's capability to plan, monitor and evaluate the public sector investment program and improve donor coordination is being upgraded through ESF grant-funded long-term technical assistance, priority equipment and vehicles. MED has also been provided a \$1.0 million fund to finance feasibility and policy studies to accelerate investment by the private sector and international donors in Belize. A major study being undertaken is a comprehensive feasibility analysis of the proposed Santa Elena Free Trade Zone. The MED is presently expanding its technical staff and initiating efforts to improve coordination among ministries and with external agencies. These efforts will assist the GOB to maintain the gains that have been achieved under the economic stabilization program.

Due to Belize's improved financial situation, both IMF and USAID do not expect serious foreign exchange shortfalls in the medium-term. Belize's BOP prospects are markedly improved compared to what was projected in 1987, and BOP surpluses of between 1%-2% of GDP are now estimated for 1988-1990. With export diversification producing positive results, the economy's vulnerability to changes in sugar prices should diminish significantly by 1990. The fiscal deficit level over the next three years is projected to be at 3.0% of GDP, while public sector savings would be about 5.0% of GDP. These budget projections, however, are dependent on how well the GOB continues to adopt prudent expenditure policies in light of the upcoming parliamentary elections in late 1989.

B. Evaluation. USAID does not intend to schedule any specific evaluation for the Belize ESF Program. The progress toward the achievement of the Program's objectives is generally available from the macro-economic data compiled by the IMF and GOB. The impact of the GOB policy changes implemented under the ESF Program on the private sector will be covered by the Private Sector Program Assessment scheduled in 3Q FY 88. Moreover, the RIG/A/T in Honduras will be conducting a review of the ESF Program, in particular the Local Currency Program, in 2Q FY 1988.

C. Pipeline and Mortgage. As of Dec. 31, 1987, the ESF Program's pipeline included \$2.0 million in the cash transfer component and \$1.8 million under the grant component. The current ESF cash transfer program will be completed with the release of the last \$2.0 million tranche during the 2Q FY 88. Given favorable macro-economic developments and prospects, USAID will not undertake new ESF cash transfer programs in Belize. The ESF local currency program will be completed by early FY 1989. The only other major ESF Program-funded activity which will be ongoing during the Action Plan period will be the ESF program grant to MED. All funds for the ESF program grant have been obligated and no additional funding for Counterpart Fund II is necessary.

OBJECTIVE 1: INCREASE AGRICULTURAL PRODUCTION

1. COUNTRY DEVELOPMENT TRENDS INDICATORS

	1985	1986	1987		1988	1989	1990
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u> <u>a/</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Real Growth of Value Added in Agriculture (% change)	0.0	-1.3	0.5	8.0	4.0	5.0	6.0
B. Volume of Production of Selected Basic Food Grains (000 MT)							
--Corn	19.6	18.5	n.a.	27.3	21.5	22.6	23.7
--Rice	5.6	4.4	n.a.	5.0	5.3	5.5	5.8
--Beans	1.1	1.8	n.a.	2.3	2.4	2.5	2.6

2. A.I.D. PROGRAM PERFORMANCE INDICATORS

	1985	1986	1987		1988	1989	1990
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u> <u>a/</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Volume of Production of Selected Crops, Livestock, and Dairy Products (MT)							
--Cocoa	68	87	n.a.	71	91	109	132
--Export Vegetables	n.a.	445	n.a.	3,176	4,130	8,950	16,500
--Beef	1,220	1,284	n.a.	1,498	1,650	1,800	2,000
--Pork	456	467	n.a.	545	600	660	725
--Fresh Milk	566	650	n.a.	955	1,005	1,105	1,215

a/ provisional figures from the Ministry of Agriculture

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1987 AND EARLY 1988, AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN

<u>Target</u>	<u>Planned</u>	<u>Actual</u>
<u>Belize Livestock Development</u>		
A. Continued development of the GOB agricultural policy which encourages private investment in agriculture	2Q/FY 87	Continuous
<u>Discussion:</u> The GOB supports private sector initiatives in agriculture and has supported livestock development in association with the Belize Livestock Producers Association in expanding markets and undertaking the screwworm program.		
B. Development and implementation of a GOB specific plan for MOA institutional strengthening and provision of resources needed to implement and sustain an agricultural diversification strategy	3Q FY 87	Continuous
<u>Discussion:</u> This plan is in its final stage of development under the Commercialization of Alternative Crops Project Public Sector component which started in May 87.		
C. Development and implementation of the GOB commodity price stabilization program	4Q FY 87	Delayed
<u>Discussion:</u> The Toledo Agriculture Marketing Project which will assist the GOB in this activity will start 3Q FY 88.		
D. MOA involvement in protecting public health and safety, grades and standards for agricultural commodities, market intelligence and market conduct	Begin 1Q FY 88	Delayed
<u>Discussion:</u> Project activities to assist in grades and standards of livestock will begin 3Q FY 88.		
E. Two long-term BLDP participants return from training	3Q FY 87	3Q FY 87
<u>Discussion:</u> The participants (agricultural economists) have returned to positions with the GOB/MOA.		
F. Implementation of first GOB Agricultural Policy statement	3Q FY 87	3Q FY 87
<u>Discussion:</u> The statement was completed and has been published.		
G. Completion of dairy demand study to determine demand for fresh fluid milk	3Q FY 87	1Q FY 88
<u>Discussion:</u> The study was delayed, but was completed in 1Q FY 88.		
<u>Macal Dairy Cooperative</u>		
A. Increase fluid milk production by 5%	3Q FY 87	Delayed
<u>Discussion:</u> Management problems within the Macal Cooperative have delayed the accomplishment of target. Management Assistance to the cooperative will commence 2Q FY 88.		

Belize Enterprise for Sustained Technology

- A. Ten agricultural cooperatives/associations assisted with improved business practices, thereby increasing productive output. 1Q FY 88 1Q FY 88
Discussion: BEST is assisting ten cooperatives, an increase of four over last year.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD
QUARTER/YEAR

- A. Continued development of the GOB agricultural policy which encourages private investment in agriculture Continuous
- B. Development and implementation of a GOB specific plan for MOA institutional strengthening and provision of resources needed to implement and sustain an agricultural diversification strategy Continuous
- C. Development and implementation of the GOB Commodity Price Stabilization Program 3Q FY 88
- E. MOA involvement in protecting public health and safety, grades and standards for agricultural commodities Continuous
- F. Development of GOB Market Information/Intelligence System 3Q FY 88
- G. GOB agricultural diversification program encourages small farmers to participate in export activities Continuous

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

Quarter/Year

Belize Livestock Development

- A. Development and implementation of the GOB commodity price stabilization program 3Q FY 88
- B. MOA involvement in protecting public health and safety, grades and standards for agricultural commodities, market intelligence and market conduct 4Q FY 88
- C. One long-term participant return 4Q FY 88
- D. Development of improved forage/feed program 3Q FY 88
- E. Genetic improvement of national swine herd Begin 4Q FY 88
- F. Increase throughput in abattoirs by 10% 4Q FY 88
- G. Quality on-farm milk production enterprises to support cooperative members in milk processing Begin 3Q FY 88

- H. Field trial program in pasture and forage improvements to support continued growth in swine, beef and dairy production Continuous
- I. Institutional laboratory support to forage component and livestock sector significantly upgraded 4Q FY 88
- J. Expanded policy analysis operations at Ministry emphasizing the livestock sector 4Q FY 88
- K. Completion of dairy demand study's second phase to determine demand for fresh fluid milk 1Q FY 90
- L. Establish central market for livestock, if found to be feasible 1Q FY 90
- M. Artificial insemination program established in collaboration with the Belize Livestock Producers Association and imports of selected livestock approved for stock improvement and replenishment Begin 1Q FY 90

Macal Dairy Cooperative

- A. Increase fluid milk production by 5% 4Q FY 88
- B. Increase profit margin of cooperative by 25% 1Q FY 90
- C. Improve institutional capabilities of Cooperative and increase membership by 50% 3Q FY 90

Belize Enterprise for Sustained Technology

- A. Sixteen agricultural cooperatives/associations assisted with improved business practices, thereby increasing productive output. 2Q FY 89

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	L/G/LC	OBLIGATIONS			
						Cum thru FY 1987	FY 1988	FY 1989	FY 1990
Belize Livestock Development	505-0006	0	DA	1,900	L	1,900	-0-	-0-	-0-
			DA	4,450	G	1,450	700	1,000	1,300
			ESF LC	(325)	LC	(325)	(304)	(21)	-0-
Macal Dairy Cooperative	505-0036	0	DA	600	G	300	300*	-0-	-0-
Belize Enterprise for Sustained Technology	505-0030	0	DA	385	G	385	-0-	-0-	-0-
Program Development and support	505-0000	0	DA	-0-	G	519	100	50	50

*expected from AID/W but not included in USAID's OYB

7. NARRATIVE

A. Progress Toward Objective Targets. Agriculture is the primary sector in Belize, generating 80% of foreign exchange and employing one-third of all wage earners. It is the major growth sector of the economy and, accordingly, the GOB has embarked on a program of agricultural diversification and import substitution activities to increase dollar earnings from non-sugar exports and reduce dollar outflow for food imports. Recent data indicate improvements in domestic agricultural production after a two-year slump. In 1987, agricultural value added increased by 8% over the previous year, in spite of a decline in sugar output. The high growth is attributed to bumper harvests for corn and red kidney beans and significant production increases for various commercial crops, including bananas, citrus and vegetables, and livestock and dairy products. Moreover, as the GOB's policy of agricultural diversification begins to take effect, the private sector is becoming more active in expanding production of domestic products for local consumption and developing export crops which increase income and employment.

USAID supports GOB efforts to increase agricultural production and reduce imports through the Belize Livestock Development Project (BLDP), Macal Dairy Cooperative (dairy link program - AID/W) and Belize Enterprise for Sustained Technology (BEST) projects. The \$6.35 million BLDP focuses on improving pasture and swine production efficiency, training local meat processors in improved processing techniques, and a study to determine the demand for fresh fluid milk. As a result of project activities, more low-cost, high-quality domestically produced beef and pork products are reaching consumers in Belize. Similarly, markets have expanded for producers in response to greater demand for these products, including exports of beef products to several eastern Caribbean countries. Between 1984, the first full year of the BLDP, and 1987, Belize's annual beef and pork production increased by 28% and 27%, respectively, while fresh milk output grew by 80%. Likewise, in 1987, the country was able to export 625,000 lbs. of beef products valued at \$776,500. Early results of the demand study for fresh fluid milk indicate that local market demand for fresh milk products is far greater than existing domestic supply.

Through the BLDP, the GOB has established an Agriculture Policy Unit responsible for reviewing and analyzing agricultural policy issues to assist the Ministry in policy planning and decision-making. This Unit has assisted MOA in issuing the first GOB/MOA Agricultural Policy Paper in 1987. Presently managed by two MOA officials trained under the BLDP, the Unit will also provide crucial market information analysis and intelligence service to the MOA and farmers.

The BLDP was amended in FY 87 to allow for the continuation of pasture (forage/feed) activities and for the pasture development advisor to continue and expand his original activities increasing the distribution of information on improved feeding systems. This direction for the pasture activity was identified in the first evaluation of BLDP. Other components to be strengthened under Phase II of BLDP are: (1) improved livestock management to include a screwworm program, expanded genetic improvement program through importation of breed stocks and/or artificial insemination, and development of central livestock markets; (2) improved pasture/feed management, as described above; (3) special policy/analysis studies; (4) laboratory services; and (5) technical assistance to increase credit for beef production.

The Macal Dairy Cooperative Project is assisting the Macal Cooperative to become a profitable dairy business. This Cooperative operates the dairy built under BLDP. The Project will provide long-term TA to further support the management and business development of the cooperative. Results of the Dairy Demand Study under BLDP is the focus for the present cooperative agreement with Macal. The expected output for FY 89-90 is 250 gallons of milk processed per day and a membership of 60 farmers. Constraints still remain in the management aspect of the cooperative itself. After an initial period of TA (approximately one year) an assessment will be made to determine the viability of a continued effort with the cooperative.

BEST is an indigenous PVO assisting farmer organizations and groups to improve their financial viability by providing technical assistance in management, accounting, agronomic practices and improved business practices. BEST plays an important role in the development and strengthening of farmer groups and cooperatives which are important in the development of rural institutional infrastructure. BEST is currently working with ten established cooperatives, an increase of four over last year. BEST plans to begin working with another six cooperatives beginning in 4Q FY 88 and into FY 89. BEST continues to concentrate on identifying ways in becoming self-sufficient, but is limited by its clients' only being able to pay modest fees which do not cover cost. BEST has therefore begun to look to other donors for financing since it is unlikely that sufficient financing can be generated from local services.

Other donors involved in promoting increased agricultural production in Belize are the Canadian International Development Agency (CIDA) and the Food and Agriculture Organization of the United Nations. Both organizations have provided support in the form of capital expenses for import substitution, specifically rice milling facilities and Central Farm dairy facilities. The GOB and the US-MEXICO commission on the Eradication of Screwworm have signed an agreement for the eradication program to extend the "fly free" zone throughout Belize. Funding for the foreign exchange costs of the program will be through the Livestock Development Project, as described above.

B. Evaluation. During the Action Plan period, evaluations are planned for both the Macal Dairy Cooperative project and BLDP. The FY 89 evaluation of Macal Dairy Cooperative will assess the viability of the Cooperative and its capability to implement the second phase of the project. The FY 90 BLDP evaluation will assess how project activities are contributing to increased livestock and dairy production and markets for processed meat products. FY 87 evaluations of BLDP and BEST indicate that the projects are meeting objectives. The FY 87 BLDP evaluation provided the recommendations for the basic design of the project amendment activities.

C. Pipeline and Mortgage. As of December 31, 1987, the total pipeline for the three projects amounted to \$555,768. Macal Dairy Cooperative accounts for some 53% of the pipeline. Expenditures under this project are expected to accelerate beginning April 1988 with the arrival of the long-term Dairy Advisor. BEST is expected to expend all funds by September 1989. The \$3.0 million funding for the BLDP amendment will be obligated during FY 88-90. The BLDP project will have no mortgage after FY 90.

OBJECTIVE 2: STRENGTHEN THE PRIVATE SECTOR

1. COUNTRY DEVELOPMENT TRENDS

	1985	1986	1987		1988	1989	1990
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Private Investment as a Percent of GDP	8.9	9.1	9.0	10.0	11.0	12.0	13.0
B. Banking System Credit to the Private Sector (Av. end of mo./Bz.\$ Mil./current prices)	123.8	117.2	n.a.	126.0	138.6	152.5	167.7
C. Banking System Credit to the Private Sector (Av. end of mo./Bz.\$ Mil./1985 prices)	123.8	111.8	n.a.	115.8	122.4	129.6	137.0

2. A.I.D. PROGRAM PERFORMANCE INDICATORS

	1985	1986	1987		1988	1989	1990
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj</u>	<u>Proj</u>
A. A.I.D. Supported Credit ^{a/} to the Private Sector in Bze. \$ Millions current prices	0.6	3.0	6.4	7.2 ^{b/}	3.4	4.7	7.5
B. Number of Small Enterprises Receiving Credit under A.I.D. Supported Credit Programs	145	316	n.a.	432	601	770	840

^{a/} Consists of assistance to National Development Foundation of Belize, Sec. 416 funds, and LAAD funds, and in 1990, the Export Investment Credit loan

^{b/} Last and most successful year of the Commercial Bank Discount Fund.

Sources of Data: IMF Report on Recent Economic Developments
Central Bank Statistical Digest
CBDF project records
LAAD and NDFB reports

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1987 AND EARLY 1988, AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION

<u>PLAN</u> <u>Target</u>	<u>Planned</u>	<u>Actual</u>
A. Supportive role by Ministry of Finance and Central Bank of all AID credit activities <u>Discussion:</u> During the first six months of 1987, Central Bank was effective in processing final loans under the Commercial Bank Discount Fund, and demonstrated its support by providing guarantees to commercial banks. Ministry of Finance supported this process and also made \$150,000 in local currencies available to the NDF/B for on-lending to micro-enterprises.	Ongoing	3Q FY 88
B. Elimination of tax and other laws which discourage lending by financial institutions in Belize <u>Discussion:</u> The withholding law has not become a problem as anticipated, as waivers seem to be granted without delay.	1Q FY 88	Eliminated
C. Rationalization of Central Bank policies and encouragement of commercial banks to provide more lending for longer term loans for new productive sectors, such as tourism and agricultural exports <u>Discussion:</u> GOB, including the Central Bank, is currently negotiating a \$7.0 million World Bank loan which together with GOB resources would initiate an \$11.0 million fund for agricultural loans—mostly for export. These funds, along with CBDF reflows, will be available to commercial banks.	Begin 2Q FY 88	Ongoing
D. GOB makes local currencies available to the National Development Foundation of Belize for on-lending to micro-enterprises <u>Discussion:</u> As discussed above, the GOB has made \$150,000 available and has promised another \$50,000.	2Q FY 88	2Q FY 88
E. Establishment of an Investment Credit Unit in either Central Bank or a financial institution <u>Discussion:</u> USAID has decided not to proceed with the Export Investment Credit Project in FY 1988. However, the Central Bank will establish a Project Management capability to manage CBDF reflows and the new World Bank Rediscount Facility.	2Q FY 88	Eliminated
4. <u>KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD</u>		
A. Adoption of a unified approach to export-oriented credit provided by donors, i.e., agreement by Ministry of Economic Development, Financial Secretary and Central Bank to coordinate donor assistance in credit.	3Q FY 88	
B. GOB provision of \$50,000 in local currencies to the NDFB for on-lending to micro-enterprises	4Q FY 88	

- | | |
|--|------------|
| C. GOB cooperation in channeling Sec. 416 local currencies for credit | Continuous |
| D. GOB cooperation in new Export Investment Credit Project, whether this project private sector or public sector | 3Q FY 89 |

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

<u>Target</u>	<u>Planned</u>
A. GOB establishes a Permanant Rediscount Fund from Commercial Bank Discount Fund reflows	3Q FY 88
B. Plan for making NDFB self-sustainable devised	4Q FY 88
C. NDFB lends a total of \$1,300,000 to Micro-enterprises	4Q FY 88
D. NDFB lends a total of \$1,700,000 to Micro-enterprises	4Q FY 89
E. NDFB lends a total of \$2,200,000 to Micro-enterprises	4Q FY 90
F. \$500,000 from Sec. 416 local currencies for agricultural diversification credit in the two northern districts	4Q FY 88
G. An additional \$1,000,000 from Sec. 416 local currencies for agricultural diversification credit loaned in the two northern districts	4Q FY 89
H. GOB provides additional \$500,000 from Sec. 416 local currencies for agricultural diversification credit loaned in two northern districts	4Q FY 90
I. A.I.D.-financed technical assistance provided to MED, Central Bank or MOF and/or commercial banks to facilitate use of medium- and long-term credit funds for agriculture or tourism	2Q FY 89
J. A.I.D.-financed technical assistance provided in loan proposal preparation to the private sector	2Q FY 89
K. New Export Investment Credit Project designed	4Q FY 89
L. Export Investment Credit Project begins implementation	1Q FY 90
M. TA contract to carry out institution-building activities with financial institutions executed	2Q FY 90
N. At least \$1.0 million loaned under the Export Investment Credit Project	4Q FY 90

6. PROJECTS SUPPORTING OBJECTIVE

<u>Title</u>	<u>Number</u>	<u>New (N) or Ongoing (O)</u>	<u>Type of Funding</u>	<u>LOP (\$000)</u>	<u>L/G/LC</u>	<u>OBLIGATIONS</u>			
						<u>Cum thru FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
National Development Foundation of Belize	505-0011	O	DA	342	G	172	600	-0-	-0-
		O	ESF LC	(588)	LC	(538)	(50)	-0-	-0-
Sec. 416 Agricultural Diversification Credit	505-LC-01	N	416LC	(2,000)	LC	-0-	(500)	(1,000)	(500)
Export Investment Credit	505-0019	N	DA	1,000	G	-0-	-0-	-0-	700
	505-0019	N	DA	1,000	L	-0-	-0-	-0-	400
	505-0019	N	ESF	4,000	L	-0-	-0-	-0-	1,100
Program Development and Support	505-0000	O	DA	-0-	G	857	100	100	100

7. NARRATIVE

A. Progress Towards Objective Targets. Up to now, the financial system in Belize met the needs of the economy, i.e., it was oriented to serving the needs of large importers and, to some extent, farmers who produced the major export crop, sugar. Thus, commercial banks have been branches of foreign banks, oriented to short-term, overdraft-type lending. However, the economy is changing. The Government and private sector realize that Belize can no longer depend on sugar to earn required foreign exchange, and that agriculture must be diversified. Belize must also take full advantage of its potential for tourism. The Government has taken steps to encourage investment in new productive sectors. It has specified agricultural diversification and tourism as priorities for development in its 1985-1990 Macro-economic Plan. It has also issued an Investment Incentive Code which provides duty exemptions and tax holidays up to 15 years for priority areas. The private sector, with full support of the GOB, established the Belize Export and Investment Unit (BEIPU) within the Belize Chamber of Commerce and Industry (BCCI) to promote much-needed investments in priority sectors. The projects under this objective are aimed at strengthening the private sector in its move toward export activities by improving the flow of credit to such activities.

There have been various constraints to the delivery of credit for new agricultural diversification and tourism development efforts. The commercial banks have been extremely conservative and risk averse, and collateral requirements exorbitant. While there has been a lack of well-packaged loan proposals presented to commercial banks, commercial banks have little capability in analyzing proposals. At the same time, the GOB seems to lack a credit development policy and its role in credit development needs to become more active and go beyond steering donors to the Development Finance Corporation.

The limited policy dialogue agenda in credit has sought a more supportive role of the GOB in facilitating the provision of credit which would contribute to the accomplishment of its goals in agricultural diversification and tourism development. Up to now, the GOB has played a passive role in assuring that policies and practices of financial institutions are providing credit funds in new economic activities. The most efficient way to begin playing an active role in credit development would be for the GOB to decide on a credit development policy, while coordinating donor assistance in credit development. The GOB also needs to continue its support of micro-enterprise and small business credit.

The Central Bank demonstrated a supportive role in the final six months of the Commercial Bank Discount Fund Project, by guaranteeing projects approved by commercial banks under CBDF. This contributed to the disbursement of \$1.7 million in the first six months of 1987, bringing the total disbursements to \$2.9 million by the PACD of 6/30/87.

Given the difficult implementation of the CBDF, the lack of any clear institutional alternative to moving credit, the constraints briefly described above, and several new attempts to provide credit, A.I.D.'s approach to credit development in Belize should be to address the institutional constraints and to facilitate the success of the new efforts. One new effort will be the World Bank Rediscount Fund, which will come on stream sometime after mid-1988 and will provide \$7.0 million in credit mainly for export crop production. This loan will be available to the commercial banks and the GOB's Development Finance Corporation. CBDF reflows will also be available, as will Sec. 416 local currencies programmed for livestock development and agricultural diversification credit.

During the 1988-89 period, short of a distinct credit project (other than NDFB assistance to micro-enterprises), A.I.D.'s credit development strategy/program will consist of the following efforts:

- joint planning with the Ministry of Finance and Central Bank on the use of CBDF reflows and the establishment of a Permanent Discount Fund;
- delivery of Sec. 416 local currencies for credit closely coordinated with the Commercialization of Alternative Crops and the Livestock Development Projects;
- expansion of the successful NDF/B Project to provide additional credit to micro- and small enterprises and to small producers;
- facilitation of ongoing efforts, by providing technical assistance through the Ministry of Economic Development under the Export and Investment Promotion Project;
- provision of technical assistance in project proposal preparation, to be financed under the Export and Investment Promotion Project, through such mechanisms as a "buy in" to the Caribbean Project Development Facility (CPDF).

Beginning in FY 1990, USAID will followup all of the above efforts with the Export Investment Credit Project, 505-0019. As other major donor assistance is not expected after the World Bank Project, the new AID credit project will build on the World Bank effort and lending under Sec. 416. By 1990, all of AID's efforts at agricultural diversification should start producing substantial results and success. This will increase expansion efforts and demand for credit.

B. Evaluation. In March 1988, the NDF/B Project will be evaluated in order to define new assistance requirements and analyze the possibility of NDF/B self-sustainability. The evaluation will be used to design the Amendment to the current OPG, which will expand NDF/B's coverage of the small business and micro-enterprise sector.

C. Pipeline and Mortgage. The current pipeline under the NDFB project is only \$8,000, or only 2.9%, of total obligations of \$272,000. Funds obligated during 1988 are expected to move quickly, as the NDF/B usually expends all available funds by the end of any given fiscal year. However, since the FY 88 obligation is expected to fund the NDF/B for 2-3 years, there will be a pipeline. During 1988-89, there will be no mortgage problems as SDA funds will be available for obligation for the NDF/B project in 1988 and all of the Sec. 416 local currencies planned for credit will become available during 1988. After the start of the Export Investment Credit Project 505-0019, in 1990 there will be a mortgage of \$3.8 million or 63.3% of the planned LOP. During FY 1990, it is expected that the first year obligation of a total of \$2.2 million will be expended fairly quickly, as \$700,000 will be mostly for a TA contract and use of the \$1.5 million in sub-loans will have been planned well in advance.

OBJECTIVE 5: PROMOTE EXPORTS

1. COUNTRY DEVELOPMENT TRENDS INDICATORS

	1985	1986	1987		1988	1989	1990
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Value of Total Commodity Exports (US million \$)	64.4	74.5	n.a.	83.5	86.0	92.8	100.0
B. Value of Non-traditional Agricultural Exports (US million \$)							
--Vegetables	0.10	0.36	n.a.	2.35	3.0	6.5	12.0
--Cocoa	0.15	0.19	n.a.	0.16	0.3	0.5	0.8
Industrial	15.7	16.3	17.0	15.6	17.8	19.0	20.2
Value-Added in Drawback Industries	1.6	2.0	2.7	2.4	2.7	2.9	3.0
C. Foreign Exchange Earnings from Tourism (US million \$)	11.8	15.9	19.8	20.8	23.5	27.1	30.4

Sources: GOB Central Statistical Office
Belize Tourist Board data
IMF Report on Belize SM/87/250

2. A.I.D. PROGRAM PERFORMANCE INDICATORS

	1985 <u>Actual</u>	1986 <u>Actual</u>	1987 <u>Proj. Actual</u>		1988 <u>Proj.</u>	1989 <u>Proj.</u>	1990 <u>Proj.</u>
A. Value of Selected							
Non-traditional							
Exports Resulting from							
A.I.D. - Supported Programs							
(US million \$)							
--Vegetables	n.a.	n.a.	n.a.	2.3	3.0	6.5	12.0
--Cocoa	n.a.	n.a.	n.a.	n.a.	0.1	0.3	0.5
B. Value of Non-traditional							
Exports to Non-Central							
American Non-Caribbean							
Markets under A.I.D.-							
Supported Programs							
(US million \$)							
--Vegetables	n.a.	n.a.	n.a.	2.3	3.0	6.0	11.0
--cocoa	n.a.	n.a.	n.a.	0.1	0.1	0.3	0.5
C. Value of Selected							
Traditional Exports							
Resulting from A.I.D.-							
Supported Programs							
(U.S. million \$)							
--bananas	3.1	4.6	7.0	7.2	9.7	13.1	18.0
D. Number of Tourist Arrivals ^{a/}							
(thousands)	37.0	44.0	49.0	8.0	54.0	61.0	69.0

^{a/} EEC tourism advisor/Belize National Tourism Council estimates

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1987 AND EARLY 1988, AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN

<u>Target</u>	<u>Planned</u>	<u>Actual</u>
<u>Export and Investment Promotion (0027) and Private Sector Investment (0040)</u>		
A. GOB reorientation/reorganization of Ministries to support its export and tourism development strategies	1Q FY 88	3Q FY 87
<u>Discussion:</u> During 1987, the Ministry of Economic Development became an independent Ministry, and was strengthened with additional staff. Also the Ministry of Agriculture was split-off from the Ministry of Natural Resources to enable a more focused effort of agricultural diversification. AID-funded contractors have completed a series of assessments of MOA functions to improve operations.		
B. Agreement with the GOB and the Government of Mexico to provide electricity to the northern district of Belize for the Free Trade Zone	1Q FY 88	3Q FY 87
<u>Discussion:</u> The Government of Mexico, through its Ambassador in Belize, has tentatively agreed to provide electricity for the Free Trade Zone. However, the full feasibility study of the FTZ will only begin in 3Q/FY 88 and any formal agreements regarding the FTZ would have to wait until the study is completed in the 4Q/FY 88.		
C. Standardization of the Belize Investment Code to allow for quicker streamlined application of the code as opposed to the slow arbitrary application of the code on a case-by-case basis	2Q FY 88	50%
<u>Discussion:</u> A draft study of the investment incentive process was completed in December 1987, and the consultant will be returning to finalize the report and its recommendations with the GOB. In the meantime, the Minister of Economic Development has already proposed improvements to Cabinet to streamline the process.		
D. Institutional study of BEIPU analyzing its export promotion capabilities	1Q FY 88	50%
<u>Discussion:</u> An institutional study of the Belize Chamber of Commerce and Industry, of which, BEIPU is a part was completed in December 1987. This will be followed with specific analysis of BEIPU in 3 Q/FY 88. The delay was due to the lack of a USAID BEIPU Project Manager for a two-month period.		
E. Accelerated tourism program developed which includes a marketing plan, the contracting of a U.S. firm representing Belize as a tourism destination	2Q FY 88	2Q FY 88
<u>Discussion:</u> The GOB tourism marketing plan is included in a draft Integrated Tourism Policy/Strategy Statement which was completed in January 1988, and is awaiting presentation to Cabinet before being finalized. The tourism destination promotion contract will be signed with a U.S. firm in early March 1988.		
F. BEIPU participation on the GOB Board which evaluates development concessions	2Q FY 88	Eliminated
<u>Discussion:</u> For political reasons, achievement of this target is not possible. Therefore, the target is being eliminated.		

Toledo Agricultural Marketing

A. Ministry of Agriculture involvement in protecting public health, safety, grades and standards for agricultural commodities, market intelligence and market conduct 2Q FY 88 Delayed

Discussion: The review of all elements for reorganization of the Ministry will take place in the 3Q FY 88. This, combined with the implementation of TAMP's public sector, will be the source for financing the Ministry of Grades, Standards, and Market Activities. Close linkage between these Ministries must take place in order for implementation to move forward.

B. Policy statement by GOB on role of public, private sectors regarding National Grain Market 2Q FY 88 Delayed

Discussion: Technical assistance is required to provide the GOB with detailed analysis of the methods in which the price stabilization program for grain will be implemented. The TA advisor will assist in developing a policy statement that takes into account past activities and anticipated market trends. Under TAMP a long-term advisor will be on board for implementing the public sector by 3Q FY 88. The first task will be to assist the GOB with identifying each sector's role in the National Grain Market.

C. Cocoa long-term technical advisor in-country 1Q FY 88 Delayed

Discussion: Procurement of technical assistance was delayed by one quarter due to issuance of RFP. Proposals were conducted during 2Q FY 88. The technical assistance team is expected to be on board by the end of 3Q FY 88.

Commercialization of Alternative Crops

A. Agronomic Feasibility completed for exportable crops 1Q FY 88 2Q FY 88

Discussion: Farm production trials have been completed for eight vegetable export crops, and three tropical fruits.

B. Major crops selected for export market 1Q FY 88 2Q FY 88

Discussion: More time was needed for the growing and shipping seasons. Tentative crops selected were cucumbers, squash, melons, papayas and passion fruit.

C. Agricultural product processing/packing infrastructure in place 1Q FY 88 2Q FY 88

Discussion: Processing/packing plant arrived in Belize in 2Q FY 88.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD
Quarter/Year

A. GOB will continue to encourage the expansion of cocoa production through its diversification effort Continuous

B. Ministry of Agriculture involvement in protecting public health and safety, grades and standards for agricultural commodities, market intelligence and market conduct 4Q FY88

C. Determination of roles and responsibilities of participating Ministries in carrying out a price stabilization program for basic grains	3Q FY 88
D. Secure commitment from the GOB to support a price stabilization program	4Q FY 88
E. Secure a policy statement from the GOB which defines the role of the public and private sector in marketing of basic grains	1Q FY89
F. Study on the investment incentive system completed, appropriate recommendations accepted by Cabinet and implemented	4Q FY 88
G. Legislation enacted to facilitate the development of a FTZ in northern Belize	3Q FY 89
H. GOB takes necessary budgeting/legislative active to earmark a portion of revenues generated by tourism for tourism development	4Q FY 89

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

	<u>Quarter/Year</u>
<u>Export and Investment Promotion (0027) and Private Sector Investment (0040)</u>	
A. Execution of contract with U.S. firm to provide BEIPU with technical assistance in institutional development	3Q FY 88
B. Labor and marketing study for the potential Free Trade Zone concentrating on the northern district of Belize	3Q FY 88
C. IESC and Project SUSTAIN provide TA to a total of 30 businesses (cumulative)	3Q FY 89
D. Contract for tourism destination promotion signed with U.S. firm	3Q FY 88
E. Legislation to facilitate the development of a Free Zone in the northern district of Belize	4Q FY 88
F. 400 investment inquiries generated by BEIPU, 60 investor visits and 12 investments (cumulative) completed	4Q FY 88
G. IESC supports 12 joint venture feasibility "programs"	4Q FY 88
H. Financial institutions receive TA in loan analysis and portfolio management pertaining to export sub-projects	1Q FY 89
I. 40 projects assisted by BEIPU in packaging, investor matching, GOB documentation and/or arrangement of financing (cumulative)	1Q FY 89
J. With technical assistance, BCCI completes realistic financial plan for self-sustainability of BEIPU, to be phased-in during last years of project	2Q FY 89
K. IESC and Project SUSTAIN provide TA to a total of 20 businesses (cumulative)	3Q FY 88
L. 2 wildlife refuge/archeological sites improved	3Q FY 89
M. 800 investment inquiries generated by BEIPU, 120 investor visits and 24 investments (cumulative) completed	4Q FY 89
N. IESC supports 24 joint venture feasibility "programs"	4Q FY 89
O. 8 joint ventures completed as a result of IESC efforts	4Q FY 89
P. 60 projects assisted by BEIPU in packaging, investor matching, GOB documentation and/or arrangement of financing (cumulative)	1Q FY 90
Q. IESC and Project SUSTAIN provide TA to a total of 40 businesses (cumulative)	3Q FY 90

- | | |
|--|----------|
| R. 6 wildlife refuge/archeological sites improved (cumulative) | 3Q FY 90 |
| S. 1200 investment inquiries generated by BEIPU, 180 investor visits and 36 investments (cumulative) completed | 4Q FY 90 |
| T. 16 joint ventures completed as a result of IESC efforts | 4Q FY 90 |

Toledo Agricultural Marketing Project, (0016)

- | | |
|---|----------|
| A. Price stabilization program developed and operational | 3Q FY 89 |
| B. Cocoa post harvest improvement program in place | 3Q FY 89 |
| C. Rice mill renovation completed | 3Q FY 89 |
| D. Toledo Marketing Center established and operational | 3Q FY 89 |
| E. Assessment of post harvest methodologies and recommendations for improvements concluded | 3Q FY 89 |
| F. Increase of 100 MT of cocoa on the new expanded acreage in the district of Cayo | 4Q FY 89 |
| G. Effective marketing of major grain (rice and beans) from Toledo District throughout the rest of Belize | 2Q FY 90 |
| H. 400 acres of cocoa established | 2Q FY 90 |
| I. Food security program operational | 4Q FY 89 |
| J. Pilot improved postharvest technologies implemented | 3Q FY 90 |
| K. Postharvest loss reduced 25% | 4Q FY 90 |
| L. Increase in cocoa sales by 25% | 4Q FY 90 |
| M. Rice mill operated by private sector | 4Q FY 90 |
| N. 200 acres of new cocoa planted in the Toledo district | 4Q FY 90 |

Commercialization of Alternative Crops (0008)

- | | |
|--|------------|
| A. 15 Ministry of Agriculture (MOA) officers receive basic computer-use training, and four MOA officers received Accounting and Budgeting course for two weeks | 2Q FY 88 |
| B. Agricultural product processing/packing infrastructure in place | 3Q FY 88 |
| C. One week's training for 20 Extension Officers held | 3Q FY 88 |
| D. Agricultural product marketing/shipping trials completed | 3Q FY 88 |
| E. Presentation of preliminary plan for MOA reorganization to MOA and USAID | 3Q FY 88 |
| F. 12 senior Extension Officers trained in work planning and implementation, for 12 days | 3Q FY 88 |
| G. Adoption and implementation of management plan for MOA | 4Q FY 88 |
| H. First major shipment of export crops, CAC Project, by commercial firms | 1Q FY 89 |
| Six private firms producing on 1,000 acres | |
| I. Implementation of strengthening of the MOA plan | Continuous |
| J. Review of production and shipping results of commercially-produced export crops | 2Q FY 89 |
| K. Review of production results of import substitution crops planted commercially | 2Q FY 89 |
| L. Production and marketing plans developed by Prime Contractor team and private firms for next winter-crop season plantings | 3Q FY 89 |
| M. Up to 3,000 acres of commercial plantings of import-substitution crops, i.e., soybeans, by local farmers achieved | 3Q FY 89 |

N. Agricultural Statistical Reporting Office in place, fully staffed, and staff trained	3Q FY 89
O. Further commercial plantings of export crops. 2,000 acres by ten private firms, using CAC team advice	1Q FY 90
P. MOA Extension Service fully staffed, and trained to full strength of 45 officers, and fully operational	1Q FY 90
Q. Harvest of import-substitution crops by private producers, and evaluation of results by CAC team	1Q FY 90
R. Commercial shipments of export crops by ten private firms, from 2,000 acres planted	2Q FY 90
S. 3,000 acres of soybeans cultivated by local farmers	3Q FY 90
T. 15 private firms prepare to plant 3,000 acres of export crops	1Q FY 91
U. 3,000 acres of soybeans cultivated by local farmers	1Q FY 91

6. PROJECTS SUPPORTING OBJECTIVE

<u>Title</u>	<u>Number</u>	<u>New (N) or Ongoing (O)</u>	<u>Type of Funding</u>	<u>LOP (\$000)</u>	<u>L/G/LC</u>	<u>OBLIGATIONS</u>			
						<u>Cum thru FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
Commercialization of Alternative Crops	505-0008	0	DA	6,800	G	4,800	-0-	950	1050
			ESF	1,370	G	-0-	-0-	1,070	300
			ESF/LC	(700)	LC	-0-	(500)	(200)	-0-
Toledo Agricultural Marketing Project	505-0016	0	DA	2,500	G	600	1,300	300	300
			ESF/LC	(250)	LC	-0-	(50)	(200)	-0-
Sec. 416 Agricultural Diversification	505-LC-02	N	416 LC	(1000)	LC	-0-	(400)	(300)	(300)
Export and Investment Promotion	505-0027	0	DA	4,500	G	3,000	300	870	-0-
			ESF	330	G	-0-	-0-	330	-0-
			ESF/LC	(150)	LC	(150)	-0-	-0-	-0-
IESC Private Sector Investment	505-0040	0	DA	650	G	250	200	200	-0-

7. NARRATIVE

A. Progress toward Objective Targets. To promote exports, the A.I.D. program in Belize has taken a coordinated, multi-project approach and, in so doing, is covering most areas of Belize. The Toledo Agricultural Marketing Project will develop cocoa and other export crops among small farmers in the south, building upon the techniques developed under the Accelerated Cocoa Production Project. The Commercialization of Alternative Crops (CAC) Project is

developing winter vegetables and tropical fruit in the two northern districts and import substitution crops in western Belize. The Export and Investment Promotion (E&I) Project is taking a country-wide approach to facilitating both foreign and domestic investment in agriculture and light industry for export and to a lesser extent, in tourism. The Private Sector Investment (PSI) OPG with the International Executive Service Corps (IESC) is complementing the Export and Investment Promotion Project by using the extensive IESC retired volunteer network to promote investments in Belize. Each of these projects is carrying out a portion of what is required to promote exports from all of Belize, and the projects are being implemented in a coordinated manner, with frequent meetings among the implementing agencies.

The policy dialogue is oriented towards making the accomplishment of the outputs under the above-described projects easier. One accomplishment in 1987 was an agreement by the Cabinet to reorganize the Belize Marketing Board into an entity solely concerned with commodity price stabilization. Another policy dialogue accomplishment, concerning TAMP, was to successfully develop and negotiate an implementation plan with IFAD and the GOB for the parallel AID and IFAD projects in the Toledo district.

Another continuing policy dialogue success is the growing commitment of the Ministry of Agriculture to restructure itself to become more efficient and responsive to agricultural diversification. Institutional assessments have been completed, and the MOA is committed to making the recommended changes. In the area of investment promotion in general, the GOB was amenable to undertaking an AID-financed study of its investment incentive process and has already made some changes in streamlining the process, and will follow-up with other changes after the study is finalized. The GOB is also taking some action in its stated number two development priority, i.e., tourism. The GOB has actively pursued expansion of the international airport and has tripled the budget of the tourism section of the Ministry of Commerce and Tourism. Finally, one of last year's policy dialogue actions, intended to benefit all projects contributing to the export promotion objective, was the "GOB reorientation/reorganization of Ministries to support export and tourism development strategies." The Ministries were reorganized during 3Q FY 87: Economic Development assumed more importance by becoming a separate Ministry; the Ministry of Agriculture dropped functions unrelated to agriculture to concentrate on agricultural diversification; and the tourism portfolio was shifted to the Minister of Commerce, who immediately took an unprecedented active role in tourism development.

Over the past year, project accomplishments were significant in the CAC and E&I projects, while the PSI/IESC project started very quickly. TAMP did not begin implementation for various reasons: the policy dialogue was difficult; tripartite negotiations (GOB, IFAD and AID) were necessary, and the assistance instrument had to be fully competed. Under CAC, production testing of eighteen vegetables, tropical fruit, oilseed and grain crops and trial shipments of two vegetables and one fruit (cucumbers, squash, papayas) proceeded on schedule. While the project is moving ahead cautiously in production and market testing, it is having an indirect, catalytic effect on U.S. private investors and local cooperatives in the northern districts. As a result, vegetable exports increased 614% in volume and 555% in value. Under the Public Sector Component of CAC, fourteen assessments have been completed and as discussed above, the MOA is committed to implementing the recommendations in the reorganization effort. A Sec. 416 wheat agreement was signed in 4Q FY 87, and another wheat agreement will be signed in 2Q FY 88. The 1987 and 1988 wheat agreements will generate Bze \$3.0 million and Bze \$5.8 million, respectively. These local currencies will support agricultural diversification efforts in the north, with the majority of funds going for credit to small farmers.

In achieving project outputs, the E&I project, after 18 months of implementation, has been quite successful. For example, the Belize Export and Investment Promotion Unit (BEIPU) of BCCI is well established, with 783 contacts on its

data base, of which 221 have made an initial trip to Belize, 155 have made two or more trips, and 70 plan to visit. BEIPU has facilitated 12 completed investments, and 16 near completion. In total, BEIPU has assisted 22 projects in GOB investment incentive applications, obtaining financing, investor matching or project packaging. Under the PSI/IESC OPG after seven months of implementation, 18 potential investment projects are in various stages of development and one joint venture is near completion.

During the Action Plan period, USAID plans to amend both the CAC and E&I Projects. The CAC Project will be amended to include activities in the important fisheries and forestry sectors. The export of fish products, which at \$5.3 million accounts for almost 7% of total exports, is in danger for lack of conservation measures and resistance to fishing beyond the barrier reef. Over the past two years, the value of fish product exports has declined by \$1.0 million per year. On the other hand, forestry is a relatively under-utilized resource. In spite of its vast forest reserves, Belize only exports approximately \$1.0 million per year in wood products. Assistance in policy formulation and planning, needed in both of these sectors, will be the focus of the additional activities. The E&I Project will be amended to include additional funds for institutional development of the implementing agency for the private sector component, i.e., the BCCI and BEIPU, while the public sector component and the Agreement with the GOB will be amended to include technical assistance for financial institutions involved in lending for agricultural diversification sub-projects and, in a very limited way, to followup on the tourism promotion activity under the Ministry of Commerce and Tourism.

Other donor efforts related to the projects and their planned amendments are as follows. IFAD is implementing a parallel project to TAMP, under which activities complementary to TAMP (such as the provision of credit for cocoa development) will be undertaken. The World Bank and the GOB will soon sign an agreement for a World Bank credit project for all agricultural export crops, which is expected to provide financing to beneficiaries under both the CAC and E&I Projects.

B. Evaluation. The projects described above are new and have not been evaluated yet. Since it is important that the projects be implemented in a very coordinated way, USAID has scheduled a private sector program evaluation to begin in 3Q FY 88 which will examine all of the "increase exports" projects together, along with the private sector oriented Training for Employment Project (0020). This evaluation will examine the relevance, effectiveness, efficiency and impact of USAID's private sector program, and will take a special look at coordination among the projects and any major opportunities being missed. The CAC project will undergo a mid-term project evaluation to assess the results to date of the various crop production and marketing trials. The E&I project will be evaluated in 3Q FY 89 to examine especially institutional problems in developing BEIPU within BCCI and the question of self-sustainability in the last years of the project and beyond. In both cases, i.e., CAC and E&I, evaluations will be used to modify the projects, if necessary.

C. Pipeline and Mortgage. Current pipeline for the four projects under Objective No. 5 is \$5.667 million or 65.5% of total obligations of \$8.650 million. As the two major projects (CAC and E&I) are beyond the initial implementation phase, the pipeline should decrease at a more rapid rate over the next several years. The mortgage, after FY 88 obligations, will be \$2,600,000 or 19.9% of the total LOP of \$13,050. At the beginning of FY 89, with amendments to the CAC and E&I projects and mortgages on the original LOP's of CAC and TAMP, the mortgage will be \$4,420. However, after FY 89 obligations are made, the mortgage will be reduced to \$600,000. After FY 90 obligations, the mortgage for Obj. No. 5 will be 0-. FY 89 and 90 planned obligations are within the bureau control levels.

OBJECTIVE 7: EXPAND AND IMPROVE THE INFRASTRUCTURE

1. COUNTRY DEVELOPMENT TRENDS INDICATORS

None

2. A.I.D. PROGRAM PERFORMANCE

	1985 <u>Actual</u>	1986 <u>Actual</u>	1987 <u>Proj. Actual</u>		1988 <u>Proj.</u>	1989 <u>Proj.</u>	1990 <u>Proj.</u>
A. Kilometers of Roads under A.I.D.-Supported Programs (cumulative):							
1) Reconstructed	150	209	340	309	409	509	609
2) Maintained	400	450	500	500	750	1000	1000
B. Number of Bridges under A.I.D.-Supported Programs (cumulative):							
1. Built	0	1	11	9	11	14	17

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1987 AND EARLY 1988, AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN

<u>Target</u>	<u>Planned</u>	<u>Actual</u>
A. Active MOW participation in the planning of Phase II Amendment for Rural Access Roads and Bridges	4Q FY 87	4Q FY 87
<u>Discussion:</u> Amendment No. 4 (Phase II) design completed with MOW participation.		
B. MOF provides adequate budget support for the construction of all-weather bridge-crossings and rural road maintenance program	Continuous	On-going
<u>Discussion:</u> The MOWH has been unsuccessful in obtaining adequate budget support for the construction of all-weather bridge-crossings. This has severely delayed the program. Previously, ESF/LC were used to support bridge construction, but this source of funds is not available any more. It is not conceivable that the GOB will be able to support the bridge program in the near to medium future without donor assistance. Section 416 LC will be used to assist in bridge construction in the Orange Walk and Corozal districts.		
C. Encourage MOW to take a more assertive role in the budget planning process by utilizing financial data developed under the project	Continuous	On-going
<u>Discussion:</u> The MOWH is presently utilizing the Office of Planning and Budget established under the project to develop financial data to petition MOF for a large portion of the GOB budget.		

D. MOW personnel taking an active role in seeking GOB support to give priority to resource allocation for rural infrastructure development Continuous On-going
Discussion: The recent Project Paper (PP) amendment was largely developed with senior MOWH management input. The PP strongly shows the priority through resource allocation for rural infrastructure development.

E. Consolidation of MOW heavy equipment headquarters and repair facilities for more efficient use and management of tools, specialized technicians and overall labor force 2Q FY 88 Delayed
Discussion: A significant amount of heavy repairs are still being done at the district level without adequate support. This recent amendment will focus on strengthening the repair and maintenance organization within the MOWH.

F. 75 shop mechanics and allied technicians trained 3Q FY 88 2Q FY 88
Discussion: Training completed. New and different training will be developed and carried out under the project amendment.

G. An improved internal management control system in place for MOW resources 1Q FY 89 2Q FY 88
Discussion: Completed and functional. This management control system will be further strengthened and institutionalized with Technical Assistance brought in under the project Amendment.

H. Completion of 509 Km. of roads 4Q FY 89 On Target
Discussion: As of end-1987, a total of 309 Kms of roads have been reconstructed and the FY 89 target will likely be met. The reconstruction units moved to the northern districts of Corozal and Orange Walk and experienced less rainfall, lesser haul distances, and in general more conducive working conditions. The units are, therefore, a little ahead of schedule on the revised outputs. When the units move into other districts with more difficult working conditions, the situation is expected to average out. -57-

I. Training of 250 MOW workers completed 4Q FY 89 1Q FY 88
Discussion: All on-the-job training planned was completed as of end of December 31, 1987.

J. Construction of 55 major all-weather crossings 4Q FY 89 Target Revised
Discussion: This output has been revised in the project amendment to more realistically depict potential achievements. The completion of 55 all-weather crossings have been relegated to a more long-term output requiring additional financial inputs outside of the project. Due to delays in construction, nine of the eleven bridges projected, as revised, were constructed as of year-end 1987. The Ministry plans to complete the remaining 14 bridges by year end-1989.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

USAID will continue working with the MOWH to improve the rural road infrastructure in order to support sustainable agricultural development, the nation's number one development priority.

QUARTER/YEAR
Continuous

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/YEAR

A. Warehouse for project spare parts completed 2Q FY 88
 B. 409 Km of rural roads to be reconstructed 4Q FY 88
 C. 11 bridges constructed 4Q FY 88
 D. Strengthened Road Maintenance Units fully operational 2Q FY 89
 E. MOWH Central and District Workshops upgraded 3Q FY 89
 F. 509 Km of rural roads to be reconstructed 4Q FY 89
 G. 14 bridges constructed 4Q FY 89
 H. 609 Km of rural roads reconstructed 4Q FY 90
 I. 17 bridges constructed 4Q FY 90

6. PROJECTS SUPPORTING OBJECTIVE

<u>TITLE</u>	<u>Number</u>	<u>New (N) or Ongoing (O)</u>	<u>Type of Funding</u>	<u>LOP (\$000)</u>	<u>L/G/LC</u>	<u>OBLIGATIONS</u>			
						<u>Cum thru FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
Rural Access Roads and Bridges	505-0007	O	DA DA/ESF ESF LC	7,850 4,150 (3,050)	G L LC	6,150 2,141 (2,435)	1,300 -0- (615)	-0- 775 -0-	400 900 -0-
Sec. 416 Agricultural Diversification Rural Roads and Bridges	505-LC-03	N	416 LC	(1,400)	LC	-0-	(500)	(500)	(400)

7. NARRATIVE

A. Progress Toward Objective Targets. The Rural Access Roads and Bridges Project (505-0007) is the only project in the Mission portfolio addressing Objective No. 7. The project started implementation in September 1983 and has recently been amended to extend the Project Assistance Completion Date (PACD) to April 1991. The project will increase production and productivity within the agricultural sector of the Belizean economy by mitigation of a major constraint -- inadequate rural road and bridges infrastructure. The project focuses on institutional development of

the Ministry of Works and Housing (MOWH) to rehabilitate, maintain, and protect Belize's rural road network. Continuing policy dialogue with the Government of Belize, and especially the Ministry of Works and Housing, has resulted in a commitment of Ministry resources to support rural road and bridges infrastructure. The project has assisted in the establishment of an Office of Planning and Budget within the Ministry which now plays a major role in the development of work plans and the budget process. The project has extensively trained MOWH personnel in rural road rehabilitation and maintenance, and equipment repairs and maintenance.

The project has had problems in reaching the target levels as outlined in the original Project Paper. Deviations have been mainly an effect of adverse physical variables outside project control. Physical variables include inclement weather and poor road construction materials. Project targets, as indicated in Section 2, have now been revised to more realistic levels.

As mentioned above, the Project Paper and Project Agreement were amended in September 1987. The amendment of the project will continue to address the infrastructural constraint to more rapid agricultural growth. The purpose of the amendment is to further strengthen and institutionalize the capability of the Ministry of Works and Housing to maintain and protect rural access roads and bridges. Project outputs were revised to reflect experience gained in implementation of the project to date and to establish achievable targets. Through continuous policy dialogue, the Ministry of Works and Housing is now placing major emphasis on rural roads, especially rural roads' maintenance. The Office of Planning and Budget established under this project will continue playing a major role in the budget process, by ensuring that adequate MOW resources are assigned to maintaining roads.

B. Evaluation. Two formal evaluations of the project have been conducted during the past two years. Recommendations from both evaluations have been successfully implemented, including strengthening of the Ministry's management capabilities to conduct planning activities, improve budget preparation and centralization of major repair facilities. These recommendations have been incorporated into the amended projects. A technical evaluation of the bridge component is scheduled in March 1988 to determine the cost-effectiveness of bridge design being used by the GOB.

C. Pipeline and Mortgage. As of December 31, 1987, the RR & B project pipeline amounted to \$2.32 million. However, \$2.141 million of this pipeline was obligated in 4Q FY 87 and will be utilized to procure essential equipment and spare parts for the project. By the end of FY FY 90, the project will have a mortgage of \$334,000 (loan).

OBJECTIVE 9: IMPROVE HEALTH AND HEALTH SERVICES

1. COUNTRY DEVELOPMENT TRENDS INDICATORS

	1985	1986	1987		1988	1989	1990
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. 1) Incidence of Malaria							
Confirmed cases/1000 population	17	16	15	19	10	8	8
2) Incidence of Dengue Fever							
Clinically diagnosed cases/1000	...	...	1	...	1	1	1
B. Percent of Rural Population with Access to clean Drinking Water <u>a/</u>	40	42	53	45	54	64	73
C. Percent of Rural Population with Access to Adequate Sanitation <u>a/</u>	65	69	80	76	84	93	100

2. AID PROGRAM PERFORMANCE INDICATORS

	1985	1986	1987		1988	1989	1990
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Number of persons protected against Major Diseases in program							
(1a) Malaria - direct protection <u>b/</u>	0	n.a.	75,000	56,000	75,000	60,000	50,000
(1b) Malaria - indirect protection	0	n.a.	170,000	151,000	171,500	173,000	175,000
(2) Dengue Fever <u>b/</u>	0	n.a.	170,000	156,000	171,500	173,000	175,000
B. Number of people served by new Potable Water Systems under A.I.D. supported programs (annual increments)	0	811	8,500	1,800	9,000	9,000	9,000
C. Number of persons served by new Sanitation Services under A.I.D. supported programs (annual increments)	n.a.	1,108	8,500	5,700	8,400	9,000	7,000

n.a. = not available

... Negligible

a/ These figures are consistent with the data base for CAI stretch-out plan.

b/ Interpreted as direct protection by project efforts; indirect protection of entire country results from successful program. AID resources utilized from FY 86 for this project. Population is estimated at 170,000 in 1987, exclusive of illegal immigrants whose numbers are estimated between 5,000-25,000.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1987 AND EARLY FY 1988, AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN

<u>Target</u>	<u>Planned</u>	<u>Actual</u>
A. Need to assure that structural changes, when made, will not result in impediments to smooth project implementation <u>Discussion:</u> Very few structural changes made, thus effect not yet discernible. New management advisor and well drilling trainer/advisor to assist this effort.	1Q FY 88	On-going
B. Improved planning to make best use of limited resources is adopted by GOB <u>Discussion:</u> Dialogue is continuing in <u>Aedes Aegypti</u> Control Program (AACP) and Water and Sanitation (W/S) areas, and continuing improved overall planning structure is in place. The National Malaria Control Service (NMCS) Director has resisted restructuring field management and delegating of authority. Greater field involvement in planning needs to be promoted.	1Q FY 88 & continuing	On-going
C. Reduction of malaria incidence <u>Discussion:</u> The 1987 increase was in 3 of the 6 districts, and is attributable to uncontrolled migration from neighboring countries, which is most evident in those 3 districts. Incidence has declined in the other 3 districts. Illegal immigrants have, by avoiding the authorities, kept malaria transmission active, since they create a reservoir of the parasite. The case/population ratio may also be overstated since the population figure used represents the best projection of legal residents. That malaria field supervisors have not been delegated the authority to vary their work program in response to field priorities is another factor to the increase. This authority is reserved to the Director. Policy dialogue and long-term technical assistance in management should change this situation in the next year.	15/1000	19/1000 (1987)
D. Reduction of <u>Aedes</u> positive localities to less than 10% of total localities by 1Q FY 89 <u>Discussion:</u> House and container indices were quite low (below 10% for 4 districts). 1987 was first recent year of full national <u>Aedes</u> surveillance. Future targeted efforts to eliminate the vector in positive houses/containers in low index communities could significantly reduce the positive locality percentage.	20%	55%
E. Functioning water quality laboratory capable of testing samples from each water source at least once annually <u>Discussion:</u> A capacity and capability to test all water services once annually for several parameters including hardness, pH, chlorine and total and fecal coliform was established during the reporting period. However, poor coordination of transportation of samples, and shortage of sample bottles limited accomplishment to only 31% of the target level. The analyst needs further training to develop technical skills, data analysis and reporting methods.	2Q FY 88	2Q FY 88

F. Six fully trained and equipped well-drilling crews capable of completing wells in all soil conditions in Belize

2Q FY 88 2Q FY 88

Discussion: Six drilling crews are employed and skilled in completing wells in most soil conditions in Belize. To date, hard rock, and soft clay formations encountered in two villages have defeated the teams. In addition, the rotary drill crew does not now have the skills to seal out saline strata to complete fresh water wells from the deeper aquifers. Maintenance of the equipment by the crews has also been inadequate. A long-term drilling trainer/advisor, rehabilitation of two cable tool rigs, and procurement of a new rotary drill will all contribute to improved equipment and skills capability.

G. Seventy established and functioning village health committees by 4Q FY 88

70 (4Q FY 88) 30 (2Q FY88)

Discussion: Thirty VHC's have been established to date. While some function smoothly, others function only sporadically and need support of health education and community development staff. A recent project amendment has revised the outputs for the Increased Productivity Through Better Health Project, consequently the total number of village health committees to be established by the two projects IPTBH and Village Level Water and Sanitation (VLWS) has been reduced to 46 by 2Q FY 89.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

Quarter/Year

- | | |
|--|------------|
| A. Improved planning to make best use of limited resources is adopted by GOB. | Continuing |
| B. Steps taken to improve management structure, and delegation of authority in vector control programs must be improved. | 1Q FY 89 |
| C. GOB takes action to improve work ethic in well-drilling | 4Q FY 88 |

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

- | | |
|---|----------|
| A. Reduction of malaria incidence to below 10/1000 | 1Q FY 89 |
| B. Reduction of positive <u>Aedes aegypti</u> localities to less than 10% of total | 2Q FY 89 |
| C. Improved water quality laboratory, equipped and staffed and testing samples from each water source at least once annually, and developing comprehensive annual report on national drinking water quality | 2Q FY 89 |

D. Six fully-trained and equipped well-drilling crews capable of completing wells in all soil conditions existing in Belize.

2Q FY 89

E. Forty-six established and functioning village health committees.

2Q FY 89

Assuming Project Extensions and Amendments

F. Estimated 24 additional village health committees established and functioning in 5 districts.

2Q FY 90*

G. Adequately structured, staffed organization implementing rural water and sanitation programs.

2Q FY 90

6. PROJECTS SUPPORTING OBJECTIVE

<u>Title</u>	<u>Number</u>	<u>New (N) or Ongoing (O)</u>	<u>Type of Funding</u>	<u>LOP (\$000)</u>	<u>L/G/ LC</u>	<u>OBLIGATIONS</u>			
						<u>Cum thru FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
Increased Productivity Through Better Health	505-0018	O	DA & ESF ESF LC	7,125 (1,350)	G LC	5,250 (580)	720 (420)	600 (350)	555 -0-
Village Level Water and Sanitation (CARE OPG)	505-0024	O	DA	1,200	G	700	200	175	125
Program Dev. & Support	505-0000	O	DA	-0-	G	190	80	20	20
Health Technical Services Support	505-0041	N	DA	400 ^{a/}	G	-0-	-0-	95	200

^{a/} Mission buy-in to regional project (598-0657/597-0027)

7. NARRATIVE

A. Progress Toward Objective Targets. USAID projects under this objective, Increased Productivity Through Better Health (IPTBH) and Village Level Water and Sanitation (VLWS) provide services in malaria and dengue fever control nationally, and in water and sanitation improvements to five of the six districts. The measurable outputs of these projects will contribute to the improvement of health and health services by reducing the incidence of two

particularly debilitating diseases and preventing or reducing the incidence of water borne and environment related diseases. The institutional development outputs will result in improvement to management of disease control programs, and increased capacity to plan and deliver rural water and sanitation programs.

In 1988/89 the major focus of policy dialogue under this objective will continue to be improved management, which in 1987 was demonstrated to be acutely necessary. As already mentioned in Section 3, there was little progress made in 1987 in effecting structural changes to and improving planning for the programs. The change of implementing agencies for water and sanitation from the Ministry of Health to the Ministry of Natural Resources (MNR) was one reason. The transition from one ministry to the other slowed the implementation of the project by at least one year since the rural water/sanitation unit of MNR had to be built and equipment and personnel transferred. The reluctance of the Director of the National Malaria Control Program (NMCP) to delegate authority to field supervisors was another factor responsible for lack of progress. Added to these, the Aedes Aegypti Control Program (AACP) lost its incumbent Director to external training provided by another donor in August, and suffered two other changes of Director before the end of 1987.

Flaws in the design of the IPTBH project, and problems in project implementation resulted in poor performance overall. This performance was especially dismal in the water component where only 8 wells were successfully completed under IPTBH. Under VLWS, 22 were completed. In both projects, this was well below projections. Poorly maintained equipment, poor site selection, and general overestimation of drilling capacity were principal reasons. There was better performance in latrine construction, although this was also below target. Sustained quality community development is needed to impact on the latter performance.

Statistically, the vector control status appears equally dismal. It is however important to note that 1987 was the first year in which the AACP completed surveys of over 80% of the localities, and in the NMCP over 60% of the targeted communities came under insecticide pressure in two cycles. The AACP determined that 55% of localities were Aedes

positive. On the other hand the house and premises positivity indices were below 10% in four of the six districts. Similarly, while the national incidence of malaria increased to 19/1000, the increase is entirely accounted in three districts. Incidence continues to decline in the remaining three. Given that technically, and logistically, the required inputs to achieving project targets in vector control are all in place, it is expected that with improvements to management and implementation, 1988 and 1989 will see better performance in this area.

Project activities which raise confidence for better performance include the recruitment of a new chief of Party (COP) for the technical assistance team, recent short-term T.A. in community development and epidemiological data collection and analysis, and improved reporting. The new COP is a Management Advisor whose input will be of considerable utility in both project components. The Equipment Maintenance Advisor has been extended twelve months, and will be able to more effectively promote improved maintenance. Procurement which has been delayed by the lengthy process of defining specifications, is proceeding and equipment and materials for FY 1988 should all arrive by June, 1988.

Amendments will be completed in FY 1988 to both the IPTBH and VLWS projects. In both instances, the amendments will

be in the water and sanitation area. The primary focus of the VLWS amendment will be to extend activities to up to 14 additional villages thus providing increased coverage in water and sanitation access. The IPTBH amendment will emphasize institutional development and scale down the targets for FY 89 to levels more realizable by the newly forming rural water/sanitation unit. These amendments will contribute to the eventual reduction of water borne and environmental related disease incidence in Belize, and improved health status. The evaluation in early FY 89 will help determine the viability of extending IPTBH Project activities beyond the current 3/31/89 PACD. Key assumptions for projects' success are (a) policy dialogue efforts will be successful, (b) the GOB will agree to project extensions, (c) strong community development efforts will result in active community involvement in planning, implementation and evaluation of projects, and (d) GOB will impact on the uncontrolled immigration to Belize.

UNICEF is the only other donor of significance in this sector. A missionary related PVO assists the MOH in training voluntary malaria collaborators but this is a small activity. UNICEF's Toledo Water and Sanitation Project ends in April 1988. It provided handpump driven water sources and VIP latrines to 14 villages in the Toledo District. This project, while accomplishing the major part of its physical targets, encountered management problems in health education and community involvement, which may compromise the final objective of proper use of the facilities. These problems are not evident in any of the other projects.

B. Evaluation. A program evaluation of the water/sanitation projects will be conducted in 2Q FY 89. The purpose will be to determine whether sufficient grounds exist for extension of water/sanitation activities under IPTBH, to seek and emphasize complementary activities in the two water/sanitation programs and to assure that any re-directed efforts are consistent with the accomplishment of the objective, with A.I.D.'s development concerns and are realistic. The GOB/MNR will need to demonstrate that it has taken concrete steps to develop a strong capability to plan, deliver, and evaluate water and sanitation progress in the rural areas of Belize. The success and appropriateness of A.I.D.'s policy dialogue efforts will also be an issue.

IPTBH and VLWS project evaluations were conducted in 1987. For IPTBH, there were two additional assessments of the water and sanitation component, focussing mainly on well drilling capability. In all three reports, the need for improved management was stressed, since the targets were not unachievable, given the short time frame. More attention to community development was urged, and an integrated approach was suggested for villages in which all aspects of the project were being implemented. For VLWS greater involvement of GOB/MNR management was recommended. Similar to the IPTBH report, improved management practices in well drilling and overall management by CARE were seen as necessary, as was skills improvement in community development. These evaluations have been very useful in program planning for the action plan period. The project extension for VLWS will benefit from the evaluation's identification of weak areas in project implementation. IPTBH has already been modified to reflect the recommendations of the evaluation.

C. Pipeline and Mortgage. As of December 31, 1987, the total pipeline for the two projects supporting this objective was \$2.672 million, of which \$2.612 million was for IPTBH. Mortgage levels and need for additional funds for these projects are dependent on USAID decision in FY 89 whether or not to extend these projects beyond 1990. VLWS is fully

funded up to FY 87, while IPTBH has a mortgage of \$1.155 million at the end of FY 88. USAID/Belize now proposes to stretch out the mortgage on IPTBH to FY 90, thus making an additional \$500,000 available to extend VLWS through FY 90. The PACD for IPTBH is being extended for two years to permit completion of long term training. An evaluation of the water and sanitation component in 2Q FY 89 will determine whether concrete steps have been taken by GOB to warrant a full activity extension for this component. It is Mission's view that except for improving management, no further A.I.D. inputs would be required for vector control after the current PACD. The evaluation in 2Q FY 89 will also determine to what extent A.I.D. involvement in the water sector should increase. The last assessment done in 3Q FY 87 suggested that \$2.8 million additional resources would be required to attain the original component goals in both physical and institutional development terms.

OBJECTIVE 10: REDUCE INFANT AND CHILD MORTALITY

1. COUNTRY DEVELOPMENT TRENDS INDICATORS

	1985 <u>Actual</u>	1986 <u>Actual</u>	1987 <u>Proj. Actual</u>		1988 <u>Proj.</u>	1989 <u>Proj.</u>	1990 <u>Proj.</u>
A. Infant Mortality Rate (Deaths [0-1 year]/1000 Live Births) <u>a/</u>	23	24.9	23	25	25	23	23

2. AID PROGRAM PERFORMANCE INDICATORS

	1985 <u>Actual</u>	1986 <u>Actual</u>	1987 <u>Proj. Actual</u>		1988 <u>Proj.</u>	1989 <u>Proj.</u>	1990 <u>Proj.</u>
A. No. and % of children under 5 years old immunized against major diseases under AID-supported programs (by major disease). All targets are for under ones.							
BCG	82% <u>b/</u>	n.a.	n.a.	93% <u>d/</u>	95%	95%	100%
DPT-3	59%	83% <u>c/</u>	n.a.	72%	80%	85%	90%
Polio-3	61%	84%	n.a.	76%	80%	85%	90%
Measles	49%	85%	n.a.	65%	75%	85%	90%
B. Number of women receiving family planning services under AID-supported programs:							
1) Private							
Member-users	0	40	200	220	750	1000	1500
Clinic visits <u>e/</u>	0	100	500	1100	4000	5000	6000
2) Public <u>f/</u>	0	0	0	0	0	0	0

a/ MOH statistics

b/ MOH statistics (under-ones) - nationwide

c/ MOH Coverage Survey (0-59 mos.)

d/ MOH Statistics (under ones), 2/88

e/ For all services

f/ There are no public-sector programs in Belize at present.

NOTE: USAID support to EPI is indirect, through PVO activities.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1987 AND EARLY 1988, AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN

	<u>Planned</u>	<u>Actual</u>
<p>A. Encourage GOB to seek alternative means of financing health care and containing hospital costs to increase resources available for rural health care. <u>Discussion:</u> Several meetings have been held on the subject of health care financing. Early in February, 1988, USAID hosted the Belize Health Care Cost and Finance Seminar for 22 public- and private-sector representatives. MOH has planned a study of cost of delivering MCH services (through the public health system) for late 1988 as part of the Accelerated Immunization Plan.</p>	Continuous	Ongoing
<p>B. Urge GOB commitment to support and include volunteer workers in MOH strategies and program implementation. <u>Discussion:</u> A meeting of all MOH staff, policy-makers, and PVOs training Community Health Workers (CHW) was held by MOH and USAID in late FY 87. Since that time, all PVOs have met regularly with the concerned MOH staff to standardize support and program implementation for CHW training.</p>	Continuous	Ongoing
<p>C. Geographic and socioeconomic characteristics of non-vaccinated children identified and strategy formulated to target these harder-to-reach groups. <u>Discussion:</u> Special emphasis EPI campaign in 2 northern districts and one hard-to-reach area in a southern district were held to reverse low coverage rates.</p>	2Q FY 88	50% identified
<p>D. Baseline survey of response/treatment given to children under 60 months during last diarrhea episode occurring within previous two weeks. <u>Discussion:</u> Survey conducted 4Q FY 87 and report finalized 2Q FY 88.</p>	2Q FY 88	2Q FY 88
<p>E. Assistance to MOH to identify most prevalent high-risk factors for infant and maternal mortality and development of management plan for care of high-risk pregnancies. <u>Discussion:</u> Delayed due to other demands on MOH staff time. Revised target 3Q FY 90.</p>	2Q FY 88	20% accomplished
<p>F. Revised MCH statistical collection system including CS data completed. <u>Discussion:</u> MCH Reporting form finalized, introduced, and usage ongoing. Perinatal and CHW data not yet incorporated into system.</p>	3Q FY 88	80% completed

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

	<u>Quarter/Year</u>
A. Encourage GOB to seek alternative means of financing health care and containing hospital costs to increase resources available for rural health care.	Ongoing
B. Urge GOB commitment to support and include volunteer workers in MOH strategies and program implementation.	Ongoing

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

Quarter/Year

A. Geographic and socioeconomic characteristics of non-vaccinated children identified and strategy formulated to target these harder-to-reach groups.	4Q FY 88
B. Development and airing of video and radio spots for child survival messages.	2Q FY 89
C. Revised MCH statistical collection system including CS data completed.	2Q FY 89
D. 25% increase in number of clients utilizing services of Belize Family Life Association Centers (adult/youth; clinical/counselling)	3Q FY 89
E. Breastfeeding training, counselling and information distribution centers functioning in two districts.	4Q FY 89
F. Develop, field-test, and establish a CHW reporting system.	2Q FY 90
G. 50 new Breastfeeding Counsellors trained.	2Q FY 90
H. Assistance to MOH to identify most prevalent high-risk factors for infant and maternal mortality and development of management plan for care of high-risk pregnancies.	3Q FY 90
I. Select and train 30 new CHWs in Child Survival Activities.	4Q FY 90
K. 80% of children under one year of age fully vaccinated.	4Q FY 90
L. 5% increase of children under 60 months given ORT or other appropriate treatment during last diarrhea episode occurring within previous two weeks.	4Q FY 90

6. PROJECTS SUPPORTING OBJECTIVE

<u>Title</u>	<u>Number</u>	<u>New (N) or Ongoing (O)</u>	<u>Type of Funding</u>	<u>LOP (\$000)</u>	<u>L/G/LC</u>	<u>Cum thru FY 1987</u>	<u>OBLIGATIONS</u>		
							<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
Child Survival Technical Support (Project HOPE OPG)	505-0017	O	DA	500	G	500	-0-	-0-	-0-
Breast is Best League	505-0029	O	DA	62	G	62	-0-	-0-	-0-
Maternal and Child Health (CARE OPG)	505-0032	O	DA	250	G	250	-0-	-0-	-0-
Child Survival Support Project	505-0037	N	DA	2,260 ^{a/}	G	-0-	650	650	650

a/

Three funding sources: CS, AIDS, POP

7. NARRATIVE

A. Progress Toward Objective Targets: While the national infant mortality rate declined from 39 per thousand live births in 1980 to 23 per thousand in 1985, it rose slightly in 1986 to 24.9/1000 live births and a slight upward trend for 1987 is again expected. While the slight increase is in part attributable to improved and refined MOH health information system for MCH reporting, it also shows that increased coordination and emphasis on child survival initiatives in Belize is not having the desired effect on hard-to-reach areas and populations.

It is obvious that the immunization program, diarrheal disease control efforts, and other child health initiatives do not reach all areas of the country equally and need to be reinforced at all levels. The indigenous population is growing rapidly, refugees with poor health status continue to move into the country, and GOB health expenditures for preventive care remain static. In this context, considerable coordinated donor assistance is required to support the MOH efforts to maintain status quo and progress beyond. In addition there is evidence that the official mortality statistics and program data do not present an accurate picture of all six districts in the country and that underreporting occurs. In FY 87 and early FY 88, several meetings, seminars, and conferences have been held or sponsored to address the issues of health care financing and GOB support to volunteer workers.

The Mission's objectives are to assist the MOH through PVO activities to strengthen the child survival programs already underway, especially to target high-risk mothers and children, and to extend the services to underserved rural areas. Technical assistance and training in all Child Survival strategies, particularly Control of Diarrheal Disease (CDD), Oral Rehydration Therapy (ORT), Expanded Program of Immunization (EPI), breastfeeding and child-spacing, are needed. More than the technical information, attention is being focussed on collection of reliable and appropriate health data and management of CS programs.

Progress within the four small projects contributing to this objective has been quite good in this plan period. The finalized MCH monthly statistical collection form, a focus of Project HOPE's activities, has been in use for 6 months with monthly statistical report generation returned to each field site within a one-month turn-around time; work on revising other forms has been begun. National-level MOH managers working within child survival areas finished a 9-month Management Training Seminar. Special activities related to CDD and EPI problems in hard-to-reach areas and strategies to determine high-risk pregnancy factors have taken place. Over 30 Community Health Workers have been trained by CARE and are working in child survival activities in 12 villages in the two northern districts of Belize and their work is reinforced by the airing of various child survival health education spots on television and radio in those areas several times a day.

Breast Is Best (BIB) League's breastfeeding promotion activities have been extremely successful in reaching a wide audience through various mass media activities, and BIB has had an increased number of referrals for breastfeeding counselling from private physicians and the MOH clinics. The Belize Family Life Association (BFLA) now has two Family Life Centers established for provision of family planning services and provides family planning services as well through a mobile clinic site, with the number of member-users and clinic visits increasing monthly.

While much remains to be done to extend child survival services to all areas of the country, targetting high-risk mothers and children, the present activities have made a good start. These four activities will be extended for three more years under the Child Survival Umbrella Project. During the next project period, emphasis will be on consolidation of present activities and increasing the PVOs' capabilities towards self-sustainability by the end of this period. The targets given represent the minimum of activities expected by each of the four projects. Supporting these activities is Belize's response to the Accelerated Immunization Project through the Belize EPI Plan, 1988-1991, a coordinated effort of the MOH, UNICEF, PAHO, Rotary International, CIDA, and USAID.

B. Evaluation: No evaluation is planned for USAID activities in this objective area during FY 89-90. The four activities included in the Child Survival Support Project were evaluated in FY 87 and early FY 88. The Child Survival Program evaluation showed that both the CARE and HOPE projects have made substantial gains in establishing their activities within the first 18 months of the project period and recommended continuation of each project for three more years to build on and solidify the activities established. The BIB and BFIA evaluations showed successful projects being implemented by indigenous PVOs. Recommendations were made by both evaluators to continue each project's activities for three more years to allow for program expansion at the same time as support is given to increase the PVOs' administrative capabilities for more effective program management.

C. Pipeline and Mortgage: As of December 31, 1987, the pipeline amount for the four ongoing PVO projects supporting this objective was \$362,153. This pipeline should be entirely expended by 3Q FY 88. The funding for the Child Support Survival Project is from FY 88-91. After FY 90 this project will have a mortgage level of \$310,000.

OBJECTIVE 12: IMPROVE EDUCATIONAL OPPORTUNITIES

1. COUNTRY DEVELOPMENT TRENDS INDICATORS

	1985	1986	1987		1988	1989	1990
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Persons Enrolled in Vocational/Technical Training in GOB and Private Secondary and Post-Secondary Institutions	n.a.	n.a.	n.a.	3,500	3,600	3,700	3,700
B. Persons Receiving Business/Management Training in GOB and Private Post-Secondary Institutions	n.a.	n.a.	n.a.	560	600	680	700

2. A.I.D. PROGRAM PERFORMANCE INDICATORS

	1985	1986	1987		1988	1989	1990
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Persons Receiving Training under A.I.D.-Supported Vocational/Technical and Management Programs:							
(1) Vo-Tech Training, MOE: Total	0	0	2,100	2,000	2,100	3,200	3,200
-- Male	0	0	900	900	900	1,400	1,400
-- Female	0	0	1,200	1,100	1,200	1,800	1,800
(2) Skills Training, BIM: Total	0	0	30	31	50	80	80
-- Male	0	0	15	0	30	50	50
-- Female	0	0	15	31	20	30	30
(3) Management Training, BIM: Total	0	31 ^{a/}	200	468	500	580	580
-- Male	0	15	120	284	300	350	350
-- Female	0	16	80	184	200	230	230

n.a. - not available

a/ In last year's Action Plan, we counted participants at a BIM introduction to computers course "Computer Camp". This was not a management or a management support course; therefore, it is not counted here.

	1985 <u>Actual</u>	1986 <u>Actual</u>	1987		1988 <u>Proj.</u>	1989 <u>Proj.</u>	1990 <u>Proj.</u>
			<u>Proj.</u>	<u>Actual</u>			
B. Number of Organizations Assisted by PRIDE:							
(1) % of people well informed on dangers of drugs	0	10	20	20	40	60	80
(2) Youth, Church, and Civic Organizations assisted	0	10	20	25	35	50	60

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1987 AND EARLY FY 1988, AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN

	<u>Planned</u> ^{a/}	<u>Actual</u>
<u>Training for Employment and Productivity:</u>		
A. BIM courses	30/yr by 4Q FY 88	29/yr by 1Q FY 88
B. (1) Number of private sector participants at BIM courses	400/yr by 4Q FY 88	303/yr by 1Q FY 88
(2) Number of GOB participants at BIM courses	100/yr by 4Q FY 88	165/yr by 1Q FY 88
C. BIM establishes outreach/technical assistance services	by 2Q FY 88	3 TAs by 4Q FY 87
D. National Vocational Plan developed and revised, if necessary	by 3Q FY 88	on target
<u>Discussion:</u> The targets set in last year's Action Plan were for late FY 88 and FY 89, not FY 87 and early FY 88. All targets will have been met or exceeded earlier than anticipated.		

Drug Awareness Education:

A. Mass media message dissemination to 3 target groups	2Q FY 88	20% Accomplished
<u>Discussion:</u> A documentary on the drug situation in Belize is to be completed 3Q FY 88 and will be aired in segments on Belizean T.V. Comprehensive mass media strategy not yet formulated.		
B. Technical Assistance and resources to 30 groups in 6 districts	30 - 3Q FY 89	19 - 2Q FY 88

^{a/} Targets due after 2Q FY 88 are included because accomplishments are ahead of schedule.

C. Support to Youth Groups in 6 districts

6 - 1Q FY 89 6 - 2Q FY 88

D. Operational Research initiated regarding percent involvement

4Q FY 89 2Q FY 88

Discussion: PRIDE/Belize has selected a pilot school and started initial parent meetings and activities.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

Training for Employment and Productivity:

A. Review and increase salaries for vocational education teachers:

Review initiated 1Q/FY87; incorporated in National Vocational Plan 3Q/FY88; implementation starts 1Q/FY90

B. Foster public sector utilization of private sector training opportunities:

Discussions since 1Q/FY87; 196 received training thru 1Q/FY88; GOB supportive to date: Continuous

Drug Awareness Education Project: USAID does not engage in policy dialogue with GOB on narcotics matters; however, USAID/Belize's project in narcotics education supports Embassy efforts in this area.

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

Quarter/Year

Training for Employment and Productivity Project 505-0020:

Belize Institute of Management Component:

A. (1) 3 full-time staff members	2Q FY 88
(2) --10 part-time instructors	4Q FY 88
--15 part-time instructors	4Q FY 89
(3) Executive Board & Advisory Board functioning	4Q FY 88
(4) --25 courses per year	4Q FY 88
--30 courses per year	4Q FY 89
(5) --2 on-demand private sector courses/consultancies per year	4Q FY 88
--3 on-demand private sector courses/consultancies per year	4Q FY 89
B. (1) --350 private sector managers receive training per year	4Q FY 88
--400 private sector managers receive training per year	4Q FY 89
(2) --150 public sector administrators receive training per year	4Q FY 88
--180 public sector administrators receive training per year	4Q FY 89

- | | |
|--|----------|
| C. --110 skilled and semi-skilled workers receive technical training | 4Q FY 88 |
| --350 skilled and semi-skilled workers receive technical training | 4Q FY 90 |

Ministry of Education Component:

- | | |
|--|----------|
| D. National Vocational Plan developed and updated periodically | 4Q FY 88 |
| (1) Vo-Tech Training Unit established and staffed | 3Q FY 88 |
| (2) National Advisory Committee functioning | 4Q FY 88 |
| (3) --50 instructors upgraded thru workshops/internships/participant training | 4Q FY 88 |
| --20 additional instructors upgraded | 4Q FY 89 |
| (4) --1 key school better equipped | 1Q FY 89 |
| --Another key school better equipped | 1Q FY 90 |
| (5) --Occupational standards and training specifications developed for 2 trades | 4Q FY 88 |
| --Occupational standards and training specifications developed for 2 additional trades | 4Q FY 89 |
| (6) --1 new technical program underway | 1Q FY 89 |
| --2 additional new technical programs underway | 1Q FY 90 |
| (7) --2,300 new workers trained thru the vo-tech schools receiving assistance | 4Q FY 89 |
| --2,800 new workers trained thru the vo-tech schools receiving assistance | 4Q FY 90 |
| E. (1) Quarterly professional vo-tech newsletter in circulation | 3Q FY 88 |
| (2) --Recommendations for salary adjustments presented to Cabinet by MOE | 1Q FY 89 |
| --Salary adjustments implemented | 1Q FY 90 |
| (3) National professional organization, Belize Vocational Association, functioning | 3Q FY 88 |
| (4) Student clubs formed | 2Q FY 89 |
| (5) Media campaign to improve image of skilled workers and vo-tech education underway | 1Q FY 89 |

Public Sector Management Component:

- | | |
|--|----------|
| F. (1) Management training needs analyses of 15 key GOB agencies completed | 3Q FY 88 |
| (2) Training plans developed based on analyses and implementation initiated thru BIM seminars, participant training, or specialized in-country courses | 4Q FY 88 |
| (3) Manpower survey report completed | 3Q FY 88 |

Drug Awareness Education:

- | | |
|--|----------|
| A. Networking with existing organizations - encourage formation of additional youth action groups and continue support to existing groups: | |
| (1) Develop drug prevention package for use with parent groups | 4Q FY 88 |
| (2) Continue participation in National Drug Advisory Council | Ongoing |

- B. School Outreach to incorporate Drug Education in the curriculum of all schools:
- (1) Finalize primary school curriculum and train teachers in use 1Q FY 89
 - (2) Introduce secondary school curriculum manual to all high schools 3Q FY 89
 - (3) PRIDE personnel conduct course at tertiary institutions annually 3Q FY 89
- C. Ensure accurate information is accessible to people in all areas of Belize:
- (1) Establish "mini resource centers" in all district towns and train volunteers to manage 3Q FY 88
 - (2) Management Information System tracks all materials, visits, presentations by staff and volunteers Ongoing
- D. Media program that targets youth and parents nationwide:
- (1) Modify existing printed materials and design new materials 4Q FY 88
 - (2) Continue to produce and improve the quality and increase circulation of the Newsletter Ongoing
 - (3) Define a mass media strategy that includes mix of media, and identifies key messages 4Q FY 88
- E. Ensure Self-Sustainability:
- (1) Determine which fundraising activities are most feasible for PRIDE and train staff and volunteers in fundraising 1Q FY 89
 - (2) Obtain commitment from GOB for phase in of financial support 3Q FY 88
- F. Determine Impact:
- (1) Design and administer pre-test 3Q FY 88
 - (2) Administer post-test 1Q FY 90

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	L/G/LC	OBLIGATIONS			
						Cum. thru FY 87	FY 1988	FY 1989	FY 1990
Training for Employment & Productivity	505-0020	0	DA ESF LC	6,000 (450)	G LC	3,500 (20)	450 (130)	1,250 (300)	500 -0-
CVSS Guidance & Placement Center OPG	505-0026	0	DA	180	G	80	30	70	-0-

Belize Drug Awareness Education - PRIDE OPG	505-0033	0	DA	1,000	G	750	-0-	250	-0-
Program Dev. & Support	505-0000	0	DA	n.a.	n.a.	160	70	47	50

7. NARRATIVE:

A. Progress toward Objective Targets. A.I.D.'s principal focus in improving education opportunities in Belize is on strengthening the institutions which train the present and future workforce in management and technical skills needed to achieve dynamic, responsive expansion of the private sector. The centerpiece in this objective is the Training for Employment and Productivity (TEP) Project which is contributing to the establishment of the Belize Institute of Management as a viable training institution, determining and facilitating the training needed by GOB administrators key to the export and tourism strategy, and restructuring and improving the MOE vocational and technical program. Two small projects complement the larger effort: the Guidance, Counselling and Placement Center program which has been assisting young job seekers and the Drug Education Awareness Project which aims to inform the public concerning the dangers of drugs to society and youth in particular.

Policy dialogue related to the TEP Project is progressing in a satisfactory manner. The MOE has already requested that the Establishment Department and Public Service Commission review the salary structure for secondary school teachers, including vocational instructors. The National Vocational Plan includes a teacher certification program, setting standards and recommending salary scales that are more equitable than in the past. When that Plan is reviewed by the MOE, it will submit the specific recommendations to the Establishment Department. It is anticipated that a new salary structure will be in place by the 1989-90 school year. In terms of public sector utilization of private sector training opportunities: all Ministries contacted through the process of conducting training needs assessments have been positive and, in fact, training for public officers has already been initiated at BIM; almost 40 percent of participants at BIM courses have been from the GOB.

There has been progress toward meeting the targets set out in the TEP Project. In the BIM Component: a) BIM has set up an office and training facility and has three full-time staff members; b) 7 part-time trainers have begun their training; c) the pro-temp Executive Board has been meeting regularly to set policy and give direction; an Advisory Board has been appointed and has met once; a membership drive is ongoing, the first Annual General Meeting is scheduled for the end of March, 1988, and a new Executive Board will be elected; d) as of December 1987, BIM presented 29 courses, 5 of which were customized; e) BIM has established a library, has provided technical assistance to 3 private sector organizations; f) 468 persons received management training and 31 workers received skills training through BIM. In the MOE Component: a) a new division, the Vocational/Technical Training Unit has been established within the MOE; an office has been set up, with 3 full-time staff members; b) a National Advisory Committee has been appointed and will review the National Vocational Plan drafted by the Vo/Tech Training Unit with project assistance; c) as of December 1987, 45 instructors/administrators received in-service training in vocational education; d) equipment has been procured for the Vo/Tech Training Unit and two programs, as well as instructional aids for the 9 GOB vo-tech schools; e) training specifications and occupational standards have been developed for two trades as part of the

package for the introduction of one new training program, Radio and T.V. Repair, and one existing program, Catering; f) one new program has been developed and will be implemented in the 1988-1989 school year, when all the equipment has been installed; g) the 2,300 students at the 9 GOB vo-tech schools have benefited from improved teaching methods introduced through the in-service training; h) the Belize Vocational Association has been formed, has organized one Convention, publishes a quarterly newsletter, and disseminates information to encourage linkages with the private sector through Craft Committees; i) a campaign is underway to improve the public image of skilled workers and vocational educators; j) the draft of the National Vocational Plan includes strategies to develop the Vo-Tech Training Unit and the salary structure of vocational educators; although the MOE has not yet formally reviewed the Plan in final form, indications to date are that they agree with the major tenets of the Plan. In the Public Administration Component: a) almost all the training needs assessments/training plans for 15 key GOB agencies have been completed and the feedback to date from the corresponding Ministries has been positive; b) training has already been initiated through participant training and 196 public officers received training through BIM as of December 1987.

The Project Management Team reviewed the logframe in January 1988 and recommended the following changes for the BIM Component: at least 100 management courses presented by end of FY 90, instead of 93; and 350 skilled and semi-skilled workers receiving training, instead of 435, due to decision to concentrate on developing and delivering top-quality management and management support courses (such as computer applications). The projected numbers of private and public sector managers receiving training through BIM will exceed original estimates; 1,350 private sector managers instead of 1,000 and 600 public sector administrators instead of 350. These changes reflect the high attendance at BIM courses since October, 1986, and the recommendations in the public sector training plans to use BIM as the principal source of training to improve administrative skills. In the MOE component, the Team recommends changing Output 4c from "Vocational Education Institutions Upgraded" to "Instructors at the 9 GOB Vo-Tech Institutions Upgraded" to reflect teacher training supported by the project which was not set out in the original logframe as an output. In addition, the output related to development of occupational standards and training specifications will be modified. Instead of the target of standards for 10 trades, the project will facilitate the development of the standards for each new trade program (at least 3 are planned) initiated under the project and the Vo-Tech Training Unit will collaborate with the CARICOM efforts to develop standards for the region.

The TEP Project will be amended to provide additional support to the MOE Component so that the gains to be achieved under the project, as presently designed, can be consolidated and to expand upon the original scope of institutions to benefit from the project. The Vo/Tech Training Unit will be coordinating inservice training, curriculum revision/development, workshop upgrading, introduction of new programs, resource materials, a management information system, and outreach services to the business sector and private institutions, as it spearheads the development of a vocational/technical education system. The original project design included support to establish the Unit and to strengthen two key institutions. However, the present funding is insufficient to develop the Unit, to enable it to fulfill its mandate in a more comprehensive manner, and to assess the impact of the improvements and new programs to be introduced under the project. In addition, the Unit plans to extend its services beyond the formal programs in the GOB vo-tech schools to non-formal programs and the private schools and to coordinate with the primary schools in pre-vocational/career counselling programs. Therefore, we propose to add \$1.0 million to the project and extend the PACD by two years.

Important assumptions for reaching the objectives of the TEP Project include: (a) the economy will continue to expand to absorb better-trained entrants and to motivate management and specialized skill-upgrading on the part of the present workforce; (b) the GOB will continue to promote exports, investments, and tourism; (c) the GOB will continue to consider vocational/technical training a top priority; (d) the Belize Chamber of Commerce and Industry will continue its commitment to the Belize Institute of Management.

A.I.D. is the only donor supporting management training in the form of short courses and technical assistance to the private sector. However, the MOE is receiving assistance from Ferris State University of Big Rapids, Michigan, to develop the new University College of Belize (UCB), which will have a Bachelor Degree program in Business Administration. The UCB will also have programs in teacher training, including vocational education, but these programs will not start in the immediate future. The MOE receives limited support from the Canadian Government through the CIDA regional project to upgrade curriculum for courses in the CXC Examination program. A few of the vo-tech instructors are Peace Corps and VSO Volunteers. The Mexican Government provided funds for the construction of one technical school, and the USAID/RDOC funded the construction of another through the Basic Needs Trust Fund Project. The BIM Advisory Board and the National Advisory Board for Vocational/Technical Training will provide coordination for management training and vo/tech training efforts, respectively.

As of December 1987, the Guidance and Placement Center registered 1,383 job seekers, provided guidance counselling to approximately 2,400 of these, and placed 180 persons in jobs. Some of the revisions to the G&PC program anticipated in last year's Action Plan did not take place due to changes in the staff. However, the G&PC did concentrate more attention on contacting potential employers and following up on placements and fee payments. In addition, two workshops in career counselling were conducted at the Teacher's College and a secondary school. The project was evaluated in January, 1988, and the original PACD has been extended to May 31, 1988. A continuation phase will be designed in March-April, 1988 and integration into the Training for Employment and Productivity Project will be explored.

The second phase of the Drug Education Awareness Project, implemented by Parents Resource Institute for Drug Education, Inc. (PRIDE) through PRIDE/Belize, is progressing satisfactorily. A Belizean Director has been selected and promises to provide the dedicated national leadership the program has needed to convince the public of the dangers to their society and youth in particular, of the growing drug trade and consumption. The formation of a National Drug Advisory Council chaired by the Deputy Prime Minister is a positive step for Belize. PRIDE has improved its program management and data collection system and is upgrading the skills of its staff in a variety of areas. The lack of a clearly defined media strategy has been identified as a weakness and plans have been made to develop this strategy. In general targets are being met.

B. Evaluation. There is a program evaluation of the USAID/Belize private sector portfolio, scheduled for April 1988, which will include an assessment of the support provided to private sector development by the TEP Project. The findings and recommendations of the evaluation report will be used in designing future yearly implementation plans; also, the findings will be useful in designing the proposed project amendment. An evaluation of the CVSS Guidance and

Placement Center Project was conducted in January 1988. Significant findings indicate a) The services provided by the G&PC are needed and should be continued; however, there is a need to streamline the services and for staff training; b) The management of the project by the recipient organization (CVSS) needs to be improved; c) There are other options, such as incorporating the activities as another component of the TEP Project, which should be explored. The Mission will determine whether it is best to continue the grant agreement with CVSS or another recipient and incorporate recommend changes, or to amend the TEP Project to include another small component.

C. Pipeline and Mortgage. As of December 31, 1987, the total pipeline for the projects under this objective amounted to \$2.632 million, of which the TEP Project accounted for \$2.337 million. With the additional \$1.0 million TEP Project Amendment in FY 89, this Project will have a mortgage of \$300,000 after FY 90.

OBJECTIVE 13: INCREASE NUMBERS AND IMPROVE EFFECTIVENESS OF PARTICIPANT TRAINING

1. COUNTRY DEVELOPMENT TRENDS INDICATORS

NCNE

2. A.I.D. PROGRAM PERFORMANCE INDICATORS

	1985	1986	1987		1988	1989	1990
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
Number of Persons Beginning Training under CLASP							
1. Short-Term -- Total	15	64	63	63	55	61	50
a. Men	12	23	43	41	30	42	30
b. Women	3	41	20	22	25	19	20
2. Long-Term -- Total	4	12	14	14	16	15	13
a. Men	4	9	9	9	10	9	7
b. Women	0	3	5	5	6	6	6

a/ FY 87 projected figures are taken from the 1987 CTP update and differ from those given in the 1987 Action Plan for FY 88/89.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1987 AND EARLY 1988

<u>Target</u>	FY 87		FY 88	
	<u>Planned</u>	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>
Trained Belizeans under CAPS:	76	76	72	11(2Q)
- Secondary school science teachers	24	23		
- Community health workers	23	24		
- Youth leaders	9	9	10	
- Business leaders	6	6		
- Youth scholarships (academic)	10	10	10	
- Special program	3	3		
- Health sector (long-term)	1	1		
- Farmers	12			11
- Primary school principals			24	
- Microentrepreneurs			10	
- Private sector business people			6	
- Journalists/media personnel			12	

Discussion. Targets for FY 87 were basically met. Short-term technical training for 12 farmers planned for FY 87 was delayed to early FY 88 due to programming difficulties and the need to find a "window" when farm activities are at their lowest.

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4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

NONE

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

	<u>Quarter/Year</u>
A. 24 primary school principals receive short-term training and skills upgrading	3Q FY 88
B. 10 microentrepreneurs to receive short-term training in management	3/4Q FY 88
C. 12 journalists/media personnel to receive short-term training in mass media	3/4Q FY 88
D. 10 young Belizeans to receive short-term training in leadership skills and peer counselling	3Q FY 88
E. 6 long-term scholarships in business studies for private sector personnel	4Q FY 88
F. 10 long-term academic scholarships for young people from economically disadvantaged backgrounds	4Q FY 88
G. 25 rural primary health care workers to receive short-term training	3Q FY 89
H. 24 short-term scholarships for rural women working with cooperatives and extension	FY 89
I. Long-term academic scholarships for scholastically outstanding youths from economically disadvantaged backgrounds	FY 89/90
J. Short-term scholarships for a group of young Belizeans who are leaders in their local 4-H clubs	3Q FY 90
K. Short-term training for women in early childhood development and pre-school activities and care	FY 90

-62-

6. PROJECTS SUPPORTING OBJECTIVE

<u>TITLE</u>	<u>Number</u>	<u>New (N) or Ongoing (O)</u>	<u>Type of Funding</u>	<u>LOP (\$000)</u>	<u>L/G/LC</u>	<u>OBLIGATIONS</u>			
						<u>Cum thru FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
Central American Peace Scholarships Program	597-0001/ 505-0039	0	DA/ESF	3,413 ^{a/} / 4,200 ^{b/}	G	2,213	600	600	600 ^{b/}

^{a/}Authorized level of funding

^{b/}Planned level of funding

7. NARRATIVE

A. Progress Toward Objective Targets. A major goal of the Central American Peace Scholarships Program is to increase the number of individuals from socially and economically disadvantaged classes who receive training in the United States. This training opportunity increases the direct exposure to American principles of democracy and freedom of those people who have traditionally been targeted for training in Soviet and Bloc countries. In addition, the training will enable recipients to become more effective and productive in their professions, thus contributing positively to the development of Belize.

In FY 1987, 22 community health workers (CHWs) and two public health nurses received short-term scholarships to upgrade their skills in different areas of community health work and relations. The majority of these workers were Maya Kekchi or Maya Mopan Indians; all of them come from the most economically depressed and rural area of Belize. Both the cultural experience and the additional training are perceived by the CHWs' communities as being important and enhancing the stature of the CHW in the community.

Some 23 secondary school science teachers also received training during FY 1987, to improve their teaching skills and to broaden their scope of reference as science teachers. At the same time they were experiencing life in an academic community and shared in the activities of that community. Nine young Belizeans participated in a program to increase youth leadership skills during the fourth quarter of FY 1987, and 6 business leaders, all in tourist and hotel trades, undertook individually tailored programs in their area of specialization. These programs are based on hands-on training, and involve considerable participation in the business community life.

Ten young Belizeans were awarded scholarships for undergraduate study, commencing in 1987. The awards were based on academic excellence and economic need, and fields of study range from marine biology to agricultural business to mathematics and English. The expected length of study ranges from two academic years to three years. 4 other long-term scholarships were also awarded during 1987; one Master's Degree program in Public Health/Health Services Administration, and three Bachelor's programs for students who had previously studied in Eastern Bloc countries. These programs range from two to four years.

B. Evaluation. Aguirre International has been contracted by AID/W to conduct an on-going evaluation of the CAPS program. To date, the Belize CAPS program meets the goals for female participation and for scholarship recipients from socially and economically disadvantaged sectors of the population. The Country Training Plan has been revised to increase the percentage of CAPS scholars participating in long-term training. Belize has met the requirement for use of HBCU's; however, the experiences have not been uniformly positive. The short-term program at a HBCU in FY 1986 was well executed and met all expectations. Long-term academic placement in FY 87 was less successful and may require that the students be transferred to another institution.

C. Pipeline and Mortgage. As of Dec. 31, 1987, the reported pipeline for the Belize CAPS program amounted to \$1.481 million. These figures are misleading, though, since the use of PIO/P's requires full up-front commitment of funds, even though disbursement of a portion may not take place until up to three years later, in the case of long-term academic training. In addition, there have been time lags of up to six months between accrual of an expenditure and disbursement, caused by delays in posting of call forward dates. A more realistic estimate of CAPS pipeline would be \$520,000.

The current PACD for the CAPS program is September 30, 1993. During FY 89-90, USAID will use ESF to fund the CAPS Program at \$600,000 annually. Under the extended Central American Initiative program, if AID/W authorizes funding through FY 1992, USAID/Belize will request additional funding to continue the CAPS program during this period.

B. PROGRAM SUMMARY

SUMMARY PROGRAM FUNDING TABLE
Dollar Program by Functional Account
(\$000)

<u>PROJECT TITLE AND NO.</u>		<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
<u>Agriculture, Rural Development and Nutrition</u>				
Program Dev & Support (G)	505-0000	100	50	50
Livestock Development (G)	505-0006	700	1,000	1,300
Rural Roads & Bridges (G)	505-0007	1,300	0	400
Rural Roads & Bridges (L)	505-0007	0	775	900
Commercialization of Alternative Crops (G)	505-0008	0	950	1,050
Toledo Agricultural Marketing	505-0016	<u>1,300</u>	<u>300</u>	<u>300</u>
Sub-Total		3,400	3,075	4,000
(Grant)		(3,400)	(3,075)	(3,100)
(Loan)		---	(775)	(900)
<u>Population Planning</u>				
Child Survival Support (G)	505-0037	20	20	---
Sub-Total		20	20	---
(Grant)		-(20)	(20)	---
(Loan)		---	---	---
<u>Health</u>				
Program Dev & Support (G)	505-0000	80	20	20
Increased Productivity Through Better Health (G)	505-0018	720	600	555
Village Level Water & Sanitation (G)	505-0024	200	175	125
Health Technical Services Support (G)	505-0041	<u>0</u>	<u>95</u>	<u>200</u>
Sub-Total		1,000	890	900
(Grant)		(1,000)	(890)	(900)
(Loan)		---	---	---
<u>Child Survival Fund</u>				
Child Survival Support (G)	505-0037	530	530	650
Sub-Total		530	530	650
(Grant)		(530)	(530)	(650)
(Loan)		---	---	---
<u>AIDS Fund</u>				
Child Survival Support (G)	505-0037	100	100	---
Sub-Total		100	100	---
(Grant)		(100)	(100)	---
(Loan)		---	---	---

Education & Human Resources

Program Dev & Support (G)	505-0000	70	47	50
Training for Employment and Productivity (G)	505-0020	450	1,250	500
Drug Awareness Program (G)	505-0033	0	250	0
Pilot Guidance and Placement Service (G)	505-0026	30	70	0
Central American Peace Scholarships (G)	505-0039	<u>300</u>	<u>0</u>	<u>0</u>
Sub-Total		850	1,617	550
(Grant)		(850)	(1,617)	(550)
(Loan)		---	---	---

Selected Development Activities

Program Dev & Support (G)	505-0000	100	98	100
National Development Foundation of Belize (G)	505-0011	600	0	0
Export & Investment Promotion(G)	505-0027	300	870	0
Private Sector Investment (G)	505-0040	200	200	0
Central American Peace Scholarships (G)	505-0039	300	0	0
Export Investment Credit (G)	505-0019	0	0	700
Export Investment Credit (L)	505-0019	<u>0</u>	<u>0</u>	<u>400</u>
Sub-Total		1,500	1,168	1,200
(Grant)		(1,500)	(1,168)	(800)
(Loan)		---	---	(400)
TOTAL Development Assistance		7,400	7,400	7,300
(Grant)		(7,400)	(7,400)	(6,000)
(Loan)		---	---	(1,300)

Economic Support Fund

Central American Peace Scholarships (G)	505-0039	0	600	600
Commercialization of Alternative Crops (G)	505-0008	0	1,070	300
Export & Investment Promotion(G)	505-0027	0	330	0
Export Investment Credit (L)	505-0019	<u>0</u>	<u>0</u>	<u>1,100</u>
Sub-Total		0	2,000	2,000
(Grant)		0	(2,000)	(900)
(Loan)		0	---	(1,100)
<u>PL 480 Section 416</u>		2,900	N.A.	N.A.

PROGRAM TOTAL		10,300	9,400	9,300
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Summary Project List, By Objectives

PROJECT TITLE	NUMBER	OBJECTIVES														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<u>ADRN</u>																
Livestock Development	505-0006	P				S										
Rural Access Roads and Bridges	505-0007	S					P									
Commercialization of Alternative Crops	505-0008	S				P										
Toledo Agricultural Marketing	505-0016	S				P										
BEST	505-0030	P														
Macal Dairy Cooperative	505-0036	P														
<u>HE</u>																
Increased Productivity Through Better Health	505-0018									P						
Village Level Water and Sanitation	505-0024									P						
<u>CS</u>																
Child Survival Support	505-0037								S	S	P					
<u>EHRD</u>																
Training for Employment and Productivity	505-0020					S										P
Drug Awareness Program	505-0033									S						P
Pilot Guidance and Placement Service	505-0026															P
Central American Peace Scholarships	505-0039												S	P		
<u>SDA</u>																
National Development Foundation	505-0011		P													
Export and Investment Promotion	505-0027		S			P										
Private Sector Investment	505-0040		S			P										
Strengthening of Financial Institutions	505-0019		P			S										
<u>ESF</u>																
Counterpart Fund II	505-0012			P	S	S										

C. SPECIAL PROGRAM ANALYSIS

1. Amendment and New Project Descriptions

a. Project Documentation and Development Schedule

<u>Project and No.</u>	<u>Type of Amendment</u>	<u>Arrival of Design Team</u>	<u>AID/W or Field Review</u>	<u>Date of Obl.</u>	<u>Date to AID/W</u>
Natl.Dev. Foun- dation/Belize, 0011	OPG Amendment	3/14/88	4/88 Field	5/31/88	6/30/88
Village Level Water and Sani- tation, 0024	OPG Amendment	6/1/88	6/88 Field	6/30/88	7/31/88
Export and In- vestment Promo- tion, 0027	PP Amend- ment	7/1/88	8/88 Field	8/30/88	9/30/88
Training for Employment and Productivity, 0020	PP Amend- ment	2/1/89	3/89 Field	3/31/89	4/30/89
Commercializa- tion of Alterna- tive Crops, 0008	PP Amend- ment	3/1/89	4/89 Field	5/31/89	6/30/89
Export Invest- ment Credit, 0019	PID PP	5/31/89 8/1/89	7/89 10/89 both in AID/W	7/31/89 10/31/89	

USAID believes that the above schedule, in spreading out project development activities from March 1988 through August 1989, poses little burden on USAID staff in comparison to the years prior to 1988 which included much new project development. The burden is also lessened by the fact that five of the six activities involve amendments to existing projects. The amendments are straightforward; they involve expansion of original components or additions of relatively modest new activities, complementary to original activities, to enhance the original projects. In most cases, USAID staff will be supplemented by PD&S-funded consultants.

b. Project Amendment

GOAL: Laying the basis for long-term growth

OBJECTIVE: Strengthen the private sector by providing technical assistance and credit to micro-enterprises and small businesses.

PROJECT TITLE: National Development Foundation of Belize OPG (Amendment)

PROJECT NO.: 505-0011

PROJECT FUNDING: (\$000) Cum. FY 87 - 172; FY 88 - 600; LOP - 872

FUNCTIONAL ACCOUNT: Selected Development Activities

A. Relationship to A.I.D. Country Strategy/Objectives: The project is the key A.I.D. activity under objective No. 5 Strengthen the Private Sector and is responsive to recommendations of the NBCCA report. Further, it responds directly to the 1988 Continuing Resolution which earmarked \$50 million for micro-enterprise and small business development. The project has been in USAID's portfolio since 1984, and a significant project in USAID's private sector strategy since that time. The amendment will enable NDF/B to continue to develop the Belizean private sector from the bottom-up - a process which is particularly appropriate for Belize, given the underdeveloped nature of the private sector.

B. Relationship to Host Country and Other Donors: Micro-enterprise development is clearly a priority of the GOB, as so stated in its Five Year (1985-89) Macro-economic Plan. From 1984 through 1987, AID and the GOB programmed a total of \$588,000 in ESF LCs for on-lending by the NDF/B. In addition to GOB and A.I.D. support, the NDF/B has received limited assistance from the Inter-American Foundation and one or two other donors.

C. Conformance with Agency and Bureau Policies: Belizean private sector involvement, through voluntary time and cash contributions are key to the success of the project. Interest rate policy per the Draft Policy Paper on Financial Markets Development will be adhered to. Gray amendment procurement for technical assistance will be determined during intensive review.

D. Project Description: The project purpose is to provide support for a program in expanding and strengthening the lower levels of the private sector, i.e. the micro and small scale entrepreneurs, and create a more solid base for their development and that of the overall private sector, through the provision of credit, business guidance and training. To date, \$272,000 in Grant funds have been obligated to fund administrative costs, technical assistance, training, travel and commodities. Funds for onlending have been provided with ESF local currencies (total:\$588,000) and reflows therefrom. The project has been successful with approximately 550 loans made to 450

enterprises, with a total loan portfolio of \$900,000 and a bad loan rate of 6 per cent. The amendment will expand the number of enterprises receiving assistance to approximately 950 and the loan portfolio to \$2.2 million. In addition to the line items currently funded, new funds will be provided for credit (\$400,000). In addition, one of the primary objectives of the amendment will be to make the NDF/B as financially viable as possible. The amendment process will consist of requesting an amended proposal from the NDF/B. This, along with results from the evaluation scheduled in March 1988, will be incorporated into the program description of the amended OPG.

<u>Outputs, EOP, 9/30/89</u>	<u>Cum. Status as of 9/30/87</u>	<u>Revised</u>
-- Credit and technical assistance delivered to 770 direct beneficiaries by end of project	432	950
-- 244 women are direct beneficiaries	81	301
-- 2,366 jobs protected/saved	741	2,920
-- 326 new jobs created	184	400
-- 916 loans made	518	1,150
-- \$1,702,000 loaned	\$878,000	\$2.2 million
-- \$156,000 raised in local fund raising	\$ 97,000	\$250,000

Implementing Agencies : An amendment to the OPG to NDF/B will be executed. The NDF/B has successfully implemented its program without substantial involvement of A.I.D., and the relationship is expected to continue as such. The NDF/B is an indigenous PVO and registered with PPC PVC/FVA.

Method of Obligation: An Operational Program Grant in accordance with procedures outlined in Handbooks 3 and 13.

E. Mission Management

The Chief of the Program and Project Development Office will assume overall responsibility for project monitoring. This USDH employee will supervise a FSN PSC project manager.

F. OPG approval: USAID /Belize requests Bureau concurrence with A.I.D. Representative delegation to approve the OPG.

G. Potential Issues: Self-sustainability of the NDF/B; interest rate on loan funds to NDF/B.

H. A.I.D./W TDY Support for Project Development: None needed.

I. Estimated OPG Amendment Approval: May 31, 1988.

c. Project Amendment

GOAL: Wider Distribution of Benefits of Growth

OBJECTIVE: Improve Health and Health Services

PROJECT TITLE: Village Level Water and Sanitation

PROJECT NUMBER: 505-0024

PROJECT FUNDING: (\$000) Cum. FY 87 - 700; FY 88 - 200; FY 89 - 175;
FY 90 - 125; LOP - 1,200

FUNCTIONAL ACCOUNT: DA - Health

A. Relationship to A.I.D. Country Strategy/Objectives: USAID/Belize strategy in the Health sector is to promote improvements which will reduce the number of work days lost to production due to sickness from preventable diseases. The final objective is to increase productivity by improving health status. Extension of this project will contribute to increased access of the rural population in two districts to safe water and adequate sanitation. This will lead to a decrease in the incidence of water borne and environment related diseases in both the adult and child population.

B. Relationship to Host Country and Other Donors: The GOB is strengthening and consolidating efforts to extend safe water supply and access to adequate sanitation to rural communities. In 1986, the Ministry of Natural Resources was given the responsibility for rural areas in addition to the urban responsibility, which the Ministry already had. There are three donor funded projects in the water and sanitation area which provide coverage in all six districts of Belize. This project has provided water and sanitation assistance to 16 villages to date and the amendment will allow assistance to up to 14 more villages. The other projects in this area are a bilateral project funded by USAID and a UNICEF funded project.

C. Conformance With Agency and Bureau Policies: This project will be implemented by a Private Voluntary Organization (CARE), and will promote community involvement. Gray Amendment procurement will be determined during project design.

D. Project Description: The project purpose is to assist the GOB in developing a Water and Sanitation program in rural villages in the Corozal and Orange Walk districts of Belize. This three year extension builds on the successful efforts of the current four year project and will have the following components:-

- a) Water Supply - provision of (i) rudimentary water systems to communities larger than 300 people, (ii) drilled wells and handpumps to other communities

- b) Sanitation - construction of ventilated improved pit latrines
- c) Health Education and Community Development - establishment of functioning village health committees.

The implementing agencies will be CARE, and the Ministry of Natural Resources (MNR). CARE will provide health education and community development assistance, and will implement the latrine and rudimentary water systems construction. The MNR will drill all wells, and install handpumps.

<u>Original Outputs</u>	<u>Accomplishment to date</u>	<u>Revised Outputs</u>
1187 latrines	955 latrines	Not yet determined;
100 wells/HP	42 wells/HP	awaiting proposal
2 rudimentary	1 complete RWS	from CARE.
water systems	1 in progress (80%)	
16 VWSC's	6 VWSC's	

Method of obligation: Amendment to the operational program grant to CARE, in accordance with Handbooks 13 and 3.

E. Mission Management: A USDH employee in the General Development Office will assume overall responsibility for project monitoring. This officer will supervise a FSN personal services contractor.

F. OPG Amendment Approval: USAID/Belize requests Bureau concurrence with A.I.D. Representative authority to approve the OPG Amendment.

G. Potential Issues: Drilling capacity of MNR.

H. AID/W Support for Project Development: None requested.

I. Estimated OPG Amendment Approval: June 30, 1988

d. Project Amendment

GOAL: Laying the basis for long-term growth.

OBJECTIVE: Increase Belizean exports by 1) strengthening the Belize Chamber of Commerce and Industry (BCCI); 2) promoting investments through the BCCI's Export and Investment Promotion Unit (BEIPU); and 3) providing technical assistance for export financing proposal preparation and analysis.

PROJECT TITLE: Export and Investment Promotion

PROJECT NUMBER: 505-0027

PROJECT FUNDING: (\$000) CUM. FY 87: 3,000; FY 88: 300; FY 89:1,200; LOP: 4,500

FUNCTIONAL ACCOUNT: Selected Development Activities
Economic Support Funds (ESF)

A. Relationship to A.I.D. Country Strategy/Objectives: The project is part of AID's strategy for the CBI in the LAC region and responsive to recommendations of the NBCCA report. It is a key project under Objective No. 5, Promote Exports and is closely coordinated with the other projects under Objective No. 5, especially Commercialization of Alternative Crops, 505-0008. The project was identified in the 1986 CDSS, which focused the mission's program on "economic stabilization, agricultural diversification, export promotion and selected human resources development."

B. Relationship to Host Country and Other Donors: In its Five Year Macro-Economic Plan (1985-1990), the GOB identified the development of agricultural diversification for exports, tourism, and light industry as priorities. The GOB provided strong support to the establishment of BEIPU in the Belize Chamber of Commerce and Industry and participates on the BEIPU Board of Directors in an advisory capacity. In reviewing applications for investment incentives, the Ministry of Economic Development (MED) coordinates closely with BEIPU. MED is the implementing agency for a World Bank loan to the GOB for agricultural exports. Investors assisted by BCCI/BEIPU could be recipients of sub-loans under the World Bank credit project. To facilitate this complementary process, the Amendment will provide technical assistance to: 1) BEIPU in loan proposal preparation; and, 2) through MED, to Central Bank and the Development Finance Corporation (DFC) in loan policy formulation, and analysis and monitoring of loans for export sub-projects. Expansion of existing activities include under the Amendment: additional support to the Belize National Tourism Council (BNTC) for institutional strengthening and wild life preserve and archeological site improvement; and additional funds to IESC for technical assistance for product improvement.

C. Conformance with Agency and Bureau Policies: The project is primarily a private sector project and the activities implemented by the GOB are to support export promotion by the private sector. There may be an opportunity for Gray Amendment firms to provide TA and such procurement will be determined during intensive review.

D. Project Description

The original project purpose was to develop the capacity of the private sector to promote, provide technical assistance for and facilitate export and tourism projects undertaken in Belize. Since the Amendment will provide technical assistance through the Ministry of Economic Development, the purpose statement will be changed to read: to develop the capacity of the private and public sectors, to promote and provide technical assistance for and facilitate export and tourism projects undertaken in Belize. Original activities and outputs of the project will not change. However, four new complementary outputs to the original activities and outputs will be added, as summarized below.

Original Activities/Outputs

Status

- | | |
|---|---|
| -- BEIPU established within BCCI | Completed |
| -- BCCI establishes export and investment promotion services | Completed |
| -- Project analysis, selection and facilitation capabilities established within BEIPU: 40 projects per year assisted by BEIPU | Approximately 60 assisted to date |
| -- 11-15 projects per year receive IESC or SUSTAIN technical assistance | Approximately 12 received IESC/
SUSTAIN TA |
| -- BCCI establishes a monitoring and follow-up procedure | In process |
| -- Belize Tourism Board strengthened | In process. BTB replaced by Belize National Tourism Council (BNTC). Contract for Tourism Promotion completed. |

Additional Activities/Outputs per Amendment

Targets

- | | |
|---|----|
| -- Chamber of Commerce (BCCI) core staff and membership strengthened to support export and investment promotion activities and to provide for self-sustainability | xx |
| -- Sub-project proposals and loan applications prepared for export projects through the use of TA | 50 |
| -- Financial institutions receive technical assistance in policy formulation, loan proposal analysis and portfolio management/monitoring | xx |

- BNTC strengthened and wildlife preserves and archeological sites improved 6
- IESC provides TA clients in product improvement 28

Implementing Agencies

As under the original project, private sector activities will be implemented by the BCCI and IESC, and public sector activities by MED. Technical assistance for loan proposal preparation and assistance to financial institutions will be provided under institutional contracts.

Method of Obligation

The cooperative agreement with BCCI and IESC will be amended to include the BCCI strengthening and the loan proposal preparation activities, while the current grant agreement with the GOB will be amended to include technical assistance to financial institutions and the B.N.T.C. activity.

E. Mission Management: The chief of the Program and Project Development Office has overall responsibility for project monitoring. This USDH employee supervises the FSNPSC project manager.

F. Amendment Approval: USAID/Belize requests Bureau concurrence with AID Representative delegation of authority to approve the Amendment.

G. Potential Issues: 1) Through technical assistance, AID support of the World Bank Credit Project and the Development Finance Corporation, which is a sub-entity of the Ministry of Economic Development.

H. A.I.D./W TDY Support for Project Development: Technical services will be contracted to assist in the design of the Amendment.

I. Estimated Date of Amendment Approval: August 30, 1988

e.

Project Amendment

GOAL: Wider sharing of benefits

OBJECTIVE: Improve Educational Opportunities by assisting GOB vocational technical training institutions.

PROJECT TITLE: Training for Employment and Productivity (TEP)

PROJECT NUMBER: 505-0020

PROJECT FUNDING: (\$000) Cum FY 87 - 3,500; FY 88 - 450; FY 89 - 1,250; FY 90 - 500; FY 91 - 300; LOP - 6,000 (G)

FUNCTIONAL ACCOUNT: DA - Education

A. Relationship to A.I.D. Country Strategy/Objectives: The TEP Project addresses the constraints to development in Belize posed by lack of management training opportunities for both the private and public sectors and inadequate preparation of both existing and new workers. This project is an integral part of USAID's program to strengthen the private sector. Priority is given to training for individuals involved in export promotion and tourism. Therefore, this project is closely linked to the Belize Export and Investment Promotion Project and our efforts in agricultural diversification.

B. Relationship to Host Country and Other Donors: The GOB top priority areas for development are agriculture and tourism. The private sector, represented by the Belize Chamber of Commerce and Industry, has identified the need for management training. Although the new University College of Belize is developing a Bachelor's program in Business Administration with assistance from Ferris State University of Big Rapids, Michigan, A.I.D. is the only donor supporting management training that fills the present needs of the private sector.

The GOB ranks vocational-technical training second only to basic primary education. The Canadian Government provides limited input to the vo-tech system through its regional project in the Caribbean to upgrade the curricula for courses in the Caribbean Wide Examination program. A few of the vo-tech instructors are Peace Corps Volunteers. The Government of Mexico provided funding for the construction of one technical school, and USAID/RDOC funded the construction of another through the Basic Needs Trust Fund Project. However, the TEP Project is the only concerted effort to build an effective, comprehensive system based on a National Plan.

C. Conformance with Agency and Bureau Policies: The project will improve educational opportunities by providing relevant training. The private sector has ample input in determining training needs and program design, and it is the major beneficiary of project achievements.

D. Project Amendment Description: This amendment will provide additional funding to the Ministry of Education (MOE) Vocational Education Unit component of the TEP Project. It is anticipated that the other two components will not require additional funding. In the MOE component, additional inputs are needed in order to ensure that project achievements are not short-lived. To date, with support from the project, the Vo-Tech Training Unit has been established, a National Vocational Plan has been drafted, in-service training for instructors has been initiated, the package for one new training program has been designed, and a strategy is being developed for other new programs and upgrading existing programs. These initiatives are supported by the MOE's commitment to the development of the Unit and to the establishment of appropriate salary levels for vo-tech instructors. In order to consolidate and expand upon the actual and planned gains in this component, we propose to add \$1,000,000 to the project and extend the PACD by two years, through September 1992.

With additional planning, the Vo-Tech Training Unit will be able to implement its strategies more comprehensively. The 9 GOB vo-tech institutions will receive the more complete packages of teacher training, curriculum revision, and equipment upgrading that the two key schools are scheduled to receive. The private secondary schools with vo-tech programs will be able to participate more fully and benefit from the coordination mandate of the Unit. The Unit will be able to move forward with its plans to collaborate with the primary schools on a pre-vocational/career counselling program, particularly for the last two years of primary school (equivalent to Grades 7 and 8). The Unit will also be able to address and respond to the need for non-formal skills training, such as night school programs, for individuals outside the school system.

The original outputs for the Training for Employment and Productivity Project listed in the Project Paper are: 1) BIM developed and staffed, offering diverse management, public sector and skills training courses; 2) supervisors trained in appropriate skills in existing and new enterprises; 3) skilled craftsmen trained in appropriate skills in existing and new enterprises; 4) Ministry of Education vocational and skills training, planning and management functions strengthened, instructors' capabilities upgraded, and key institutions better equipped; 5) status of skilled workers and vocational educators enhanced; and 6) improved capacity within the GOB for providing timely Government services to execute the country's export and tourism promotion strategy. These outputs will not change as a result of the proposed Amendment, in fact with the exception of outputs 4) & 5) we anticipate full achievement of the end of project status as defined in the PP by the original PACD. With respect to the Vocational Education related outputs 4 & 5, the outputs will remain unchanged but the objectively verifiable indicators will change. The actual changes in the indicators are as follows:

<u>Expanded Activities</u>	<u>Outputs</u>
--GOB vo-tech schools better equipped	9
--Instructors from private schools upgraded	20
--Design of pre-vocational program	X
--Design of non-formal skills training program	X

Implementing Agencies: The project will continue working with the MOE, in particular with the Vo-Tech Training Unit.

Method of Obligation: The present grant agreement with the GOB will be amended.

E. Mission Management: The General Development Officer, a USDH, will be the Project Officer, assisted by the Education Project Manager, a PSC funded by the project. The present technical assistance contractor, the GE International Service Company, will continue to provide one long-term advisor and short-term technical assistance, and will arrange participant training and commodity procurement. The advisor will be the counterpart to the Vo-Tech Education Officer and will be supervised by the Project Officer.

F. Amendment Approval: USAID/Belize requests Bureau concurrence with AID Representative authority to approve project extension.

G. Potential Issues: The MOE must be prepared to staff the Vo-Tech Unit adequately to enable it to fulfill its mandate. In addition, the MOE must be prepared to take on a new responsibility in non-formal skills training programs.

H. A.I.D./W TDY Support for Development of Amendment: One person from LAC/DR/EST should be on the amendment design team.

I. Estimated Period for Amendment Approval: March 31, 1989

f. Project Amendment

GOAL: Laying the basis for long-term growth

OBJECTIVE: Promote exports by enhancing agricultural diversification in Belize

PROJECT TITLE: Commercialization of Alternative Crops (CAC)

PROJECT NUMBER: 505-0008

PROJECT FUNDING: (\$000) CUM FY 87: \$4,800; FY 88: 0; FY 89: 2,020;
FY 90: 1,350; LOP: \$8,170 (G)

FUNCTIONAL ACCOUNT: DA - ARDN
ESF

A. Relationship to A.I.D. Country Strategy/Objectives: The CAC Project is the major agriculture project promoting agricultural diversification to reduce Belize's heavy reliance on sugar as the major foreign exchange earner. The project is an integral part of USAID's program to promote exports to facilitate economic growth over the longer term. As the CDSS noted "domestic food security and increased export earnings will come almost exclusively from the agricultural sector...and this sector holds the greatest potential for long-term economic growth in Belize".

B. Relationship to Host Country and Other Donors: The proposed project amendment is based upon and is consistent with the GOB's Five-Year Macro-Economic Plan for 1985-1989 and the Food and Agricultural Policy statement prepared in 1986. It supports the GOB's diversification efforts to enhance non-traditional agricultural exports as potential sources of foreign exchange. The World Bank Credit Project targetting agricultural export producers will strongly complement diversification efforts under the CAC Project.

C. Conformance with Agency and Bureau Policies: The project will promote exports by improving policies to encourage and facilitate agricultural diversification and improve the productivity of the fisheries and forestry sub-sectors. This is consistent with A.I.D. policies encouraging structural reforms to improve the policy environment and promote sustainable economic growth over the longer term.

D. Project Amendment Description: This amendment will provide additional funding to the Ministry of Agriculture (MOA) and the Ministry of Natural Resources (MNR) under the CAC Project to undertake important policy changes and improvements to accelerate agricultural diversification in Belize and enhance the productivity of the fisheries and forestry sub-sectors and improve land titling operations.

Presently, the CAC Project has two major components: a private sector component which is developing non-traditional crops for export and/or import substitution in the two northern sugar-producing regions, and a public sector

component which is strengthening the Ministry's technical and project implementation capabilities. The proposed amendment is an agricultural sector support activity designed to assist the GOB to implement, through the MOA and MNR, policy changes essential for accelerating agricultural diversification efforts as well as increasing the productivity and, hence, the contribution to exports of the fisheries and forestry sub-sectors.

In particular, the project will address GOB policies creating disincentives to diversifying agriculture to alleviate constraints and reduce substantial risk to small farmers cultivating non-traditional crops. Efforts to structure the economy so as to reduce costs of production, handling, distribution, processing export and land transfer will need to parallel efforts to identify alternative crops which perform well under growing conditions in Belize, as conducted in the private sector component of the CAC project.

Further, the proposed project amendment will address major constraints to improving fisheries production and export. It is notable that Belize's export of marine products has dropped from \$7.5 million in 1985 to only \$5.4 million in 1987, indicative of the deteriorating conditions in the fishing grounds. This is the direct result of overexploitation which has been exacerbated by the lack of coherent GOB policies in the fishing industry. To bring about this change, the proposed amendment would assist the GOB in improving its fishery conservation policies and help create a separate Fishery Conservation Compliance Unit within the Fishery Department. In addition to providing equipment to this Unit, this activity will include staff training; research and development activities, particularly in offshore fishery; and arranging credit programs. Incorporated in the Fishing activity would be the active participation of Fishing cooperatives. This will include (1) assistance to small fishermen with improved technology that is environmentally sound; (2) strengthening GOB's delivery of technical assistance to cooperatives and mariculture fishing activities, (3) refinement and expansion of a program that provides small fishermen with the knowledge to husband and manage fishery resources on a renewable basis and, (4) promote joint ventures.

In the case of forestry, the proposed amendment will encourage the GOB to adopt a rational use of forest resources. It is surprising that Belize, despite its vast forest reserves and vegetation, exports less than \$1.0 million of wood and wood products annually since 1985. This is not due to the lack of good export quality hardwood or a conscious effort on the GOB's part to restrict export. Rather, it is the lack of an overall program to enhance production and export of wood products. This project amendment will assist the GOB in implementing a national development plan for the forestry sector to cover forest management and reforestation policies, licensing regulations and wood export development, including stimulation of additional markets specializing in the use of secondary hardwoods.

The proposed amendment will also improve land titling and land records to facilitate a quick and accurate way of identifying land available for use. This will contribute to Belize's agricultural sector's growth since the Government, a major owner of land in Belize, can improve and expand the

economic base by increasing the amount of land available for development. A constraint which inhibits more economic use of the land is the existing land title system (records) which is neither up to date nor centralized. This is complicated in rural areas by hand kept ledgers that are inaccurate and outdated. A solution to the land title records problem is to design and implement a simple and efficient system of identifying, recording and updating land title records. The system would consist of a series of standardized forms and procedures for recording land title. The land records would be computerized using a network data base which is available in off-the-shelf programs. The system established would consist of hardware, software, and training of GOB staff to generate and maintain the system.

Activities/Outputs

Original

Status

- | | |
|---|---|
| -- Creation of the Belize Agri-business Company (BABCO) | BABCO has been established and functioning for 2 years |
| -- Production/Marketing of non-traditional export crops (at least 2 major export crops and 3,000 acres planted) | Farm trials have been made for 16 export vegetable and fruit crops with encouraging results |
| -- Production/processing/marketing of import substitution crops | Farm trials have been made for 2 oilseed crops |
| - GOB participation in BABCO to indicate seriousness in promoting agricultural diversification | The MOA, through the Permanent Secretary, actively participates in BABCO Board |
| -- Development of an Action Plan to strengthen the MOA | 14 assessments of MOA functions to improve operations have been completed |

Additional with Amendment

Target Output

- | | |
|--|--|
| -- Support policy improvements to promote agricultural diversification | Improved GOB investment incentives and tax policies affecting agricultural exports and small farmers |
| -- Establishment of Fisheries Conservation Compliance Unit (FCCU) | -- FCCU in place by 1990
-- 5% annual growth in exports of fish products by 1991 |
| -- Strengthening of the Department of Forestry | -- A National Forestry Development Plan formulated by 1990
-- 10% annual growth in exports of wood products by 1991 |

-- Improvement of Belize's land titling system An upgraded land titling and records system in place by 1990

Implementing Agency: The project will be implemented by the Ministry of Agriculture and the Ministry of Natural Resources

Method of Obligation: The present CAC Project Grant Agreement with the GOB will be amended to provide additional funding for the activities under the proposed amendment.

E. Mission Management: The Agricultural Development Officer, a USDH, will be the Project Officer, assisted by a PSC Project Manager to be funded by the project. The U.S. technical assistance contractor(s) will be selected on a competitive basis and will provide one long term advisor and short-term consultants as needed.

F. PID and PP Approval: USAID/Belize requests Bureau concurrence with A.I.D. Representative delegation of authority to approve the Amendment.

G. Potential Issues:

- Use of ESF instead of DA for the proposed amendment.
- Additional GOB financial and staff contribution.
- Completion of proposed activities by 1992.

H. A.I.D./W TDY Support for Development of Amendment: One person from LAC/DR/ARD should be on the amendment design team.

I. Estimated Date of PP Amendment Approval: May 31, 1989

g. New Project Description

GOAL: Laying the basis for long-term growth

OBJECTIVE: Strengthening of financial institutions to enable financing of new and expanded projects in agricultural and industrial exports and tourism.

PROJECT TITLE: Export Investment Credit

PROJECT NUMBER: 505-0019

PROJECT FUNDING: (\$000) FY 1990 \$2,200 (G&L) FY 1991 \$2,000 (G & L)
FY 1992 \$1,800 (L) LOP \$6,000

FUNCTIONAL ACCOUNT: Selected Development Activities (SDA)
Economic Support Funds (ESF)

A. Relationship to A.I.D. Country Strategy Objectives: In conformance with A.I.D. Private Enterprise Development Policy Paper, the project will provide institutional development, technology transfer, and financial resources to Belizean IFI's for the financing of export activities. Thus, in accordance with NBCCA/MBO obj. 2 the private sector will be strengthened and, indirectly with obj. 5, exports will be promoted. This will be a follow-on project to the Commercial Bank Discount Fund (505-0005, 1983 to 1987) and Sec 416 credit activities (1988-89).

B. Relationship to Host Country and Other Donors: In its Five-Year Macro-Economic Plan and other planning documents, the GOB places highest priority on agricultural diversification for exports, and the development of tourism and light industry. To support its agricultural diversification efforts, the GOB is negotiating a loan with the World Bank for the provision of credit for export crops. During 1988 and 1989, the A.I.D. program will complement this effort by providing technical assistance to financial institutions under the Export and Investment Promotion project 505-0027 and by programming Sec. 416 local currencies for credit in the northern districts. The Export Investment Project will be a follow-on to the efforts begun in 1988.

C. Conformance with Agency and Bureau Policies: This is a project for the private sector and to be implemented by the private sector. Credit funds are provided to IFIs will be at market interest rates, as will the rate to the final borrower.

D. Project Description: Funds will be provided to two to four private financial institutions for on-lending, either directly or indirectly through the Central Bank of Belize. Technical assistance (cost: \$1,000,000) in loan analysis and portfolio management will be tailored to IFIs' needs. Out of the \$5,000,000 loan fund, \$1,000,000 will be set aside for small businesses. It is anticipated that a total of 50 loans will be made for separate investments.

E. Mission Management: The chief of the Program and Project Development Office will assume overall responsibility for project monitoring. This USDH officer will supervise a FSNPSC project manager who will have direct responsibility for the project.

F. PID and PP Approval: AID/W

G. Potential Issues: Interest rate, if special circumstances warrant a more concessionary rate.

H. AID/W TDY Support for Project Development: One Officer from either LAC/DR/CAR or LAC/PS needed for both PID and PP development.

I. Estimated PID Approval: July, 1989; PP Approval: October, 1989.

2. Food Aid

Section 416 Sugar Quota Offset Program

The 1986 Sugar Quota Offset Program Agreement was signed on February 18, 1987 for US\$1.5 Million. The 1986 program is for wheat which is being used in the production of flour and flour products. The wheat is sold by the GOB to the private Belize Mills Ltd. under a monetization plan. As of February 1, 1988, two shipments of wheat have been delivered, generating US\$635,000. The local currency equivalent of this amount has been deposited in a special account at the Central Bank.

The GOB and USAID have negotiated a Memorandum of Understanding (MOU) which details the arrangement for the use of the local currency generated through the sale of Section 416 commodities. Development projects and activities which support agricultural diversification in the northern sugar producing districts of Orange Walk and Corozal are eligible for financing under the 416 Sugar Quota Offset Program.

The GOB and USAID are currently negotiating an amendment to the Section 416 Sugar Quota Offset Program Agreement for the 1987 allotment of \$2.9 million. The GOB has indicated that wheat and soybeans are the preferred commodities. These products pose no potential disincentive effects on local production, i.e. wheat is not produced and soybeans produced only in experimental quantities. The amendment is expected to be signed in March, 1988. USAID/Belize does not have any other program activities under PL 480 sponsorship other than the Sugar Quota Offset Program.

Beneficiaries under the Agreement are farmers in the two northern districts who have been adversely affected by reductions in the sugar quota. Programming of Section 416 local currencies for agriculture diversification will enhance DA-funded diversification efforts by providing: much-needed credit for small farmers switching to export crops, access roads, and special diversification activities. The Ministry of Economic Development (MED), Ministry of Works (MOW), and Ministry of Agriculture (MOA) are the cooperating agencies. All three are capable ministries with successful track records in implementing AID-financed projects.

3. USAID/Belize Local Currency

Local currencies in Belize are generated from two sources: the ESF cash transfer program which has been in place since FY 84 and the Section 416 Sugar Quota Offset Program which started in FY 87. USAID programming of the ESF and Section 416 local currencies is consistent with the supplemental guidance on local currency management issued in October, 1987. Under the ESF Program, the local currency funds are programmed to support the GOB's Capital II budget (i.e., as counterpart to AID projects and those of other donors and for local capital expenditures of GOB projects) as well as selected private sector development activities approved by USAID. Some 6% of the ESF local currency generations is used to defray the local currency operating costs of the AID Mission.

Local currency generated under the Section 416 Program are also programmed to support the GOB's development budget. However, since this Program's principal purpose is to partly offset the country's loss of foreign exchange due to reductions in the U.S. sugar quota, Section 416 local currencies are to be used exclusively for GOB development projects/program activities promoting agricultural diversification in the two northern sugar producing regions.

The new guidance has resulted in two major developments in USAID's local currency management. One, to enable us to conform more fully with the guidance's stringent monitoring and evaluation requirements, the Mission intends to recruit a new, program-funded FSN PSC whose responsibilities, among other things, will be to more actively monitor and evaluate ESF local currency-funded GOB and other donor projects. This is the best option given the additional burden imposed on project management and controller staff by the immediate need for more project implementation oversight, even for small local currency programs like in Belize.

Secondly, USAID is currently discussing with GOB the new guidance's policy for local currencies to be placed into interest-bearing accounts in a deposit-taking institution. The local currencies generated under the two programs are presently deposited in two separate special accounts at the Central Bank and earn no interest. This arrangement was agreed to by USAID and the GOB for the ESF Program in February 1985, since all GOB financial transactions are done exclusively with the Central Bank. This is also in line with GOB and Central Bank policy not to favor any of the country's four private commercial banks. The Section 416 Program follows the same system.

USAID has formally sought the views of the Ministry of Finance, the implementing agency for the ESF Local Currency Program, on the interest-bearing account policy. While we have not received any official GOB response, USAID believes the GOB position is not to favor putting the local currency in an interest-bearing account. The A.I.D. Representative will have to make a determination whether or not to follow the guidance's preference for interest-bearing accounts based on the GOB's response as well as other economic and political considerations. A copy of the determination shall be provided the LAC Assistant Administrator and PPC/PDPR.

FY 1987
LOCAL CURRENCY UTILIZATION
(\$ 000)

A. USES	-----SOURCES-----							OTHER	TOTAL
	ESF	PL 480 I	IPL 480 II	IPL 490 III	SEC. 416				
HG BUDGET GENERAL	--	--	--	--	--	--	--	--	--
HG BUDGET ATTRIBUTED	--	--	--	--	--	--	--	--	--
HG CONTRIBUTION TO AID PROJECTS	1,829	--	--	--	--	--	--	--	1,829
HG CONTRIBUTION TO OTHER DONOR PROJ.	--	--	--	--	--	--	--	--	--
HG MANAGED L/C PROJ. (GOVT OR PRIVATE)	1,207	--	--	--	--	--	--	--	1,207
AID MANAGED L/C PROJ	--	--	--	--	--	--	--	--	--
AID OE TRUST FUND	124	--	--	--	--	--	--	--	124
AID PROJ TRUST FUND	--	--	--	--	--	--	--	--	--
SECTION 108	--	--	--	--	--	--	--	--	--
OTHER	--	--	--	--	--	--	--	--	--
TOTAL	3,160	--	--	--	--	--	--	--	3,160
B. CHANNEL FOR ASSISTANCE *									
PUBLIC SECTOR	2,886	--	--	--	--	--	--	--	2,886
PRIVATE SECTOR	150	--	--	--	--	--	--	--	150
TOTAL	3,036	--	--	--	--	--	--	--	3,036

-87-

*Determined by organization primarily responsible for managing the local currency resources and delivery of goods and services; excludes AID's OE Trust Fund.
**One page for each fiscal year, 1987 through 1990,

FY 1988
LOCAL CURRENCY UTILIZATION
(\$ 000)

A. USES	SOURCES							OTHER	TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC. 416				
4G BUDGET GENERAL	--	--	--	--	750	--	--	750	
4G BUDGET ATTRIBUTED	--	--	--	--	--	--	--	--	
4G CONTRIBUTION TO AID PROJECTS	1,550	--	--	--	--	--	--	1,550	
4G CONTRIBUTION TO OTHER DONOR PROJ.	--	--	--	--	--	--	--	--	
4G MANAGED L/C PROJ. (GOVT OR PRIVATE)	150	--	--	--	--	--	--	150	
AID MANAGED L/C PROJ	--	--	--	--	--	--	--	--	
AID OE TRUST FUND	175	--	--	--	--	--	--	175	
AID PROJ TRUST FUND	--	--	--	--	--	--	--	--	
SECTION 108	--	--	--	--	--	--	--	--	
OTHER	--	--	--	--	--	--	--	--	
TOTAL	1,875	--	--	--	750	--	--	2,625	
B. CHANNEL FOR ASSISTANCE *									
PUBLIC SECTOR	1,550	--	--	--	750	--	--	2,300	
PRIVATE SECTOR	150	--	--	--	--	--	--	150	
TOTAL	1,700	--	--	--	750	--	--	2,450	

*Determined by organization primarily responsible for managing the local currency resources and delivery of goods and services; exclude AID's OE Trust Fund
 *One page for each fiscal year, 1987 through 1990.

FY 1989
LOCAL CURRENCY UTILIZATION
(\$ 000)

A. USES	-----SOURCES-----							OTHER	TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC. 416				
HG BUDGET GENERAL	--	--	--	--	1,050	--	--	1,050	
HG BUDGET ATTRIBUTED	--	--	--	--	--	--	--	--	
HG CONTRIBUTION TO AID PROJECTS	1,320	--	--	--	--	--	--	1,320	
HG CONTRIBUTION TO OTHER DONOR PROJ.	--	--	--	--	--	--	--	--	
HG MANAGED L/C PROJ. (GOVT OR PRIVATE)	180	--	--	--	--	--	--	180	
AID MANAGED L/C PROJ	--	--	--	--	--	--	--	--	
AID GE TRUST FUND	--	--	--	--	--	--	--	--	
AID PROJ TRUST FUND	--	--	--	--	--	--	--	--	
SECTION 108	--	--	--	--	--	--	--	--	
OTHER	--	--	--	--	--	--	--	--	
TOTAL	1,500	--	--	--	--	--	--	2,550	
B. CHANNEL FOR ASSISTANCE *									
PUBLIC SECTOR	1,320	--	--	--	1,050	--	--	2,370	
PRIVATE SECTOR	180	--	--	--	--	--	--	180	
TOTAL	1,500	--	--	--	1,050	--	--	2,550	

*Determined by organization primarily responsible for managing the local currency resources and delivery of goods and services.

**One page for each fiscal year, 1987 through 1990

FY 1990
LOCAL CURRENCY UTILIZATION
(\$ 000)

A. USES	SOURCES								TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC. 416		OTHER		
HG BUDGET GENERAL	--	--	--	--	2,600	--	--	--	2,600
HG BUDGET ATTRIBUTED	--	--	--	--	--	--	--	--	--
HG CONTRIBUTION TO AID PROJECTS	--	--	--	--	--	--	--	--	--
HG CONTRIBUTION TO OTHER DONOR PROJ.	--	--	--	--	--	--	--	--	--
HG MANAGED L/C PROJ. (GOVT OR PRIVATE)	--	--	--	--	--	--	--	--	--
AID MANAGED L/C PROJ	--	--	--	--	--	--	--	--	--
AID OE TRUST FUND	--	--	--	--	--	--	--	--	--
AID PROJ TRUST FUND	--	--	--	--	--	--	--	--	--
SECTION 108	--	--	--	--	--	--	--	--	--
OTHER	--	--	--	--	--	--	--	--	--
TOTAL	--	--	--	--	2,600	--	--	--	2,600
B. CHANNEL FOR ASSISTANCE *									
PUBLIC SECTOR	--	--	--	--	2,600	--	--	--	2,600
PRIVATE SECTOR	--	--	--	--	--	--	--	--	--
TOTAL	--	--	--	--	2,600	--	--	--	2,600

-06-

*Determined by organization primarily responsible for managing the local currency resources and delivery of goods and services.
*One page for each fiscal year, 1987 through 1990

4. Women in Development

In a small country like Belize, all Human resources need to be utilized to the fullest in order to realize the country's potential. Women's vital role in developing Belize has yet to be recognized by society at large or by the women themselves.

Belize is a multi-ethnic country with great diversity in family relations, culture and economic conditions. Because of this diversity, it is difficult to generalize regarding the situation of Belizean women. A few statistics concerning national averages are available, but these are not necessarily applicable to each ethnic group or district. In 1983, 27.3 % of households were headed by females. 75.5% women are employed outside of the home; of these only 56% were working full time, many are underemployed. The majority of employed women work in the Government Service (29%) or in the commercial sector as typists, clerks, salespersons, cleaners, etc. In professional and technical jobs, female employment was around 23% of the female work force, especially teachers and nurses. Females enroll in slightly greater number than males up to the secondary school level; however, fewer women go on to university for higher qualifications. Currently there are no women Ministers in Government, although the Governor General (titular head of state), and two Permanent Secretaries are female.

In terms of health status, Belizean women are somewhat better off than their Central American neighbors. Life expectancy is 71.2 years and the official maternal mortality rate is quite low (.5 per 1000 live births). The fertility rate is high (4.5 births per woman in 1985) and teenage pregnancies account for nearly 21 percent of all live births. In 1985 only 45 % of all births were to married women.

The AID Belize program addresses the objective of increasing women's economic participation through integration within AID projects rather than designing specific women's projects or components. In addition to the traditional focus on women as beneficiaries of health projects, we have attempted to ensure that women benefit from agriculture and private sector initiatives. The Training for Employment and Productivity Project incorporates several strategies for involving women in export and tourism related enterprises. Within the collaborating training institutions, women are being recruited as trainers. The MOE's newly formed Vocational Education Division has enunciated a policy of enrolling girls in traditionally male trade tracts and of developing programs which will prepare females for changing needs in the work force, i.e. hospitality and computer related courses. One achievement in this area is that the Vocational Training Center has been opened to women; 17 young women are currently enrolled in a school that was formerly all male. They are studying plumbing and residential wiring. The project is also focussing resources throughout the country on vocational education programs that are female dominated, including business and commercial studies, food and nutrition, and clothing and textiles.

Many Belizean Private Voluntary Agencies receiving support from AID are led by women and assisting women. The Guidance Counselling and Placement Center, managed by the Council for Voluntary Social Services whose Executive Director

is a woman, is responding to women's needs for employment: 72% of their job seeking registrants were female and 71% of those placed in jobs were women. The Belize Family Life Association is continuing to assist more women in particular with education, counselling or services in reproductive health and family spacing. They are expanding their services to additional urban centers and experimenting with outreach services to rural area. Their Executive Director is a woman and the Board of Directors is largely female. The newly elected President of the Board of the Belize Chamber of Commerce and Industry, the leading private sector organization in the country, is a dynamic woman who is pledged to making the organization responsive to Export and Investment Promotion. Another important member of the BCCI Board is a woman active in Tourism. The local IESC representative is also a Belizean woman and she has arranged a number of IESC technical assistance sub-projects whose beneficiaries are women owners of businesses. Women are also direct beneficiaries of the National Development Foundation Project. Nearly one third of NDF/B clients are women microentrepreneurs. The ratio is expected to rise as NDF/B plans to more actively canvas groups who work directly with women microentrepreneurs or assist women to become microentrepreneurs.

AID Belize is proud of the fact that from the start of the CAPS program in 1985 41% of the CAPS scholars have been females. We intend to continue urging women to apply and ensure that influential as well as economically disadvantaged women are included. In FY 89 we plan to target Hispanic and Mayan women in the Northwest District of Belize.

Our plans for the Action Plan period include institutionalizing our attention to gender issues within the Mission's project design review process as well as in implementation. The WID Officer will continue to participate in the bi-monthly portfolio reviews for all sectors in order to better monitor the effects implementation is having on women as well as to propose areas for further analysis. The communication already initiated with the GOB Women's Department will be continued. This has involved sharing with the Women's Department information on all AID projects in Belize and discussing ways to ensure a positive impact. We are also attempting to build a data base on women in Belize by combining information from our individual sources. This will assist GOB and donors to better plan and evaluate projects that can effect women's economic participation. The Mission will persevere in its efforts to ensure at least 40% female participants in CAPS. This will be accomplished by advertisements encouraging women to apply and insisting on the targets when nominations are suggested by institutions.

PART III

A. Management Strategy

1. Summary and Critical Management Issues for AID/W Decision

a. Introduction

LAC guidance following last year's Action Plan review concluded that there is a possibility that the bilateral program might conclude at the end of the Central American Initiative stretch-out (end of FY 1992), that additional assistance before 1992 could be provided through amendments to existing projects and projects already approved for design, and that USAID/Belize should proceed on the presumption that a new CDSS will not be necessary unless there is a decision to enter into a new long-term commitment to Belize beyond 1992.

The guidance to provide additional assistance through amendments was welcome, given USAID's thinly-stretched staff. OYB's for FY 1988 through FY 1990 will be used to pay mortgages on existing projects and for amendments to existing or approved projects, and not for new projects. USAID staff will be able to concentrate on successful implementation of existing projects, and will not be burdened with designing and starting up new projects. The process of providing additional assistance through existing projects and consolidation of the portfolio, as described in the FY 1988-89 Action Plan and below, has reduced the burden on the 6 USDH officers. However, several issues stem from the fact that USAID has a small staff. These issues are discussed below.

b. Issues

Urgent need for Management Officer: Findings and Recommendations of USAID Internal Control Assessments (ICA) for FY 87, and RIG audit of USAID's portfolio and operating expenses have identified weaknesses which stem from the fact that USAID does not have a Management/Administrative Officer. USAID has requested that a position be established and requests that LAC give highest priority to this request. This is not a matter of whether the FY 89-90 program can be implemented with or without the Management Officer position; to more effectively carry out procurement and personnel actions, a Management Officer should have been in place when the program began its substantial expansion in early 1985. Without a Management Officer, USAID will continue to be vulnerable in the carrying out of procurement, administrative, and personnel functions.

Need for Better Planning and Scheduling of Audits of USAID/Belize by RIG/A/T: Beginning with the payment verification audit which started in September 1986, followed by the Commercial Bank Discount Fund, which was followed by the Portfolio and Operating Expense Audit, USAID/Belize has been under constant audit for almost a year and one-half. An unscheduled audit of selected activities of USAID/Belize is underway. An audit of USAID's management of ESF local currencies will begin on April 25, 1988, and the PD&S review will follow

shortly. Hence, during the Spring 1988 period, USAID will be coping with two, possibly three, audits. Constant attention to audit matters has interfered with project design, implementation, and even Action Plan preparation. USAID values the audit functions and, as a result of audit findings and recommendations, has made improvements. However, the audit process has been costly to USAID in terms of staff-time spent with auditors and responding to findings. USAID believes that the process could improve if RIG better planned audits to avoid back-to-back audits and adhered to its audit schedule once published. We believe that the quality of the audit process would be enhanced because USAID staff would be better able to respond to auditors' questions and findings.

2. Potential to Manage Proposed Program Without Increased Staff or OE

USAID believes that it can manage the FY 1989-90 program if its staff is augmented by a USDH Management Officer (MO). This addition in USDH staff does not stem from the proposed program, but from deficiencies identified in audit reports and USAID's Internal Control Assessment. The addition of the Management Officer will increase OE requirements by \$75,600 in 1988 and by \$51,200 and \$54,800 in FY 89 and 90 respectively.

Therefore, USAID is submitting two sets of Table VIII. One set with the approved ceiling of six USDHs and another set with the expanded ceiling including the Management Officer position, a total of seven USDH. If the MO is assigned this FY, an additional \$75,800 will be needed in this FY to make a total dollar requirement of \$975,800, and overall requirement of \$1,151,000 instead of \$1,075,200.

Within the ceiling, FY 1989 is estimated at \$1,303,300 vis-a-vis \$1,075,200 in FY 88, an increase of \$228,100 or 21.2%. The reasons for the increase are:

- a. Three USDH employees will be transferred in FY 89 and assignment travel of their replacements is budgeted.
- b. Additional housing and furnishings for one officer. Two of the three employees being transferred are a tandem couple, and it is expected that they will be replaced by two non-tandem officers.
- c. Replacement of a vehicle and NXP that will be in excess of the normal disposal criteria.
- d. Inflation of 10%.

In FY 1990, a modest increase of 5.2% over estimated FY 1989 is anticipated.

If an expanded ceiling is approved, (again, USAID will continue to be vulnerable if it is not approved) the reasons stated above justifying the increase within the approved ceiling are still valid. Additional cost of \$51,200 is budgeted for housing, utilities, security costs, etc. The estimated budget in FY 89 is \$1,354,500, an increase of \$203,500 or 18% of the revised FY 88 budget. Again, within the expanded ceiling a modest increase of 5% over FY 1989 is anticipated.

In last year's Action Plan, USAID anticipated the use of Sec. 416 local currencies for the OE Trust Fund. However, this was not possible under Sec. 416 legislation. As a result, USAID will have \$360,000 less than anticipated during FYs 1988 and 1989. Whether approved or expanded, the 1988 OE budget is extremely tight, as are those for FY 1989 and 1990, and USAID believes those budgets will suffice as long as stringent measures are taken. Such measures would involve almost total elimination of training-related travel costs for USDH employees. As USAID maintains a bare minimum USDH staff and project managers are project funded, elimination of projects or reduction of targets would have little impact on the level of the OE budget.

3. Portfolio Consolidation

Under the Consolidation Plan included in last year's Action Plan, USAID planned to consolidate its portfolio from 24 to 18 projects. That plan is being implemented successfully. Most recently, USAID consolidated four separate Child Survival projects and grants into one project involving two grants. The number of projects now totals 19. Further consolidation will reduce the number of projects to 17 by the end of 1989.

4. Plans for Seeking Additional OE Trust Funds from ESF

There are no plans, given high reserves in BOP accounts and no need for cash transfers over the Program period. Future ESF assistance would take a sectoral approach.

5. Plans for Reorganizing/streamlining Mission Management in Order to Conserve on Personnel and OE

In terms of USDH, USAID is as streamlined as possible for the most part, with two USDH's heading multi-function offices: there is one AID Representative--no Deputy Director; the one USDH in the Project Development Office is responsible for USAID's program work, project development, and management of private sector projects; two USDHs in the Agricultural Development Office manage USAID's largest sector portfolio; one USDH in the General Development Office oversees the health, education, child survival, and housing projects; the Controller's Office and General Services Office, which perform important staff functions, have one USDH each--i.e., if the Management Officer position is approved.

Our procedural actions are oriented not to conserving staff and OE but becoming more efficient in project implementation, management and internal control, i.e., to making more efficient use of the current staff. USAID is striving to improve the implementation of projects through the institution of Project Committees, bi-monthly implementation meetings and similar processes. USAID has completed a Mission Operations Manual to clarify procedures and improve internal control.

6. Most Critical, Program-wide Management Deficiencies Identified by Vulnerability Assessments, Audit Reports, etc.

As discussed above, USAID's vulnerability assessments and RIG audit reports point to the urgent need for a Management Officer. Audit report findings have focused on contracting, personnel, and property management issues. These are areas of expertise of a Management Officer, and USAID has been handicapped by not having a Management Officer on its staff.

7. Changes in Use of PD&S Funds to Conform with LAC Guidelines

USAID is complying with the guidelines without exception.

8. Policy, Procedural, and Administrative Improvement Needed to Be Taken by AID/W to Reduce Administrative Burden on the Mission

USAID requests AID/W assistance in resolving the issues discussed under 1b, i.e., needs for a Management Officer and better planning and scheduling of audits.

B. Staffing Requirements FY 1988/1989

FY 88-90 staffing requirements are presented below.

<u>Position</u>	<u>Classification</u>	<u>Funding</u>
<u>AID Representative Office (Total 2)</u>		
AID Representative	USDH	OE
Executive Assistant	USPSC	OE
<u>Program, Project Development and Private Sector Office (Total 5)</u>		
Supervisory Project Development Officer	USDH	OE
Project Development Specialist/Economist	TCNDH	OE ✓
Program Analyst/Project Manager	FSNPSC	Project
Credit/Local Currency Project Manager	FSNPSC	Project
Administrative Assistant	FSNPSC	OE
<u>Agricultural Development Office (Total 6)</u>		
Supervisory Agricultural Development Officer	USDH	OE
Supervisory Agricultural Development Officer	USDH	OE
Agricultural Project Manager	FSNDH	OE ✓
Agricultural Project Manager	FSNPSC	Project
Secretary	FSNPSC	OE
Secretary	FSNPSC	Project
<u>General Development Office (Total 7)</u>		
Supervisory General Development Officer	USDH	OE
Training Officer	FSNPSC	Project
Education Project Manager	FSNPSC	Project
Health Project Manager	FSNPSC	Project
PVO Project Manager	USPSC	Project
Secretary	FSNPSC	OE
Secretary	FSNPSC	Project
<u>Controller's Office (Total 8)</u>		
Controller	USDH	OE
Financial Analyst	TCNDH	OE ✓
Chief Accountant	TCNDH	OE ✓
Accountant/System Manager	FSNPSC	OE
Voucher Examiner	FSNPSC	OE
Voucher Examiner	FSNPSC	OE
Secretary	FSNPSC	OE
File Clerk	FSNPSC	OE

Staffing Requirements FY 1988/1989, Continued

Management Office (Total 7)

Management Officer	USDH	OE
Administrative Officer	TCNDH	OE
Administrative Specialist	FSNPSC	OE
General Services Assistant	FSNPSC	OE
Property and Supply Clerk	FSNPSC	OE
Secretary	FSNPSC	OE
Receptionist	FSNPSC	OE

	<u>TOTAL</u>	<u>OE</u>	<u>PROJECT</u>
USDH	7	7	--
TCNDH/FSNDH	5	5	--
USPSC	2	1	1
FSNPSC	<u>21</u>	<u>13</u>	<u>8</u>
Total	35	26	9

C. Operating Expense Tables

Organization USAID/Belize
 Budget Plan Code OE

Approved Ceiling

TABLE VIII - FY 1988
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>U.S. Direct Hire</u>	<u>U100</u>	<u>552.0</u>		<u>552.0</u>	
U.S. Full-time Basic Pay	U101	315.2		315.2	6.0
U.S. Part-time Basic Pay	U102				
Differential Pay	U103	78.8		78.8	
Other AID/W Funded Code II	U104	7.0		7.0	
Other Mission Funded Code II	U105				
Education Allowances	U106	49.1		49.1	5.0
Retirement	U107	23.6		23.6	
Cost of Living Allowance	U108	6.5		6.5	
Other AID/W Funded Code 12	U109	12.0		12.0	
Other Mission Funded Code 12	U110	5.2		5.2	
Post Assignment Travel	U111	6.5		6.5	1.0
Post Assignment Freight	U112	18.6		18.6	1.0
Home Leave Travel	U113	7.3		7.3	3.0
Home Leave Freight	U114	10.0		10.0	3.0
Education Travel	U115	1.6		1.6	2.0
R & R Travel	U116	6.0		6.0	6.0
Other Code 215 Travel	U117	4.6		4.6	4.0
<u>Foreign National Direct Hire</u>	<u>U200</u>	<u>145.4</u>		<u>145.4</u>	
F.N. Basic Pay	U201	110.8		110.8	4.5
Overtime/Holiday Pay	U202	5.5		5.5	4.5
All Other Code 11 - F.N.	U203	5.6		5.6	
All Other Code 12 - F.N.	U204	5.5		5.5	
Benefits - Former F.N. Pers.	U205	18.0		18.0	
<u>Contract Personnel</u>	<u>U300</u>	<u>219.5</u>	<u>55.9</u>	<u>275.4</u>	
PASA Technicians	U301				
U.S. PSC Costs	U303	55.7		55.7	3.0
All other U.S. PSC Costs	U303	14.0		14.0	
F.N. PSC Salaries/Benefits	U304	107.0	14.0	121.0	13.0
All Other F.N. PSC Costs	U305	10.7		10.7	
Manpower Contracts	U306	32.1	41.9	74.0	18.0
<u>Housing</u>	<u>U400</u>	<u>210.5</u>	<u>25.0</u>	<u>235.5</u>	
Residential Rent	U401	115.3		115.3	6.0
Residential Utilities	U402	29.0	25.0	54.0	6.0
Maintenance Renovation	U403	10.0		10.0	
Quarters Allowance	U404				
Residential Furniture/Equip	U405	4.0		4.0	
Trans/Freight - Code 311	U406	1.0		1.0	
Security Guard Services	U407	50.0		50.0	
Official Residence Allowance	U408	0.5		0.5	
Representation Allowance	U409	0.7		0.7	

Organization USAID/Belize
 Budget Plan Code OE

Approved Ceiling

TABLE VIII - FY 1988
 (Continued)
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>Office Operations</u>	<u>U500</u>	<u>209.2</u>	<u>94.3</u>	<u>303.5</u>	
Office Rent	U501		13.0	13.0	
Office Utilities	U502	18.6	10.0	28.6	
Building Maint/Renovation	U503	5.0		5.0	
Office Furniture/Equipment	U504	4.0		4.0	
Vehicles	U505				
Other Equipment	U506	2.0		2.0	
Transportation/Freight	U507	2.0		2.0	
Furn/Equip/Veh Repair/Maint	U508	5.0	5.0	10.0	
Communications	U509	25.0	10.0	35.0	
Security Guard Services	U510	57.9		57.9	
Printing	U511				
Site Visits - Mission	U513	12.0		12.0	35.0
Site Visits - AID/W	U514	10.0		10.0	10.0
Information Meetings	U515	5.0		5.0	5.0
Training Attendance	U516	5.0		5.0	5.0
Conference Attendance	U517	10.0		10.0	5.0
Other Operational Travel	U518	3.0		3.0	10.0
Supplies & Materials	U519	22.0	10.0	32.0	
FAAS	U520				
Contract Consulting Services	U521				
Contract Mgt/Prof. Services	U522				
Special Studies/Analyses	U523				
All Other Code 25	U524	22.7	46.3	69.0	
TOTAL OPERATING EXPENSE BUDGET		<u>1,336.6</u>	<u>175.2</u>	<u>1,511.8</u>	
Reconciliation		(436.6)		(436.6)	
Operating Budget Requirements		900.0	175.2	1,075.2	
636(c) Requirements	U601				
TOTAL ALLOWANCE REQUIREMENTS	U000	<u>900.0</u>	<u>175.2</u>	<u>1,075.2</u>	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases	366
Exchange Rate Used (Average rate for FY 86/87)	<u>2.0 equals \$1.00</u>
Estimated Inflation Rate	
Estimated Wage Increase	10%
Estimated Price Increase	<u>10%</u>

*Pro-rated AID share on basis of Embassy Contract.

Organization USAID/Belize
 Budget Plan Code OE

Expanded Ceiling

TABLE VIII - FY 1988
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>U.S. Direct Hire</u>	<u>U100</u>	<u>641.7</u>		<u>641.7</u>	
U.S. Full-time Basic Pay	U101	350.9		350.9	7.0
U.S. Part-time Basic Pay	U102				
Differential Pay	U103	87.7		87.7	
Other AID/W Funded Code II	U104	7.0		7.0	
Other Mission Funded Code II	U105				
Education Allowances	U106	65.7		65.7	7.0
Retirement	U107	26.3		26.3	
Cost of Living Allowance	U108	7.2		7.2	
Other AID/W Funded Code 12	U109	12.0		12.0	
Other Mission Funded Code 12	U110	5.2		5.2	
Post Assignment Travel	U111	13.0		13.0	2.0
Post Assignment Freight	U112	37.2		37.2	2.0
Home Leave Travel	U113	7.3		7.3	3.0
Home Leave Freight	U114	10.0		10.0	3.0
Education Travel	U115	1.6		1.6	2.0
R & R Travel	U116	6.0		6.0	6.0
Other Code 215 Travel	U117	4.6		4.6	4.0
<u>Foreign National Direct Hire</u>	<u>U200</u>	<u>145.4</u>		<u>145.4</u>	
F.N. Basic Pay	U201	110.8		110.8	4.5
Overtime/Holiday Pay	U202	5.5		5.5	4.5
All Other Code 11 - F.N.	U203	5.6		5.6	
All Other Code 12 - F.N.	U204	5.5		5.5	
Benefits - Former F.N. Pers.	U205	18.0		18.0	
<u>Contract Personnel</u>	<u>U300</u>	<u>219.5</u>	<u>55.9</u>	<u>275.4</u>	
PASA Technicians	U301				
U.S. PSC Costs	U303	55.7		55.7	3.0
All other U.S. PSC Costs	U303	14.0		14.0	
F.N. PSC Salaries/Benefits	U304	107.0	14.0	121.0	13.0
All Other F.N. PSC Costs	U305	10.7		10.7	
Manpower Contracts	U306	32.1	41.9	74.0	18.0
<u>Housing</u>	<u>U400</u>	<u>241.9</u>	<u>25.0</u>	<u>266.9</u>	
Residential Rent	U401	132.1		132.1	7.0
Residential Utilities	U402	33.6	25.0	58.6	7.0
Maintenance Renovation	U403	11.0		11.0	
Quarters Allowance	U404				
Residential Furniture/Equip	U405	8.0		8.0	
Trans/Freight - Code 311	U406	2.0		2.0	
Security Guard Services	U407	54.0		54.0	
Official Residence Allowance	U408	0.5		0.5	
Representation Allowance	U409	0.7		0.7	

Organization USAID/Belize
 Budget Plan Code OE

Expanded Ceiling

TABLE VIII - FY 1988
 (Continued)
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>Office Operations</u>	U500	211.2	94.3	305.5	
Office Rent	U501		13.0	13.0	
Office Utilities	U502	18.6	10.0	28.6	
Building Maint/Renovation	U503	5.0		5.0	
Office Furniture/Equipment	U504	4.0		4.0	
Vehicles	U505				
Other Equipment	U506	2.0		2.0	
Transportation/Freight	U507	2.0		2.0	
Furn/Equip/Veh Repair/Maint	U508	5.0	5.0	10.0	
Communications	U509	25.0	10.0	35.0	
Security Guard Services	U510	57.9		57.9	
Printing	U511				
Site Visits - Mission	U513	14.0		14.0	40.0
Site Visits - AID/W	U514	10.0		10.0	10.0
Information Meetings	U515	5.0		5.0	5.0
Training Attendance	U516	5.0		5.0	5.0
Conference Attendance	U517	10.0		10.0	5.0
Other Operational Travel	U518	3.0		3.0	10.0
Supplies & Materials	U519	22.0	10.0	32.0	
FAAS	U520				
Contract Consulting Services	U521				
Contract Mgt/Prof. Services	U522				
Special Studies/Analyses	U523				
All Other Code 25	U524	22.7	46.3	69.0	
TOTAL OPERATING EXPENSE BUDGET		<u>1,459.7</u>	<u>175.2</u>	<u>1,634.9</u>	
Reconciliation		(483.9)		(483.9)	
Operating Budget Requirements		975.8	175.2	1,151.0	
636(c) Requirements	U601				
TOTAL ALLOWANCE REQUIREMENTS	U000	<u>975.8</u>	<u>175.2</u>	<u>1,151.0</u>	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases	410
Exchange Rate Used (Average rate for FY 86/87)	<u>2.0 equals \$1.00</u>
Estimated Inflation Rate	
Estimated Wage Increase	<u>10%</u>
Estimated Price Increase	<u>10%</u>

*Pro-rated AID share on basis of Embassy Contract.

Organization USAID/Belize
 Budget Plan Code OE

Approved Ceiling

TABLE VIII - FY 1989
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>U.S. Direct Hire</u>	U100	<u>653.7</u>		<u>653.7</u>	
U.S. Full-time Basic Pay	U101	326.3		326.3	6.0
U.S. Part-time Basic Pay	U102				
Differential Pay	U103	81.6		81.6	
Other AID/W Funded Code II	U104	7.7		7.7	
Other Mission Funded Code II	U105				
Education Allowances	U106	97.4		97.4	9.0
Retirement	U107	24.5		24.5	
Cost of Living Allowance	U108	7.2		7.2	
Other AID/W Funded Code 12	U109	12.0		12.0	
Other Mission Funded Code 12	U110	5.2		5.2	
Post Assignment Travel	U111	19.5		19.5	3.0
Post Assignment Freight	U112	28.8		28.8	3.0
Home Leave Travel	U113	5.8		5.8	3.0
Home Leave Freight	U114	20.0		20.0	3.0
Education Travel	U115	1.6		1.6	2.0
R & R Travel	U116	8.1		8.1	4.0
Other Code 215 Travel	U117	8.0		8.0	4.0
<u>Foreign National Direct Hire</u>	U200	<u>152.2</u>		<u>152.2</u>	
F.N. Basic Pay	U201	133.0		133.0	5.0
Overtime/Holiday Pay	U202	6.5		6.5	5.0
All Other Code 11 - F.N.	U203	3.5		3.5	
All Other Code 12 - F.N.	U204	5.6		5.6	
Benefits - Former F.N. Pers.	U205	3.6		3.6	
<u>Contract Personnel</u>	U300	<u>287.5</u>		<u>287.5</u>	
PASA Technicians	U301				
U.S. PSC Costs	U303	54.2		54.2	2.0
All other U.S. PSC Costs	U303	5.5		5.5	
F.N. PSC Salaries/Benefits	U304	133.1		133.1	13.0
All Other F.N. PSC Costs	U305	13.3		13.3	
Manpower Contracts	U306	81.4		81.4	18.0
<u>Housing</u>	U400	<u>286.4</u>		<u>286.4</u>	
Residential Rent	U401	135.2		135.2	7.0
Residential Utilities	U402	63.0		63.0	7.0
Maintenance Renovation	U403	20.0		20.0	
Quarters Allowance	U404				
Residential Furniture/Equip	U405	10.0		10.0	
Trans/Freight - Code 311	U406	2.0		2.0	
Security Guard Services	U407	55.0		55.0	
Official Residence Allowance	U408	0.5		0.5	
Representation Allowance	U409	0.7		0.7	

Organization USAID/Belize
 Budget Plan Code OE

Approved Ceiling

TABLE VIII - FY 1989
 (Continued)
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>Office Operations</u>	U500	375.6		375.6	
Office Rent	U501	14.3		14.3	
Office Utilities	U502	31.5		31.5	
Building Maint/Renovation	U503	10.0		10.0	
Office Furniture/Equipment	U504	5.0		5.0	
Vehicles	U505	15.0		15.0	
Other Equipment	U506	6.0		6.0	
Transportation/Freight	U507	2.0		2.0	
Furn/Equip/Veh Repair/Maint	U508	20.0		20.0	
Communications	U509	40.0		40.0	
Security Guard Services	U510	63.7		63.7	
Printing	U511	2.0		2.0	
Site Visits - Mission	U513	17.0		17.0	45.0
Site Visits - AID/W	U514	10.0		10.0	10.0
Information Meetings	U515	5.0		5.0	6.0
Training Attendance	U516	5.0		5.0	3.0
Conference Attendance	U517	13.0		13.0	6.0
Other Operational Travel	U518	5.0		5.0	10.0
Supplies & Materials	U519	35.2		35.2	
FAAS	U520				
Contract Consulting Services	U521				
Contract Mgt/Prof. Services	U522				
Special Studies/Analyses	U523				
All Other Code 25	U524	75.9		75.9	
TOTAL OPERATING EXPENSE BUDGET		1,755.4		1,755.4	
Reconciliation		(452.1)		(452.1)	
Operating Budget Requirements		1,303.3		1,303.3	
636(c) Requirements	U601				
TOTAL ALLOWANCE REQUIREMENTS	U000	1,303.3		1,303.3	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases	550.0
Exchange Rate Used (Average rate for FY 86/87)	<u>2.0 equals \$1.00</u>
Estimated Inflation Rate	
Estimated Wage Increase	<u>10%</u>
Estimated Price Increase	<u>10%</u>

*Pro-rated AID share on basis of Embassy Contract.

Organization USAID/Belize
 Budget Plan Code OE

Expanded Ceiling

TABLE VIII - FY 1989
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>U.S. Direct Hire</u>	<u>U100</u>	<u>768.7</u>		<u>768.7</u>	
U.S. Full-time Basic Pay	U101	397.7		397.7	7.0
U.S. Part-time Basic Pay	U102				
Differential Pay	U103	99.4		99.4	
Other AID/W Funded Code II	U104	7.7		7.7	
Other Mission Funded Code II	U105				
Education Allowances	U106	114.0		114.0	11.0
Retirement	U107	29.9		29.9	
Cost of Living Allowance	U108	8.6		8.6	
Other AID/W Funded Code 12	U109	12.0		12.0	
Other Mission Funded Code 12	U110	5.2		5.2	
Post Assignment Travel	U111	19.5		19.5	3.0
Post Assignment Freight	U112	28.8		28.8	3.0
Home Leave Travel	U113	5.8		5.8	3.0
Home Leave Freight	U114	20.0		20.0	3.0
Education Travel	U115	1.6		1.6	2.0
R & R Travel	U116	10.5		10.5	5.0
Other Code 215 Travel	U117	8.0		8.0	4.0
<u>Foreign National Direct Hire</u>	<u>U200</u>	<u>152.2</u>		<u>152.2</u>	
F.N. Basic Pay	U201	133.0		133.0	5.0
Overtime/Holiday Pay	U202	6.5		6.5	5.0
All Other Code 11 - F.N.	U203	3.5		3.5	
All Other Code 12 - F.N.	U204	5.6		5.6	
Benefits - Former F.N. Pers.	U205	3.6		3.6	
<u>Contract Personnel</u>	<u>U300</u>	<u>287.5</u>		<u>287.5</u>	
PASA Technicians	U301				
U.S. PSC Costs	U303	54.2		54.2	2.0
All other U.S. PSC Costs	U303	5.5		5.5	
F.N. PSC Salaries/Benefits	U304	133.1		133.1	13.0
All Other F.N. PSC Costs	U305	13.3		13.3	
Manpower Contracts	U306	81.4		81.4	18.0
<u>Housing</u>	<u>U400</u>	<u>317.2</u>		<u>317.2</u>	
Residential Rent	U401	152.0		152.0	8.0
Residential Utilities	U402	72.0		72.0	8.0
Maintenance Renovation	U403	20.0		20.0	
Quarters Allowance	U404				
Residential Furniture/Equip	U405	10.0		10.0	
Trans/Freight - Code 311	U406	2.0		2.0	
Security Guard Services	U407	60.0		60.0	
Official Residence Allowance	U408	0.5		0.5	
Representation Allowance	U409	0.7		0.7	

Organization USAID/Belize
 Budget Plan Code OE

Expanded Ceiling

TABLE VIII - FY 1989
 (Continued)
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>Office Operations</u>	<u>U500</u>	<u>375.6</u>		<u>375.6</u>	
Office Rent	U501	14.3		14.3	
Office Utilities	U502	31.5		31.5	
Building Maint/Renovation	U503	10.0		10.0	
Office Furniture/Equipment	U504	5.0		5.0	
Vehicles	U505	15.0		15.0	
Other Equipment	U506	6.0		6.0	
Transportation/Freight	U507	2.0		2.0	
Furn/Equip/Veh Repair/Maint	U508	20.0		20.0	
Communications	U509	40.0		40.0	
Security Guard Services	U510	63.7		63.7	
Printing	U511	2.0		2.0	
Site Visits - Mission	U513	17.0		17.0	45.0
Site Visits - AID/W	U514	10.0		10.0	10.0
Information Meetings	U515	5.0		5.0	6.0
Training Attendance	U516	5.0		5.0	3.0
Conference Attendance	U517	13.0		13.0	6.0
Other Operational Travel	U518	5.0		5.0	10.0
Supplies & Materials	U519	35.2		35.2	
FAAS	U520				
Contract Consulting Services	U521				
Contract Mgt/Prof. Services	U522				
Special Studies/Analyses	U523				
All Other Code 25	U524	75.9		75.9	
TOTAL OPERATING EXPENSE BUDGET		<u>1,901.2</u>		<u>1,901.2</u>	
Reconciliation		(546.7)		(546.7)	
Operating Budget Requirements		1,354.5		1,354.5	
636(c) Requirements	U601				
TOTAL ALLOWANCE REQUIREMENTS	U000	<u>1,354.5</u>		<u>1,354.50</u>	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases	580.0
Exchange Rate Used (Average rate for FY 86/87)	<u>2.0 equals \$1.00</u>
Estimated Inflation Rate	
Estimated Wage Increase	<u>10%</u>
Estimated Price Increase	<u>10%</u>

*Pro-rated AID share on basis of Embassy Contract.

Organization USAID/Belize
 Budget Plan Code OE

Approved Ceiling

TABLE VIII - FY 1990
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>U.S. Direct Hire</u>	<u>U100</u>	<u>636.2</u>		<u>636.2</u>	
U.S. Full-time Basic Pay	U101	337.7		337.7	6.0
U.S. Part-time Basic Pay	U102				
Differential Pay	U103	84.4		84.4	
Other AID/W Funded Code II	U104	8.4		8.4	
Other Mission Funded Code II	U105				
Education Allowances	U106	97.4		97.4	9.0
Retirement	U107	25.3		25.3	
Cost of Living Allowance	U108	7.9		7.9	
Other AID/W Funded Code 12	U109	12.0		12.0	
Other Mission Funded Code 12	U110	5.2		5.2	
Post Assignment Travel	U111	13.0		13.0	2.0
Post Assignment Freight	U112	19.2		19.2	2.0
Home Leave Travel	U113	5.5		5.5	3.0
Home Leave Freight	U114	9.0		9.0	3.0
Education Travel	U115	2.4		2.4	4.0
R & R Travel	U116	4.8		4.8	2.0
Other Code 215 Travel	U117	4.0		4.0	4.0
<u>Foreign National Direct Hire</u>	<u>U200</u>	<u>186.0</u>		<u>186.0</u>	
F.N. Basic Pay	U201	146.3		146.3	5.0
Overtime/Holiday Pay	U202	7.1		7.1	5.0
All Other Code 11 - F.N.	U203	3.5		3.5	
All Other Code 12 - F.N.	U204	5.6		5.6	
Benefits - Former F.N. Pers.	U205	23.5		23.5	
<u>Contract Personnel</u>	<u>U300</u>	<u>312.2</u>		<u>312.2</u>	
PASA Technicians	U301				
U.S. PSC Costs	U303	56.1		56.1	2.0
All other U.S. PSC Costs	U303	5.6		5.6	
F.N. PSC Salaries/Benefits	U304	146.4		146.4	13.0
All Other F.N. PSC Costs	U305	14.6		14.6	
Manpower Contracts	U306	89.5		89.5	20.0
<u>Housing</u>	<u>U400</u>	<u>311.2</u>		<u>311.2</u>	
Residential Rent	U401	148.7		148.7	7.0
Residential Utilities	U402	69.3		69.3	7.0
Maintenance Renovation	U403	20.0		20.0	
Quarters Allowance	U404				
Residential Furniture/Equip	U405	10.0		10.0	
Trans/Freight - Code 311	U406	2.0		2.0	
Security Guard Services	U407	60.0		60.0	
Official Residence Allowance	U408	0.5		0.5	
Representation Allowance	U409	0.7		0.7	

Organization USAID/Belize
 Budget Plan Code OE

Approved Ceiling

TABLE VIII - FY 1990
 (Continued)
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>Office Operations</u>	U500	390.9		390.9	
Office Rent	U501	14.3		14.3	
Office Utilities	U502	34.7		34.7	
Building Maint/Renovation	U503	10.0		10.0	
Office Furniture/Equipment	U504	9.0		9.0	
Vehicles	U505	15.0		15.0	
Other Equipment	U506	2.0		2.0	
Transportation/Freight	U507	2.0		2.0	
Furn/Equip/Veh Repair/Maint	U508	15.0		15.0	
Communications	U509	38.0		38.0	
Security Guard Services	U510	63.7		63.7	
Printing	U511				
Site Visits - Mission	U513	20.0		20.0	50.0
Site Visits - AID/W	U514	10.0		10.0	10.0
Information Meetings	U515	5.0		5.0	6.0
Training Attendance	U516	5.0		5.0	4.0
Conference Attendance	U517	15.0		15.0	8.0
Other Operational Travel	U518	10.0		10.0	20.0
Supplies & Materials	U519	38.7		38.7	
FAAS	U520				
Contract Consulting Services	U521				
Contract Mgt/Prof. Services	U522				
Special Studies/Analyses	U523				
All Other Code 25	U524	83.5		83.5	
TOTAL OPERATING EXPENSE BUDGET		<u>1,836.5</u>		<u>1,836.5</u>	
Reconciliation		(467.8)		(467.8)	
Operating Budget Requirements		1,368.7		1,368.7	
636(c) Requirements	U601				
TOTAL ALLOWANCE REQUIREMENTS	U000	<u>1,368.7</u>		<u>1,368.7</u>	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases	<u>630</u>
Exchange Rate Used (Average rate for FY 86/87)	<u>2.0 equals \$1.00</u>
Estimated Inflation Rate	
Estimated Wage Increase	<u>10%</u>
Estimated Price Increase	<u>10%</u>

*Pro-rated AID share on basis of Embassy Contract.

Organization USAID/Belize
 Budget Plan Code OE

Expanded Ceiling

TABLE VIII - FY 1990
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>U.S. Direct Hire</u>	<u>U100</u>	<u>754.7</u>		<u>754.7</u>	
U.S. Full-time Basic Pay	U101	409.1		409.1	7.0
U.S. Part-time Basic Pay	U102				
Differential Pay	U103	102.3		102.3	
Other AID/W Funded Code II	U104	8.4		8.4	
Other Mission Funded Code II	U105				
Education Allowances	U106	114.0		114.0	11.0
Retirement	U107	30.7		30.7	
Cost of Living Allowance	U108	9.3		9.3	
Other AID/W Funded Code 12	U109	12.0		12.0	
Other Mission Funded Code 12	U110	5.2		5.2	
Post Assignment Travel	U111	13.0		13.0	2.0
Post Assignment Freight	U112	19.2		19.2	2.0
Home Leave Travel	U113	8.5		8.5	4.0
Home Leave Freight	U114	11.8		11.8	4.0
Education Travel	U115	2.4		2.4	4.0
R & R Travel	U116	4.8		4.8	2.0
Other Code 215 Travel	U117	4.0		4.0	4.0
<u>Foreign National Direct Hire</u>	<u>U200</u>	<u>186.0</u>		<u>186.0</u>	
F.N. Basic Pay	U201	146.3		146.3	5.0
Overtime/Holiday Pay	U202	7.1		7.1	5.0
All Other Code 11 - F.N.	U203	3.5		3.5	
All Other Code 12 - F.N.	U204	5.6		5.6	
Benefits - Former F.N. Pers.	U205	23.5		23.5	
<u>Contract Personnel</u>	<u>U300</u>	<u>312.2</u>		<u>312.2</u>	
PASA Technicians	U301				
U.S. PSC Costs	U303	56.1		56.1	2.0
All other U.S. PSC Costs	U303	5.6		5.6	
F.N. PSC Salaries/Benefits	U304	146.4		146.4	13.0
All Other F.N. PSC Costs	U305	14.6		14.6	
Manpower Contracts	U306	89.5		89.5	20.0
<u>Housing</u>	<u>U400</u>	<u>342.2</u>		<u>342.2</u>	
Residential Rent	U401	165.5		165.5	8.0
Residential Utilities	U402	78.5		78.5	8.0
Maintenance Renovation	U403	20.0		20.0	
Quarters Allowance	U404				
Residential Furniture/Equip	U405	10.0		10.0	
Trans/Freight - Code 311	U406	2.0		2.0	
Security Guard Services	U407	65.0		65.0	
Official Residence Allowance	U408	0.5		0.5	
Representation Allowance	U409	0.7		0.7	

Organization USAID/Belize
 Budget Plan Code OE

Expanded Ceiling

TABLE VIII - FY 1990
 (Continued)
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>Office Operations</u>	U500	<u>390.9</u>		<u>390.9</u>	
Office Rent	U501	14.3		14.3	
Office Utilities	U502	34.7		34.7	
Building Maint/Renovation	U503	10.0		10.0	
Office Furniture/Equipment	U504	9.0		9.0	
Vehicles	U505	15.0		15.0	
Other Equipment	U506	2.0		2.0	
Transportation/Freight	U507	2.0		2.0	
Furn/Equip/Veh Repair/Maint	U508	15.0		15.0	
Communications	U509	38.0		38.0	
Security Guard Services	U510	63.7		63.7	
Printing	U511				
Site Visits - Mission	U513	20.0		20.0	50.0
Site Visits - AID/W	U514	10.0		10.0	10.0
Information Meetings	U515	5.0		5.0	6.0
Training Attendance	U516	5.0		5.0	4.0
Conference Attendance	U517	15.0		15.0	8.0
Other Operational Travel	U518	10.0		10.0	20.0
Supplies & Materials	U519	38.7		38.7	
FAAS	U520				
Contract Consulting Services	U521				
Contract Mgt/Prof. Services	U522				
Special Studies/Analyses	U523				
All Other Code 25	U524	83.5		83.5	
TOTAL OPERATING EXPENSE BUDGET		<u>1,986.0</u>		<u>1,986.0</u>	
Reconciliation		(562.5)		(562.5)	
Operating Budget Requirements		1,423.5		1,423.5	
636(c) Requirements	U601				
TOTAL ALLOWANCE REQUIREMENTS	U000	<u>1,423.5</u>		<u>1,423.5</u>	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases	<u>660</u>
Exchange Rate Used (Average rate for FY 86/87)	<u>2.0 equals \$1.00</u>
Estimated Inflation Rate	
Estimated Wage Increase	<u>10%</u>
Estimated Price Increase	<u>10%</u>

*Pro-rated AID share on basis of Embassy Contract.

COMPARISON TABLE FOR FY 88 TO FY 89 AND FY 89 TO FY 90

<u>Expense Category</u>	<u>Function</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>%</u>	<u>FY 1990</u>	<u>%</u>
U.S. Direct-Hire	U100	552.0	653.7	18.4	636.2	(2.7)
Foreign National Direct-Hire	U200	145.4	152.2	4.7	186.0	22.2
Contract Personnel	U300	275.4	287.5	4.4	312.2	8.6
Housing	U400	235.5	286.4	21.6	311.2	8.6
Office Operations	U500	<u>303.5</u>	<u>375.6</u>	<u>23.8</u>	<u>390.9</u>	<u>4.1</u>
Total Operating Expense Budget		<u>1,511.8</u>	<u>1,755.4</u>	<u>16.1</u>	<u>1,836.5</u>	<u>4.6</u>
Less Reconciliation		<u>(436.6)</u>	<u>(452.1)</u>		<u>(467.8)</u>	
Total Allowance Requirement		<u>1,075.2</u>	<u>1,303.3</u>	<u>21.2</u>	<u>1,368.7</u>	<u>5.2</u>
O.E.		900.0				
Trust Fund		<u>175.2</u>				
		<u>1,075.2</u>				

D.

USAID/BELIZE
EVALUATION PLAN FOR FY 1989-1990

PROJECT NO. & TITLE	DATE LAST EVALUATION COMPLETED	FY 89		FY 90		REASONS/ISSUES
		START (QTR)	TO AID/W (QTR)	START (QTR)	TO AID/W (QTR)	
Water and Sanitation Program		2	3			This program evaluation will assess the effectiveness, efficiency and impact of USAID health projects in terms of improving rural water systems and sanitation programs in Belize. The evaluation will assess the Increased Productivity through Better Health (505-0018) and Village Level Water and Sanitation (505-0024) projects to determine whether achievement of original targets is feasible and recommend the best implementation option for achieving objectives.
505-0036 - Macal Dairy Development	None	2	3			Evaluation will assess the viability of the Macal Dairy Cooperative and its capability to implement Phase II of the Project, which is planned to begin in fourth quarter of FY 89.
505-0027 - Export and Investment Promotion, and 505-0040 - Private Sector Investment - IESC	None	3	4			Evaluation will assess performance, institutional capacity and sustainability of the Belize Export and Investment Promotion Unit in generating new local and foreign investment in Belize.

PROJECT NO. & TITLE	DATE LAST EVALUATION COMPLETED	FY 89		FY 90		REASONS/ISSUES
		START (QTR)	TO AID/W (QTR)	START (QTR)	TO AID/W (QTR)	
505-0006 - Livestock Development	2/87			3	4	Evaluation will determine how successful the Project has been in improving domestic livestock and dairy production and markets for processed Belizean meat products. It will also assess the agricultural credit situation to determine whether small producers have access to credit funds.
505-0016 - Toledo Agricultural Marketing	None			4	(1)91	Evaluation will focus on how successful the Project has been in promoting commercial crops (notably cocoa) among milpa farmers, improving postharvest systems, and encouraging private sector participation in postharvest and marketing of grains and other crops.

USAID/BELIZE
EVALUATION REPORT FOR FY 1987-1988

PROJECT NO. & TITLE	<u>PLANNED</u> FY 87		<u>ACTUAL</u> FY 87		<u>UPDATE</u> FY 88		<u>REASONS/ISSUES</u>
	START (QTR)	TO AID/W (QTR)	START (QTR)	TO AID/W (QTR)	START (QTR)	TO AID/W (QTR)	
505-0007 - Rural Access Roads & Bridges	1	2	1	2			In-house evaluation assessed progress of project implementation and recommended personnel changes on technical assistance and PACD extension for Phase I.
505-0006 - Livestock Development	2	2	2	2			Evaluated effectiveness and impact of Project's Phase I activities and recommended follow-on activities for Phase II.
505-0018 - PRIDE Drug Awareness	2	3	2	3			Assessed effectiveness and impact of Phase I activities and recommended possible viable activities for Phase II.
505-0018 - Increased Productivity through Better Health	2	3	3	2(88)			Assessed progress of project implementation and recommended ways to improve management and GOB-contractor coordination.
505-0024 - Village Level Water & Sanitation		3	3	2(88)			Assessed project's impact on the provision and improvement of rural water systems and sanitation programs in the two districts.
505-0029 - Breast is Best League	3	4	3	1(88)			Assessed project's impact on encouraging breastfeeding in Belize and recommended what activities should be continued.

PROJECT NO. & TITLE	<u>PLANNED</u> <u>FY 87</u>		<u>ACTUAL</u> <u>FY 87</u>		<u>UPDATE</u> <u>FY 88</u>		<u>REASONS/ISSUES</u>
	START (QTR)	TO AID/W (QTR)	START (QTR)	TO AID/W (QTR)	START (QTR)	TO AID/W (QTR)	
505-0031 - Belize Family Life Education	3	4	4				Assessed project's effectiveness in providing family planning education, counselling and clinic services to local communities.
505-0017 - Child Survival Technical Support and 505-0032 - Maternal and Child Health					1	2	Both projects evaluated at the same time to assess the success in improving Child Survival indicators and recommended follow-on activities for the follow-on Mission program which will consolidate four previously separate PVO child survival-related activities.
505-0026 - Pilot Guidance and Placement Center					2	2	Assessed the project's effectiveness in providing guidance, counselling and placement for job-seekers and youth and determined the feasibility for any follow-on activity.
505-0011 - National Development Foundation of Belize					2	3	Evaluation will assess effectiveness of NDF/B's operations and recommend ways whether and how to provide additional funding for microenterprise development in Belize.

PROJECT NO. & TITLE	PLANNED		ACTUAL		UPDATE		REASONS/ISSUES
	FY 87		FY 87		FY 88		
	START	TO AID/W	START	TO AID/W	START	TO AID/W	
	(QTR)	(QTR)	(QTR)	(QTR)	(QTR)	(QTR)	
505-0007 - Rural Access Roads & Bridges					2	3	Technical evaluation of the bridge component to assess performance and provide recommendations, including design and cost implications, to improve bridge construction.
Private Sector Program					3	4	Evaluation will examine the relevance, effectiveness, efficiency and impact of the Mission's private sector program, particularly in terms of strengthening the Belize private sector and increasing exports.
505-0008 - Commercialization of Alternative Crops					4	1(89)	To evaluate the results to date of the various crop production and marketing trials and recommend options for future directions for both the private and public sector components.

E. FY 1989 COUNTRY TRAINING PLAN UPDATE

A. Mission Training Objectives

The USAID Mission to Belize training program comprises project-related training in each sector (health, agriculture, education, and private sectors) and the Central American Peace Scholarships Program (CAPS). USAID/Belize does not have a Development Training Program per se. However, our training effort seeks to upgrade management and technical skills at all levels, in order to assist in the development of cadres of qualified, trained personnel throughout the economy.

The Belize CAPS program is designed to meet both the central objective of CLASP (to increase US trained individuals from the socially and economically disadvantaged classes, and counter increasing Soviet and Bloc country training efforts in the region) as well as assist in Belize's development through a program of long- and short-term training for skills upgrading across all sectors. Special attention is being given to the educational sector and to rural areas of the country which have traditionally been targets of Eastern Bloc training recruitment (predominantly in Cuba).

B. Training Program under CAPS

The Belize CAPS program covers all sectors of the economy, but with emphasis on the education sector, because an analysis of influential members of society identified rural primary principals, secondary school principals, and tertiary faculty as highly influential in their communities. The program includes long-term academic training for selected tertiary-level teachers to complete their first degree, and short-term training for secondary and primary school principals in educational administration, community relations and other topics. Secondary school science teachers have also received training in methodology.

The agricultural sector CAPS scholarships focus on farm management training, and skills upgrading for extension officers from both the public and private sector. Scholarships in the private sector target small business owners for training in management techniques. Also targeted are young Belizeans with leadership potential (for short-term leadership training and long-term academic scholarships), and members of the health care community--both rural based nurses and community health workers. Men and women involved in the rural cooperative associations and women in home economics extension will be selected for training in management, community relations and extension education. The Belize CAPS program also has a special program for re-alignment of young people who have studied in Bloc countries.

C. Target Groups for FY 1989, and Types of Training

- 25 rural female Spanish and Mayan community health workers will spend 2-3 weeks upgrading health care provision and community development

skills. Possible site: Essex Community College, Allied Health Department

- 12 rural men and women working with village cooperative groups will be trained in basic organizational skills - site to be determined
- 12 women working with rural home economics extension will attend a course in extension education and outreach. This will be programmed in association with a Home Economics-Extension Service of a Land Grant College
- 9 long-term scholarships for young Belizeans of outstanding academic ability with demonstrated financial need - various small-medium size colleges, including HBCUs experienced with foreign students

D. Progress to Date (CAPS)

3. Long-term training:

- While the target 20% has not been met in each year (FY 85 21%, FY 86 15%, FY 87 18%), the Training Plan has been adjusted to assure that the minimum target will be met in future years.

4. 70% target for disadvantaged:

- No problems have been encountered in meeting the target of 70% disadvantaged; future target groups also fall within this category.

5. Experience America:

- Programming contractors (predominantly PIET) are requested to ensure that ample provision is made for the inclusion of 'Experience America' activities. Where practical and appropriate, home stays are requested. The new Tax regulations (with regards to 'scholarship or fellowship' recipients) put a severe constraint on the 'Experience America' programs for long-term CAPS scholars since funding for mid-winter seminars and homestays is not excludable for tax purposes.

6. Follow-on:

- Follow-on activities for CAPS scholars have taken the form of professional workshops and informal meetings. USAID/Belize is talking with the Belize CASP program about coordinating follow-up activities for both programs.

7. Cost containment:

- USAID/Belize requests the programming contractor to use cost containment measures where possible, and makes suggestions of possible institutions to be used, if applicable. PIET is conscientious about cost saving where possible; USDA has, to date, displayed little initiative in this respect.

8. Other Accomplishments to Date:

- All the high school principals and/or vice principals have received training in educational administration and teaching methodology under CAPS. Ten percent of the primary school principals have also attended a similar course.
- All the community health workers from Toledo District (Kekchi and Maya Indians) received skills upgrading at Essex Community College during 1987.
- Long-term academic scholarships have been awarded to 11 teachers to complete their first degrees (three completed their programs in 16 months), and to ten young Belizeans with exceptional academic ability and demonstrated financial need.
- Under the special program designed for Belizeans who have studied in Bloc countries, there are presently four students at universities pursuing studies ranging from building construction to pharmacy.

E. Major Changes in Training Plan

The CAPS training plan has been redesigned to include more long-term training (to the target minimum of 20%), more female participants, and more non-traditional types of training. The increase in long-term training has dramatically altered the number of Belizeans who will receive CAPS scholarships to the United States, and the initial goal of training 500 Belizeans over the life of the project must be redefined to approximately 300.

TABLE 1
CLASP TRAINING

FY 1989 COUNTRY TRAINING PLAN
NUMBER OF NEW STARTS

PROGRAM: CAPS

COUNTRY OF ORIGIN: BELIZE

FY 1989 OYB (\$000): 600

<u>TYPE OF TRAINING</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
<u>TECHNICAL - 30 days or less</u>						
Female			15			
Male			24	12		
<u>TECHNICAL - 31-180 days</u>						
Female	3	41	7	22	49	20
Male	12	23	17	22	12	30
<u>TECHNICAL - 6-8+ months</u>						
Female						
Male						
<u>TECHNICAL - 9 months or more</u>						
Female				1	3	
Male				5	3	
<u>TOTAL TECHNICAL</u>	15	64	63	62	67	50
<u>ACADEMIC - Undergraduate - 1 year</u>						
Female						
Male						
<u>ACADEMIC - Undergraduate - 2 years</u>						
Female		3	5	5	3	6
Male	2	8	6	5	6	7
<u>ACADEMIC - Undergraduate - 3 yrs or more</u>						
Female						
Male	2	1	2			
<u>ACADEMIC - Graduate level - 1 year</u>						
Female						
Male						
<u>ACADEMIC - Graduate level - 2 years</u>						
Female						
Male			1			

TABLE 1 (continued)

<u>TYPE OF TRAINING</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
<u>SUMMARY</u>						
<u>TOTAL TRAINEES</u>	19	76	77	71	76	63
<u>ACADEMIC</u>						
Female		3	5	5	4	6
Male	4	9	9	5	5	7
<u>TECHNICAL</u>						
Female	3	41	22	26	44	20
Male	12	23	41	35	23	30
<u>LONG-TERM</u>						
Female		3	5	6	6	6
Male		9	9	10	9	7
<u>SHORT-TERM</u>						
Female		41	22	25	42	20
Male		23	41	30	19	30
<u>HBCU PLACEMENTS</u>		24	4	Not determined		

TABLE 2
NON GLASP TRAINING

FY 1989 COUNTRY TRAINING PLAN
NUMBER OF NEW STARTS

PROGRAM: Project Related Training - U.S.
Project Related Training - Third Country

COUNTRY OF ORIGIN: BELIZE

FY 1989 OYB (\$000):

<u>TYPE OF TRAINING</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
<u>A. TRAINING IN THE UNITED STATES</u>						
<u>TECHNICAL - 30 days or less</u>						
Female				1	1	1
Male		8	24	32	37	14
<u>TECHNICAL - 31-180 days</u>						
Female					1	
Male		2	3	9	12	6
<u>TECHNICAL - 6-8+ months</u>						
Female						
Male						
<u>TECHNICAL - 9 months or more</u>						
Female						
Male				1		
<u>TOTAL TECHNICAL</u>		10	27	43	51	21
<u>ACADEMIC - Undergraduate - 1 year</u>						
Female						
Male						
<u>ACADEMIC - Undergraduate - 2 years</u>						
Female						
Male				2		
<u>ACADEMIC - Undergraduate - 3 yrs or more</u>						
Female						
Male						
<u>ACADEMIC - Graduate level - 1 year</u>						
Female						
Male						
<u>ACADEMIC - Graduate level - 2 years</u>						
Female						
Male						

TABLE 2 (continued)

<u>TYPE OF TRAINING</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
<u>SUMMARY</u>						
<u>TOTAL TRAINEES</u>		10	27	45	51	21
<u>ACADEMIC</u>						
Female						
Male				2		
<u>TECHNICAL</u>						
Female				1	2	1
Male	10	27		42	49	20
<u>LONG-TERM</u>						
Female						
Male				3		
<u>SHORT-TERM</u>						
Female				1	2	1
Male	10	27		41	49	20
<u>HBCU PLACEMENTS</u>						
B. <u>THIRD COUNTRY TRAINING</u>			2	3	5	

F. GRAY AMENDMENT

	<u>FY 1987</u> (Actual) (in \$000)	<u>FY 1988</u> (Estimate) (in \$000)
1. Total Development Assistance*	6,981	7,050
2. Amount of DA available (exclusive of incremental funding, mortgages, local construction in host country, etc.) for U.S. procurement	2,711	4,065
3. Amount of funds awarded to Gray Amendment firms	786	1,280
4. Percentage of funds awarded to Gray Amendment firms	29%	32%

* Excludes PD & S

1987 Gray Amendment List

<u>Contractor Name</u>	<u>Project Title</u>	<u>Amount of Contract</u> (\$000)	<u>Date of Contract</u>
Devres, Inc.	Commercialization of Alternative Crops	\$776	03/25/87
South Carolina State College	Central American Peace Scholarships	10	08/1/87

TROPICAL FORESTS/BIOLOGICAL DIVERSITY

ANNEX TO USAID/BELIZE FY 89-90 ACTION PLAN

March 1988

TABLE OF CONTENTS

I.	<u>Background</u>	.....1
II.	<u>Summary of Needs</u>	.....1
III.	<u>Analysis</u>	.....2
A.	<u>Tropical Forests</u>	.....2
1.	<u>Belize Forests</u>	.....2
a.	<u>Forests in the Economy</u>	.....2
b.	<u>The Forest Resource</u>	.....6
c.	<u>Forest Ownership and Institutions</u>	.....7
d.	<u>Management of Belize Forests</u>	.....8
i.	<u>Forest Reserves</u>	.....8
ii.	<u>Other Forests on Crown Land</u>	.....10
iii.	<u>Private Forests</u>	.....11
2.	<u>Tropical Forest Conservation Needs for Belize</u>	.....12
3.	<u>AID Participation</u>	.....14
B.	<u>Biological Diversity</u>	.....16
1.	<u>Biological Diversity in Belize</u>	.....16
2.	<u>Current Conservation Programs</u>	.....17
a.	<u>Laws, Authorities and Treaties</u>	.....17
b.	<u>Habitat Conservation Programs</u>	.....17
i.	<u>Public Lands</u>	.....17
ii.	<u>Protected Areas</u>	.....18
iii.	<u>Habitat Classification System</u>	.....18
iv.	<u>Habitat Conservation Needs</u>	.....19
c.	<u>Wildlife and Fisheries Programs</u>	.....20
i.	<u>Protected/Endangered Species</u>	.....20
ii.	<u>Hunting, Commercial Trade and Fisheries</u>	.....21
iii.	<u>Wildlife and Fisheries Program Needs</u>	.....22
d.	<u>Conservation Information Base</u>	.....22
i.	<u>Overview Documents</u>	.....22
ii.	<u>Literature</u>	.....23
iii.	<u>Institutions</u>	.....23
e.	<u>Private Sector Programs</u>	.....23
3.	<u>Economic Potential of Wildlands and Wildlife</u>	.....24
4.	<u>Biological Diversity Conservation Needs</u>	.....25
5.	<u>AID Participation</u>	.....26

DRAFT

TROPICAL FORESTS/BIOLOGICAL DIVERSITY
ANNEX TO USAID/BELIZE FY88/89 ACTION PLAN

I. Background

Title III of the Special Foreign Assistance Act of 1986, Public Law 99-529, amends the Foreign Assistance Act, requiring USAID missions to analyze in each country development strategy statement or other country plan (including action plans) (1) the actions necessary in that country to achieve conservation and sustainable management of tropical forests (sec. 301); (2) the actions necessary in that country to conserve biological diversity (sec. 302), and (3) the extent to which the actions proposed for support by the mission meet the needs thus identified. Information about these new requirements was first sent to missions in State 037076, with additional guidance in State 118324 and State 150862.

This annex addresses these new mission reporting requirements. The preparation of this draft has followed the plan of action proposed in State 230480. This called for AID/W assistance, through the services of ST/FENR Advisor on Biological Diversity and the Regional Forestry Advisor/Caribbean, USDA Forest Service.

This annex contains analyses of the current tropical forest management and biological diversity conservation situations in Belize. These analyses are intended for use in identifying needs and assessing priorities for future forest management and conservation actions by the Government of Belize (GOB), USAID, other international development assistance agencies and the private conservation community.

II. Summary of Needs

A. Tropical Forests

1. The contribution of Belize forests to the national economy needs to be increased.
2. A comprehensive National Forestry Development Plan should be developed by the GOB.
3. Management plans for established Forest Reserves need to be developed and implemented.

4. Representative areas of all natural forest types in Belize need to be protected, in order to assure the conservation of biological diversity.
5. Management of private sector forests needs to be promoted and increased.
6. Agroforestry and other technologies to sustain production on milpa farms is needed.

B. Biological Diversity

1. A public lands and land development policy needs to be established that includes consideration of the conservation of biological diversity.
2. A systems review of protected areas and the biological diversity of Belize is needed to determine areas for conservation management.
3. A land use/natural resources planning unit is needed within the Forest Department to develop management plans for forest reserves and conservation areas.
4. A wildlife biologist and a protected area specialist should be added to the Forest Department staff to implement existing authorities.
5. A fisheries regulations enforcement unit needs to be established in the Fishery Department.
6. An assessment of the development potential for natural history and cultural tourism to Belize's protected areas should be undertaken.

III. Analysis

A. Tropical Forests

1. Belize Forests
 - a. Forests in the Economy

Ninety-three percent (21,322 km²) of the land area of Belize is nominally classified as forest. This resource provided the basis for economic development in the country from the late 1700's until the 1950's. At the beginning of this period, the total economy of Belize was based on the export of logwood (Haematoxylum campecheanum) to Europe; in the early 1800's mahogany (Swietenia

macrophylla) exports displaced those of logwood. The contribution to the economy of timber exports, which provided about 75% of export income in the 1950's, has since diminished to about 1%, due to neglect of the forest sector, and promotion of other sectors, by the government.

During much of the period when the Belize economy was dominated by timber exports, colonial policy prohibited agriculture in the country. This policy was implemented in favor of the London-based trading companies, to ensure a market in the colony for their products. An additional effect of this policy was that labor was not drawn away from Crown-conferred timber concessions. Development of sugar plantations, and an increase in other agriculture as the policy prohibiting it was relaxed, have provided a substitute for timber production in the national economy.

During the 1800's, title to large areas of forest was accumulated by a few large companies for the extraction of mahogany, mostly in the northern part of the country. Since mahogany grows dispersed through the forest, large areas were not cleared of trees. Instead, tree hunters located trees during the rainy season, which were felled and snaked out to roads or waterways for transport to Belize City during the dry season. In the mid-1800's, a depression in mahogany exportation, apparently due to depletion of adequate-sized accessible trees, caused many landholders to sell out. Belize Estates and Produce Company, Ltd, a consortium of London and Belizean businessmen, bought up many of these holdings, eventually accumulating over 1,000,000 acres of forest area. Other areas reverted to the colonial government, which, during the 1920-30's, set up a system of forest reserves from these and other Crown lands, and a Forest Department to manage them. The Forest Department let out concessions in these reserves, enforcing a girth limit, below which trees could not be harvested. A release for each mahogany or cedar (Cedrela odorata) was required before trees could be cut. The reason for the girth limit, which varied by species, was to ensure that a reserve of marketable species of reproductive age was left to repopulate the forest. This measure was in response to the previous overcutting of the forest resource, and resulting scarcity of marketable trees, in the 1800 and 1900's. Royalties, which also varied by species, were charged to concessionaires. Eventually, the girth limit regulation and collection of royalties were extended to private lands, as well as the required release by forest guards for mahogany and cedar. Until self-government started in 1957, royalties collected for timber went to the Forest Department, which developed a cadre of trained professionals under a series of Forest Conservators. Since 1957, timber revenues have gone into the General Treasury, and Forest Department funds have come from ever more austere National budgets.

The primary species for export were, and continue to be, mahogany

and cedar, with small volumes of rosewood (Dalbergia stevensonii) and ziricote (Cordia dodecandra). Other species were cut for local construction and specialty uses, such as railway sleepers, dugout canoes, furniture, wagons, docks, tool handles, etc. These species include bull hoof (Drypetes brownii), bullet tree (Bucida buceras), black cabbage bark (Lonchocarpus castilloi), cypress (Podocarpus guatemalensis), mayflower (Tabebuia pentaphylla), mylady (Aspidosperma megalocarpum), nargusta (Terminalia amazonia), pine (Pinus caribaea var. hondurensis and P. oocarpa), prickly yellow (Zanthoxylum spp.), Santa Maria (Calophyllum brasiliense), sapodilla (Manilkara zapota), tubroos (Enterolobium cyclocarpum), waika chewstick (Symphonia globulifera) and yemeri (Vochysia hondurensis). Resin from chicle macho (Manilkara chicle) and sapodilla was harvested and exported for the manufacture of chewing gum.

Timber was traditionally exported as logs, and local forest industry was slow to develop beyond the modest needs of local consumption. Approximately 50 sawmills now exist in the country, most of which are old, small-scale, inefficient circular mills. Recently, a more efficient mill has been installed, with a 20 mbf (thousand board feet) per day capacity. A number of portable sawmills and manual pit saws also produce lumber. A limited amount of mahogany and other timbers are now exported as lumber, often in cargo containers. Santa Maria is the most frequently sawn timber for the local market.

Several attempts have been made to establish veneer plants in the country, but to date none has been successful. In Belmopan, a small factory supplies the local market for safety matches using pine, and steps are being taken to increase production to allow exports. With ODA assistance, the Forest Department is developing a new wood workshop to produce furniture for sale. Their pressure treatment plant, which suffers from frequent breakdowns, gives preservative treatment to pine utility poles for the local electrical network. Pine lumber belonging to private parties is also treated for a fee. In an interesting program, the Cooperative Housing Foundation has provided the Belize Agency for Rural Development, a PVO, with a portable sawmill (chainsaw mill), which is loaned with an operator to cooperative members, to produce lumber for housebuilding in rural areas from logs that have been felled for agricultural clearing and that would otherwise be unused. Livestock cooperatives are also interested in using the mill for producing fence rails and posts.

Only about five to ten percent of the annual growth of hardwood and pine timber in Belize is currently harvested. It is estimated that the annual growth of exploitable commercial timber in the country is 1.4 million m³ (309,051 mbf) for hardwoods, and 700,000 m³ (154,525 mbf) for pine. Theoretically, an amount of timber equal to the annual growth could be harvested annually, without depleting the

forest resource (principle of sustained yield). However, much of this growth is in inaccessible areas, or in areas that should receive protection for the sake of conserving biological diversity and protecting soils and watersheds. Even an arbitrary annual cut of 50% of the annual growth would involve a ten-fold increase above the current harvest level. Given the estimated current annual contribution to the government from timber royalties of B\$450,000, this increase would imply a revenue due to timber of B\$4,500,000. Currently, the value of the annual lumber production of Belize is about B\$7 million. This same increase in production would imply a value of at least B\$70 million (over one-half of the current annual national budget for the country). Other significant benefits to the Belize economy would include increased export earnings, increased rural employment and an economic reason for government protection of habitat of endangered and potentially economic forest plant and animal species.

An increase in the harvest of timber would necessitate an increase in the capacity of existing forest industries and establishment of new plants. Much of the Caribbean is a net importer of lumber, and could serve as a market for Belize timber, if sold at competitive prices and of adequate quality. Much of the current lumber used in the Caribbean is pine from the U.S and Honduras. Pine from Mountain Pine Ridge is slow-growing and dense, and should be able to help meet the increasing demand for lumber in the region. Many other low- to medium-density species could serve as a substitute for pine in Belize and the Caribbean, if sawn and dried properly, and given preservative treatment.

Imports of plywood to Belize amounted to US\$1.4 million in 1986. Many forest species of the country yield good core and/or face veneer. One or more veneer plants, and a plywood plant, could substitute for this import, and provide considerable export revenue. Increased use of wooden housing components in Belize, such as exterior and interior walls, doors, window frames, trusses and cabinets could provide a domestic market for lumber and plywood. In many cases, this increased wood use would provide a substitute for imported cement, as well. Paper and paper products imports valued US\$5.4 million in 1986. However, the large scale required for pulp mills to be cost effective, the small Belize market, and the highly competitive international market for pulp and paper products makes establishment of such an industry in the country inadvisable. Residues from sawmills, and veneer and plywood mills should be used to produce steam for the plants (for lumber and veneer drying, plywood press heat and pressure). Extra mill residues, and woods residues, could be made into charcoal for local use and export.

The forests of Belize have another significant economic importance, that being their attraction to tourists. The high proportion of the country that is still forested signifies that abundant habitat

exists for animals that are scarce in most of the rest of Central America, such as the jaguar (Felis onca), puma (F. concolor), ocelot (F. pardalis), margay (F. wiedii), tapir (Tapirus bairdii), brocket deer (Mazama americana), Morlet's crocodile (Crocodylus morletii) and many bird species, both native and migratory from North America. Plant species and forests attract tourists, as well, and tourist development has included riding trails through the forests and rafting on rivers. The protection that forests give to watersheds also subsidizes tourism, by providing clean water for sanitation and water sports. Additionally, clean rivers are important for the health of reef ecosystems and other coastal marine resources which attract tourists. Appreciable potential still exists for developing nature-related tourism in Belize. As an example, visitation of the Cockscomb Basin Jaguar Reserve has increased from 200 visitors in the first two months of 1986 to over 600 in the same period of this year. It is estimated that a trip to Cockscomb prolongs the visit of tourists in Belize by at least one day, which implies additional income for entrepreneurs in the restaurant, hotel, car rental and tourist guide business.

It is important that Belize define and classify the many forest types in the country, and protect representative areas for all of these types. This must be done to ensure the continued existence of vital habitat for conservation of biological diversity, and a source of germplasm for economic production in this and other countries.

b. The Forest Resource

As stated above, roughly 90%, or more than 20,000 km², of Belize is covered by forest vegetation, comprising 75% closed broadleaf forest, 10% mangrove and swamp, 5% woodland and pine forest, and 10% open areas and grassland. This high percentage of forested area is uncommon in Central America and the Caribbean, with the exception of Dominica and the Guianas.

Belize has approximately 4,000 species of native flowering plants, including 2,500 species of dicots and 1,500 species of monocots. About 700 species of native trees are reported for Belize, representing 331 genera in 87 botanical families.

Six major ecological "life zones" are found in Belize, e.g. Subtropical Moist Forest, Subtropical Lower Montane Moist Forest, Subtropical Lower Montane Wet Forest, Subtropical Wet Forest, Tropical Moist Forest, Transition to Subtropical and Tropical Wet Forest, Transition to Subtropical. In each life zone, edaphic and moisture conditions result in different plant associations, e.g., mangroves, pine ridge and closed broadleaf forest which are all found in the Subtropical Moist Forest life zone. Because of the generally low level of deforestation in the country to date, all of the life zones include major areas of forest. No comprehensive,

up-to-date inventory of the natural plant associations of Belize exists, however. As agricultural expansion proceeds, it is very possible that plant associations on soils of good agricultural potential (it is estimated that a relatively small proportion of land suitable for agriculture is presently being so used) in the Subtropical Moist Forest and Subtropical Wet Forest life zones will become scarce, with deleterious effects on populations of certain animal and plant species due to habitat destruction. It should be a national policy to promote more intensive agricultural development on soils of agricultural potential that have already been deforested, before allowing permits for conversion of existing forest to agriculture.

The broadleaf forests of Belize are quite heterogeneous. This has implications for natural forest management, because of the low representation of the presently marketed species in a given area. This heterogeneity is due in part to the location of Belize in Central America, and the biogeography of the North and South American fauna and flora. The biological diversity of forests of the country is high as a result, although the level of species endemism is not. However, many species are common in Belize that are decimated or rare in the rest of Central America and Mexico, because of the high proportion of Belize that remains in forest.

Small areas of forest plantations exist, mostly on public land. These include about 1,000 ha (2,471 acres) of Gmelina arborea near Mayflower, 2,000 ha (4,942 acres) of pine and 500 ha (1,235 acres) of mahogany plantations. Small plantations also exist of teak, eucalyptus and cedar. In general, however, most of these areas have been neglected and collectively they do not contribute much to Belize's forest estate or economy.

c. Forest Ownership and Institutions

Sixty-two percent (13,260.4 km²) of the forest land of Belize is in public ownership, slightly less than half of which is in 16 gazetted Forest Reserves (6,516.5 km²). The Forest Department of the Ministry of Agriculture is responsible for the management of these Forest Reserves. While much of the remaining public, or Crown, land is still forested and serves as habitat for many animal and plant species endangered elsewhere in Central America and Mexico, it is potentially available for agricultural concessions, under the authority of the Lands Department of the Ministry of Natural Resources. Private forest land (3,061.6 km²) includes some of the best remaining stands of mahogany, cedar and other timber species, in the Subtropical Moist Forest and Subtropical Wet Forest life zones.

The establishment and management of Forest Reserves is legislated in the Forest Ordinance of 1926 and its revisions. Revisions of this

legislation also affect activities on private forest lands, requiring permits, application of minimum girth limits, release of mahogany and cedar, and payment of royalties, for tree cutting on holdings over 40.5 ha (100 acres), all under the supervision of the Forest Department. Clearing of land for agriculture also requires a permit from the Forest Department, although this appears to be largely a formality under current policy. The Wildlife Protection Act of 1981 authorizes the Forest Department to control hunting on public and private land, but neither bag limits nor closed seasons exist, and lack of staff would make their enforcement impossible. The National Parks System Act of 1981 permits ministerial declaration of national parks and other protected areas. While the legislation stipulates that such protected areas are to be administered by the Chief Forest Officer, no regulations have been drawn up for implementation of the parks legislation.

The Forest Department consists of a Chief Forest Officer, a Principal Forest Officer, three Forest Officers, three Foresters, two Conservation Officers, 11 Rangers, 20 Forest Guards and support staff. Only five of these personnel have forestry degrees, while the three Foresters have received technical training. None of the personnel has received training in wildlife or parks management. The rangers staff two large and four smaller forest stations. Forest Department vehicles are old and of insufficient number for the guards to carry out their duties inspecting areas with cutting permits. Operational budgets are quite inadequate to cover the costs of gasoline and equipment purchase.

d. Management of Belize Forests

i. Forest Reserves

None of the 16 Forest Reserves has a scientific forest management plan. All of the reserves lack up-to-date inventories of the current or potential resource of timber, water, soil, wildlife, recreation or archaeology. Capability of the Forest Department staff to carry out resource inventories, develop management plans and manage forests is limited. The current role of the department is that of caretaker, rather than manager, of forest reserves. The responsibility of releasing mahogany and cedar in concessions, enforcing girth limits and measuring logs for determination of royalties takes up the majority of the time of department personnel. Staff that are assigned responsibility for a geographic area are responsible not only for carrying out these activities for concessions in the forest reserves in the area, but also on private land.

Management plans are needed for the 16 forest reserves. As part of the planning process, an inventory of timber resources needs to be made. In each reserve, areas appropriate for timber production,

watershed and wildlife protection, and recreation development should be determined. Current timber inventory, production potential of soils and accessibility will determine the suitability of an area for timber production. Areas important for community water supplies should be protected, and buffer strips should be maintained along rivers and streams. Habitat that is little represented in other areas should be identified and protected. Areas with spectacular natural beauty and archaeological significance could be developed for recreation and public education. Currently, specific areas within certain forest reserves are considered as protection areas because of their importance to watersheds or their spectacular beauty, but the legal status and permanence of these areas is uncertain. Under a British ODA forestry project now being designed, the Mountain Pine Ridge Forest Reserve will apparently be re-inventoried, and a management plan prepared. Training will also be given to Forest Department personnel. However, the emphasis of this project is apparently on industrial production.

Little information exists on the growth rates of Belize forests. Without this information, it is impossible to calculate the amount of timber that can be harvested without depleting the resource. Estimates that have been made of growth rates are very rough, and it is unclear if these estimates are for all species or only presently commercial ones. It is probable that the rate of growth, and thus the level of sustainable harvest, would be increased by more intense forest management.

Presently, few forest species are now utilized, in spite of the fact that information exists on uses, processing and management of over forty secondary species. The spotty occurrence of the few species extracted means that the economic return per unit of forest land area is quite low. Costs for entering an area are more or less fixed whether few or many species are extracted (about B\$15,000/mile road cost). This limited return from forest land contributes to the low level of priority that is attached to its management. The utilization of a greater number of timber species from forested areas would increase the economic return per unit area, the royalties collected from the area and the importance attached to these areas by the central government. Evidence from Quintana Roo in Mexico, an area of broadleaf forests similar to those of much of Belize, indicates that an increase in the number of species utilized creates more gaps in the forest, resulting in greater regeneration of commercial species.

While the Forest Department Research Unit has carried out forest management studies in the not-to-recent past, most of these studies have not been analyzed, and no results have been put into practice in recent years on forest reserves. The enforcement of girth limits, a practice initiated earlier this century, should be continued until more scientifically based and practical management

125

guidelines can be developed for regenerating and fostering commercial timber species. While girth limits do not assure an optimum density or growth of marketable species, they do provide a fair chance that reproductive-aged individuals of these species are represented in the stand to provide a seed source for regenerating the gaps created by felling trees, and skidding and loading logs.

The repeated logging of the forests of Belize in the last two centuries has been possible because commercial species (largely mahogany) have regenerated in areas after logging. Deliberate measures to assure regeneration of desirable species could increase their density in subsequent rotations. As an example, direct seeding of clearings opened during logging could be carried out, if no individuals of commercial species and reproductive age are within natural seed dispersal distance.

Currently, no measures are taken to affect the survival or growth of commercial species in forest stands. Thinnings to eliminate non-commercial species and give growing room to commercial ones may prove economically justifiable, especially if markets can be developed for the trees that are thinned, such as charcoal and building poles.

Several thousand acres of plantations have been established in the past by the Forest Department, as mentioned above. While most of these have not been adequately maintained, they could serve as a source of information on species adaptability to sites, growth rates and economic returns from forest plantations. The Forest Department appears to consider an increased level of forest management with the development of plantations. A careful economic evaluation should be made of the relative benefit/cost relationship of plantation and natural forest management under the different conditions of soil, moisture, markets and accessibility for the different forest reserves.

Fire control in forest reserves is of concern to the Forest Department. Past efforts at controlling fire in pine areas, such as establishment of roads for fire breaks, have resulted in large areas of good pine regeneration. While assistance is needed for continued fire protection for these areas, including trucks, radios, operating budget and training, broadleaf forest areas do not present a high risk of wildfire. The British ODA forestry project now being developed will apparently provide the needed assistance, at least for the Mountain Pine Ridge forest reserve.

ii. Other Forests on Crown Land

Specific forested areas have been set aside for protection of wildlife or outstanding scenic beauty. These include Cockscomb Basin Wildlife Sanctuary, the Halfmoon Cay Natural Monument,

Guanacaste National Park, Rio Grande Wildlife Sanctuary and Nature Reserve, Thousand Foot Falls, Caves Branch, Mountain Cow Caves, the Blue Hole and seven Crown Reserve Bird Sanctuaries. While these areas fall under the authority of the Chief Forest Officer, their management has been delegated to the Belize Audubon Society. The BAS receives funds from its members and international non-government organization such as the World Wildlife Fund-U.S., which have been used to develop management plans for some of the areas, establish facilities such as cabins and interpretive displays, and hire wardens to patrol the areas.

Other forested, non-reserved Crown lands receive virtually no forest management. Current government policy allows leasing of these lands to private parties and conversion to agriculture. If a determination of forest types finds that certain vegetative associations are not included in existing protected areas, then consideration should be given to changing the status of these areas in non-reserved Crown lands to protected areas such as national parks, wildlife sanctuaries or national monuments.

iii. Private Forests

While much of the forest area of Belize is in private holdings, almost none of this forest is managed. In many areas, timber is being extracted, presumably under the girth limit guidelines enforced by the Forest Department. Other land is just being held for speculation.

Large projects are currently underway to convert tropical forest to agriculture, such as citrus, cocoa or livestock. While a permit from the Forest Department is required for this conversion, apparently public policy makes this a routine procedure. No requirement exists for a scientific review of the capability of the soils of the area to sustain agriculture, or the availability of other land of agricultural potential that has already been deforested.

Other private forests are converted to agriculture by small farmers, under the milpa system. The principal areas of this activity are in the Toledo District, where expanding Indian populations require new lands to farm, and in areas settled by refugees from other Central American countries. Milpa farming is largely a subsistence endeavor. When adequate land is available, this system is a sustainable land use, as plots are cropped for two or three years, then left for eight to twelve years to allow soil conditions to improve through the accumulation of organic matter and domination of weeds by bush fallow vegetation. However, as populations increase, fallow periods are shortened and soil is degraded, or new areas are converted from forest to agriculture. Modifications of the milpa system are possible that can increase productivity and

sustainability of the system, even under increasing land pressure. Agroforestry, the combination of crops with trees, and permanent tree crops such as cocoa and fruit trees, offer alternative technologies that can be easily adapted to the socio-economic conditions of the milpa farmer. Promotion of these new technologies should emphasize increased productivity for the milpa farmer, and his gradual integration into the rural economy of Belize. Products from trees associated with crops can be used on the farm as well as marketed in the local area.

2. Tropical Forest Conservation Needs for Belize

- a. The contribution of Belize forests to the national economy needs to be increased.
 - i. Utilization of a larger number of timber species needs to be achieved. Appropriate technologies are known for utilizing secondary species, and should be transferred to entrepreneurs.
 - ii. Policy dialogue should be undertaken to promote greater use of trees in timber concessions and in areas cleared for agriculture.
 - iii. Value should be added to timber species before export by manufacturing furniture, decorative plywood and other products.
 - iv. Royalties collected from timber should go directly to the Forest Department budget.
 - v. Assistance in managing forests should be provided to private landholders.
- b. A comprehensive National Forestry Development Plan should be developed by the GOB.
 - i. Policy dialogue is needed to gain GOB political support for the development and implementation of a forestry development plan, as part of the national development strategy.
 - ii. A Forestry Sector review, implemented under the auspices of the FAO Tropical Forestry Action Plan, should be carried out for Belize. Major components of a FSR are 1) agroforestry and watershed management, 2) forest-based industrial development, 3) fuelwood and energy, 4) conservation of forest ecosystems and f) forestry institutions. An action

plan would identify complementary projects for international development investment.

- iii. Financial and policy support by the international donor community in Belize is needed for a forestry development plan.
- c. Management plans for established Forest Reserves need to be developed and implemented.
- i. The Forest Department needs to adopt a policy of managing its forests for multiple uses.
 - ii. Training is needed in inventory, and development and implementation of forest management plans.
 - iii. Inventories are needed for the 16 forest reserves. For this, up-to-date aerial photos are crucial.
 - iv. Management plans for each forest reserve need to be developed, identifying areas for production of timber, water and wildlife, protection and recreation.
 - v. Implementation of management plans is needed. This requires adequate budgets and trained staff.
- d. Representative areas of all natural vegetation types in Belize need to be protected, in order to assure the conservation of biological diversity.
- i. Policy dialogue is required to encourage GOB support for protection of representative natural areas. The role of such areas in attracting tourists should be emphasized.
 - ii. A determination is needed of the different natural vegetative associations in Belize.
 - iii. Existing protected areas should be evaluated to identify what natural forest types they include.
 - iv. Candidate areas for protection need to be identified that include vegetation types not included in other protected areas.
 - v. Management plans need to be prepared and implemented for protected natural areas. This includes training of staff and allocation of adequate budgets for management.

- e. Management of private sector forests needs to be promoted and increased.
 - i. Technical assistance should be provided to landholders in management of their forests. This might be provided by a Forest Department Extension Unit. Long-term contracts between forest industry and landholders could include management assistance as an alternative.
 - ii. Permits for conversion of land from forest to agriculture should only be given after a scientific determination of the capability of the land to support sustained agriculture. Availability of alternative land should also be determined.
 - iii. Incentives for forest management on private lands, such as tax incentives, should be considered.
 - iv. Information on the benefit/cost relationship of sustained forest management is needed, and should be passed on to private landholders.
- f. Agroforestry and other technologies to sustain production on milpa farms is needed.
 - i. A mechanism for introducing and adapting agroforestry and tree crop technologies on milpa farms is needed. This should be developed and implemented through existing community organizations.
 - ii. Markets need to be developed for products of agroforestry systems from milpa farms.
 - iii. Cost/benefit information of agroforestry systems on milpa farms is needed.

3. AID Participation

a. Previous and on-going Projects and Activities

- i. USAID/Belize funded the Belize Country Environmental Profile, which included forestry in its analysis of natural resources and environmental issues.
- ii. USAID/Washington funded financial, marketing, technical and preliminary environmental analysis by Coopers & Lybrand Consultants of expanded logging

and sawmilling activities by Belize Timber, Ltd in 1983.

- iii. The Accelerated Cocoa Production project (505-0023) promotes cocoa production, an agroforestry activity that can relieve pressure on tropical forests by providing a productive stable alternative to milpa farming.
- iv. USAID/Washington funded travel and attendance of the Chief Forest Officer of the Forest Department at the 1985 International Seminar on Forest Resources Administration and Management, organized by the University of Michigan.

b. Possible Future USAID/Belize Activities

British/ODA programming is currently being designed to promote management and utilization of the Mountain Pine Ridge Forest Reserve. Proposed USAID programming will be coordinated with these activities.

- i. Policy dialogue with the GOB will encourage recognition of the economic potential of Belize forests for production of export goods, import substitution and tourism.
- ii. Mission assistance will be given to the GOB for development of a National Forestry Development Plan, through the Forestry Sector Review process. This activity will be undertaken as part of the FAO Tropical Forestry Action Plan, hopefully with assistance from the British government, given their current interest in the Belize forestry sector.
- iii. The mission will promote an increase in the contribution of forests to the economy, by increasing the use of secondary species from public and private forests. This will be done through policy dialogue and funding of studies for appropriate forest technology pilot plants.
- iv. Technical assistance will be provided to the Forest Department for the preparation and implementation of management plans for forest reserves.
- v. Training will be provided to the Forest Department in wildlife and protected area management, to strengthen the capability of the department to manage areas that attract nature-related tourism.

B. Biological Diversity

Biological diversity refers to all living things and the ecological systems they form. It includes all species of wild plants and animals, the genetic variation within each species and the variety and complexity of the habitats and ecosystems that support these species.

Biologists estimate that there are at least 10,000,000 species of plants and animals in existence today. Fully 5 to 20 percent (500,000 - 2,000,000) of these species are thought to be vulnerable to extinction over the next 20 to 50 years, due to the continued loss and alteration of natural habitats, especially tropical forests (CEQ, 1980, The Global 2000 Report to the President)

Such a reduction in the variety of living resources is cause for serious concern for several reasons. First, valuable germplasm resources from wild relatives of currently utilized species may be lost at a time when genetic improvement is gaining increased attention. Second, many wild species that hold great commercial promise for new foods, new medicines or new industrial raw materials could be lost. Third, a major reduction in natural diversity may also impair crucial ecosystem services such as soil formation and retention, nutrient cycling and watershed protection.

Although each country presents its own particular circumstances, effectively conserving biological diversity resources in any country will require appropriate authorities for the protection of natural habitat and wild plant and animal populations, a representative protected area system, and wildlife and plant management programs capable of inventorying, monitoring, and, when necessary, managing wild plant and animal populations both on and off protected areas. Effective conservation programs will also require the necessary institutional capacity to develop an adequate information base on wild living resources, and to undertake appropriate research.

The following is an analysis of the current conservation situation in Belize. This analysis examines protected areas, wildlife, fisheries and plant conservation programs, and the existing conservation information base for the country.

1. Biological Diversity in Belize

A complete inventory of species indigenous to Belize is not available. However, Belize's tropical and subtropical climate and its location in Central America where elements of the North and South American floras and faunas have mingled within the last 2 million years has provided a high level of species diversity in a

14/2

country roughly the size of Massachusetts. As noted earlier, Belize has some 4000 species of flowering plants and an unknown number of lower plants. The fauna includes a known total of 121 mammal, 504 bird, 107 reptile, and 63 freshwater fish species. There is an unknown but undoubtedly rich assemblage of marine fish, and of invertebrates, both terrestrial, freshwater and marine.

No detailed habitat classification is available, but Wright et al. (as cited in the Belize Country Environmental Profile) defined 34 natural vegetation types. No classification or enumeration of marine habitats is available, but Belize's extensive barrier reef system and associated cays, lagoons and estuarine areas, once studied, are likely to reveal a high diversity of aquatic habitats, both marine and coastal.

A good general description of the natural resources, including fauna and flora, of Belize may be found in the Belize Country Environmental Profile (Robert Nicolait and Associates, 1984, Belize Country Environmental Profile; hereafter referenced as BCEP).

2. Current Conservation Programs

a. Laws, Authorities and Treaties

The Forest Ordinance provides the GOB with legal authority to declare forest reserves. The National Parks System Act of 1981 provides the GOB the legal authority to establish national parks, nature reserves, wildlife sanctuaries and natural monuments. Authority for the protection of wildlife in Belize stems from a 1944 ordinance and legislation passed in 1945, as updated in the Wildlife Protection Act of 1982. Authority for the protection and management of fisheries stems from the 1977 Fisheries Ordinance (BCEP). The Forest Department has the administrative responsibility for the public forests, national parks and other protected areas, and for wildlife management. The Fishery Department has the administrative responsibility for implementation of Belize's fisheries laws and regulations.

Belize is not a party to any of the major international habitat or wildlife conservation conventions (e.g., The World Heritage Convention, The Convention on Protection of Wetlands of International Importance, The Convention on International Trade in Endangered Species, or UNESCO's MAB Biosphere Reserve Program).

b. Habitat Conservation Programs

i. Public Lands

As of 1984, the GOB held title to more than 50% of the country (13,260 km²). Of this public estate, some 6743 km² were

unreserved forest lands and 6517 km² were within 16 officially declared forest reserves. The marine continental shelf and the majority of offshore cays are also in the public domain. An existing ordinance reserves to the government one chain (20m) of ocean water frontage as public land. However, a good deal of coastal frontage was privately titled before passage of this ordinance and many of the larger and more attractive cays are also privately owned, in whole or in part (BCEP).

ii. Protected Areas

There are currently 12 existing conservation areas in Belize. These include Belize's first national park, Hol Chan (a marine area), the recently created Cockscomb Wildlife Sanctuary, Half-Moon Cay Natural Monument, Guanacaste Park, Rio Grande Wildlife Sanctuary and Nature Reserve and 7 Crown Reserve Bird Sanctuaries. Most of these areas (other than Hol Chan, Cockscomb and Rio Grande) are quite small. The GOB is also protecting 4 small scenic areas (Thousand Foot Falls, Caves Branch, Mountain Cow Caves and Blue Hole). However these four areas are of uncertain legal and administrative status. Although roughly 22% of the 6517 sq km of designated forest reserves is unofficially recognized as "protection forest" and an additional 33% is considered inaccessible, none of the existing forest reserves appear to be under a formal management plan and it is unclear to what extent these lands will contribute, over the long term, to the systematic conservation of biological diversity in Belize. Also, many of the forest reserves (e.g., Freshwater Creek and Silkgrass) have been partially converted to other land uses and in some cases parts of the forest reserves have been officially declassified and sold to private interests or ceded to milpa farmers.

In addition to the public areas discussed above, there are two private nature reserves in Belize: the Bermudian Landing Howler Monkey Reserve and the Shipstern Lagoon Wilderness Project. The latter is a large (22,000 ac) area intended as a for-profit butterfly farming operation in Northeastern Belize.

Some 15 potential reserve sites have been identified by the Belize Audubon Society (BAS) and/or others and are discussed briefly in the BCEP. These include the proposed designation of Belize's barrier reef and associated cays, reefs and lagoons as a World Heritage Site. Another 15 sites have been identified by Scott and Carbonell (1986, A Directory of Neotropical Wetlands, IUCN) as potentially eligible for designation under the Convention on the Protection of Wetlands of International Importance, Especially as Waterfowl Habitat (the RAMSAR convention), should Belize choose to join that convention.

iii. Habitat Classification System

144

There is only one detailed classification of natural vegetation available for Belize (Wright et al. 1959 as cited in the BCEP). However, this classification is somewhat outdated and may contain errors in extrapolation of certain data (BCEP). There have also been considerable land use changes in some areas of the country since the late 1950s. Recently, the Toledo district has been resurveyed along the lines of the 1959 surveys and it is hoped that the rest of the country will also be resurveyed in the near future. Nevertheless, the 1959 study and its companion map of vegetation types can serve as a useful first approximation for purposes of assessing major natural habitat types on a scale useful for land use and conservation planning.

On a broader scale, Hartshorn (BCEP) recognizes 6 ecological life zones for Belize (4 subtropical and 2 tropical) based on the Holdridge life zone system. However, the scale of this classification is far too coarse to adequately define the full spectrum of natural habitats and community types in the country.

In addition to the above classifications, the recently completed inventory of wetlands noted above identifies sites of exceptional importance, particularly as waterfowl habitat (Scott and Carbonell, op. cit.). Further work on identifying high priority wetlands is underway by BAS and the Massachusetts Audubon Society.

iv. Habitat Conservation Needs

Belize is the second smallest but least populated country in Central America. With a population of roughly 170,000, over half of which is clustered in towns of 2000 or more people, much of the country is only sparsely populated (BCEP). Although 93% of Belize is nominally classified as forest land, this figure does not accurately reflect current land use (BCEP). With its small population, modest agricultural sector, and history of selective logging, deforestation is not yet a severe problem in Belize (BCEP). Unfortunately, beyond forested areas, there is little information on current or potential rates of habitat conversion. The GOB, aid agencies and the private sector are exploring various scenarios to expand agriculture, livestock and forest sector development which could substantially accelerate habitat conversion over the next decade. There is no clear policy of sustainable forest management in Belize because national policies and management plans for the GOB's forest reserves have not been fully developed. Consequently, it is difficult to assess either the rate or impact of further forest or other habitat conversion.

Adequately conserving biological diversity in Belize will require protection of viable examples of the full array of natural habitat types in the country. Belize has a large public land base, but it currently has only a small and undeveloped protected area system.

145

Although a number of potential protected areas have been identified and all seem to have conservation merit, it is difficult to adequately assess priorities among these recommendations, or if other sites should be considered, without first having a systematic analysis of the coverage of habitat types within existing protected areas and without comprehensive master plans for existing forest reserves that establishes how those areas will be managed. Consequently, a protected areas systems review or "gaps analysis" is a critical need for conservation in Belize at this time. Such a gaps analysis has been actively discussed in the private conservation community, but to date, no useful surveys or analyses have been done.

From the perspective of long-term, systematic conservation of Belize's biological diversity, habitat conservation needs in Belize have two principal components. First, it is very likely that many natural habitat types are not yet represented in the current protected areas system. Some additional protected areas will likely be needed. Determining an adequate protected areas system for the country hinges critically on analyzing where there are gaps in the current protected areas system as discussed above and on the establishment of a comprehensive national forest policy and development of management plans for the country's forest reserves.

Second, it is clear that adequate management of currently designated protected areas suffers from a severe shortage of personnel, planning, and operational funds. For example, although authority for the management of national parks, nature reserves, wildlife sanctuaries and natural monuments resides with the Forest Department, actual management of most of these areas has been delegated by the Department to the BAS, a local nongovernmental conservation organization. BAS is, in turn, supported in large measure by U.S. and international conservation NGOs. As another example, the Belize Forest Department has only 5 professional foresters to manage a national forest estate of over 13,000 km².

Development of a sound public lands/natural resources planning and management capability for the rational allocation of conservation and development efforts on the public estate and the institutional strengthening of the Forest Department to develop a real management capability are major needs at this time.

c. Wildlife and Fisheries Conservation Programs

i. Protected/Endangered Species

The Wildlife Protection Act of 1981 protects all undomesticated mammals, birds and reptiles from unregulated taking. Certain species are listed and protected from all taking. Other species may

only be taken by licensed hunters during seasons and in such quantities as established by the Forest Department. The take of fish and certain other marine taxa (e.g., turtles) is regulated under the Fisheries Ordinance of 1977. It is not clear if there is any legal authority for the protection and management of wild plants, amphibians, or freshwater fish. Belize has no formal endangered species regulations; however, the species completely protected by the Wildlife Protection Act are those once listed by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) as threatened or endangered. The BCEP gives brief accounts of 24 vertebrate species (15 mammals, 2 birds, 7 reptiles) that occur in Belize and are listed by CITES. The BCEP also lists and discusses 22 bird species occurring in Belize that are listed by the International Council for Bird Preservation (ICBP) as endangered.

A more recent compilation of endangered and threatened species (IIED/WRI, 1987, World Resources 1987) includes 18 mammal, 69 bird and 12 reptile species for Belize. These figures mean that roughly 15% of the mammal, 14% of the bird, and 11% of the reptile species currently known from Belize are either threatened or endangered by some standard. However, it should be noted that these listings are often based on the status of a species from areas other than Belize. Several of the species listed by some authorities as threatened or endangered overall may actually be relatively abundant in Belize at present (e.g., jaguar; BCEP).

ii. Hunting, Commercial Trade and Fisheries

Although both wildlife and fisheries authorities appear adequate in most regards, existing regulations are not complied with due to a lack of enforcement capability. Both rural and urban sportsmen appear to ignore hunting regulations and certain fisheries stocks are showing signs of decline despite regulations established to protect them (BCEP). This lack of enforcement capability is particularly true with regards to wildlife. The lack of enforcement capability stems clearly from an insufficient number of staff, equipment, operational funds and management program revenues. For example, as of 1987, the Forest Department had no professional wildlife biologists on staff and only 2 staff in the Department whose duties include wildlife management among other responsibilities.

The Wildlife Protection Act of 1982 included a 7 year moratorium on commercial trade in wildlife. The country appears to have been successful in suspending virtually all trade in wildlife, and, although some smuggling undoubtedly occurs, several formerly depleted species seem to be recovering (e.g., Morelet's crocodile; BCEP). However the current situation does little to build a strong sporting or commercial constituency within the government or private

sector for enhancing wildlife conservation programs. There is no a priori biological reason to exclude a sustainable sport hunting or commercial wildlife trade in Belize. The only constraints are the initial investment in staff, equipment and operational costs necessary to adequately inventory, monitor and manage a sustainable sport harvest and/or wildlife trade.

iii. Wildlife and Fisheries Conservation Needs

Neither habitat conversion nor commercial trade appear to be severe short-term threats to wild plant and animal resources in Belize. The effect of current hunting is unknown. Commercial fishing is beginning to show signs of depletion of several near-shore stocks (conch and lobster; BCEP). As with habitat protection programs, the most serious need for wildlife, fisheries and plant conservation is the strengthening of the relevant management authorities (Forest Department, Fishery Department) to effectively implement and enforce existing regulations and to undertake the inventory, monitoring and research to assure that regulations are, in fact, adequate. As a minimum, a fisheries enforcement unit should be established within the Fishery Department and the Forest Department should hire one full-time professional wildlife biologist.

d. Conservation Information Base

i. Overview Documents

USAID sponsored a country environmental profile for Belize in 1984 (BCEP). Much of this analysis is derived from the information in that document. Although a national conservation strategy for Belize was discussed during 1982-84, the status of such an effort remains unclear at present. A forestry sector review, along the lines of those being conducted in more than 20 countries under the auspices of the Tropical Forestry Action Plan, would be an extremely useful point of policy dialogue and development assistance project planning for both tropical forest management and biological diversity conservation at this stage. Forest ecosystem conservation, (and the biological diversity resources they contain) is one of the five primary areas being addressed in these national forestry sector reviews.

ii. Literature

Although the literature on wildlife, vegetation and forests of Belize is substantial (over 200 references), the lack of information and locality data from which to make good conservation decisions is serious when compared with the information base in other countries of Latin America and the Caribbean (Burley, pers. comm.).

Several individuals and organizations (e.g., BAS and the Belize Environment Center) have gathered much of this information and many of the references, but to date, no attempt has been made to systematically analyze this information for determining conservation priorities.

iii. Institutions

Belize has a very recently established zoo (private), but no museum, herbarium, botanical garden or other institution which might logically serve as a focus for building a conservation information base. Belize also lacks a four-year degree granting college or university and, consequently no local educational or training programs in such disciplines as taxonomy, ecology, conservation biology, wildlife or fisheries management. Long term or advanced training in such disciplines would have to be undertaken overseas. This lack of local institutions and a diffuse literature makes development of a conservation data center along the lines of those being initiated in other Latin American and Caribbean countries a logical means of addressing a current key conservation need for an adequate information base.

e. Private Sector Programs

The major burden of conservation work in Belize has been undertaken by the private conservation sector, namely BAS with major support from international and U.S. conservation NGOs (World Wildlife Fund - U.S. and International, New York Zoological Society, the Massachusetts Audubon Society, and others). Recently, complementary efforts have come from the privately operated Belize Zoo, with support from both local and international sources. These efforts include a very active public awareness program on nature conservation that features a mobile van bringing short programs to public schools throughout the country, a poster series and a zoo newsletter. In addition, several private protected areas have been or are being developed - the Bermudian Landing Howler Monkey Reserve and the Shipstern Lagoon Wilderness Project. As a result there is a strong and active indigenous conservation community drawing substantial support from outside sources. This is a very positive situation and, given the history of collaboration between BAS and the Forest Department on management of existing protected areas, there appears to be the foundation for an effective public/private coordination of conservation activities and allocation of resources. However, the private sector cannot be expected to carry the entire burden and a major issue for the GOB is how to expand their conservation initiatives in the current restricted fiscal climate.

3. Economic Potential of Protected Areas and Wildlife

No studies, assessments or data on the current or potential overall economic value of protected areas or wildlife to the Belize economy have been identified. A recent feasibility study of a private game ranching operation is available (Berwick pers. comm.) The Ministry of Tourism is sponsoring an assessment of the international tourism sector in Belize, and efforts will be made to review this information for the first future revision of this analysis. Nevertheless, as of 1984, both tourism and fisheries ranked in the top four sectors as earners of foreign exchange (BCEP). Belize has tremendous tourism potential, especially in the fast growing natural history/educational tourism areas, much of which is related to outstanding natural and cultural features such as Belize's barrier reef, Mayan ruins, and primary tropical forests and wildlife. Although expansion of this potential faces certain constraints, the benefits in terms of jobs, foreign exchange and awareness of Belize should make this a priority area for development assistance investment. Keys to unlocking this potential include better marketing of Belize to the international tourism industry, better access to certain areas, and expanded and improved services and accommodations. Also crucial will be improved infrastructure (e.g., available and reliable electricity), and enhanced management and interpretation of the natural and cultural protected areas that will increasingly be a major feature of Belize's tourism industry. USAID and/or other development assistance agencies could play a catalytic role in this area by sponsoring a natural/cultural tourism assessment that would focus on the above factors and examine the issue of how the industry and government might work together and make complementary investments to realize the economic potential of this tourism sector. A well planned and successful expansion of this type of tourism could substantially augment revenues that could be used for the long-term management of Belize's natural and cultural resources.

Fisheries is another major economic sector based on a potentially renewable resource base that will require increased efforts at rational management to ensure long-term continuity of benefits. Strengthening the Fishery Department to provide a much needed regulatory capability is necessary to ensure a productive fisheries sector well into the future.

As noted earlier, there is apparently little information upon which to base an assessment of the potential for cropping wild game for sport or commerce, and hence the economic potential this might involve is unknown. There are no efforts underway in this area despite the fact that the current moratorium on commercial trade in wild species was intended to allow time for such an assessment. Experience in other countries would indicate that there may be substantial economic potential for Belize through well managed sport and commercial harvests of carefully selected wild species. An assessment of this potential is a longer term need.

4. Biological Diversity Conservation Needs

Belize currently has adequate legislated authorities for the protection of natural habitats, public forests and wildlife and fisheries resources. The GOB also has a substantial public lands base and some significant established protected areas. There is an active and capable private conservation community with established ties to international organizations and funding sources. Despite this, little has been achieved to date to ensure the systematic conservation of Belize's biological diversity or the long-term sustainable management of its large forest estate.

This analysis has identified a number of key needs that must be met if the potential for systematic conservation of biological diversity and rational development of the public estate are to be fulfilled. These are:

1. Establishment of a public lands and land development policy to guide the development and management of Belize's natural resources. This policy should specifically address the conservation of biological diversity and the long-term sustainable management of tropical forests in Belize.
2. A comprehensive and systematic review of life zones, vegetation types, natural habitats and the distribution of selected wildlife species on protected areas and public lands and waters (including forest reserves) to determine areas in Belize that should be considered for some form of conservation management.
3. Establishment of a land use/natural resources planning unit within the Forest Department to implement the above recommendations and to develop management plans for the nation's forest reserves, national parks, natural monuments, wildlife sanctuaries, nature reserves and other lands and waters.
4. Expansion of the Forest Department staff to add at least one trained wildlife biologist and one trained protected area specialist with possible designation of a separate branch (e.g., parks and wildlife) within the Forest Department or elsewhere within the Ministry of Agriculture. These staff could initially be the core of the planning unit mentioned above with longer-term duties emphasizing implementation of plans, once developed.
5. Establishment within the Fishery Department of a regulation enforcement branch to implement existing fisheries laws and regulations.

6. A thorough assessment of the economic potential and development requirements for natural history and culturally based tourism focused on Belize's protected areas.

Longer-term needs will include adequate staffing and operational funds for the implementation of protected areas management plans and a wildlife management program; an assessment of the economic potential and development requirements for sport hunting and commercial wildlife trade; and Belize's participation in the major international conservation conventions and programs (CITES, RAMSAR, World Heritage Convention and the Biosphere Reserve Program).

5. AID Participation

The USAID/Belize CDSS (1984) establishes the goals of the U.S. foreign assistance program in Belize and lays out the strategies, benchmarks, timing and means of achievement of these goals. The overall goals of the program are to address the constraints to economic growth and development by focusing on economic stabilization, agricultural diversification, export promotion, infrastructure development and selected types of human resources development. Consequently, the current Mission portfolio includes major attention to the areas of budgetary support, agricultural and livestock development, rural road and bridge improvement, expansion of electricity generating capacity, export promotion, public health programs and training.

Given these areas of emphasis and current fiscal constraints, overall activity in the natural resources sector has not been an area of emphasis. However, the Mission has helped sponsor development of a country environmental profile (BCEP). Excess copies of the BCEP were donated to BAS for resale. The Mission is also collaborating with the Bureau for Latin America and the Caribbean in providing \$60,000 to the GOB to develop a management plan for the new Hol Chan National Park. Further action to meet the needs identified in this analysis would, for the most part, require supplementing the current Mission budget or Regional Bureau funding. However, some action could be incorporated through application of existing programs. For example, ESF support conditionalities could include dialogue with the GOB on establishment of a public lands policy and development of a land use/natural resources planning capability. Other major points that should be included under such dialogue include establishment of a fishery compliance unit and creation of at least two positions within the Forest Department for a full time wildlife biologist and protected area specialist to begin implementation of existing habitat and wildlife authorities and regulations. Other avenues, such as use of PD&S funds and the CAPS or other training programs to meet selected needs for studies and training should be considered.