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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D. C. 20523

BELIZE

PROJECT PAPER

TOURISM MANAGEMENT PROJECT

AID/LAC/P-691

PROJECT NUMBER: 505-0044

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT DATA SHEET</b>		1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete <input checked="" type="checkbox"/> A	Amendment Number _____	DOCUMENT CODE 3
2. COUNTRY/ENTITY Belize		3. PROJECT NUMBER 505-0044		
4. BUREAU/OFFICE LAC/CAR		5. PROJECT TITLE (maximum 40 characters) Tourism Management Project		
6. PROJECT ASSISTANCE COMPLETION DATE (FACD) MM DD YY 09 30 96		7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4) A. Initial FY 91   B. Quarter 4   C. Final FY 96		

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FY	C. L/C	D. Total	E. FY	F. L/C	G. Total
AID Appropriated Total	300	208	508	1,760	1,240	3,000
(Grant)	( 300 )	( 208 )	( 508 )	( 1,760 )	( 1,240 )	( 3,000 )
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S.						
Host Country		357	357		1,785	1,785
Other Donor(s)						
<b>TOTALS</b>	<b>300</b>	<b>565</b>	<b>865</b>	<b>1,760</b>	<b>3,025</b>	<b>4,785</b>

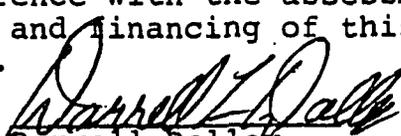
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) SD	508					508		3,000	
(2)									
(3)									
(4)									
<b>TOTALS</b>						<b>508</b>		<b>3,000</b>	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)	11. SECONDARY PURPOSE CODE
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)	
A. Code	
B. Amount	
13. PROJECT PURPOSE (maximum 480 characters)	

The purpose of the project is to increase capacity in Belize to plan and manage tourism growth in a way that benefits Belizeans broadly while protecting the country's natural and cultural environment.

14. SCHEDULED EVALUATIONS	15. SOURCE/ORIGIN OF GOODS AND SERVICES
Interim MM YY MM YY Final MM YY	<input checked="" type="checkbox"/> 000 <input checked="" type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a \_\_\_\_\_ page PP Amendment.)  
 The USAID Controller hereby indicates his concurrence with the assessment of the methods of accountability, implementation and financing of this proposed project and approves pertinent sections.

  
 Darrell Dolley  
 Controller

17. APPROVED BY	Signature	Barbara Sandoval 		18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
	Title	A.I.D. Representative		
	Date Signed	MM DD YY	MM DD YY	
		09 18 91		

**BELIZE**

**PROJECT PAPER**

**Tourism Management Project**

**(Project No. 505-0044)**

## TABLE OF CONTENTS

AUTHORIZATION	i
SUMMARY AND RECOMMENDATIONS	iii
CONDITIONS, COVENANTS, WAIVERS AND NEGOTIATING STATUS	v
LIST OF ACRONYMS AND ABBREVIATIONS	ix
<u>I.</u> PROJECT BACKGROUND AND RATIONALE	
A. The Problem and the Setting	1
1. Overview	1
2. Ministry of Tourism and the Environment	1
3. Belize Tourism Industry Association	3
4. Non-Governmental Organizations	3
B. Conformity with GOB, USAID and Other Donor Strategies	4
1. Government of Belize	4
2. USAID	6
3. Other Donors	6
C. Project Rationale	7
II. PROJECT DESCRIPTION	
A. Goal and Purpose	9
B. End of Project Status (EOPS)	9
C. Description of Project Components	11
1. Private Sector	11
2. Public Sector	16
D. Project Outputs and Inputs	19
III. COST ESTIMATE AND FINANCIAL PLAN	
A. Project Budget/Cost Estimate	23
B. Annual Project Expenditures	25
C. Conclusions	27
IV. IMPLEMENTATION PLAN AND PROCUREMENT	
A. Implementing Entities	28
B. Grantee Responsibilities	28
1. Public Sector	28
2. Private Sector	28
C. Project Coordination and Management	29
D. Procurement	29
1. Commodities	31
a. Ministry of Tourism and the Environment	31
b. Belize Tourism Industry Association	31
2. Technical Assistance	31
3. Training	32
E. Proposed Project Implementation Schedule/Work Plan	33
F. Methods of Financing and Disbursement	33

## V. MONITORING AND EVALUATION PLAN

A. Monitoring Plan	41
1. Overview of Activities and Events to be Monitored	41
2. Goal Level Monitoring	42
3. Purpose Level Monitoring	42
4. Output Level Monitoring	43
5. Gender Issues in Monitoring	44
6. USAID, MTE and ETIA Responsibilities	45
B. Evaluation Plan	47
C. Audit Arrangements	47

## VI. SUMMARIES OF PROJECT ANALYSES

A. Technical Analysis	48
B. Financial and Economic Analysis	50
C. Administrative Analysis	55
D. Social Soundness, Including Women in Development	59
E. Environmental Analysis	63

## ANNEXES

1. Logframe
2. Technical Analysis
3. Financial Analysis
4. Economic Analysis
5. Social Soundness Analysis
6. Administrative Analysis
7. Environmental Analysis
8. Women in Development Analysis
9. Statutory Check List
10. PID Review/Delegation Cable
11. Request from Host Country
12. Environmental Threshold Decision

## LIST OF TABLES

Table 1	Summary Cost Estimate and Financial Plan
Table 2	Expenditure Projection by Fiscal Year
Table 3	TMP Implementation Schedule
Table 4A	Public Sector Training and Technical Assistance by Fiscal Year
Table 4B	Private Sector Training and Technical Assistance by Fiscal year
Table 5	Methods of Implementation and Training

## PROJECT AUTHORIZATION

Name of Country: Belize  
Name of Project: Tourism Management  
Number of Project: 505-0044

1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Tourism Management Project for Belize, encompassing a grant to the Government of Belize and a grant to Belize Tourism Industry Association, and involving planned obligations not to exceed Three Million United States Dollars (\$3,000,000) in grant funds over a five-year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is sixty (60) months from the date of initial obligation.

2. The Project consists of technical and financial support to develop the capacity of Belize's public and private sectors to plan and manage tourism growth in a way that benefits Belizeans broadly while protecting the country's natural and cultural environment.

3. The Project Agreements, which may be negotiated and executed by the Officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following terms and conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

### a. Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the project shall have their source and origin in the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

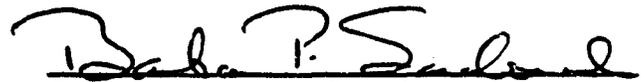
b. Waivers

(1) In blanket waiver No. 90-B-11, which expires October 29, 1991, AID/W waived the requirement for shipping by U.S. flag vessels and authorized shipment on vessels registered in A.I.D. Geographic Code 935 countries. An extension of the blanket waiver is under review by AID/W.

(2) The requirement that technical assistance be of U.S. nationality is waived to permit procurement of technical assistance from Belize. Procurement of technical assistance services from Belize is authorized up to an aggregate amount of \$410,000.

(3) The requirement for the Host Government to pay international airfares to the Port of Entry in the U.S., or third country, for public sector participants is hereby waived for those participants departing before March 31, 1992. After such date, the Government of Belize shall assume all the international travel costs for public sector participants.

(4) The requirement for the Host Government to pay international airfares to the Port of Entry to the U.S., or third country, is hereby waived for participants who are BTIA Board members and staff involved in training to strengthen BTIA's institutional capacity. Travel costs for these participants will be borne under the Grant. Other participants from the private sector shall be responsible for their own international travel costs.



Barbara P. Sandoval  
A.I.D. Representative  
Belize

September 17, 1991  
Date

**Clearances:**

RLA:MWilliams draft Date: 9/4/91  
PDO:PBisek draft Date: 9/9/91  
GDO:PMcDuffie draft Date: 9/12/91  
CONT:DDolley draft Date: 9/12/91  
(For waivers)  
LAC/DR STATE 285159 Date: 8/29/91

Drafted: PDO:PPerez:7/17/91rev7/18/91:W#1118p

## SUMMARY AND RECOMMENDATIONS

### A. Summary

Tourism is the second most important sector of the Belizean economy. From 1984 to 1989, tourism grew at an annual rate of 12 percent and all projections indicate this trend will continue over the next few years. This growth has taken place without benefit of specifically defined development plans and strategies, although there is consensus about a focus on smaller scale ecotourism. It is essential that tourism growth does not degrade or destroy the special environmental attractions of Belize upon which it depends.

Tourism is a young industry in Belize and both the recently established Ministry of Tourism and the Environment (MTE) and the private Belize Tourist Industry Association (BTIA) are still institutionally weak. Neither has sufficient personnel with the experience or technical expertise to manage tourism expansion to maximize its short- and long-term benefits, both economic and environmental, for all Belizeans.

Some serious constraints to sustained economic development are the absence of policies, regulations and implementation capacity to address the evolving conditions of tourism in Belize and its impact on the environment; the lack of timely data for informed policy analysis and dialogue, and of analytic capacity within the MTE and BTIA if data were available; and insufficient numbers of trained Belizeans to staff the growing tourism industry despite high levels of unemployment. Tourism has already grown to the point that it is beginning to pressure the environment; action to strengthen the public and private entities involved cannot be postponed any longer.

The overall goal of this project is the development of tourism in Belize in a rational manner that simultaneously contributes to sustainable economic growth and preserves the country's unique natural resource base. Its purpose is to increase capacity in Belize to plan and manage tourism growth in a way that benefits Belizeans broadly while protecting the country's natural and cultural environment.

The five-year project will focus on developing the analytical, technical, administrative and logistical capabilities of those responsible for managing the tourism industry in both the public and private sectors. It will attempt to achieve a balance between long-term capacity building and addressing the urgent short-term management needs. In both the public and private sector components, activities can be broadly grouped into three categories: institutional strengthening; policy analysis and program or product development; and improvement of public awareness and appreciation. There are significant parallels in the two components, which will be coordinated but not integrated.

The private sector component will be implemented through a cooperative agreement with BTIA. USAID will provide funding for training and technical assistance, and small amounts for education programs and equipment. Operational support will also be provided at declining levels. The level of assistance is constrained by what BTIA can realistically expect to sustain after the project ends. The basic level does not include support for training for employment in the tourism industry. If BTIA is able to identify secure sources of funding for such training under arrangements that would allow it to recover costs of organizing the training program, the project provides for additional funding to help initiate such a program.

The public sector component will be implemented through a Grant to the Government of Belize, with MTE as the responsible implementing entity. USAID will fund training, technical assistance and equipment, and provide some funding for educational programs and work at archaeological sites. Most of this assistance will concentrate on the Department of Archaeology, a new Policy Planning unit and the Belize Tourism Board. Substantial assistance will be provided to the Department of Environment under the Natural Resources Management and Protection project, and TMP will provide limited supplemental assistance to that department directly related to its tourism concerns.

The total project cost with the higher option training role for BTIA is \$4,785,000, of which USAID would contribute \$3,000,000. Without the training option, the total project cost would be \$3,935,000, with USAID contributing \$2,800,000.

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Summary of Project Costs - U.S.\$000

	<u>A.I.D.</u>	<u>H.Cntry</u>	<u>Project</u>
Public Sector	1,270	675	1,945
Private Sector (basic)	900	400	1,300
Plus High Option	175	650	825
Project Management	180		180
Audit/Evaluation	200	10	210
Plus, High Option	25		25
Contingency	250	50	300
<b>Totals</b>	<u>3,000</u>	<u>1,785</u>	<u>4,785</u>

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**B. Recommendation:** That the Tourism Management Project be authorized for a total of \$3,000,000 in A.I.D. Grant funds over the five-year life of the project.

CONDITIONS, COVENANTS, WAIVERS AND NEGOTIATING STATUS

A. Conditions and Covenants

The following conditions precedent and covenants are proposed for inclusion in the project agreements to be executed with the Government of Belize (GOB) and the Belize Tourism Industry Association (BTIA).

1. Government of Belize

a. Conditions Precedent to Disbursement

(1) Initial Disbursement: Prior to any disbursement or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made under the Agreement with the Government of Belize, the GOB will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) an opinion of the Attorney General of the Government of Belize that this Agreement has been duly authorized and/or ratified by, and executed on behalf of the Government of Belize, and that it constitutes a valid and legally binding obligation of the Government of Belize in accordance with all of its terms;

(b) a statement of the name of the person holding or acting as representative of the GOB and of any additional representatives, together with a specimen signature of each person specified in such statement.

(2) Subsequent Disbursements: Prior to any disbursement for activities initiated after December 31, 1992, or to issuance by A.I.D. of documentation pursuant to which such disbursement will be made, and not later than March 31, 1993, the GOB will, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D. evidence that positions are established and filled in all departments of the Ministry of Tourism and the Environment in accordance with the Ministry's development plans and in sufficient numbers to carry out implementation of the project, and specifically, that a minimum of four positions in the Department of Environment have been established and filled.

b. Covenants

(1) The GOB shall covenant that a new Tourism Policy and Planning Unit will be established and staffed.

(2) The GOB shall covenant to make available financial resources and personnel in the Departments of Environment and Archaeology,

in the Belize Tourism Board, and in the new Tourism Policy and Planning Unit sufficient to carry out their responsibilities under this project. (Training and technical assistance to be provided under the project will be subject to approval of plans which specifically identify the individual(s) who will be counterparts to technical assistance personnel and who will carry out the work of the respective organizational unit during proposed periods of training.)

(3) The GOB shall covenant to include A.I.D. in its annual planning, programming and budgeting discussions related to the project and to submit, in form and substance satisfactory to A.I.D., annual implementation plans and budgets and semi-annual reports on cash and in-kind contributions to the project.

## 2. Belize Tourism Industry Association

### a. Conditions Precedent to Disbursement

Initial Disbursement: Prior to any disbursement or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made under the Agreement with the Belize Tourism Industry Association (BTIA), the BTIA will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(1) a statement by the Board of Directors of BTIA naming the person empowered to receive the funds provided under the Cooperative Agreement and any additional representatives, together with a specimen signature of each person so designated;

(2) evidence that BTIA has established a separate bank account to control the receipt and disbursement of all project funds;

(3) evidence that BTIA has established and will maintain, in accordance with generally accepted accounting principles and practices consistently applied, books and records related to the Cooperative Agreement, adequate to show without limitation, the receipt and use of all goods and services acquired under the Cooperative Agreement. (Such books and records will be independently audited annually, by a firm approved by USAID, in accordance with A.I.D. Audit and Compliance requirements and be maintained for at least three years after the date of last disbursement to BTIA under the Cooperative Agreement.)

### b. Covenants

The BTIA shall covenant to submit, in form and substance satisfactory to A.I.D., annual implementation plans and budgets.

## B. Waivers

The following waivers are recommended for approval in the Project Authorization:

1. Ocean Shipping: There is no U.S. flag service to Belize. Only Central Gulf Lines may occasionally call Belize on inducement cargoes of at least 500 revenue tons. Blanket waiver no. 90-B-11 extended approval of financing of costs of transportation on ocean vessels under flag registry of free world (Code 935) countries through October 29, 1991. To reflect this blanket waiver and the expectation that U.S. flag vessels will continue to be unavailable, the following language is recommended for inclusion in the Project Authorization:

In Blanket waiver No. 90-B-11, which expires October 29, 1991, AID/W waived the requirement for shipping by U.S. flag vessels and authorized shipment on vessels registered in A.I.D. Geographic Code 935 countries. An extension of the blanket waiver is under review by AID/W.

2. Nationality of Services: The Project Paper indicates that for both cost considerations and to further the objectives of the project by building local capacity in Belize, some procurement of technical assistance and training services will be from sources in Belize.

To the extent required technical assistance and training expertise is available in Belize, the cost can be expected to be less than half the cost of similar services obtained from the U.S. In addition, providing professional opportunities to Belizeans with relevant skills will enhance the country's capacity to attract and retain these human resources. Use of personnel and institutions from countries in the region is also likely to result in somewhat lower costs, but, more significantly, will also help to forge human relationships which will enhance Belize's participation in regional efforts to develop and manage tourism growth. At this time, no specific procurements from the region are foreseen, and, if they become necessary individual waivers will be requested on a case-by-case basis.

The Project Paper estimates total costs for technical assistance at \$595,000, of which \$229,000 would be for services from sources in Belize. In addition, the project provides \$180,000 for USAID project management services to be obtained under a Personal Services Contract with a Belizean national. No single contract will approach the \$250,000 threshold established in STATE 410442 (12/5/90). The following waiver is recommended:

The requirement that technical assistance services be of U.S. nationality is waived to permit procurement of technical assistance from Belize.

Procurement of technical assistance services from Belize is permitted up to an aggregate amount of \$410,000.

Third country training is subject to policies stated in Chapter 8 of Handbook 10. No waiver is required.

3. Participants' International Airfares: The GOB will be expected to pay airfares for participants under the public sector component of the project, but requires time to provide for this cost in the budget. The next budget will be prepared in March for the GOB Fiscal Year beginning April 1, 1992. The BTIA has very limited resources available and will be receiving USAID funding for a significant portion of its operating costs under the project. Consequently, a requirement that BTIA finance international travel would only increase the requirement for USAID support of other operational costs. As a private sector institution, BTIA is not in a position to seek GOB financing of travel costs for its Board members and staff. The following waivers are recommended:

The requirement for the Host Government to pay international airfares to the Port of Entry in the U.S., or third country, for public sector participants is hereby waived for those participants departing before March 31, 1992. After such date, the Government of Belize assumes all the international travel costs for public sector participants.

The requirement for the Host Government to pay international airfares to the Port of Entry in the U.S., or third country, is hereby waived for participants who are BTIA Board members and staff involved in training to strengthen BTIA's institutional capacity. Travel costs for these participants will be borne under the Grant. Other participants from the private sector shall be responsible for their own international travel costs.

### C. Negotiating Conditions

The Project Paper has been developed through discussions with representatives of the GOB and private sector. Support for project objectives is high and USAID/Belize anticipates that a Grant Agreement with GOB and a Cooperative Agreement with BTIA will be signed as soon as the Project Paper is authorized.

## LIST OF ACRONYMS AND ABBREVIATIONS

BAS	Belize Audubon Society
BCES	Belize Center for Environmental Studies
BEAC	Belize Environmental Advisory Council
BIM	Belize Institute of Management
BNTC	Belize National Tourism Council
BRWA	Belize Rural Women Association
BTAC	Belize Tourism Advisory Council
BTB	Belize Tourism Board
BTIA	Belize Tourism Industry Association
CD	Conservation Division
CD/FD	Conservation Division, Forestry Division
CSO	Chief Environmental Officer
CZ	Coastal Zone
CZM	Coastal Zone Management
DA	Department of Archaeology
DE	Department of Environment
DEV/DIV	United Kingdom Development Division
EA	Environmental Assessment
EIA	Environmental Impact Assessment
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
FD	Forestry Department
FY	Fiscal Year
GOB	Government of Belize
IEE	Initial Environment Examination
LUA	Land Utilization Authority
MED	Ministry of Economic Development
MNP	Mangroves and Land Uses
MNR	Ministry of Natural Resources
MOA	Ministry of Agriculture and Fisheries
MOH	Ministry of Health
MTE	Ministry of Tourism and Environment
MTE/DA	Management of Archaeological, Resources, Land and Marine
NGO	Non-Governmental Organization
NRMP	Natural Resource Management Project

<b>PAC</b>	<b>Protected Areas Commission</b>
<b>PPA</b>	<b>Parks and Protected Areas</b>
<b>PS</b>	<b>Permanent Secretary</b>
<b>TA</b>	<b>Technical Assistance</b>
<b>TEP</b>	<b>Training for Employment and Productivity</b>
<b>TMP</b>	<b>Belize Tourism Management Project</b>
<b>UNDP</b>	<b>United Nations Development Program</b>
<b>WEF</b>	<b>World Environment Fund</b>
<b>WTO</b>	<b>World Tourism Organization</b>
<b>WWF-US</b>	<b>World Wildlife Fund-US</b>

1

## I. PROJECT BACKGROUND AND RATIONALE

### A. The Problem and the Setting

#### 1. Overview

Tourism in Belize is expanding rapidly and has basically outrun the ability of the Government of Belize (GOB) to keep up with the planning, implementation and regulation of infrastructure, environment, fiscal and related policies and systems needed to support tourism development and to protect the environment at the same time. According to government statistics, the period from 1983 to 1988 witnessed a dramatic growth in tourism. Foreign visitor arrivals increased nearly 170 percent. The number of available hotel rooms increased 27.7 percent while the average length of stay increased 55 percent, from 4.5 to 7 nights. During this same period tourism receipts increased from US\$9.3 million to US\$27.2 million; direct government income from tourism is estimated to have increased from US\$0.4 million to US\$1.7 million.

Despite these increases, Belize captures a very small part of the tourism market both internationally and in the Caribbean in terms of foreign visitors and gross tourism receipts. Thus, much potential remains for growth in Belize's tourism sector. This future tourism growth will be relatively unbridled if GOB and private sector capacity to make it consistent with environmental preservation and other important priorities is not improved substantially and quickly.

Tourism development in Belize has been undertaken without the benefit of specifically defined development plans or strategies. In some cases the development of tourism facilities and activities has ignored existing legislation and regulations. There is consensus about the focus on smaller scale ecotourism in Belize. However, there is, and will continue to be tension and dissension regarding the extent of "development" which is consistent with environmentally sound tourism. Since tourism in Belize is dependent on a delicately balanced ecosystem, both on the reefs and in the interior, it is essential that the industry's expansion be managed to ensure that its growth does not degrade or destroy the very special environmental attractions of Belize upon which tourism depends. It is also important to ensure that rural communities are integrated into tourism activities and that the Belizean culture and social fabric remain intact as tourism expands.

#### 2. Ministry of Tourism and the Environment

The Ministry of Tourism and the Environment (MTE), which was established in 1989, has responsibility for managing, regulating, monitoring and otherwise overseeing a complicated industry. The MTE is still in a formative stage. Its work is guided by the Minister and the Permanent Secretary and their small administrative staff. Its two Departments--Archaeology and

Environment--and the related statutory entity, the Belize Tourism Board (BTB), are seriously understaffed relative to the numerous responsibilities they have been assigned. There is no policy planning unit to develop and coordinate policies and strategies for the Ministry as a whole. As a new Ministry, the MTE remains short of funds and thus of an adequate number of posts and other resources to meet the needs of its administrative, logistical, monitoring, and planning responsibilities. The Administrative Analysis in Annex 6 provides additional detail on the Ministry's organizational, managerial and staffing capacities, as well as an organizational diagram.

MTE personnel are committed and enthusiastic and they are looking forward to strengthening the Ministry's capability. As far as could be discerned, none have any training or direct experience in the tourism industry or in tourism management. Ministry staff have no formal training and little expertise in many of the legislative and regulatory areas that affect tourism (e.g., fiscal policy, zoning, licensing, taxes, customs, and land use planning) though two have graduate degrees relevant to environmental issues and one has a BS degree in Archaeology. They are clearly at a disadvantage in participating in the inevitable GOB policy debates on the critical issues and in playing a significant role in coordinating inter-ministerial policies and actions on tourism and the environment. In sum, at this critical start-up period in the MTE's history, it is facing a difficult task with very limited staff knowledge, practical experience or general capability in key areas that impact on the management of tourism and the environment.

MTE is still somewhat in search of its "mission" or "niche" in the panoply of Ministerial mandates. Legislation assigned general responsibility to the new Ministry for two areas essential to sustainable development in Belize--tourism and the environment. Prior to MTE's creation and continuing to the present, other Ministries have had responsibility for many of the public policies, programs and activities which conceivably fall under MTE's mandate in the areas of tourism and environment--such as forests and national parks (under the Ministry of Natural Resources), coral reefs and coastal zone management (under the Department of Fisheries) and enterprise concessions (under the Ministry of Economic Development). Thus, there is a need to clarify the "real" policy and program responsibilities and authority of MTE vis-a-vis other Ministries (particularly in the environmental area). Specification of required enforcement responsibilities among Ministries is also important. Once clarified, close coordination by MTE will still be necessary with other GOB Ministries and departments which have overlapping responsibilities for, and impact upon, the areas related to tourism development and the environment.

For MTE to carry out its mandate, it must develop its capacity for the planning, analysis, management, regulating and monitoring of tourism development and environmental protection. A part of the additional capacity developed in these areas should enable MTE to

be instrumental in preserving and strengthening the symbiotic relationship and balance between tourism and the environment. In order for MTE to be effective, both a well-trained staff and a comprehensive and accurate data base of information on tourism (and the environment) will be necessary for decision making.

### 3. Belize Tourism Industry Association

The private sector has a significant role to play in tourism development in Belize and it is organizing to do so. The Belize Tourism Industry Association (BTIA), which represents the hotels and other tourism related enterprises in Belize, is developing its capacity to provide leadership for, and assistance to, the tourism industry. BTIA has received "mixed reviews" regarding its leadership in lobbying and providing training and other services for the industry. The lack of a clearly defined vision of its relations with and obligations to the many segments of the tourism industry, as well as an ongoing problem with turnover on both the staff and Board, has precluded BTIA from assuming a significant role in the private sector. BTIA recognizes that it needs considerable support to develop the managerial and promotional expertise of its members. From late 1989 through June 1991, BTIA received assistance to meet some of these needs via a grant from USAID/Belize under the Training for Employment and Productivity (TEP) Project. This assistance will be continued under the Tourism Management Project (TMP).

There is considerable energy and creativity in the tourism industry and a strong recognition by the private sector that protecting the environment is essential to sustainable tourism development. However, while the BTIA supports ecotourism and seeks to promote Belizean ownership of tourist facilities, it has not developed an operational consensus on these issues. Lacking sufficient national leadership, some district-level BTIA groups (e.g., Cayo) have taken it upon themselves to draw up action agendas and become more actively involved in the political process.

As of spring 1991, BTIA was in a restructuring period with a new Executive Director, some new staff, and a new Board of Directors. At its Annual General Meeting the members indicated a clear commitment to activism on ecotourism issues. They also identified their common need for current information on the industry, training and management support for their businesses. While BTIA is currently in a vulnerable position due to the changes in its staff and Board, it has the potential, with adequate management training and strong oversight, to become a viable association which provides needed services to its members, and serves as a private sector "voice" on a variety of tourism and environment issues.

### 4. Non-Governmental Organizations

The non-profit private sector is also very active in Belize, particularly on environment issues. A number of local groups,

largely supported by international donors, have established both education and action programs to protect the environment. Many of these programs, while not established primarily for tourism purposes, have become important tourist attractions, for example the Community Baboon Sanctuary. The Belize Conservation Advisory Council (BCAC) which includes representatives from the GOB, donors, the private sector and private voluntary organizations (PVOs) also play an important advisory role. Despite their current level of active involvement, these PVOs need considerable assistance to develop the capability to manage their various programs more effectively with limited personnel and financial resources.

The interface between the public and private sectors in the tourism sector is good. There is considerable communication between representatives of both sectors on vital tourism and environment issues, both informally and formally. The Belize National Tourism Council (BNTC) plays an advisory function to MTE and provides a forum for discussion of policy and program concerns. The BNTC, however, has no staff and therefore is not able to undertake independent analysis.

In sum, the public and private sectors in Belize do recognize the critical symbiotic relationship between tourism and the environment. There is an awareness that the expansion of tourism in Belize can carry the seeds of its own demise if Belize, as a destination, loses the very qualities--its present physical and cultural environment--that attract tourists in the first place. However, this recognition notwithstanding, neither the GOB nor the private sector in Belize have sufficient personnel with the experience or the technical expertise to manage tourism expansion to maximize its short- and long-term benefits, both economic and environmental, for all Belizeans.

## B. Conformity with GOB, USAID and Other Donor Strategies

### 1. Government of Belize

The Government of Belize developed an Integrated Tourism Policy/Strategy Statement in February 1989 which was updated in October 1990. This Statement declares tourism to be "a key element in the country's economic development", second only to agriculture. It clearly recognizes the benefits and potential costs of expanded tourism and sets out the GOB's objectives and policy direction in terms of providing general guidelines for a balanced and orderly development of the industry. It also identifies the constraints and other issues that must be addressed if tourism is to prosper in an environmentally sound, well managed mode. Finally, the Statement calls for the planning, management and monitoring of tourism by the public and private sector alike which is essential to the development of a vibrant and sustainable industry.

This Statement is in line with the GOB's Medium Term Development Strategy as stated in its Five Year Plan for 1991-1996. The Strategy states that "the extent of the contribution this sector (tourism and the environment) makes to the development process is dependent on improvements in the level of management/skills training, upgrading the physical infra-structure to tourism sites as well as the strengthening of inter-industry linkages between tourism and the food, culture and handicrafts industries. Government's main objectives include the growth of ecotourism and an increase in local participation in the industry."

To foster Belizean participation and maintain proportion with Belize's small population and economy, GOB strategy emphasizes small-scale tourism enterprises. This approach has significant management and infrastructure implications for Government as compared with reliance on large and experienced developers.

The GOB recognizes the private sector responsibility for tourism investments; however, it perceives its own responsibility as creating a suitable climate for these investments, and encouraging the maximum participation by Belizeans. The measures to accomplish this include not only granting special preferences, but also facilitating the availability of capital and training, and supporting the development of integrated tourism circuits such as the Mundo Maya Project. Additionally, it plans to strengthen the institutional management of tourism with respect to planning, collecting data, and marketing Belize as a tourist destination.

Regarding the environment, the GOB strategy

"is focused on attaining the widest range of beneficial uses of the environment without degradation, risk to health or safety while at the same time enriching the public's knowledge and awareness of the importance of sound environmental practices. This will entail increased environmental planning for key development areas such as coastal zone management and tourism sites plus public education programs."

USAID/Belize's proposed Tourism Management Project (TMP) conforms to the objectives and general policy direction of the GOB at this time. It will address the GOB's priority objectives related to tourism planning, management, monitoring, and training public sector personnel in these areas. It will also address the critical need for training and institutional strengthening of the Ministry. The TMP will support the objectives of BTIA by assisting this non-profit private sector organization to develop its capabilities to provide necessary information and, potentially, training and technical support services to the tourism industry in Belize, with particular attention to the development of small-scale, quality-oriented facilities for ecotourism.

## 2. USAID

The 1991-1995 CDSS for Belize focuses USAID effort on two priority sectors--agriculture and tourism. The strategy is intended to help the Government of Belize develop the capacity to rationally plan and manage its resources to effectively guide growth driven by private sector investment, while continuing to address key constraints to growth in the two priority sectors. The CDSS is supplemented by a Policy Agenda and Strategy which focuses USAID/Belize policy efforts on fiscal and environmental policies. The two areas are closely linked, particularly with regard to resource allocation and potential use of taxes and user fees to protect natural resources and recover the environmental costs of private economic activity.

A separate project (Natural Resource Management and Protection) will address natural resources broadly, with emphasis on environmental planning and monitoring, land use planning, protection of forests and biodiversity, and related agricultural practices. The Tourism Management Project will be the major instrument in carrying out the strategy with regard to the tourism sector, including environmental protection related to tourism development. Implementation of the two projects will be closely coordinated, particularly with regard to the overlapping interests in land-use planning and coastal zone management.

TMP seeks the sustainable development of tourism and the protection of Belize's natural and cultural resources. The Natural Resources Management and Protection (NRMP) Project will strengthen the Department of Environment (DOE) in the MTE in order to increase its effectiveness in planning, programming and monitoring the environmental effects of Belize's growth and development. TMP will complement NRMP in achieving the balance between tourism and environmentally sound development.

A third project addressing fiscal policies (Fiscal Policy Planning and Management) has been put on hold, but USAID is continuing to explore strategies to help improve GOB fiscal policies. These efforts will be coordinated closely with the financial resource generation and allocation concerns of the TMP.

USAID/Belize also initiated a new training project in FY 1991 to improve technical, planning, managerial and administrative skills of public and private sector employees (Development Training — Scholarship Project). That project is intended to provide skills needed for Belize's development which are not being met by other projects. Training required to achieve TMP objectives is provided for in the TMP budget as an integral part of the Project.

## 3. Other Donors

Other donors are providing funds for complementary programs to the TMP though no other donors at this time seem to be involved in programs specifically related to tourism management and

institutional strengthening. The EEC-supported Tourism Advisor in the MTE completed his assignment in March 1990. The British ODA program is supporting a multi-year Land Use Survey Project which has important implications for tourism in Belize, and will facilitate the MTE's planning and policy efforts supported by the TMP. ODA has also provided support to the GOB Central Statistics Office to improve its capability to collect data, much of which will be useful to both MTE and BTIA.

The Government of Costa Rica has recently indicated that it is prepared, via a six year UNDP grant, to assist the MTE in establishing a training institute and providing trainers for hotel personnel, park guides, and other tourism support personnel. This proposal is currently under discussion. Similarly, the World Tourism Organization (via a grant from UNDP) has provided some support for small hotel development. The EEC is planning to provide considerable support for the Mundo Maya Project. The secretariat for Mundo Maya is chaired by the Permanent Secretary of MTE. BTIA members are also actively involved in this project. Additionally, a number of international environment organizations provide support to the environmental NGOs in Belize which enhances their capability to provide assistance to both the public and private sectors in Belize by gathering information, carrying out studies, and monitoring environmental degradation. The MTE is also hoping to access the newly established Global Environment Fund to support some of its proposed environmental efforts.

### C. Project Rationale

The fundamental reason for carrying out the TMP is to capacitate Belizeans in both the public and private sector to better promote and manage the growth of tourism, in harmony with efforts to protect the physical and cultural environment which attracts tourists in the first place. The absence of clear policies on either account and the paucity of trained personnel to develop, implement and enforce appropriate policies and regulations requires that both the GOB and the BTIA, representing the interests of the private sector, receive support to strengthen their respective institutions. The focus of the TMP will be on training and technical assistance for the two grantees, for which the bulk of the project funds will be allocated.

The guiding principles which underlie the implementation of this Project include the following:

- . Increased coordination and cooperation both within and between the public and private sectors must be fostered to ensure the long-term sustainability of both the tourism industry and the unique environment of Belize.
- . Solid political and fiscal support for sustainable ecotourism must be sought at all levels to ensure that policies and programs initiated under the TMP have a "shelf life" beyond the initial grants to the MTE and BITA.

- . "Belizeanization" of the tourism industry must be promoted and preserved as the industry expands. Thus, relevant training programs which enable Belizeans to be full partners in all aspects of managing the industry must be provided.
- . Appropriate allocations of government posts commensurate to the task of managing the varied responsibilities of both tourism and the environment must be made.
- . Environmental protection and land use management must come to be seen as a sine qua non for all development efforts in Belize, with particular focus on tourism, in order to ensure the long-term expansion of this small-scale economy.
- . Realistic priorities on the part of both MTE and BTIA must be set that recognize that they have limited financial and personnel resources and can only perform a limited number of tasks well.

## II. PROJECT DESCRIPTION

### A. Goal and Purpose

The overall goal of this Project is the development of tourism in Belize in a rational manner that simultaneously contributes to sustainable economic growth and preserves the country's unique natural resource base. Meeting this challenge will achieve increased revenue for Belize, expanded employment opportunities for Belizeans, and maintenance and conservation of the physical and natural treasures that define both the nation's heritage and its future.

The purpose of the Project is to increase capacity in Belize to plan and manage tourism growth in a way that benefits Belizeans broadly while protecting the country's natural and cultural environment.

### B. End of Project Status (EOPS)

At the end of the Project, there will be significant progress in six areas that document an improved capability to promote and manage tourism while protecting the country's natural and cultural environment.

First, the MTE will be responding to critical tourism and environment issues in terms of data collection and policy analysis, program implementation and the monitoring and regulating of both the tourism industry and the environment.

Specific indicators of this EOPS include the following. The MTE will be following a process of evaluating policy and program options based on an analysis of current statistical data. It will be proposing legislation and regulations which reflect this increased reliance on analysis by MTE staff and which respond to the need to manage the expansion of tourism in Belize. The MTE will have established and implemented environmental impact assessments not only on critical tourism projects but also on related industries, and will be exercising a coordinating role with other ministries/departments involved in the environment.

Second, the GOB will realize increased revenue from tourism via the hotel tax and other mechanisms as its policy mix is adjusted and fine tuned to respond to the opportunities that expanded tourism presents, and as collection methods are improved.

Specific indicators of this EOPS will be new policies that adjust the hotel and other tax rates, and new approaches and accountability for the collection of these taxes. In addition, the amount of revenue collected will increase to the benefit of the general treasury, the protection of the environment (in response to new policies and programs for purposes associated with the promotion of Belize as a tourist destination), and the training of Belizeans for employment in the industry.

Third, MTE will be maintaining and using environmental, cultural and economic baseline data to monitor, assess and guide the impacts of tourism growth.

Specific indicators of this EOPS will be the establishment of a detailed computerized data base that is within the parameters of available MTE resources to manage and maintain. Systems will be in place to ensure that the data is regularly collected, input and analyzed. The data will provide the basis for decision making on critical policy issues concerning the environment and tourism. Additionally, the MTE will be the key source of information for other public and private sector organizations working in these fields.

Fourth, the MTE will have assumed an important role as coordinator of GOB environmental policies and programs, and will seek the cooperation of both public and private sector entities in promoting ecotourism and protecting the environment, particularly in regard to such public/private sector partnerships as the Mundo Maya Project.

Indicators of this EOPS will be MTE's increasingly visible role as the agenda-setter for inter-ministerial policies and programs relating to the environment. MTE will be taking the initiative to identify issues needing attention and will be carrying out the analysis necessary to bring them before the inter-ministerial working group on the environment, as a prelude to policy decisions. MTE will foster increased private sector initiative in programs relating to ecotourism and the environment, and will involve private sector representatives more directly in the policy-making process, via both formal (BNTC) and informal channels. MTE will endorse the private sector's (especially BTIA's) role in training for the tourism industry and will seek ways to provide financial support for the recurring costs associated with such training.

Fifth, both the public and private sector institutions involved in the TMP will be implementing new policies and programs designed to manage the often-competing objectives of expanding tourism and protecting the environment.

This EOPS will be evidenced by the passage of legislation, and/or Cabinet approval of policies and regulations, that is known and understood by both the administrative level in government and the society at large to have the full force of law. These policies, laws and regulations will be published and enforced with consistency and equity. New information and education programs will be either coordinated by or developed and implemented by both the MTE and the BTIA to inform the public of new policies and programs. Additionally, the BTIA will establish standards and/or a certification program for the industry that will promote high standards of performance and be consistent with the maintenance of a quality environment. It will also develop training and support programs for the industry to ensure that its members understand and can comply with the new policies, legislation and regulations.

Sixth, the BTIA will be functioning effectively as a service and support association for the tourism industry, assisting its members to become more efficient, profitable and involved in GOB decisions pertaining to tourism and the environment.

The attainment of this EOPS will be recognized by effective delivery of relevant membership services and technical support to various members of the tourism industry. This will include the provision of timely information on and for the industry, coordination of lobbying efforts on behalf of the industry, organization of tourism training, and provision of services for BTIA members. BTIA will have worked out an appropriate staffing and activity plan that reflects its ability to financially sustain its operation without outside donor support. BTIA will be operating on a budget and will have developed a funding strategy which is realistic in light of the resources available in Belize. The BTIA Board will have developed a consensus and clear policy positions on both tourism and the environment and on the direction of BTIA as a membership association. The Board will have matured as a policy-setting entity, leaving the day-to-day operations of the Association to the BTIA staff.

C. Description of Project Components: How the Project Will Work

The Tourism Management Project will focus on developing the analytical, technical, administrative and logistical capabilities of those responsible for managing and regulating the tourism industry in both the public and private sectors. Examples of the types of activities that will occur under each of these project components or strategy elements are described below.

Under both the public and private sector components, the activities can be broadly grouped into three categories:

- . institutional strengthening;
- . policy analysis and program/product development; and
- . improvement of public awareness and appreciation.

Although there are significant parallels in activities under the two components and they will be coordinated, the TMP will not attempt to integrate them or establish a single management entity.

1. Private Sector

Private sector activities under the TMP are based on BTIA's strategic plan. The budget provides for support of a basic BTIA staff of five to six including the Executive Director and a full time professional working on members' services and programs. It also includes a high option that would encourage BTIA in an on-going involvement in organizing and coordinating training programs for the tourism sector, in addition to the functions of representing the tourism sector and providing services to members. The high option assumes a staff of seven to eight, including a full-time training coordinator and support. It is the

largest scale conceivable at this time and the training function would have to be fully self-sustaining to be viable. A lower option with only two or three staff members was also considered, but rejected as inadequate to achieve the goals of the Project.

The two options are discussed in more detail in the Financial Analysis in Annex 3.

It is important that the difficulties of achieving the high option be clearly spelled out at the beginning of the project and that monitoring be available to see if BTIA is making adequate progress over time toward its training and financial goals to merit continuation with the high option alternative. Key decision criteria for proceeding with the high option alternative include the following.

- . Identification of secure sources of financing for certified hotel and tourism training programs. One potential arrangement is agreement by the GOB to allocate revenues, most likely from an increase in the hotel occupancy tax.
- . Agreement by the financing sources that BTIA is to be the organizer and coordinator of tourism training programs and that BTIA will receive a fee for the provision of these services.
- . Agreement on a feasible medium-term revenue and expenditure program with close on-going supervision and monitoring by USAID regarding BTIA's progress toward financial and institutional sustainability.

The high option is proposed for authorization, but support at that level would not begin until year two, and then only if the above criteria are met.

a. Organizational Development and Sustainability

To increase the organization's capacity to be sustainable after the PACD the Project will continue the process of organizational development through the training of staff and board of directors. This will take the form of short-term participant training for staff members, plus seminars, workshops, trade fairs, conferences, and orientation visits (local and international) for both management staff and board members. Short-term TA will also provide BTIA's management and staff with operational experience in a number of management practices.

BTIA will establish clear management policies and procedures, improve its planning and budgetary control systems for proper accounting and utilization of project funds, and restructure its accounting division to include financial analysis responsibilities.

Short-term TA will assess the development and management capabilities of BTIA to help improve management procedures and staffing which will allow the organization to carry out its responsibilities effectively. Some organization and staffing restructuring may be necessary to enable the association to be more efficient and effective in representing and servicing the needs of the tourism industry.

BTIA will increase the value and volume of membership services, as well as develop other profit centers non-competitive to members. Income-generating schemes (such as an insurance program, discount systems for members, co-op buying, rentals of tourism literature, consulting services, providing information, training and technical assistance) and other creative means of earning revenue will be explored and implemented when feasible.

BTIA will establish a reserve account from all surplus funds derived from BTIA's income generating activities to provide a cushion to accommodate fluctuations in revenues after the Project ends. USAID will include specific consideration of the status and any unplanned uses of reserve funds in annual reviews before approving new obligations.

BTIA will develop and implement a recruitment plan which will review and revise its fee structure and establish a strategic plan to increase its clientele and systematically attract and maintain membership in the organization. It is expected that BTIA will need to increase membership by at least 100 members per year if the organization is to meet its sustainability goals by the PACD.

b. Services

BTIA's focus will be to educate, train and develop the Belize tourism private sector personnel, so as to improve standards and the value tourists receive for their money. BTIA will not be developed as a training institution; the role of BTIA will be to facilitate and coordinate training.

BTIA will identify training needs and sources and will work with government on the design and management of training programs geared for the tourism industry. BTIA will liaise with other organizations interested in youth development and will institute programs that will encourage entrepreneurship development. BTIA will also work with existing educational institutions to include tourism, conservation and the environment in their curricula.

BTIA will effectively deliver technical assistance, training, marketing and public relations services to members, especially targeting small scale ecotourism enterprises and special activity groups such as small hotels and tour operators. Prior to any delivery of training to the private sector, BTIA will conduct a training needs assessment of the industry and develop a Private Sector Development Program.

BTIA will identify local and expatriate trainers, training institutes and consulting firms to assist in providing technical assistance and training to the organization and its members. The Entrepreneurs International Program, which provides on-the-job training, exposure of the participant to his/her field of interest, and international contacts, is expected to be a key training resource.

BTIA will continue to lobby to remove impediments to investment and improve the investment climate for Belizeans to participate meaningfully in the tourism industry.

BTIA will develop a research and market intelligence capability in order to monitor trends and developments in the tourism sector and in the international tourism industry. The emphasis will be on room occupancy rates, profitability of members, immigration, crime statistics, costs of goods and services in the industry, marketing, gender issues, new technologies, tourism directories, and other data that will assist the organization to more effectively represent the interests of the industry to government and help members make their operations more competitive and profitable.

BTIA will strengthen its communication link with its members by initiating a program of monthly visits to tourism destinations and will develop other means of communications to disseminate information to its membership.

### c. Product Development

BTIA will support the development of tourism in Belize in a rational manner, consistent with preserving its unique natural resource base. BTIA will be strengthened to assist government to plan and manage tourism growth so as to obtain economic benefits without degrading the natural and cultural environment on which tourism growth depends.

BTIA will take a lead in delivering training, advice, and technical assistance in order to ensure that the private sector develops the capacity to achieve these objectives. Workshops, seminars and conferences will be organized on tourism, culture, conservation and environment. Creative programs such as "matching funds" for community conservation and environmental projects, apprenticeships and on-the-job training programs will be instituted.

BTIA will become meaningfully involved in policy formulation and analysis by networking with public sector agencies and other private sector organizations. TA for BTIA will assist the association in analyzing the impact and implication of GOB policy and policy changes on the tourism industry and its members.

BTIA will encourage a positive atmosphere for tourism growth by working with government to introduce measures for improved

security (crime prevention), and to establish and preserve the unique selling points of Belize as a tourism destination.

BTIA will work with government and other organizations and agencies to assess and establish standards for the industry.

BTIA will conduct a public awareness campaign in conservation, environment and tourism. Programs will be developed to instill in youths the importance of tourism to their personal development and in industry personnel the social acceptability of dignity in service. BTIA will develop its organization as a forum for public/private sector discussions on tourism, conservation, culture and the environment. BTIA will join local, regional and international organizations involved in conservation and environment, and will encourage BTIA members to participate with all bodies dealing with tourism. BTIA will systematically provide tourism information to the news media and organize, together with other organizations, programs that will educate the general public on the importance of tourism.

As the leading voice of the tourism industry, BTIA will liaise with government on the development of a national tourism marketing strategy, and all regulatory and legal mechanisms dealing with the industry.

d. Mundo Maya

Mundo Maya is a relatively new and ambitious project of cooperation between the private and public sectors of Mexico, Guatemala, Belize, Honduras and El Salvador to develop tourism in this region.

The objectives of the project are to:

- . Contribute to the integral development of the region by generating major economic activity, protecting the natural environment, preserving the cultural heritage; and
- . Promote the integration of Central America by creating a climate of regional cooperation, promoting harmony among nations, improving the image of the region internationally

The EEC is sponsoring the regional project which in essence supports promotional and infrastructural activities in the region, but provides little operational support to the agencies or organizations working with the project.

BTIA has just formalized itself as Belize's private sector representative in Mundo Maya. BTIA sees this project as a complement of TMP to tourism development and as a major promotional tool for Belize as a travel destination. TMP will support BTIA's role in the Mundo Maya Project.

BTIA will foster private sector cooperation, joint actions and interaction with the Ministry of Tourism and the Environment in support of Mundo Maya activities. It will increase the capacity of Belize tourism private sector through education, training and technical assistance, in close collaboration with other Mundo Maya members in the region, to take advantage of the opportunities that Mundo Maya will bring to the tourism industry in Belize.

BTIA's participation in Mundo Maya also strengthens the organization and increases its opportunity for self-sustainability. As the image of the organization improves, more tourism enterprises will associate their individual benefits of tourism with BTIA.

## 2. Public Sector

### a. Institutional Strengthening

Institutional strengthening of the government agencies responsible for tourism and the environment is a prerequisite of successfully managing the rapid expansion of tourism in Belize. The recently completed "Administrative Restructuring and Training Needs Assessment" of MTE will be the guide for improving the organizational development and management capabilities of MTE, supplemented with additional TA as needed. The strengthening efforts to be undertaken in this component of the TMP respond to the weaknesses identified and will help to mitigate current constraints to good policy analysis and sound program development.

The training program has been designed to improve the analytical, managerial and decision-making skills of permanent staff, and is oriented towards developing practical, applicable skills not only for analyzing policy options but also for developing rational planning processes at the regional, national and local levels. The programs will help the MTE staff learn to monitor trends in the industry and the environment and improve their abilities to participate in interministerial discussions/decisions, coordinate with other public/private entities and enforce policies and regulations.

The TMP will facilitate the participation of MTE officials in workshops and observation tours in the region to develop a better understanding of the costs and benefits of tourism and the successes and failures of different approaches to tourism management in other countries. The MTE staff and other GOB officials will be offered seminars and in-country short courses on the effective management of the tourism industry, as appropriate. Topics could include preservation and management of national parks and monuments; fiscal implications of changing customs duties, tax policy, concessions, license fees and hotel taxes; conservation of archaeological relics and other topics to be decided by the MTE and USAID.

The provision of short-term TA to MTE will indirectly provide some on-the-job and operational experience during the execution of short-term consultancies.

The design and development of databases under this component will strengthen MTE's capability to develop sound policies, regulations and programs based on hard data rather than hearsay. Short-term TA will assist the MTE to determine the status of its databases, improve them where necessary and possible (given available data), and use them in day-to-day decision making. Short-term TA will also assist MTE personnel to develop and use databases to monitor and evaluate their activities. Assistance in this area may include identification of problems or issues that require collection of additional data. The TMP will provide assistance in developing methods to collect the data (e.g., BTB's efforts to collect more data from the customs and immigration departments), as well as in developing and maintaining processing and analysis systems support for the organization, computerization of data for its use, and on-the-job training in managing computerized information systems.

The supply of equipment for the Department of Archaeology will strengthen the capacity of the MTE to monitor and control the use of the archaeological sites under its jurisdiction. The supply of computer equipment will also strengthen MTE and BTB's ability to monitor, plan and manage tourism and the environment.

b. Policy Analysis and Program Development

Sound policies, strategies, legislation/regulations and programs are essential for monitoring and managing the tourism industry and the impact of its expansion on the environment. A solid policy framework helps to ensure that the limited resources available for such efforts are used effectively. It also helps to provide clear signals to the private sector which is investing in and developing the tourism industry. Appropriate incentives/disincentives need to be structured to stimulate the private sector responses desired in terms of public policy. Policies and programs need to ensure that Belizeans play a major role in and benefit from the expansion of tourism. Regulation, for example, is one means of guiding private sector actions in socially and environmentally responsible directions, minimizing the risk to the environment at the same time as they maximize the participation of Belizeans.

The TMP will help the MTE to analyze and make policy, program and regulatory changes supportive of the goal of developing tourism in Belize in a rational manner. Short-term TA specialists will help the MTE to identify, analyze, formulate and select among policy and program options to mobilize the human, financial and technical resources needed to ensure a sound and consistent approach to managing tourism. TA will also assist the MTE to integrate its policy and program analyses and proposals with those of other Ministries involved in tourism and the environment. These efforts will be action-oriented, with the intent of helping the grantees

to implement the new policies and programs. They will also be, to some degree, "demand" driven as new problems or opportunities arise that require review and action.

TMP assistance to the public sector with regard to its role in providing infrastructure needed for tourism growth will largely be limited to TA in the areas of policy analysis and program development. However, the Project will provide a small fund to continue support for development of key archaeological sites.

Under the Export and Investment Promotion Project, USAID provided funds for initial work to develop certain archaeological sites as tourist attractions. The largest amount was used for excavation and consolidation work over three seasons at Caracol, a site with major future tourism potential. Smaller amounts contributed to work at Cahal Pech, a small site given priority because of its location at the edge of San Ignacio on the Western Highway (easy access is both an asset as a tourist attraction and a threat if the site is not protected), and at Lamanai, identified by a feasibility study in 1989 as the top priority for immediate tourism development. USAID funds were provided to leverage other sources of funds for further development of these sites.

The TMP includes a small fund (\$100,000) to allow USAID and the MTE to continue to leverage other contributions for the development of these sites. The A.I.D. funds would be made available only as needed to secure significantly larger amounts of funding from other sources such as universities, foundations, and international organizations.

### c. Public Awareness and Education

Key to the long-term sustainability of the work done on the TMP is a better educated and informed Belizean public who appreciate both the costs and the benefits of expanding tourism activities in the country. While select personnel may be formally trained to carry out policy analysis and program development and management and while public and private sector institutions may be strengthened to carry out the work at hand, it will ultimately be a knowledgeable public that exercises its will in a democratic context to preserve or destroy the unique environment that has made Belize so attractive as a tourist destination.

The TMP will provide resources to enable MTE to carry out education programs that broaden understanding among school children and adults alike of the possibilities and problems that increasing numbers of tourists will create for Belize. The development of video programs, printed materials, and nationwide campaigns on reef and ruin preservation will help Belizeans to appreciate the truly valuable resources at stake in their country. Such efforts can also help Belizeans learn more about the tourism industry and the standards that must be met if tourism is to expand for the benefit of all Belizeans. The TMP may support the activities of NGOs which have already developed

expertise in these areas. It will also foster more public/private sector cooperation in these key areas.

D. Project Outputs and Inputs

1. Outputs

- . MTE, BTIA and other GOB and industry personnel will be better prepared to (1) identify/analyze policy options, (2) develop a rational planning processes at the regional, national and local levels, (3) monitor trends in the tourism industry and in the environment, (4) coordinate among private and public entities, and (5) enforce policies and regulations.
- . GOB (MTE) policies, procedures and regulations needed for promoting, managing and monitoring tourism development will be identified; policy and regulatory options will be formulated, analyzed and reviewed with appropriate public and private sector entities and steps will be taken to enact these policies, regulations, etc.
- . Comprehensive tourism and environmental information needs will be identified; uniform procedures for the collection and management of data will be established and made operational; regular analysis and utilization of statistical data will become a part of the tourism policy decision-making process; and MTE, BTB and BTIA will become recognized sources of information.
- . The public sector's recurring costs of the effective promotion and management of tourism and the protection of Belize's natural and cultural resource base will be identified and quantified and a strategy for financing these costs on a sustainable basis will be developed jointly with other Ministries.
- . The capacity of the Department of Archaeology will be enhanced to enable better management and preservation of the unique archaeological sites and artifacts in Belize.
- . BTIA will become a significant, financially self-sustaining membership association that sets standards for the industry and carries out programs to assist individuals and enterprises in the tourism industry to obtain up-to-date information, relevant training, technical support, marketing and other services necessary to meet these standards.

2. Inputs

The TMP provides for a mix of inputs that will address the need of the MTE and BTIA in the short, medium and long term. The inputs are designed to address the immediate need for analytical and

management expertise essential to putting both grantees "on the map" in terms of their respective roles in managing tourism and protecting the environment. They address the medium- and long-term needs to develop a cadre of trained personnel in both the public and private sector who have the technical, analytical and managerial skills to plan and implement policies and programs to which will ensure a balance between the often competing objectives of expanding tourism and safeguarding the environment. Finally, for the longer term, the inputs planned for the next five years should help to develop the policy framework, the institutional structures and a level of public awareness and knowledge that will make the preservation of Belize's natural and cultural environment a national priority.

a. Training

Training in the form of both short courses and degree work will be central to attaining the goals of the Project. The Project will provide appropriate short and long-term training in the U.S. and/or third countries, including at least six participant training opportunities for degree programs for MTE personnel. Three degree programs will be offered in the area of archaeology--two in tourism planning and management, and one in policy and economic analysis. Most of the degree training will be at the undergraduate level, but graduate programs may be approved if specifically justified. A total of 14 years of long-term participant training is envisioned. Short courses, seminars and workshops will also be provided for both public and private sector personnel, including representatives of NGOs. A total of 33 person months of short-term participant training in the U.S. and region and 40 person months of in-country training is planned.

b. Technical Assistance

Short-term technical assistance will be provided to both MTE and BTIA during the life of the Project. The TA will be provided by both Belizean and expatriate consultants. Expertise available in Belize will be tapped when possible due the obvious significant cost savings as well as the contribution to overall Project objectives of involving a broad range of local people and institutions. Likewise, while the U.S. will be the primary source of expatriate consultant services, it may be advantageous in some cases to involve consultants from the Caribbean Basin countries. TA to the MTE and BTB will focus on improving their capability to analyze and manage the industry.

Particularly in the first two years of the Project as the Ministry begins to play a more significant role in the coordination of policy and programs on tourism and the environment and when some MTE personnel will be away on participant training programs, short-term TA provided on an as-needed basis will be an essential "stop gap" measure to help the MTE to undertake and complete critical studies on trends and developments in the tourism industry and on particular environmental issues. The TA will also

be used to provide short, in-country courses and on-the-job training for MTE personnel. Assistance will be provided to design and develop the statistical databases in the MTE and the BTB and to carry out the analyses necessary for good decision-making. TA will also be provided to improve the efficiency and effectiveness of the BTB's promotional activities via better management practices. A total of 30 person months of TA is planned for the MTE and BTB.

TA for BTIA will focus on institutional strengthening/management systems within BTIA, and support for developing their research/information database and other key activities. Such TA may also be used to conduct seminars and short courses for BTIA members and others, for example, in provision of advice especially for micro-and small-scale businesses in such areas as training, marketing, product developments standards, advice on sources of finance and cost containment measures. A total of 20-person months of TA is envisioned for BTIA.

### c. Commodity Procurement

The Project will provide some equipment to assist the new Ministry in carrying out its mandate in a more timely and effective manner. Specifically, two four-wheel drive vehicles and radio equipment will be provided for the Department of Archaeology. This equipment will improve the patrol of archaeological sites by allowing the Department's limited personnel to be in more frequent contact with distant sites. Computer equipment will also be provided for the Ministry in Belmopan and the BTB in Belize City. The computer equipment will be essential for developing comprehensive databases to be used for monitoring and assessing problems and progress in areas under the MTE's control.

Most of the necessary equipment and systems will have been in place in BTIA. TMP resources, however, will be used to purchase necessary equipment such as static booths, bi-lingual equipment and other presentation systems that will enhance BTIA's promotional presence at trade fairs and shows, and help improve its image at home and abroad as a strong and dynamic representative of the tourism private sector. A more detailed discussion of the procurement for the Project can be found in Chapter III.

Information/education materials will also be provided to assist both the MTE and BTIA with their on-going public education and information efforts. In the MTE, these resources will be directed toward the Departments of Environment and Archaeology. Since the NRMP project will provide significant resources for public education and awareness activities related to the environment broadly, TMP resources will be supplemental, relating specifically to tourism. The materials may include pamphlets, books, film clips, radio spots, posters and educational "campaigns" on tourism and the environment, Mayan ruins, protection of the reefs, etc. The BTB has an adequate budget for materials.

One of the primary areas of BTIA activity which the TMP will support is educating and informing private sector tourism personnel regarding standards, government regulations, and trends in the industry in Belize and elsewhere. The TMP will provide resources to BTIA to publish a quarterly newsletter that will keep members up-to-date not only on GOB regulations and legislation related to tourism, but also on trends and developments in the industry (such as the Mundo Maya Project). BTIA will also make a concerted effort to inform both industry employees and the general Belizean public about the importance of tourism to Belize and its ecological and archaeological attractions.

d. Operational Support

TMP support for BTIA will include funds for continued institutional strengthening, including funding for staff positions and operating costs. To ensure the development of long-term sustainability and financial viability, the level and disbursement of the BTIA grant will be linked to specific indicators of increased revenues from members and from other sources.

### III. COST ESTIMATE AND FINANCIAL PLAN

#### A. Project Budget/Cost Estimate

The Tourism Management Project provides two budget levels reflecting support to the Belize Tourism Industry Association (BTIA) with and without the high option training element. The latter encourages BTIA's involvement in organizing and coordinating training programs for the tourism sector, in addition to the functions of representing the tourism sector and providing services to members. This option assumes a staff of seven to eight people, including a full-time training coordinator. The basic option does not include the training role, but does imply a staff of five to six, including the Executive Director and a full time professional working on members' services and programs. The option chosen for BTIA on the private sector side of the Project does not affect the public sector component of the Project.

The budget for the five-year Project is shown in Table 1. It includes total foreign exchange and local currency costs to USAID over the life of the Project and costs funded from host country sources. The high option, which is proposed for authorization, would cost a total of \$4,785,000, of which USAID would provide \$3,000,000. Funds from non-A.I.D. sources would total \$1,785,000 in cash and in-kind, including GOB funds to be made available to BTIA for training activity. Of the total USAID amount, \$1,270,000 would be allocated to the public sector and \$1,075,000 to the private sector. A total of \$405,000 would be reserved for overall management, audits and evaluation and \$250,000 for contingencies. A breakdown of these amounts by activities is provided in the project budget.

Total cost without the high option training role for BTIA would be \$3,935,000 of which USAID would provide \$2,800,000. Non-A.I.D. contributions would remain at \$675,000 for the public sector component and reduce to \$400,000 for the private sector (excluding contingencies). The lower cost in the basic option is attributable to a reduced size and role for BTIA where on-going tourism sector training for jobs such as hotel managers, maids, bartenders, cooks, waiters, tour guides, and bellboys is done independently of BTIA and this Project. The basic option would result in an enhanced BTIA which would be better able to meet its members' needs, but would not be directly associated in organizing and coordinating on-going training programs.

The proportionate share of the non-A.I.D. contribution is 37 percent with the high option alternative and 29 percent in the basic option. For the public sector component, the GOB contribution does not include all operating costs of the MTE or BTB; only costs that directly counterpart project activity are included. The private sector component includes all budgeted costs of BTIA operations; it does not include the considerable

in-kind contribution of time and effort by BTIA officers and members beyond their direct participation in project activities.

**Table 1 - Summary Cost Estimate and Financial Plan**  
(US\$000)

	USAID			Country	Proj.
	FX	LC	Total	LC	Total
<b>Public Sector Component</b>					
Training	520	80	600	180	780
Technical Assistance	300	60	360	70	430
Info./Educ.	30	60	90	200	290
Archaeological Work	50	50	100	200	300
Equipment/Material	<u>115</u>	<u>5</u>	<u>120</u>	<u>25</u>	<u>145</u>
Public Sector Total	1,015	255	1,270	675	1,945
<b>Private Sector Component (Basic)</b>					
Training	145	80	225	40	265
Technical Assistance	155	40	195	30	225
Info./Educ.	20	60	80	40	120
Equipment/Material	50	0	50	20	70
Operational Support	<u>0</u>	<u>350</u>	<u>350</u>	<u>270</u>	<u>620</u>
Private Sector Total	370	530	900	400	1,300
Project Management	0	180	180	0	180
Audit/Evaluation	150	50	200	10	210
Contingency	125	125	250	50	300
Project Total (Basic)	<u>1,660</u>	<u>1,140</u>	<u>2,800</u>	<u>1,135</u>	<u>3,935</u>
<b>Additional Costs (High Option)</b>					
Training	25	0	25	5	30
T.A.	30	10	40	5	45
Operational Support	0	80	80	140	220
Training Program	<u>30</u>	<u>500</u>	<u>530</u>	<u>500</u>	<u>530</u>
BTIA Total Additional	85	90	175	650	825
Evaluation	15	10	25	0	25
Project Total (High Option)	<u>1,760</u>	<u>1,240</u>	<u>3,000</u>	<u>1,785</u>	<u>4,785</u>

Advances under this Project for GOB entities or not-for-profit organizations require the recommendation of the Project Officer, clearance by the Controller and authorization in writing by the A.I.D. Representative. An initial advance to meet the requirements for a ninety-day period may be given with the stipulation that liquidation and replenishment vouchers to account for the advance are submitted on a monthly basis, thereafter. Such a procedure will ensure compliance with A.I.D.'s policy that an advance shall not be given in excess of the cash requirement for a thirty-day period.

USAID local costs are estimated based on the expectation that significant TA can be procured locally. Operational support for BTIA and the budget for project management are projected as entirely local cost. Local costs will be about \$1,240,000, or 41 percent of USAID expenditure with the high option and \$1,140,000 or 42 percent in the basic option.

#### B. Annual Project Expenditures

Planned expenditures by U.S. fiscal year are shown in Table 2. The time profile of expenditures is geared to the implementation strategy described in the Implementation Plan and Procurement section. The bulk of the USAID expenditures (51 percent) are programmed to occur in FY 92 and FY 93 as the process of MTE and BTIA capacitation proceeds rapidly. Declining operational support to BTIA further sharpens the declining expenditure profile. Long-term degree training for MTE, as well as local education and training programs, are more evenly spread over the life of the Project and account for the bulk of expenditures in the 1994-1996 period.

The non-A.I.D. contribution to the public sector component will also be relatively higher in the early years. It includes direct public sector support for the equipment, TA, training and programs of the TMP. Total GOB support for project objectives will be substantially more and is expected to increase each year. In the broad sense, one could include the whole of the MTE and BTB budgets as a contribution toward the goals of the Project, but this has not been done.

The BTIA pattern of support for the TMP begins at a low level and increases over time as the organization grows and becomes more capable in the performance of its role. In the high option, training funds from the GOB are projected to be available beginning in FY 93. In the case of BTIA, its entire budget is considered part of the Project. Since USAID is providing operational support for the association, it is appropriate to include domestic support for BTIA's operations as part of the local contribution to the TMP. USAID's support for BTIA's operating costs declines over the life of the Project, as BTIA revenues from other sources grow.

**Table 2 - Projection of Expenditures by Fiscal Year  
(US\$000)**

	<u>FY 1992</u>		<u>FY 1993</u>		<u>FY 1994</u>		<u>FY 1995</u>		<u>FY 1996</u>	
	<u>USAID H.C.</u>									
<b>Public Sector</b>										
Training	76	23	182	55	212	64	130	38		
Tech. Assistance	123	20	135	25	65	15	37	10		
Info./Educ.	18	40	18	40	18	40	18	40	18	40
Archaeology Work	35	70	35	70	30	60				
Equipment/Material	100	5	15	5	5	5		5		5
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<b>Public Sector Total</b>	<b>352</b>	<b>158</b>	<b>385</b>	<b>195</b>	<b>330</b>	<b>184</b>	<b>185</b>	<b>93</b>	<b>18</b>	<b>45</b>
<b>Private Sector (Basic)</b>										
Training	51	8	58	10	54	10	62	10		2
Tech. Assistance	88	5	101	10	3	5	3	5		5
Info./Educ.	16	8	16	8	16	8	16	8	16	8
Equipment/Material	20	4	20	4	10	4		4		4
Operations Support	90	30	80	40	70	52	60	64	50	84
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<b>Private Sector Total</b>	<b>265</b>	<b>55</b>	<b>275</b>	<b>72</b>	<b>153</b>	<b>79</b>	<b>140</b>	<b>93</b>	<b>66</b>	<b>103</b>
<b>Project Management</b>	<b>0</b>		<b>30</b>		<b>50</b>		<b>50</b>		<b>50</b>	
<b>Evaluation and Audit</b>	<b>30</b>	<b>2</b>	<b>20</b>	<b>1</b>	<b>20</b>	<b>1</b>	<b>30</b>	<b>1</b>	<b>100</b>	<b>5</b>
<b>Contingency</b>	<b>50</b>	<b>10</b>								
	---	---	---	---	---	---	---	---	---	---
<b>Project Total (Basic)</b>	<b>697</b>	<b>225</b>	<b>760</b>	<b>278</b>	<b>603</b>	<b>274</b>	<b>455</b>	<b>195</b>	<b>284</b>	<b>163</b>
<b>High Option</b>										
<b>Additions BTIA</b>										
Training			5	1	10	2	10	2		
Tech. Assistance			15	1	15	2	10	2		
Operations Support			40	5	30	17	10	40		52
Training Program			15	50	15	100		150		226
<b>Total BTIA (High)</b>	<b>265</b>	<b>55</b>	<b>350</b>	<b>129</b>	<b>223</b>	<b>200</b>	<b>170</b>	<b>287</b>	<b>66</b>	<b>356</b>
<b>Additional Evaluation</b>			7		7		7		4	
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<b>Project Total (High)</b>	<b>697</b>	<b>225</b>	<b>842</b>	<b>335</b>	<b>680</b>	<b>395</b>	<b>492</b>	<b>389</b>	<b>288</b>	<b>441</b>

Slight differences between detail and totals and between tables are due to rounding.

C. Conclusions

BTIA's financial sustainability will be problematic whichever option is followed. If the conditions for the high option are met and fees from training services cover related BTIA direct costs and overhead, the increased activity should also contribute to membership growth. Without the high option, the basic objectives of the Project can still be met and sustainability is possible at a reduced level of operations.

Finances should not be a constraint on the public sector side. The current 5 percent hotel occupancy tax should yield sharply higher revenues over the next four years allowing it to fund the Belize Tourist Board and to contribute to the costs of staffing and running the Ministry. A more likely problem on the public sector side is the necessity for political will and commitment at the Cabinet Level. If the political will is present, the public finances can be found to fund the domestic side of the Project, including permanent positions for those returning with degrees in 1994 and 1995.

#### IV. IMPLEMENTATION PLAN AND PROCUREMENT

##### A. Implementing Entities

The \$3 million Project will be obligated by means of two agreements. The grant agreement for the public sector component will be signed with the GOB and will have the Ministry of Tourism and the Environment as the implementing entity. USAID will enter into a separate cooperative agreement with the Belize Tourism Industry Association to implement the private sector component.

##### B. Grantee Responsibilities

###### 1. Public Sector

The GOB institution responsible for implementation of the public sector component of the TMP is the Ministry of Tourism and the Environment. The Permanent Secretary of MTE will have the major responsibility for ensuring successful project coordination and management within the Ministry, between the MTE and other GOB ministries and departments, and with the private sector entities involved with the TMP. The Permanent Secretary of MTE will be vested with the authority to sign project implementation documents and vouchers for public sector project activities.

Within the MTE the Departments of Environment and Archaeology are headed by Directors who will assist the Permanent Secretary when TMP activities fall within their areas of responsibility. The head of the new Policy and Planning Unit will play a comparable role once that unit has been established. Similarly, the Director of the Belize Tourist Board will assist the Permanent Secretary of MTE with project activities that relate to the BTB.

It is the primary responsibility of the Permanent Secretary of MTE to carry out all the project related administrative and personnel tasks within the public sector component of the TMP. Specifically, the Grantee will be responsible for identifying, selecting, procuring, and managing equipment, trainees and those providing training courses, materials for information and education programs, and technical assistance specialists. Initially at least, USAID will provide assistance in the procurement of commodities and technical assistance, and in the placement of participant trainees.

###### 2. Private Sector

The Belizean institution responsible for implementation of the private sector component of the TMP is the Belizean Tourism Industry Association. The Executive Director of BTIA and the President of the BTIA Board will have the responsibility for ensuring successful project coordination and management within and between BTIA and other public and private sector entities involved

in this Project. The Executive Director will have authority to sign project implementation documents for TMP-related BTIA activities and will have primary responsibility for administering and managing all aspects of the private sector component of the TMP. TA support for BTIA will be available from local and expatriate consultants.

#### C. Project Coordination and Management

Successful implementation will be helped immeasurably by regular coordination among MTE and other ministries and between MTE, its departments and the many private sector groups involved in tourism, environmental and conservation issues.

To ensure good project coordination at the technical and implementation level, a Management Team will be formed to consult on a regular basis. The team will consist of the Permanent Secretary--Ministry of Tourism and the Environment, the Executive Director of the Belize Tourism Industry Association, and the USAID Project Manager. The Management Team will meet quarterly, or more frequently when necessary, to ensure proper coordination and implementation of the Project and to facilitate public and private sector cooperation. Other individuals from both the public and private sectors will be invited to these meetings when appropriate. The Management Team will review implementation plans and project issues and will assess the general progress of the Project. The team will discuss activities and policies that impact upon the expansion of tourism in Belize and will address them accordingly. The Management Team will endeavor to coordinate activities to assure the effective use of resources under the Project.

Constant liaison will be maintained between the MTE Permanent Secretary and his heads of departments and the USAID Project Manager. In addition, the USAID Project Manager will participate as a non-voting member on BTIA's Board of Directors to provide on-going guidance for the private sector component.

Coordination will be an ongoing effort by the directors of the two project components to keep interested outside groups, especially the environmental NGOs, informed and to solicit their advice and suggestions whenever possible. In particular, information and insights gained from TA specialists will be shared widely, so as to maximize the benefits of the TMP in all of Belize. The TMP Project Management Team will also maintain close liaison with the coordinating body established for the Natural Resources Management and Protection Project.

#### D. Procurement

All procurement under the TMP shall be in accordance with A.I.D regulations and the Federal Acquisition Regulations (FAR).

The TMP will utilize short-term technical specialists, Belizean or expatriate, when needed to accomplish a particular TA or training task. These technical specialists will have multiple roles providing not only technical assistance, analytical and advisory services, but also on-the-job training. TA will be arranged only when the relevant counterpart or trainee group is in place and ready to receive the TA support.

Belize is a small country, and it is clear that all the expertise will not be found in-country to meet the technical needs of this Project. Most goods and services will be procured from the U.S., in conformance with A.I.D. procurement policy.

However, tourism in Belize is being developed from a broader regional perspective. The regional integration of CARICOM countries is an indication of the move to promote the region as a single market. The Mundo Maya Project (in which Belize, El Salvador, Honduras, Guatemala and Mexico promote the region as a tourism destination), and the Three-Nation Peace Park (to be established by Belize, Guatemala and Mexico) are examples of regional cooperation. It is expected that some procurement of technical services from the Caribbean and Central American countries will be important in achieving project objectives.

Long-term, overseas training will take place in the U.S. Short-term participant training may be provided in the U.S. or in the Caribbean and Central American region.

Although it is not a key objective of this Project to build host country contracting capacity within BTIA and MTE, this capacity may be developed over time and host country contracting will be considered subject to USAID review of the entities' contracting capabilities. At the outset and for as long as is necessary, TMP will provide resources for assistance from a local firm or individual to help develop terms of reference (TOR) and procure technical assistance and training.

For all technical assistance contracted by MTE and BTIA, the Permanent Secretary of MTE and Executive Director of BTIA will manage the TA personnel, Belizean or expatriate, in Belize as indicated in the TOR and as approved by USAID. The Grantees will provide substantial guidance and administrative support for TA specialists as needed to achieve project objectives. The Grantees will make data and documents available as needed and provide office space and in-country transportation for the TA specialists.

The Grantees will closely coordinate the various TA assignments to maximize the use of particular specialists with Belizean institutions working in tourism, environment and related areas, to ensure the timely completion of the activities necessary to achieve project outputs and to avoid duplication.

The selection of contractors, procurement of equipment and material, shipping, insurance and travel will be done in accordance with standard A.I.D. procedures. The general plan of procurement follows.

1. Commodities

a. Ministry of Tourism and the Environment

Vehicles to be procured include two four-wheel drive pick-up trucks or small all-purpose vehicles suitable for managing archaeological and conservation sites. The total cost estimate is US\$36,000.

Radio communications equipment to assist in managing archaeological sites is to be procured at a total cost of US\$8,000.

Office computers: Adequately configured personal computer systems, including hardware and software, are to be procured for each of the four units under the aegis of the MTE (including BTB and the new policy planning unit). The total cost of this equipment is \$60,000.

Information/education materials and equipment will be procured to support programs to advance the understanding of and support for tourism, environment and preservation issues in Belize. Equipment will include audio visual aids, and other visual educational type items. Total cost is estimated at US\$90,000.

b. Belize Tourism Industry Association

Information/education materials and equipment will also be provided for BTIA. These include audio visual aids, a static booth, bilingual earphones and supporting system, and other items and materials to be used in information/education programs, principally within Belize, to make the citizenry more aware of the importance of tourism. This equipment will be procured only after a detailed analysis of needs and cost effectiveness, and written approval by USAID.

2. Technical Assistance

As noted above, technical assistance provided under the Project will be short-term, will be procured as specific needs and tasks are identified and counterparts are in place to receive the assistance. As an initial implementation step, USAID will contract the services of a procurement consultant to assist the MTE and BTIA in identifying initial TA requirements and preparing scopes of work.

Identification and scheduling of specific short-term consultancies for subsequent periods will be as described in the semi-annual implementation planning. The following is an illustrative list of the TA to be provided:

Department of Environment

Visitor Carrying Capacity of Parks and Reserves  
Managing Waste Disposal and Pollution in Tourist Facilities

Department of Archaeology

Techniques of Site Consolidation and Reconstruction  
Artifact Conservation

Tourism Policy and Planning Unit

Tourism Planning and Policy Analysis  
Tourism Data Interpretation and Analysis

Belize Tourism Board

Internal Management and Administration  
Tourism Database Design and Development

Belize Tourism Industry Association

Training Needs Assessment  
Tourism Planning and Policy Analysis  
Tourism Database Design and Development  
Small Hotel Management, Accounting and Promotion  
Tourism Association Management, Administration,  
Provision of Services, and Fundraising  
Institutional Development and Monitoring  
Organizing Tourism Training Programs

3. Training

Training will include a variety of long-term degree programs, short courses, workshops and seminars, as well as on-the-job training in conjunction with technical assistance. A training needs assessment has already been completed for the MTE and will be undertaken for BTIA and the tourism private sector as an initial activity of the Project.

Long-term participant training in the U.S. includes six degree programs, expected to average 2-3 years each. These programs will be mainly at the undergraduate level for sixth form graduates, but may include Master's Degree programs for Bachelor Degree holders, if specifically justified. Three programs will be in archaeology, two in tourism planning and management and one in policy and economic analysis. The purpose of these programs is to enhance the capacity of personnel available to the MTE. Candidates will be selected by MTE, the Establishment Department and the GOB Human Resource Development Committee in consultation with USAID.

Short-term participant training in the U.S. and regional institutions will also be provided by the Project. Specific programs and procedures for selecting candidates will be identified in the semi-annual planning process. The Entrepreneurs International Program has provided useful short-term programs for Belizean entrepreneurs and is expected to be a key resource for training operators of tourist businesses.

For placement, logistical arrangements and monitoring in the U.S., USAID will use contractors available through the A.I.D./Washington Office of International Training. Especially in the case of archaeology degree programs, efforts will be made to take advantage of grants and tuition waivers offered by universities with archaeological activities in Belize. For training in third countries, USAID will work through the USAID Missions and training institutions to place and monitor the participants.

In-country short courses and workshops will be arranged by the Grantees with short-term TA assistance as required. Preference will be given to the use of training resources available in-country to meet project training needs.

#### E. Proposed Project Implementation Schedule/Work Plan

Project implementation will be subject to a quarterly annual review and a six month planning process. Each Grantee will prepare a quarterly report on progress, along with specific plans for the next six month period. These "rolling" work plans will be shared among the Management Team as an aid in coordinating activities and will be used by the USAID Project Manager in carrying out his/her oversight and support responsibilities. They will include, for example, proposed TA and short-term training activities, which may have shared benefits for both the public and private sectors, and which may require approval or implementation action by USAID.

The Proposed Project Implementation Schedule/Work Plan is therefore preliminary and subject to refinement in the semi-annual planning process. It is presented in two formats (see a standard format implementation schedule in Table 3 - TMP Implementation Schedule). In addition, Tables 4A and 4B provide schedules and budgets for training and technical assistance under the basic and high options. The TA and training are broken down by FYs, and needs are projected for the four units of MTE and BTIA by sources, that is, U.S., regional and local. Note that all TA and training are estimated in person months and in U.S. dollars.

#### F. Methods of Financing and Disbursement

Disbursements will be authorized on the basis of documentation submitted for USAID approval. Periodic reimbursements will be made to assure the availability of funds during the life of the project. Standard USAID procedures will be followed for direct payments, direct reimbursements, advances and liquidations. USAID will handle off-shore procurement and arrangements for overseas training. Methods of financing are outlined in Table 5.

Table 3 - TMP Implementation Schedule

<u>Date</u>	<u>Activity</u>	<u>Resp. Entity</u>
<u>1991</u>		
July 26	Project Paper completed	
Aug. 1	Project Committee review of PP	USAID
Aug. 2	Mtg. with MTE	USAID/MTE
Aug. 5	Mtg. with BTIA	USAID/BTIA
Aug. 15	Project Authorization signed	USAID
Aug. 16	Send draft Grant Agreement to MTE & MED	USAID
Aug. 19	Complete FIO/T for BTIA C.A.	USAID
Aug. 30	Grant Agreement with GOB signed	USAID/MED
Sep. 4	Basic PIR issued	USAID
Sep. 13	C.A. with BTIA signed	RSO/BTIA
Sep. 16	Draft FIO/T for procurement TA	USAID
Sep. 20	Initial CAs met by both GOB and BTIA	MTE/BTIA
	First Management Team meeting	USAID/MTE/BTIA
	Finalize FIO/T for procurement TA	USAID
	First FIO/T voucher for Operating funds	BTIA
Sep. 25	Begin selection for LT Training	USAID/MTE
Sep. 27	Issue RFP for procurement TA	USAID
Oct. 18	Deadline for procurement TA proposals	
	First disbursement to BTIA	USAID
Oct. 25	Complete proposal review	USAID/MTE/BTIA
Nov. 1	Selection of procurement TA contractor	USAID
Nov. 8	Procurement TA contract signed	USAID
Nov. 25	Proc. TA contractor begins work	Cntr
Nov. 29	First LT training candidates selected	USAID/MTE
	Equipment specs./IFBs complete	"
Dec. 6	SOW BTIA trng. needs assessment complete	
Dec. 13	SOW for Data Base development complete	"
Dec. 20	Evaluation Process design complete	"
	Reporting format design complete	"
Dec. 27	SOW for Mgt./Org. TA to BTIA complete	"
Dec. 31	Second Management Team meeting	USAID/MTE/BTIA
	CY 1992 Implementation Plans/budgets	MTE/BTIA/Cntr
	First 6 mo. work plan completed	"

<u>1992</u>		
January	SOW for other TA identified for Year 1 Issue IFB for equipment Issue RFP for TA to BTIA Issue RFP for TA to MTE Issue PIO/Ps for LT training Issue PIO/Ps for initial MTE ST trng.	Cntr USAID USAID/BTIA USAID/MTE " "
February	Bids & Proposal evaluated Equipment ordered	USAID/MTE/BTIA USAID
March	Contracts signed and initial TA begins Management Team Meeting Computers delivered	USAID/Cntrs USAID/MTE/BTIA Cntr
April	BTIA Trng needs assessment BTIA reorganization plan BTIA membership plan Data Base Design & Dev. First Quarterly Progress Reports	BTIA/Cntr BTIA/Cntr BTIA/Cntr BTIA/MTE/Cntr MTE/BTIA
May	Issue PIO/Ps for initial BTIA ST trng. Plan in-country trng. activity (orgs. and private sector)	USAID/BTIA BTIA/MTE/Cntr
June	Management Team meeting Second 6 mo. work plan	USAID/MTE/BTIA MTE/BTIA
July	Second Quarterly Progress Reports Decision on GOB funding for pvt. sector training	MTE/BTIA MTE/MED
Sept.	Management Team meeting RFP for additional procurement TA RFP for evaluation TA Begin second round LT trng. selection	USAID/MTE/BTIA " " USAID/MTE
October	Third Quarterly Progress Reports	MTE/BTIA
November	Procurement/Evaluation contracts	USAID
December	First internal evaluation SOWs for additional (1993) TA needs Management Team meeting CY 1993 Implementation Plans/Budgets Third 6 mo. work plan	Cntr/MTE/BTIA Cntr/MTE/BTIA USAID/MTE/BTIA MTE/BTIA MTE/BTIA

1993

January	Fourth Quarterly Progress Reports Issue PIO/Ps for LT training	MTE/BTIA USAID
March	Management Team meeting	USAID/MTE/BTIA
April	Fifth Quarterly Progress Reports	MTE/BTIA
June	Management Team meeting Fourth 6 mo. work plan	USAID/MTE/BTIA MTE/BTIA
July	Sixth Quarterly Progress Reports	MTE/BTIA
Sept.	Management Team meeting	USAID/BTE/BTIA
October	Seventh Quarterly Progress Reports	MTE/BTIA
December	Second internal evaluation Management Team meeting CY 1994 Implementation Plans/Budgets Fifth 6 mo. work plan	Cntr/MTE/BTIA USAID/MTE/BTIA MTE/BTIA MTE/BTIA

1994

January	Quarterly Progress Reports	MTE/BTIA
March	Management Team meeting	USAID/MTE/BTIA
April	Quarterly Progress Reports	MTE/BTIA
June	Management Team Meeting 6 mo. work plan	USAID/MTE/BTIA MTE/BTIA
July	Quarterly Progress Reports	MTE/BTIA
Sept.	Management Team Meeting	USAID/MTE/BTIA
October	Quarterly Progress Reports	MTE/BTIA
December	3rd Internal Evaluation Management Team Meeting CY 1995 Implementation Plans/Budgets 6 month work plan	Cntr/BTIA/MTE USAID/MTE/BTIA MTE/BTIA MTE/BTIA

1995

January	Quarterly Progress Reports	MTE/BTIA
March	Management Team meeting	USAID/MTE/BTIA
April	Quarterly Progress Reports	MTE/BTIA
June	Management Team meeting 6 month work plans	USAID/MTE/BTIA MTE/BTIA
July	Quarterly Progress Reports	MTE/BTIA
Sept.	Management Team meeting	USAID/MTE/BTIA
October	Quarterly Progress Reports	MTE/BTIA
December	Internal Evaluation Management Team meeting CY Jan-Aug Implementation Plan & Budget 9 month work plan	Cntr/MTE/BTIA USAID/MTE/BTIA MTE/BTIA MTE/BTIA

1996

January	Quarterly Progress Reports	MTE/BTIA
March	Management Team meeting	USAID/MTE/BTIA
April	Quarterly Progress Reports	MTE/BTIA
June	Management Team Reports Final Progress Report	USAID/MTE/BTIA MTE/BTIA
August	Final External Evaluation	Cntr/MTE/BTIA
Sept.	PACD	

Table 4A: Public Sector Training and Tech. Assistance by Fiscal Year

	FY 1992		FY 1993		FY 1994		FY 1995		LOP	
	p.m.	cost	p.m.	cost	p.m.	cost	p.m.	cost	p.m.	cost
<b>TRAINING</b>										
<b>LT U.S.</b>										
Tourism Mgt.	6.0	12	18.0	38	18.0	40	6.0	14	48.0	103
Archaeology	12.0	20	30.0	53	30.0	55	18.0	35	90.0	162
Policy/Planning		0	12.0	25	12.0	26	4.0	9	28.0	61
<b>Total LT U.S.</b>	<b>18.0</b>	<b>32</b>	<b>60.0</b>	<b>116</b>	<b>60.0</b>	<b>121</b>	<b>28.0</b>	<b>58</b>	<b>166.0</b>	<b>327</b>
<b>ST U.S./Region</b>										
Tourism Mgt.	0.5	5	0.5	5	0.5	6	0.5	6	2.0	22
Hotel Regulation	1.0	10			1.0	11			2.0	21
Mkt/Public Rels.	1.0	10	2.0	21	2.0	22	2.0	23	7.0	76
Market Research			1.0	11	1.0	11	1.0	12	3.0	33
Pol./Plng./Prod.Dev.			1.0	11	2.0	22	1.0	12	4.0	44
<b>Total ST o.s.</b>	<b>2.5</b>	<b>25</b>	<b>4.5</b>	<b>47</b>	<b>6.5</b>	<b>72</b>	<b>4.5</b>	<b>52</b>	<b>18.0</b>	<b>196</b>
Local Workshops	5.0	20	5.0	20	5.0	20	5.0	20	20.0	80
<b>TOTAL TRAINING</b>	<b>25.5</b>	<b>77</b>	<b>69.5</b>	<b>183</b>	<b>71.5</b>	<b>213</b>	<b>37.5</b>	<b>130</b>	<b>204.0</b>	<b>603</b>
<b>TECHNICAL ASSISTANCE</b>										
<b>U.S.</b>										
Environment	1.0	18	1.0	19		0		0	2.0	37
Archaeology	1.0	18	1.0	19					2.0	37
Policy/Planning	1.0	18	1.0	19	1.0	20	1.0	21	4.0	78
BTB (HR,M/PR,S/MR)	2.0	36	1.0	19	1.0	20			4.0	75
<b>Total U.S.</b>	<b>5.0</b>	<b>90</b>	<b>4.0</b>	<b>76</b>	<b>2.0</b>	<b>40</b>	<b>1.0</b>	<b>21</b>	<b>12.0</b>	<b>226</b>
<b>Regional</b>										
Environment			1.0	15					1.0	15
Policy/Planning			1.0	15					1.0	15
BTB (HR,M/PR,S/MR)	1.0	14			1.0	15	1.0	16	3.0	46
<b>Total Regional</b>	<b>1.0</b>	<b>14</b>	<b>2.0</b>	<b>29</b>	<b>1.0</b>	<b>15</b>	<b>1.0</b>	<b>16</b>	<b>5.0</b>	<b>75</b>
<b>Local</b>										
Proj.Plan/Proc.	1.0	5	1.0	5	1.0	5			3.0	15
Environment	1.0	5	1.0	5					2.0	10
Archaeology			2.0	10					2.0	10
Policy/Planning	2.0	10	2.0	10	1.0	5			5.0	25
<b>Total Local</b>	<b>4.0</b>	<b>20</b>	<b>6.0</b>	<b>30</b>	<b>2.0</b>	<b>10</b>			<b>12.0</b>	<b>60</b>
<b>TOTAL TA</b>	<b>10.0</b>	<b>124</b>	<b>12.0</b>	<b>135</b>	<b>5.0</b>	<b>65</b>	<b>2.0</b>	<b>37</b>	<b>29.0</b>	<b>361</b>

Table 4B: Private Sector Training and Tech. Assistance by Fiscal Year

	FY 1992		FY 1993		FY 1994		FY 1995		LOP	
	p.m.	cost	p.m.	cost	p.m.	cost	p.m.	cost	p.m.	cost
<b>TRAINING (BASIC)</b>										
(Subject to Needs Assessment)										
ST U.S./Region										
BTIA Board/Staff	1.6	16	1.6	17	1.6	18	1.6	19	6.4	69
Other Priv.	1.5	15	2.0	21	1.5	17	2.0	23	7.0	76
Total ST o.s.	3.1	31	3.6	38	3.1	34	3.6	42	13.4	145
Local Workshops	5.0	20	5.0	20	5.0	20	5.0	20	20.0	80
<b>TOTAL TRAINING</b>	<b>8.1</b>	<b>51</b>	<b>8.6</b>	<b>58</b>	<b>8.1</b>	<b>54</b>	<b>8.6</b>	<b>62</b>	<b>33.4</b>	<b>225</b>
<b>TECHNICAL ASSISTANCE (BASIC)</b>										
U.S.										
Assoc. Mgt.	1.0	18	0.5	9					1.5	27
Data Base	1.0	18	0.5	9					1.5	27
Inst. Dev./Fin.	0.5	9	0.5	9	0.0	0			1.0	18
Planning/Policy		0	1.0	19					1.0	19
Training Needs Asses.	0.5	9							0.5	9
Training Prog. Org.	0.5	9							0.5	9
Total U.S.	3.5	63	2.5	47	0.0	0	0.0	0	6.0	110
Regional										
Assoc. Mgt.			1.0	15					1.0	15
Inst. Dev./Fin.			1.0	15					1.0	15
Planning/Policy									0.0	0
Small Hotels			1.0	15					1.0	15
Total Regional	0.0	0	3.0	44	0.0	0	0.0	0	3.0	44
Local										
Proj. Plan/Proc.	1.0	5	0.5	3	0.5	3	0.5	3	2.5	13
Assoc. Mgt.	1.0	5	1.0	5					2.0	10
Data Base	1.0	5	0.5	3					1.5	8
Training Needs Asses.	1.0	5							1.0	5
Training Prog. Org.	1.0	5	0.0	0	0.0	0			1.0	5
Total Local	5.0	25	2.0	10	0.5	3	0.5	3	8.0	40
<b>TOTAL TA</b>	<b>8.5</b>	<b>88</b>	<b>7.5</b>	<b>101</b>	<b>0.5</b>	<b>3</b>	<b>0.5</b>	<b>3</b>	<b>17.0</b>	<b>194</b>
<b>ADD FOR HIGH OPTION TRAINING</b>										
BTIA Staff			0.4	4	0.4	4	0.4	5	1.2	13
Other Priv.			0.0	0	0.5	6	0.5	6	1.0	11
TOTAL ADD. TRNG			0.4	4	0.9	10	0.9	10	2.2	25
U.S. TA										
Inst. Dev./Fin.			0.5	9	0.5	10	0.5	10	1.5	30
Local TA										
Training Prog. Org.			1.0	5	1.0	5			2.0	10
TOTAL ADD. TA			1.5	14	1.5	15	0.5	10	3.5	40
<b>TOTAL HIGH OPTION ADDITIONS</b>				<b>19</b>		<b>25</b>		<b>21</b>		<b>64</b>

Table 5 - Methods of Implementation and Financing

<u>Major Element</u>	<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Approximate Amount US\$</u>
Participant Training	Direct Placement (AID/W OIT and USAID)	Direct Payment	690,000
Local Training/ Workshops	Direct Grant	Direct Payment	160,000
Technical Assistance	Direct Contract (USAID)	Direct Payment	595,000
Info./Education	Direct Grant	Direct Payment	170,000
Archaeology Work	Direct Grant	Direct Payment	100,000
Equipment/Materials	Direct Contract	Direct Payment	170,000
Operational Support	Direct Grant	Advance/ Liquidation	430,000
Training Program	Direct Grant	Advance/ Liquidation	30,000
Project Management	Direct Contract (USAID)	Direct Payment	180,000
Audit/Evaluation	Direct Contract	Direct Payment	225,000
Contingency			250,000
TOTAL			<u>3,000,000</u>

The USAID Belize Controller has reviewed the detailed assessment of methods of implementation and financing for the activities of the TMP as summarized above. The Controller has also evaluated the financial management and procurement procedures of BTIA and found them to be adequate. If an advance of funds is required for the MTE, prior to authorizing such an advance a review of MTE's financial management procedures will be made to ensure compliance with A.I.D. guidelines.

## V. MONITORING AND EVALUATION PLAN

### A. Monitoring Plan

#### 1. Overview of Activities and Events to be Monitored

Activities and events to be monitored will include a variety of training programs both in and outside Belize, the development of education and information materials, the design, installation and maintenance of databases on tourism, the environment and archaeological sites, the development of policies and programs, and the implementation of new organizational structures and management systems.

Spin-offs from the Project that reflect project achievements will also require some monitoring. These include greater cooperation and more effective linkages between the MTE and a broad range of private sector individuals, firms and NGOs; adjustments in policies, programs and regulations by the GOB and BTIA; increased participation of women in the tourism industry; better coordination among government Ministries; improved adherence to standards and regulations in the tourism industry; increased revenues from tourism; greater participation by the private sector in the government policy making process; employment generation resulting from an orderly expansion of the industry; and so forth.

An internal monitoring system will be set up at the beginning of the Project by each grantee so that a periodic assessment of the Project's progress can be made. The TMP monitoring effort will need to collect data relating to the various dimensions of project implementation described in the paragraphs below. The "rolling" work plans will provide benchmarks for monitoring the timely accomplishment of TMP activities. However, to measure the impact of the TMP over the life of the project, a conscientious effort must be made from the beginning to collect specific data and regularly review and analyze the data as part of good project management. For example, data currently being collected by the Central Statistics Office via a survey of all business enterprises in Belize should provide good baseline information on those involved in the tourism industry. Moreover, after a discussion between the design team and CSO personnel, several gender-related questions were added to the survey which could yield some important information on gender differentiated employment and ownership in the industry. This data, which will be available in early fall 1991, will be one source of preliminary baseline data.

The specific data to be collected and monitored during the LOP will be discerned collectively during the first three months of the Project. Participants, beneficiaries and project managers will spend sufficient time discussing the impacts they want to measure so as to reach a consensus on the data to be collected. Systems will need to be put in place at MTE and BTIA during the first six months of the Project to ensure that the data will be

regularly collected and available to the various project managers, including the grantees and USAID. The computerized data bases that are extant or will be established in the grantee institutions will facilitate the collection, monitoring and analysis of data.

The many dimensions of the TMP will be monitored and ultimately evaluated within the context of the TMP logical framework. The monitoring information system established as a part of the TMP must provide information to enable logical framework linkages to be examined and assessed, both as project implementation proceeds and when in-depth reviews and evaluations are carried out. The paragraphs below describe the kind of data relating to the different levels of project objectives that will need to be collected before, during, and at the completion of the TMP.

## 2. Goal Level Monitoring

Goal-level questions will determine whether the TMP has contributed to the development of tourism in Belize in a rational manner that sustains economic growth and at the same time preserves its unique natural and cultural resource base. Indicators of goal achievement will be (1) GOB policy analysis and planning process increasingly focused on fostering economically beneficial, environmentally sustainable tourism development; (2) a growing perception among Belizeans at large, and the tourism industry in particular, of a changed GOB policy and regulatory environment and enhanced effectiveness in implementing these changes; and, (3) increasing interest and activism expressed by the tourism industry in ecotourism developments and the adoption of common standards of quality. These indicators will be measured via documented policy, program and regulatory changes; surveys of the population at large, as well as of owners, employees and investors in the tourism industry; and a review of tourism industry standards and lobbying efforts on critical tourism and environment issues and policies.

## 3. Purpose Level Monitoring

Purpose level questions will assess the degree to which the increased capacity in Belize to plan and manage tourism growth is evidenced by balanced policies and programs that promote growth in the industry and benefit Belizeans economically while protecting the country's natural and cultural environment on which the growth depends. Indicators that the purpose has been achieved will include the following: the MTE will be responding to critical tourism and environment issues in terms of data collection, policy analysis and change, program implementation and the monitoring and regulating of tourism; GOB revenues from tourism will increase; MTE databases will be maintained and the information used to monitor, assess and guide the impact of tourism growth; improved coordination and cooperation will occur between MTE and other public and private sector entities engaged in tourism promotion and management; MTE and BTIA will be implementing their respective policies and regulations regarding tourism and the environment;

and BTIA will be functioning effectively as a service and support association for the tourism industry.

Measurement of these indicators will be through interviews and other informal data collection techniques, comparing changes from the "baseline" in the PP analyses and other baselines established; analysis of BTB data on tourism arrivals/stays/purposes of visits etc and of tourism revenues; review of the application and enforcement of new regulations for the industry; review of the financial records of BTIA to assess their success in becoming an independent and viable membership association; interviews with BTIA members regarding the services and technical support received from the association, and an informal survey of tourism enterprises regarding improved technical and managerial skills of employees resulting from TMP training.

#### 4. Output Level Monitoring

The six outputs to be monitored during the LOP of the TMP are--

(1) MTE, BTIA and other GOB and industry personnel better prepared to identify/analyze policy options, develop rational planning processes at the regional, national, and local levels, monitor trends in the tourism industry and the environment, coordinate among public/private entities, and enforce policies and regulations;

(2) MTE policies, procedures and regulations needed for promoting, managing and monitoring tourism are identified, options are analyzed and reviewed, and decisions are being made to implement these policies and regulations;

(3) comprehensive information needs are identified, data is being collected, analyzed and utilized for decision making;

(4) recurring costs of the effective promotion and management of tourism and the protection of Belize's environment are quantified and a strategy developed for financing these;

(5) the Department of Archaeology is enhanced and better able to manage and preserve Belize's archaeological sites and artifacts; and

(6) BTIA becomes a significant self-sustaining membership association with programs to assist individuals and enterprises in the tourism industry.

Indicators of the achievement of these outputs will include, but not be limited to the following: numbers of MTE personnel and BTIA staff and board trained and experienced in their respective areas of responsibility; numbers of private citizens involved in the tourism industry who are trained via TMP supported programs, and assessment of impact on their employment status and opportunities; numbers of women involved in the Project both as

participants and beneficiaries; numbers of BTIA members; frequent use by policymakers of empirically based analyses; clear MTE involvement in the establishment and implementation of environmentally sound legislation and regulations; tourism industry compliance with regulations and standards; existence of well organized and maintained databases on tourism, the environment and archaeological sites which are utilized by public and private sector groups alike to analyze data, track trends, develop programs and promotional materials etc; fiscal policies in place to cover the recurring costs of managing tourism and the environment; DA equipment in place and being utilized to monitor and protect archaeological sites; BTIA non-donor revenues increasing and moving towards level of organizational self-sufficiency; and BTIA providing relevant training and other support services, including the provision of timely data and other information, to its members on a regular basis in a cost-effective manner.

Measurement of these indicators will be developed by conducting interviews with MTE and other GOB personnel; BTIA staff, Board and members; other private sector personnel, including hoteliers, restaurant owners, tour guides and travel industry personnel; participants in short courses and seminars coordinated by BTIA; and those active in NGOs and community development programs. Important information can also be obtained by examining MTE and USAID records regarding participant training; by examining MTE and BTIA records regarding policy and program analysis, and changes, as well as newly adopted legislation, codes, regulations and standards; by reviewing educational materials produced by grantees and assessing their distribution; by examining data collected by the CSO and other government agencies, including that collected by MNR for the NRM Project; by reviewing records kept by BTIA regarding participants in training programs; by reviewing the completeness and current status of databases established by each of the grantees; and by reviewing BTIA financial statements.

##### 5. Gender Issues in Monitoring

To the degree possible, the TMP will collect and analyze gender disaggregated data to ascertain both the involvement of women in the Project's activities and the impact of the Project on women, particularly the impact of the training programs on women's involvement and promotion in the tourism industry. However, as the Project is not specifically directed to community level or employment generating activities but rather to the training and capacitating of public and private sector institutions primarily at the national level it may not be possible to capture the total impact of this Project on women in Belize especially given the relatively short duration of the Project.

The Project will utilize gender disaggregated data collected by and available from the CSO. If the data available from the CSO and other GOB and private sources is inadequate to establish a baseline on women's participation in and benefits from the tourism

industry, consideration should be given to a rapid reconnaissance diagnostic survey to provide gender disaggregated hard data from which benchmarks could be established. The TMP will also incorporate gender concerns in the design of training programs and in the design and/or development of the databases to be installed in the MTE, BTB and BTIA such that gender sensitive data can be collected and analyzed from the beginning of the Project. Specifically, the TMP will keep track of the number and type of female participants in training programs and periodically monitor the impact of these training programs on the level of income, opportunity for employment, promotion in the industry, etc. of the trainees as opposed to women in comparable work who did not participate in a training program. As a part of the formal and informal interview process established for monitoring purposes, women participants and beneficiaries will be sought out and interviewed on a consistent basis. The Management Team will be made aware of the importance of considering gender issues in the development of all policies and programs supported by the MTE and the BTIA via the TMP Project and will discuss such concerns at their periodic meetings.

#### 6. USAID, MTE, and BTIA Responsibilities

TMP progress in achieving the various levels of objectives described above will be the collective responsibility of USAID/Belize, MTE, and BTIA. Within USAID/Belize the primary responsibility for monitoring project progress will be assigned to the Project Manager, under the guidance of the Project Development Officer and A.I.D. Representative. His/her major responsibilities will be to (1) monitor conditions precedent and covenants in the Grantee Agreements; (2) ensure that project activities proceed apace with the five-year work plan and each six month rolling work plan and that the specific and overall results produced by the Project over time are commensurate with the plans; and (3) monitor closely the financial situation of BTIA as it pertains not only to overall self-sufficiency but also to the targets set for implementing the high or medium options proposed. The Executive Officer will monitor the Project to ensure that procurement policies and regulations, and contract specifications regarding the delivery of commodities and services are met.

Each grantee will be required to submit a semi-annual report to USAID. These reports, organized to address the specifics of the logframe objectives, will include the following information pertaining to the period under review:

- . details of project activities (TA, training, procurement, production of education/information materials, etc.), indicating adherence or deviation from the work plan;
- . specification of institutional strengthening efforts;
- . identification of both specific problems encountered and accomplishments realized;

- . details of planned activities for the next six month period;
- . results of efforts to meet recurring costs associated with monitoring, managing and promoting tourism in Belize. For the MTE this will mean a report on efforts to develop policies for this purpose and to improve the collection of hotel taxes. For BTIA this will mean a detailed report of fundraising activities and success in raising funds to meet an increasing share of operating costs, as set out in the specific targets of the Financial Analysis; and,
- . other information as may be required by the Project Manager.

The Project Manager will also participate in regular Management Team meetings, some training sessions, and Annual General Meetings of BTIA and other associations to gain first-hand impressions and monitoring information on the TMP's progress and impact. The Project Manager will utilize the Five Year Development Plan, annual work plans and six month rolling work plans as the "baseline" against which he will assess progress in carrying out specified project activities. The Project Manager will have the responsibility for holding the grantees accountable for carrying out the project activities on schedule and for keeping within the expenditure levels of the Project, by budget category.

The grantees' personnel in MTE and BTIA will have primary responsibility for monitoring the TMP's progress and documenting it satisfactorily for USAID. There will be several ways to accomplish this. First, the quarterly reports will provide indications of the actual and planned inputs and progress, problems and accomplishments, and the next steps of the Project. Second, the rolling work plans will create a detailed, timely framework for monitoring TMP progress for all participants. Third, the meetings of the Management Team will provide monitoring data and opportunities to discuss project progress and problems. Similarly, the minutes of these meetings will document facts and issues related to project progress. Fourth, the internal monitoring system set up at the beginning of the Project, which includes baseline data available and collected for that purpose, will be maintained and analyzed by the grantees on a regular basis, with the assistance of technical specialists if necessary. By requiring the grantees to assume an active role in the monitoring of project activities the TMP will also develop their institutional capability to better plan and manage all their projects and to develop standards of accountability for their policies and programs.

USAID will have responsibility for monitoring (1) the institutional strengthening activities and success of BTIA in meeting its financial and management objectives, and (2) the utilization and impact of the technical assistance it provides to the grantees. With the high option for BTIA, USAID will have

special responsibilities to ensure that BTIA is taking the necessary actions in terms of policy and program to meet the targets set for measuring its success in achieving self-sufficiency and for delivering services to its members.

#### B. Evaluation Plan

The TMP is a five-year Project with most of the inputs provided during the first three years. Many of the institutional strengthening efforts in the Project will only "bear fruit" in the later years of the Project and beyond as policies and regulations become established and fully implemented and trainees return to their posts and assume their responsibilities. However, it will be important to assess the initial impact of project activities, especially if a need develops for a mid-course correction in the implementation plan.

Annual internal evaluations will be undertaken by the grantees of TMP with external assistance if necessary. The evaluation will assess progress to date in completing the activities in the work plans for that year. These internal evaluations should involve all project participants--the MTE, BTIA, and USAID. Each annual evaluation will examine the timeliness of inputs, realization of outputs, any management or implementation issues, and the appropriateness of planned inputs, activities and outputs for the future. Lessons learned will be distilled. These reviews will be timed to provide input and assistance to the Management Team as they develop their work plans for the following year. If the proposed Implementation Plan is followed, the reviews should occur in November/December of each project year .

Given the relatively small size of the Project and the proximity of USAID to project activities, it is not anticipated that a formal mid-term evaluation will be required, particularly if the USAID Project Manager and the grantees are faithful to the quarterly reports, semi-annual planning and the annual internal review process. A final external evaluation should be conducted in Year Five of the Project. This evaluation should determine whether the TMP achieved its purpose and the expected end-of-project status. It should also identify important lessons learned for use in other institutional strengthening projects.

#### C. Audit Arrangements

Financial and compliance audits of BTIA will be conducted yearly by an audit firm approved by USAID. The audits will examine and render audit opinions in accordance with A.I.D.'s audit and compliance requirements. Audits of MTE will be conducted by the GOB Auditor General in accordance with GOB practice. The project budget includes funds in the audit and evaluation line item for additional audits that may be required by A.I.D.'s Office of the Inspector General.

## VI. SUMMARIES OF PROJECT ANALYSIS

### A. Technical Analysis

The objective of the TMP is to increase the capacity of the public and private sectors to plan, manage and promote tourism so as to support the growth and development of the private tourism sector, benefit Belizeans broadly through improved employment and income earning opportunities, and protect the country's natural and cultural environment on which tourism depends. The Project will help to accomplish this by providing technical assistance, training and equipment for the various units under the recently established Ministry of Tourism and the Environment, (i.e., the Department of Environment and Department of Archaeology, a new Tourism Policy and Planning Unit, and the Belize Tourist Board) as they expand and train their staff and bring their programs up to fully operational status. In particular, the Project is intended to enhance public sector support of the private tourism sector and an ecotourism strategy which maximizes the long-term benefits from Belize's unique natural and archaeological tourism resources. The Project will also strengthen the private sector in parallel with the public, working through the Belize Tourism Industry Association.

As currently constituted the tourism sector in Belize, most notably the policy oriented entities (the MTE and BTIA), cannot be considered adequate to face the challenges ahead. Tourism has grown rapidly in recent years from a very small base and has not required very much in the way of policy, regulation, collective action, representation, or overall management. The weakness of the industry association and the lack of clear and consistent GOB policies have not been problems because the sector has been so small.

Underlying the weakness of both the MTE and BTIA is the main technical problem facing the TMP: a clear insufficiency of trained Belizeans willing and able to serve in both the public and private sector on a long-term basis. The main thrust of the TMP is geared to address and overcome this problem. Some equipment and some materials are included in the Project, but the preponderance of TMP resources are focused on TA and training to overcome the scarcity of trained Belizeans available for positions in MTE, BTIA, and the tourist sector in general.

The TMP has been designed to utilize a mixed strategy in addressing the problem of insufficient trained persons in the MTE and the BTIA. This strategy is a mix of short-term technical assistance and short courses balanced with long-term degree-oriented training.

The resource mix between long-term training and short-term TA and training was determined by the nature of the main problem (scarcity of trained personnel) and the nature of the challenge

(providing policy and management for the tourism sector in both the short and long run). The Project aims to achieve a balance between individuals sent abroad by the MTE for extended training and personnel retained at the Ministry to work as counterparts with technical specialists to establish the systems, procedures, and policies which will govern Belize's ecotourism development. A mixed strategy along the lines proposed in this PP is called for to establish critical policies and programs in the short-run while investing in the future to alleviate the shortage of trained manpower in the years ahead.

With the BTIA, the emphasis is on the provision of short-term TA and training for staff and members, while using operational support to give the association time to hire and develop permanent staff and raise its funding capacity. Again, the strategy is a balance of short-term resources aimed at making BTIA into a full service industry association fairly quickly, while laying the foundation for sustainability over time. The declining profile of operational support reinforces the need for BTIA to utilize the available short-term inputs to achieve self sufficiency in the long run.

In terms of overall project objectives there are four basic categories which apply to both the MTE and to the BTIA. These are better trained and equipped personnel, more effective policies and regulations, improved data collection and analysis, and adequate provision for recurrent costs in both MTE and BTIA. It is expected that these results can be accomplished during the five year life of the project as currently envisioned. Technical assistance and training provided to the Ministry and other public and private entities will contribute to the Project's purpose by upgrading the expertise and improving the managerial skills of individuals involved in the tourism industry. These skill improvements will help ensure that an appropriate policy balance is maintained between the expansion of tourism and the protection and preservation of Belize's natural and cultural environment.

The major constraints to the achievement of the goals of the TMP are those which cut across all sectors and broadly impact economic development projects in Belize: political will and fiscal commitment, mid and upper level managerial challenges, and adequately trained and competent staff to fill mid-level professional positions.

The question of political will is always relevant when environmental issues are involved, because of the weak record of governments all over the world. In the absence of overwhelming evidence and/or strong popular discontent governments have tended to minimize or ignore environmental costs while proceeding with industrial and agricultural development. Belize may be different, but until the GOB comes down firmly on the environmental or preservationists side in a significant case, this will remain a question mark. A more immediate concern is whether the GOB will make available adequate fiscal resources for the MTE so that

environmental and archaeological preservation programs can be staffed up and pursued vigorously. This issue should be thoroughly explored in project negotiations. Consideration should be given to designating the revenue from the current hotel occupancy tax plus some additional amount out of general revenues to provide adequate funding for both BTB and MTE.

In pursuing the high option alternative BTIA will be asked to achieve several different objectives, and this will clearly stretch its capability. To compound the challenges, BTIA has had significant staff turnovers in the last several months and still needs to reconfigure its personnel to provide member services and to become active in tourism training. Achieving the high option goals will take enormous time, effort, and commitment from BTIA's staff, directors and members. It is very important that they are fully aware of what is involved in the high option alternative of the TMP. The GOB commitment to raise the hotel tax is also essential to fund tourism training and to ensure BTIA a fee for its role in organizing the programs. To assist BTIA in achieving these multiple objectives, the bulk of TA is scheduled to be delivered in years 1 and 2.

As noted above, in the first two to three years of the Project there will be a pervasive shortage of trained people capable of filling the designated positions and carrying out tasks. This problem is widespread in Belize, and although it is being addressed through other projects, it remains as the most important overall obstacle to economic development in the country.

Recognition of these shortages in trained personnel is the basis for the heavy emphasis on TA and training in the TMP. Belize presently has very little trained expertise in the tourism industry, yet tourism has become a main thrust of its development strategy. The TMP is attempting to meet the problem directly by allocating nearly 48.2 percent of direct USAID funds to TA and training which will broadly upgrade skills in the areas of tourism management, environmental protection and archaeological preservation. In the short term, a strategy which relies heavily on TA and short courses for Belizeans, combined with some use of contract foreign employees, is the best approach to the personnel shortage. In the medium-term, well trained Belizeans will be returning from MA and BA programs in the United States and should be able to assume positions of increasing responsibility in the MTE, BTIA and private tourism sector.

#### B. Financial and Economic Analyses

While the ultimate goals of the Tourism Management Project (TMP) are reasonably clear, including continued growth of tourism in Belize, maintenance of the nation's archaeological and environmental integrity, and long-term maximization of domestic value-added from tourism, it is not possible to quantify with any precision the financial benefits of the Project. The direct outputs of the Project can be specified in terms of trained

individuals and public and private agencies better able to carry out their work, but the relationship between these outputs and the resulting financial and economic benefits to Belize and Belizeans are not quantifiable. For example, instituting a training program for tour guides in nature reserves or at archaeological sites will improve the competence of the guides, potentially raise their incomes, and enhance the visitors travel experience, but it is impossible to quantify the effect of improved tour guide quality in terms of additional tourist days in the country, repeat visits, or word of mouth promotion of Belize as a destination.

Relating improvements in public sector planning and policy making to benefits accruing to Belize from tourism is even more difficult, and the significant theoretical and practical problems in estimating the benefits resulting from institutional development in the environmental and archaeological areas make it impossible to identify direct financial or economic benefits resulting from those components of the Project.

Without the TMP, however, it is more likely that short-term growth in tourism will over-stress the country's environment and degrade the natural tourism resources, making Belize a less attractive destination in the medium term (i.e., five to ten years). If proper planning and management is not available, a surge in tourism in the early 1990's could exceed the capacity of the sector, especially in terms of trained workers, causing permanent damage to the reef, the archaeological sites, and the natural reserves. It could also exacerbate security and perhaps health problems, and ultimately result in a deterioration of the tourism product which Belize has to offer. The main objective of the Project is to assist the Belizeans in the prevention of such an outcome and to encourage the development of sustainable, high quality, high domestic value-added tourism in Belize. In addition, there are benefits beyond the tourism industry in the form of improved environmental conditions for Belizeans, preservation of wildlife and flora, and protection of archaeological sites for scholarly exploration. While these benefits are all highly desirable and likely to be promoted by the Project, they cannot be measured financially. Similarly, the objective of sustainable, high quality ecotourism is not conducive to financial analysis, but it is critically important if Belize is to simultaneously protect its environment and natural resource endowments, and provide higher income and employment opportunities for its citizens.

With this perspective, the cost of the Project at \$4.785 million, of which USAID would put up \$3 million, appears reasonable in relation to the longer-term gains likely to flow from improved tourism and environmental planning and management. Economic development with a growing tourism sector is both inevitable and desirable in Belize. What is at issue is the cost in terms of the country's unique natural setting. Without proper planning and management, the cost in terms of environmental deterioration is likely to be high. With this project, these costs can be reduced

significantly and economic development, particularly tourist development, can be done on an environmentally sound, sustainable basis, with a view to maximizing longer term benefits to the country.

The public sector component is budgeted at \$1,945,000 over a five year period. USAID will contribute \$1,270,000, 65 percent of the total cost of this component. Financial and in-kind support from the Government of Belize will be \$675,000 during the life of the Project. This amount is based on estimates of direct counterpart costs and does not include the entire budgets of either MTE or BTB. Hotel tax revenues, of which BTB retains 50 percent for its operations, are projected to exceed US\$8,000,000 over the five years of the Project even at current rates.

The private sector grantee is the Belize Tourism Industry Association which represents and provides some services for local hotels and other tourism firms. High and basic options are considered for BTIA, representing the maximal size that BTIA could realistically sustain once the Project ends as the high option and the minimal size for BTIA consistent with achieving the objectives of the TMP as the basic option. The high option implies seven to eight full-time BTIA staff; the basic option is based on five or six staff members. Either option entails a significant challenge to BTIA's fundraising and managerial capacity, as evident from the indicative projections of BTIA revenues and expenses shown in Table 6. A low option with only two or three staff members was rejected as inadequate to achieve the goals of the Project.

The high option alternative aims at creating a maximal BTIA over the next five years which would be the central point for coordinating and organizing training in the tourism industry and would provide a broad range of services to member firms. This implies a reconfiguration of existing BTIA staff and a major effort in terms of fundraising, defining and providing member services, and establishing a national tourism training program with BTIA in a central role. On the financial side, the critical factors in the high option strategy for BTIA are the organization's cash flow, particularly its ability to be self-sustaining in five years, and identifying revenues to support BTIA sponsored training programs for prospective hotel and tourism industry employees. The most likely revenue source for the training programs is an increase in the hotel occupancy tax (from five to eight percent) which the GOB would dedicate to help pay — for training programs in the tourism sector.

With the high option, the private sector component would cost a total of \$2,125,000 over the five years of the Project. USAID would provide \$1,075,000 or 51 percent of the total. BTIA revenues and members' in-kind contributions would amount to \$550,000 (including \$140,000 in fees earned from the training program). The balance is an estimated \$500,000 in training program costs supported partially by the GOB, and in part by charges to trainees. (This is a conservative estimate; a three

percent increase in the hotel tax initiated in 1993 could generate over \$4,000,000 by the end of the Project.)

Without the high option training activity, the total cost of the basic level private sector component would be \$1,300,000. USAID would provide \$900,000 or 69 percent. The largest part of the difference in total project cost comes from elimination of the training program for tourism employees. Costs for the public sector component would not change.

Whether the high or basic option is ultimately pursued, two important issues emerge from a review of BTIA's cash flow projections. First, there will be a funding gap in the short-term, that is, in the second half of calendar year 1991, unless TMP funds can begin flowing by September or October, 1991. Certain expenditures have already been made in 1991 under the TEP project, and even with an austere spending strategy for the remainder of the year, BTIA is likely to have annual expenditures of between \$220,000 and \$230,000. Inflows identified include TEP funds of \$128,600 and domestic revenues of about \$28,000. To this can be added about \$50,000 with which BTIA began the year, and it is readily apparent that BTIA will need about \$25,000 of additional funds to meet 1991 expenses, regardless of which option is pursued for BTIA's future.

A second important issue is to recognize that with either option, BTIA and its successive Boards of Directors must be committed to a maximum effort to simultaneously raise domestic revenues and keep expenditure growth in check if sustainability is to be a reality in the late 1990's. A projected build up of surpluses in the 1992-95 period may make this even more difficult. Particularly in 1994 and 1995 with the high option, there may be a tendency for new BTIA board members to increase expenditures for programs that are meritorious in the short run, but cannot be sustained in the long run.

The basic option implies a lower risk level for USAID, reduces the challenge facing BTIA in terms of the numbers of activities to be carried out, and yet leaves BTIA strengthened and fully capable of fulfilling a broad range of tasks in support of the tourism industry. On the other hand, despite the higher risks, the gains of the high option are significant: (1) the fundamental problem of tourism training would be included within the Project; (2) BTIA's overall role would be enhanced within the industry and the society; and, (3) BTIA's finances would benefit from its involvement. Therefore, if the high option conditions can be met, it would be the desirable alternative because it addresses the critical area of tourism industry training.

**Table 6 - BTIA Revenue and Expenditure Projections  
(US\$000)**

	'91	'92	'93	'94	'95	'96	'97
<b>EXPENDITURES (Basic)</b>							
Core Staff		80	84	80	92	96	100
Member Services		30	31	32	34	36	38
Total (Basic)	224	110	115	120	126	132	138
<b>REVENUES (Basic Level)</b>							
Membership/Other	28	35	45	58	75	98	127
USAID TEP <sup>a</sup>	177						
TMP	30	80	78	67	58	37	0
Totals (Basic)	235	115	123	125	133	135	127
<b>High Option Addition</b>							
<b>EXPENDITURES</b>							
Training Coord.			45	47	50	52	55
<b>REVENUES</b>							
Fees			10	30	45	55	58
USAID TMP			40	30	10	0	0
Totals			50	60	55	55	58

<sup>a</sup>/ Includes carryover from 1990.

BTIA core staff costs were at an annual cost level of about \$108,000 in the second half of 1991. Further adjustments and economy measures, as well as substantial increases in revenues are essential to achieve sustainability. The projection uses an estimated growth rate of 30 percent in membership dues, fees and contributions, apart from potential revenues from a training program.

Aside from the key issue of domestic value added which will be discussed below, there are no important differences between the financial analysis and the economic analysis for the Tourism Management Project. Neither the financial nor the economic benefits from an institutional development cum conservation project such as this can be quantified. Therefore, conventional cost-benefit analysis is not possible. However, the benefits appear to be significant relative to the cost of the Project. In terms of both medium-term economic and financial returns to Belize's tourism sector and the longer-term economic and scholarly benefits resulting from the preservation of flora, fauna, and historic antiquities, the likely economic benefits of the Project appear to justify the relatively modest cost. The economic benefits would almost certainly exceed the financial benefits because of the significant positive externalities involved in the conservation activities.

The inclusion of a medium option for BTIA, at lower cost than the high option, presents an alternative approach to achieving the

goals of the TMP. It would be desirable to have a larger BTIA and to address the training problem, but it is not critical to the Project. Foreign exchange issues are moot because of the full convertibility of the Belizean dollar. Interest rate issues are not applicable because there is no on-lending, and inflation is not a serious problem in Belize.

The one major economic issue in the Project is domestic value added in the tourism sector. Training is one important aspect of this, and agriculture and food processing is the other. The economic arguments in favor of public revenue supporting training programs to foster employment in tourism are quite clear. Individual firms within the industry are not in a position to provide adequate training to the population because they will always lose a certain proportion of their trained staff over time and thus their investment in training is lost. The problem is particularly acute for the many small hotels and tourism firms in Belize who do not have the potential for employee promotion within the organization.

The second aspect of increasing Belizean value added in the tourism sector is in raising the quantity, quality, and delivery standards of Belizean agricultural output. At the moment, the input of the agriculture sector to tourism is supply-constrained. Therefore, if domestic agricultural value added is to be increased in the tourism sector, it will have to come out of increased total agricultural production. At the same time, there must be a successful effort to improve quality and to fulfill the delivery scheduling requirements of the hotels and restaurants.

To help raise domestic agricultural value, an individual might be brought into the Ministry of Tourism and the Environment and trained and supported by technical assistance, with the objective of working with the Ministry of Agriculture and the hotels and restaurants to improve the quantity, quality and timeliness of agricultural production in Belize.

### C. Administrative Analysis

Since 1989, two important institutions, one in the public sector and one in the private sector, have been created or enhanced to respond to Belize's commitment to develop and manage tourism as the second development priority of the country. In the public sector, the Ministry of Tourism and Environment (MTE) was created in 1989 with overall responsibilities for all aspects of the tourism industry, environment and archaeology. In the private sector, the Belize Tourism Industry Association (BTIA) was incorporated in August 1989 as a non-profit organization (NGO) to provide leadership and a variety of services for the tourism industry, and to foster stronger linkages between the public and private sectors.

The new MTE incorporated the Department of Archaeology (DA) which was already an established department in the GOB. The DA is specifically responsible for the excavation, maintenance, consolidation and preservation of archaeological and historical

sites in Belize. This is an experienced department with well established procedures. The Department of the Environment was newly created. It currently has no legal basis of its own to exercise authority for environmental issues. The Chief Environmental Officer (CEO) can merely perform an advisory and monitoring role. The Department must develop its policies, strategies and legislation regarding environmental protection by fostering strong inter-ministerial linkages and cooperation.

The Belize Tourist Board (BTB) was empowered under the BTB Bill in 1990 as an independent, statutory Board with separate powers and responsibilities administered by its own Board of Directors. Its work is to carry out GOB policies in the area of tourism. In practice, the BTB Board of Directors is appointed by the Minister of Tourism and Environment and the Permanent Secretary serves as its Chairman. Thus, for this Project, BTB is treated as an extension of MTE.

At present, BTB is focusing its attention on three areas: hotel registration and tax collection (5% of hotel room incomes); public relations and promotion; and the development of a basic data collection. The policy advisory function is carried out by the Belize National Tourism Council (BNTC). However, BNTC has no staff to conduct independent analysis. Figure 6-1 illustrates the current organization of the MTE.

The Ministry has received funds from a number of international donors. The World Tourism Organization (WTO) has provided funds for the development of a TA and training package to capacitate small hotel/guest houses. The European Economic Community (EEC) has provided funds for the design of the Mundo Maya program. The Ministry will have peripheral involvement in the UK's ODA multi-year Land Use Project. Proposals also have been made to the United Nations Development Program (UNDP) for tourism, training and staffing, and to the World Environment Fund (WEF) for an integrated TA, credit and physical planning/land purchase for environmental protection zones project. In May 1991 under a UNDP grant, the Government of Costa Rica proposed the provision of training for hotel management, tour guides and other tourism related personnel. This proposal is under consideration.

The Minister has the "last word" on all matters of policy and legislation/regulations. The Minister also appoints the Boards (BTB and BNTC) that support the Ministry's work. MTE policy is implemented through the Permanent Secretary, who is the day-to-day operations manager for the Ministry. He has full responsibility and accountability for staffing and financial matters. The Permanent Secretary is the MTE's Chief of Staff and controls all the office management functions, including procurement, accounting and staffing for each Department. The Permanent Secretary is supported by an Assistant Secretary and support staff, and is also the Chairperson of the BTB. Issues for the Minister's decision generally pass through the Permanent Secretary. The Permanent Secretary has also been designated as Belize's Executive Director

of the Mundo Maya Secretariat which involves setting up the modus operandi for this new regional organization. This has not been viewed as a full time assignment though it may require much more time as the Mundo Maya programs "take off." With the limited and over stretched staff, some support may be necessary for the accounting and administrative aspects of Mundo Maya. The current Permanent Secretary has a Ph.D. in Environmental Studies.

The MTE is "short" on qualified, experienced staff. With the exception of the Minister himself, all the other top managers (the Permanent Secretary, heads of the two departments and of BTB) have been in their respective positions less than a year. There are a number of established posts that remain unfilled; there is also a need to create some posts essential not only to running the Ministry but also to implementing the TMP, such as a post for Policy Planning. All support staff positions have been filled. A detailed analysis of the staffing situation in the MTE can be found in the April 1991 Administrative Restructuring Report.

Operationally, the Commissioner administers the Antiquities Act and manages the technical staff, as well as the physical and technical aspects of the Department's programs. The current Acting Commissioner holds a bachelor's degree in Anthropology and worked with the Department as a technician prior to training abroad.

Staff is a very serious problem in the DE at this time. The DE is in a formative stage with a staff of one, i.e, the CEO. The DE's approved budget calls for another Post for a Senior Environmental Officer which the DE hopes to fill in the summer of 1991.

The BTB has 15 staff members plus overseas promotion offices/representation in New York, Germany and Cancun, Mexico. The Executive Director and the Registrar of Hotels have been employed by the Board only for the past year. Most of the support staff have been there for some time. The Executive Director is completing a Bachelor's Degree in management at UCB. The Registrar of Hotels is an accountant with considerable experience in this area. He has three assistants.

While the MTE and BTB personnel are very enthusiastic about the Project, this shortage of appropriately trained and experienced staff will make it difficult for the them to take full advantage of the benefits of the TMP, at least in the early years of the Project. The MTE also faces shortages in the numbers of established posts recommended to carry out its work, and in availability of persons to fill those posts in any event. The two studies referenced above both recommended a sizable increase in numbers of posts for MTE and the BTB in recognition of the real work to be done on tourism and the environment in Belize. Yet because these posts have not been created and given the competing agendas of other Ministries in the same area, it is not likely that they will be created or funded in the near future. Moreover, there is a danger that the few people currently filling existing

posts will become overcommitted and pulled in many different directions by different donors eager to be involved in the environmental concerns of Belize.

Equally important is the present lack of a clear authority for the MTE in the area of the environment. While its mandate is broad, the MTE's current dependency on the good will and cooperation of other Ministries, in terms of developing and implementing policy and programs, is a major weakness.

Finally, the MTE faces considerable pressure to take on more responsibility than it can possibly handle in the short term. The DA is a case in point. The pressure on its limited resources has grown tremendously as Belize's place and importance in the Maya civilization has been uncovered and the implications for Belize's participation in the regional Mundo Maya development program have been recognized.

The BTIA was established as a private sector association representing the tourism industry to foster the development of tourism in Belize. Its purpose is to promote and safeguard the industry, set standards, and provide information, services and support to its members. To date, BTIA has concentrated primarily on its own institutional development and responding to inquiries both by its members and those in and outside Belize interested in tourism activities in the country. It has not paid adequate attention to the delivery of real services to members, nor has it focused on becoming a financially viable association. A major problem BITA faces is its own development as a vital, self-sustaining private sector industry service organization which can become financially viable given the resources in Belize's small economy.

The BTIA is managed by a Board of Directors (16) elected by the full membership. There is an executive committee of seven. There are representatives from all the major tourist locations. The association is a very democratic group and the members are very active and vocal on a number of issues. BTIA membership supports ecotourism, but the members have different interpretations and concerns regarding the nature and extent of ecotourism in Belize. BTIA tends to represent many of the larger hotel operators in Belize City who are less focused on ecotourism than are the smaller operators located near reefs, ruins or rainforests.

The organizational chart of BTIA is set out in Figure 6-2. The staff does not have well defined functional responsibilities. Basically, the Executive Director implements Board policy and handles the day-to-day operations of BTIA. The BTIA has been beset with personnel issues over the last two years, partly due to a failure to plan adequately for the Association's activities. The services of the previous Executive Director and a Senior Tourism Consultant were terminated by the previous Board in early 1991. The current Executive Director came on board in March 1991. The Executive Director has the responsibility of

implementing the Board's policies, and managing the staff and all the financial affairs of BTIA. There is a need to reassess the staff's capability and placement in relation to the restructuring and performance-oriented direction of the organization.

BTIA is in a weak position to manage the private sector component of the TMP at this time. There has been little focus on how BTIA's mandate could be translated into effective services for its members or consideration given as to how the organization can be sustainable within a small market like Belize. The organization is basically at "square one". The combination of a new Board, new staff, a weak financial position in terms of long-term sustainability, and few services or information to attract new members, make it very vulnerable. These circumstances clearly dictate that BTIA should receive considerable TA and be closely supervised and monitored, especially during the first two years of the TMP. Considerable institutional support is necessary, in terms of setting up effective management and financial systems, to deliver the kinds of technical support, training, and information services that the membership needs at this time.

If BTIA focuses attention immediately on fundraising and on providing a few basic services to its members in year one of the TMP, it has the potential to develop into a significant private sector organization that can serve as a counter-balance to GOB policies and actions. If, however, it tries to do too much in the next two years, it will likely put too much strain on an already unstable organization for it to survive. Thus, careful planning and management by the Board and staff, with outside assistance, are essential to its success.

#### D. Social Soundness Including Women in Development Analysis

Belize has a multi-ethnic society of some 190,000 persons. The population density is very low (21.1 persons per square mile) and fairly evenly divided between urban centers and rural areas. The main ethnic groups are Creole, Mestizo and Garifuna. There are also a number of people of Spanish, East Indian, Arab, Chinese, and European descent. English is the official language and the language of instruction in schools. Spanish is widely spoken by nearly half of the population and is also taught in the schools.

Approximately 25 percent of Belize's population lives in Belize City. Once the political capital, it is now the commercial, political and cultural center of Belize. The major economic infrastructures are located in or near Belize City, including the international airport, the seaport, major educational and medical facilities, telephone and telecommunication facilities. Belize City is still the primary "jumping off" point for the tourist and business visitors to the country. As of mid-1991, it had the greatest number of hotel rooms, and the newest and most prestigious accommodations.

Although Belize has one of the highest fertility rates in the world (3.72 percent), historically the population has grown slowly (1.9 percent) due to heavy out-migration, principally of Creoles to the United States. Immigration has increased dramatically in recent years. It is estimated that approximately 15,000 immigrants, mainly Mestizo refugees from Central America and Asians, have settled in Belize. Thus, the ethnic balance of Belize is changing.

The employment situation in Belize is changing too, and competition is increasing for jobs in certain sectors. Many Belizeans are returning to Belize as new economic opportunities develop. The Creole population, in particular, views the refugees as a threat and as competitors for jobs, especially in the construction, manufacturing and tourist industries. The work force is estimated at some 60,000 persons (ranging in age from 15 to 64 years). The best estimates of unemployment and underemployment range between 12 to 18 percent. The tourism sector employs approximately 3,500 persons directly, and another 5,500 indirectly. Women represent over 50 percent of the workers in the tourism industry.

Tourism as a major industry is relatively new to Belize, especially ecotourism. Concern has been expressed as to whether the "small is beautiful" strategy will provide adequate job security, and also whether opportunities for advancement for Belizeans will be available at the larger hotel facilities. The range of skills required for the tourism industry are broad. They range from bellhops, cooks, wine stewards, and maids, to managers, professional tour guides, specialized accountants, and policy makers. Limited training opportunities exist in Belize to prepare people for jobs in the tourism industry.

Belizeans, in light of their education, exposure, and experience gained from working overseas, are trainable and suitable for employment (given the right incentives and suitable management) in the tourist industry. Some of the jobs to be provided by an expansion of tourism will absorb a fair portion of the unemployed and underemployed in the urban areas if there are solid public education and training programs to prepare them for work in the industry.

Despite the rapid growth of tourism in Belize, many Belizeans are not in a position to participate or benefit fully. Belize's population has a high literacy rate and a number of well-educated professionals. However, many of the individuals who might be valuable resources for developing and managing policies and programs related to tourism and the environment in Belize have migrated to the U.S., Canada and the U.K. As a result, there are relatively few trained professionals available in or out of government to carry out the requisite policy analysis, develop a rational planning process, monitor trends, and enforce policies and regulations. Considerable training is needed for current and future tourism personnel who promote, manage and regulate the industry.

The formal education system in Belize from primary to tertiary levels offers no specific training in tourism-related skills. There are housekeeping courses in some of the vocational and secondary schools. Ad hoc seminars are organized from time to time for tourism-related skills such as tour guides and supervisors. Plans are underway to set up a "Center for Employment" as a pre-training school for dropouts, with a component on tourism skills training.

Belizeans, while generally aware of the importance of tourism, do not appreciate the significant contribution it makes to the economy. Education and information programs, both formal and informal, are needed to provide a broad base base of popular support for the public and private sector actions needed to balance tourism growth with other important governmental objectives, including environmental protection, and to improve Belizean understanding of the unique qualities of the natural and cultural environment. Developing a tourism appropriate for the enjoyment of both residents and visitors will help many Belizeans to understand the significance of tourism and its links to the environment and other priority objectives.

Belize has a small population and has generally promoted "small scale" tourism. However, much of the "small scale" tourism has been concentrated on the cayes and increasingly in a few inland areas. The exceptions are San Pedro and Belize City, where the bulk of the tourists visit. This clustering of tourist facilities also concentrates the increasing volume of tourists in specific localities where they will develop a high profile. Unless appropriate programs are put in place, the growing number of tourists will increasingly overwhelm the local populations in areas of the country where their numbers have become disproportionately large.

The relatively vast ecotourism resources (marine, reefs, Maya ruins and wildlife) provide development opportunities outstripping the capacity (human, financial etc.) of the Belizean population alone to respond. With effective promotion and massive tourist inflow, there is fear that a situation could develop where Belizeans are not available or able to take advantage of the opportunities and the industry could become dominated by foreigners.

There is a growing sense that the government must "do something" to better regulate and monitor the acquisition and use of land not only to ensure continued Belizean ownership but also to preclude a situation of "over development" and degradation of the unique natural resource base. Many Belizeans would like to constrain the use of foreign managers, and the flight of monies, or at least clarify acceptable limits for both. There is concern that if the monitoring and regulating of tourism in Belize is not strengthened, developers will capitalize on the weaknesses of the system and Belizeans will never have a chance to participate equitably and fully in the expansion of the sector.

There are two different groups of direct beneficiaries of the TMP technical assistance: the professional and support staff of the Ministry of Tourism and Environment and the Belize Tourist Industry Association (BTIA) members, Board, Executive Director and support staff. The indirect beneficiaries of the Project include several groups: owners or those who are employed in either full or part-time jobs generated by the tourism industry, the Belizean population-at-large, the foreign investor and the tourist. Women, in particular, will further benefit from an expanding, well managed, tourism industry.

Women are prominent as owners and managers in Belize's tourism industry. Women will continue to benefit from an expanding, well-managed tourism industry. Many of the jobs created by an expanding industry such as in hotels (kitchens and room cleaning) and in restaurants are for females. Unfortunately, many of these jobs are often seasonal, low paying, low status and/or part-time. As the MTE and/or the private sector entities involved in tourism improve their capacity to develop and implement management and human-resource training programs as a result of this Project, more women will have the opportunity to get training to improve their access to more remunerative jobs in the industry. There is also an opportunity for women to increase their employment via the handicraft and related businesses for tourists.

The direct beneficiaries participating in the TMP were very involved in the course of developing the Project. The Minister and Permanent Secretary of MTE, as well as key staff at the Departments of Archaeology and Environment and at the BTB, met with the design team on a number of occasions, both formally and informally. Discussions also took place with many personnel across a range of public sector Ministries responsible for fisheries, agriculture, natural resources, trade and economic development. Similar in-depth discussions were held with BTIA staff and Board members. The design team not only met with members of both the outgoing and incoming Board, it also attended the Annual General meeting of BTIA to gain a broader perspective on the priorities and needs of the organization.

The beneficiaries will be directly involved with project implementation through their direct participation in planning the work to be carried out under the Project. One mechanism for involving the beneficiaries in this process is the establishment of a Management Coordinating Team.

Success in attaining the goal of this Project will depend on the cooperation of a number of individuals in different ministries with competing "turf" in the areas of tourism and the environment. Political factors could constrain the participation of some individuals in government who may not perceive the Project to be in their Ministry's interest. While the MTE has been set up to develop policies and programs in these areas, other Ministries already have policies and programs that overlap the responsibilities of the MTE.

The design team was instrumental in sharpening the focus of the needs of the beneficiaries, and in ensuring that the activities of the principal beneficiaries were complementary and that the institutions were developed in tandem with the demand for programs. There was general agreement by the beneficiaries on the goal, purpose and objectives of the TMP, as well as on the inputs and outputs of the Project. The success of the Project will depend to a large extent on adherence to the goal and objectives mutually agreed upon by the design team, USAID and the beneficiaries.

The mix of development opportunities, technical assistance, training and proper land use planning will open new horizons for greater Belizean participation as the "Belizeans First" policy is given a solid chance to work. The expansion of tourism, properly managed and regulated, will open up a myriad of new possibilities for small and medium scale tourism enterprises in both urban and rural areas. The TMP has been designed to assist Belizeans in both the public and private sector to curtail unbridled and haphazard types of tourism activities, and to proceed on a properly planned basis. Also, as the Project helps to foster a vibrant and growing tourist industry--with countrywide participation in ownership, employment, and strong private sector organizations capable of promoting their own interests--democratic processes will be strengthened in the country.

#### E. Environmental Analysis

Effective management of tourism is the over-riding issue. GOB's written policy is to pursue orderly growth, but aggressive investment promotion may lead to expansion that is too fast for the infrastructure and human management capacity to cope. The experiences of many Caribbean tourism destinations suggest that poor growth management will lead to numerous environmental problems.

Other major issues are largely institutional in nature. Environmental policies need to be clearly articulated to guide tourism management actions on the ground. The mandate of the DE must be clarified in relation to other agencies. Important matters to be addressed are the shortage of qualified staff, data inadequacies, lack of capacity to enforce laws, and weaknesses in land use planning and development control.

The management of resources for tourism is shared by several GOB agencies and NGOs. Responsibility for archaeological resources fall within the MTE, but those for the barrier reef, other marine attractions, wildlands, wildlife, parks and protected areas, rest with other ministries. This must be kept in mind in anticipation of the outputs of the TMP. The DE is a new department with an unclear mandate; to be effective it must find a proper niche.

The potential for tourism in Belize is enormous. It has fairly vast wildland and wildlife resources, a barrier reef of global

significance and numerous Mayan ruins. Tourism should be constrained, however, by the need to protect the country's biological wealth for other economic uses.

Room capacity is expanding fast. Ongoing and approved hotel projects indicate a shift to large properties and the possible beginnings of mass tourism. Large subdivisions, requiring extensive draining and filling of mangrove areas, are emerging as a by-product of tourism. Visits to Mayan sites and parks and protected areas are on the increase, but the major impact of tourism at these sites is at Hol Chan Reserve, due to diving and snorkeling activity. Ambergris Caye is experiencing critical waste pollution and water shortage problems, that are due in part to unmanaged tourism development.

The environmental analysis suggests the need for GOB and donor agencies to give priority to (1) monitoring the environmental effects of tourism development policies; (2) developing and fully institutionalizing the local capacity for land use planning and development control; (3) building the capacity to assess and monitor tourism impacts; (4) improving the capacity to manage tourism uses at Mayan sites, the barrier reef and PPAs; (5) building public support for enforcement of relevant laws through awareness; and, (6) devising a coordinated strategy for resource management training.

The TMP seeks the sustainable development of tourism and the protection of Belize's natural and cultural resources. It is designed to help improve the local capacity to achieve this through training, technical assistance, operational support, and the purchase of equipment and supplies. Thus there are no conceivable direct negative impacts. A possible indirect negative impact could surface if the strengthening of the MTE and the BTIA inadvertently lead to overly fast paced development, but this is not likely.

The TMP's impacts will therefore be mainly positive, although there are limits to what it can achieve. To help realize its goal and purpose, some critical actions are necessary, namely: (1) define a realistic and acceptable mandate for the DE; (2) help provide the DA with the resources and capacity to monitor the impacts for salvage operations; (3) educate the BTB on the constraints and opportunities inherent in the use of the heritage resources it promotes; and, (4) help set up a subcommittee on environmental matters in the BTIA Board to coordinate environmental actions of its membership.

The findings of this environmental analysis suggest that there is no need for an Environmental Assessment or Environmental Impact Statement to be conducted on the TMP.

## LOGFRAME Tourism Management Project

<u>Goal</u>	<u>Objectively Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Important Assumptions</u>
<ul style="list-style-type: none"> <li>• Development of tourism in Belize in a rational manner that contributes to sustainable economic growth and preserves its unique natural and cultural resource base.</li> </ul>	<ul style="list-style-type: none"> <li>• GOB policy analysis and planning process increasingly focuses on fostering economically beneficial, environmentally sustainable tourism development.</li> <li>• Perception among population at large and tourism industry in particular of changed GOB policy and regulatory environment and enhanced effectiveness in achieving goals in tourism and environmental fields.</li> <li>• Tourism industry expresses increasing interest in, and takes initiative to promote, ecotourism developments and adopts common standards of quality.</li> </ul>	<ul style="list-style-type: none"> <li>• Documented changes in GOB tourism policy and regulations.</li> <li>• Survey of population-at-large, hotel and restaurant owners, investors, etc.</li> <li>• Review of tourism industry standards and lobbying efforts on critical tourism and environment issues.</li> </ul>	<ul style="list-style-type: none"> <li>• GOB is committed to ecologically sound tourism.</li> <li>• Focus on sustainable ecotourism in Belize will attract more tourists.</li> <li>• Well planned tourism growth will encourage more visitors and contribute to sustainable increases in employment and income for Belize.</li> <li>• Tourism industry can develop a consensus on standards and on environment issues.</li> </ul>

65

**Logframe - Tourism Management Project (cont'd)**

<u>Purpose</u>	<u>End of Project Status</u>	<u>Means of Verification</u>	<u>Important Assumptions</u>
<ul style="list-style-type: none"> <li>To increase the capacity in Belize to plan and manage tourism growth in a way that benefits Belizeans broadly while protecting the country's natural and cultural environment on which this growth depends.</li> </ul>	<ul style="list-style-type: none"> <li>MTE is responding to critical tourism and environment issues in terms of data collection, policy analysis and change, program implementation, and the monitoring and regulating of tourism and the environment.</li> <li>GOB revenue from tourism increases.</li> <li>MTE maintaining and using natural and cultural environment baseline data to monitor, assess and guide impact of tourism growth.</li> <li>BTB is successful in attracting an increasing share of ecotourism market.</li> <li>Improved coordination and cooperation occur between MTE and other public and private sector (inc BTIA and NGOs) entities engaged in promoting tourism and protecting the environment, for example on the Mundo Maya project.</li> <li>Decisions being made and actions initiated by both MTE and the BTIA to implement their respective policies and regulations re tourism and the environment.</li> <li>BTIA is functioning effectively as a service and support association for the tourism industry assisting its members to become more efficient and profitable and involved in GOB decisions pertaining to tourism and to the environment.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews and other informal data collection techniques compared vs PP analyses.</li> <li>GOB data and documentation.</li> <li>MTE/DE database and documentation.</li> <li>BTB data.</li> <li>Interviews with public/private sector personnel involved in tourism and environment issues.</li> <li>GOB and private sector data and documentation.</li> <li>Interviews with and informal data collection from tourism industry.</li> </ul>	<ul style="list-style-type: none"> <li>Increased capacity will meet existing needs and create more demand for analysis, accountability, etc.</li> <li>Improved management will lead to better collection.</li> <li>Capacitating MTE with data will assist in protecting natural resources as tourism expands.</li> <li>Better management will enable more effective marketing strategy.</li> <li>GOB is interested in fostering increased private sector initiative and inter-ministerial cooperation is carried through to policy and program decisions.</li> <li>BTIA can become a viable, self-sustaining institution and MTE can become an effective player in policy formulation.</li> <li>Improved management of the tourism industry will attract more tourists and increase private sector income.</li> </ul>

66

Logframe - Tourism Management Project (cont'd)

<u>Outputs</u>	<u>Objectively Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Important Assumptions</u>
<p>1. MTE, BTIA, other GOB and industry personnel better prepared to:</p> <p>1) identify/analyze policy options;</p> <p>2) develop rational planning process at regional, national, local levels;</p> <p>3) monitor trends in tourist industry and in environment;</p> <p>4) coordinate among public/private entities;</p> <p>5) enforce policies and regulations.</p>	<ul style="list-style-type: none"> <li>● MTE staff experienced in policy analyses, tourism planning and management, and monitoring of trends in tourism and the environment</li> <li>● MTE and GOB decision makers increasingly use empirically based analyses for policy and program decisions.</li> <li>● MTE plays increasing role in interministerial coordination of tourism policy and planning and in management of policy and planning process</li> <li>● MTE and BTB staff provided with degree training, short courses, and/or training seminars.</li> <li>● BTIA staff and board as well as other private sector groups and individuals provided with training seminars and workshops re: tourism planning and management and the environment.</li> <li>● Private sector better integrated into GOB planning and decision making process for tourism and the environment.</li> </ul>	<ul style="list-style-type: none"> <li>● Interviews with MTE, private sector and other GOB personnel.</li> <li>● Low rate of staff turnover.</li> <li>● Interviews with MTE, private sector and other GOB personnel.</li> <li>● Interviews with MTE, private sector and other GOB personnel.</li> <li>● GOB and USAID records re training.</li> <li>● BTIA, BNTC, NGOs, and USAID records regarding training.</li> <li>● Interviews with private sector personnel.</li> </ul>	<ul style="list-style-type: none"> <li>● Enhanced MTE capacity will be used to develop well-planned and managed tourism.</li> <li>● Better analysis will lead to better decisions.</li> <li>● Interministerial cooperation and coordination is desirable and attainable.</li> <li>● Greater knowledge and awareness of tourism management will enhance such efforts in Belize.</li> <li>● Ditto for private sector.</li> <li>● Increased participation of private sector in public policy fosters more timely and appropriate GOB response to critical tourism and environment issues.</li> </ul>
<p>2. GOB (MTE) policies, procedures and regulations needed for promoting, managing and monitoring tourism development identified; policy and regulatory options analyzed and reviewed with appropriate public and private sector entities.</p>	<ul style="list-style-type: none"> <li>● Clear MTE involvement in establishment of environmentally sound policies and regulations regarding land use, national park management, zoning, concessions, licensing and hotel tax, antiquities, hotel standards, waste, sanitation, Environmental Impact Assessments, Belizean participation, etc. are established and publicized.</li> </ul>	<ul style="list-style-type: none"> <li>● Review of legislation, codes and standards and interviews with GOB and BTIA staff and other private sector representatives.</li> </ul>	<ul style="list-style-type: none"> <li>● Consensus exists in both public and private sector to support and implement policies and regulations.</li> </ul>

67

**Logframe - Tourism Management Project (cont'd)**

<u>Outputs</u>	<u>Objectively Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Important Assumptions</u>
<p>3. Comprehensive tourism and environment information needs identified; uniform procedures for collection and management of data established and operational; regular analysis and utilization of statistical data becomes part of policy decision-making process; MTE (DE and BTB) and BTIA become recognized information sources.</p>	<ul style="list-style-type: none"> <li>• Questionnaires and surveys designed/revised and administered on a regular basis</li> <li>• Statistical data compiled and analyzed on regular basis and utilized in decision-making</li> <li>• Computer equipment purchased and installed and staff trained in its use</li> <li>• Up-to-date promotional information and materials readily available</li> <li>• Other public/private sector entities look to MTE and BTIA for information and data</li> <li>• MTE and tourism industry personnel conversant on tourism and environment issues and available as resources.</li> </ul>	<ul style="list-style-type: none"> <li>• Review of Questionnaires, forms etc.</li> <li>• Review analysis, MTE reports, etc.</li> <li>• Interviews with MTE staff.</li> <li>• Review materials.</li> <li>• Interviews with public/private sector.</li> <li>• Interviews with public and private sector.</li> </ul>	<ul style="list-style-type: none"> <li>• Data available and can be collected.</li> <li>• Better data will lead to better decision making.</li> <li>• Use of computer will improve data collection and analysis process.</li> <li>• Improved data base will facilitate development of promotional materials.</li> <li>• Other public/private sector entities have no other source of tourism &amp; environment data.</li> <li>• Availability of data will foster interest in learning more about Belizean ecotourism.</li> </ul>
<p>4. Recurring GOB costs of the effective promotion and management of tourism and the protection of Belize's natural and cultural resource base are identified and quantified; a strategy for financing (recovering) these costs on a sustainable basis is developed jointly with other ministries.</p>	<ul style="list-style-type: none"> <li>• MTE develops and implements appropriate policies and strategies to cover recurring costs of BTB, DE and DA programs including, for example, reallocation of hotel tax, setting of entrance fees for parks and archeological sites, adjusting GOB fiscal policy and preparing grant proposals to donors, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Review legislation, policies, strategies, proposals and recovery rates. Check data on growth of revenues from fees.</li> </ul>	<ul style="list-style-type: none"> <li>• User fees are appropriate to fund identifiable beneficiaries of public services.</li> </ul>

68

**Logframe - Tourism Management Project (cont'd)**

<b><u>Process Inputs</u></b>	<b><u>Responsible Party</u></b>
Technical Assistance (short-term)	- TA (short-term)
Training	- Long- and short-term participant training, regional workshops and observational tours
- In-country and regional shortcourses and seminars	- Equipment commodities
- Participant training (4 BS; 2 MA)	- Monitoring and Evaluation
Workshops and observation tours within region	- Operational Program Grant
Commodity Procurement	- Audit/Oversight
Operational Program Grant (BTIA)	<b><u>GOB</u></b>
	- Counterparts, office and conference space
	- Participants transportation
	- Equipment repair and maintenance
	<b><u>BTIA</u></b>
	- Increasing revenues for operations and staff
	- In-kind services by members and board

69.

**TECHNICAL ANALYSIS****A. Objective**

The objective of the TMP is to increase the capacity of the public and private sectors to plan, manage and promote tourism so as to support the growth and development of the private tourism sector, benefit Belizeans broadly through improved employment and income earning opportunities, and protect the country's natural and cultural environment on which tourism depends. The project will help to accomplish this by providing technical assistance, training and equipment for the various units under the recently established Ministry of Tourism and Environment, (i.e., the Department of Environment and Archaeology, a new Tourism Policy and Planning Unit, and the Belize Tourist Board) as they expand, capacitating their staff and bringing their programs up to fully operational status. In particular, the project is intended to enhance public sector support of both the private tourism sector and an ecotourism strategy which maximizes the long-term benefits from Belize's unique natural and archaeological tourism resources. The project will also strengthen the private sector in parallel with the public, working through the Belize Tourist Industry Association (BTIA).

This technical analysis will concentrate on constraints related to the TMP, and on the key conditions necessary to achieve the desired project outputs.

**B. Technical Problems****1. Principle Problems**

As currently constituted, the tourism sector in Belize, most notably the policy-oriented entities (the MTE and BTIA), cannot be considered adequate to face the challenges ahead. Tourism has grown rapidly in recent years from a very small base and has not required very much in the way of policy, regulation, collective action, representation or overall management. The weakness of the industry association and the lack of clear and consistent GOB policies have not been problems because the sector has been so small. However, now that tourism has grown to the point where it is beginning to push on the resource base of the country, particularly the barrier reef, action to strengthen both the public and private entities involved with tourism cannot be postponed any longer.

The most critical consequences resulting from the pervasive weakness of these two entities are:

- o The absence of policies, regulations, and an implementation capacity needed to address the evolving conditions of tourism in Belize and its impact on the environment;
- o The lack of adequate, timely data for informed policy analysis and dialogue;

- o The absence of analytic capacity within the MTE and BTIA, if such data were available; and,
- o Insufficient numbers of trained Belizeans to staff the growing tourism industry, despite high levels of unemployment in the economy.

The current situation in both the MTE and BTIA is discussed in the Administrative Analysis. Suffice to say that MTE was established in 1989 and is still not close to being adequately staffed to carry out its assigned responsibilities. The BTIA faces a similar set of problems, exacerbated by the recent resignation/termination of its expatriate tourism technical specialist and its former Executive Director. As a result, both entities are very much in need of strengthening and support if they are to provide essential services to the tourism sector and the country in the coming years.

Underlying the weakness of both the MTE and BTIA is the main technical problem facing the TMP: a clear insufficiency of trained Belizeans willing and able to serve in both the public and private sector on a long-term basis. The main thrust of the TMP is geared to address and overcome this problem. Some equipment and some materials are included in the project, but the preponderance of TMP resources are focused on TA and training to overcome the scarcity of trained Belizeans available for positions in MTE, BTIA, and the tourist sector in general. The issue of the shortage of trained personnel is addressed below in the section on constraints, and is clearly the overarching problem facing this project, in particular, economic development in Belize as a whole.

## 2. Proposed Solution: A Mixed Strategy

The TMP has been designed to utilize a mixed strategy in addressing the problem of insufficient trained persons in the MTE and the BTIA. This strategy is a mix of short-term technical assistance and short courses balanced with long-term degree-oriented training. Long-term technical assistance has not been included in the project for several reasons:

- o Long-term TA is costly and relatively inflexible, i.e., you only get one set of skills, whereas an equivalent amount of short-term TA can bring in several different types of skills;
- o Both MTE and BTIA have recently had unsatisfactory experiences with long-term TA where little or nothing was left behind in the way of Belizean capacitation;
- o The small size of the project and numbers of units being assisted (four in MTE plus BTIA) is not conducive to hiring and effectively utilizing long-term specialists; and
- o The USAID/PO will be in regular contact with both the PS of MTE and the Executive Director of BTIA, and will be in a position to provide continuity and long-term direction to the project.

On-going technical assistance will be made available to BTIA under the high-option alternative of the project. This task involves institutional development and monitoring over time, but does not require a full time

in-country technical specialist. Therefore, in terms of minimizing costs while still making available the required TA, the project will provide this support on a continuing, though part-time, basis. As an initial implementation step, USAID will contract the services of a procurement consultant to assist in identifying initial TA requirements and to prepare scopes of work. However, if other tasks emerge which require on-going technical inputs from specific specialists, the project has the flexibility to allow short-term resources to be combined into a long-term technical specialist package.

The resource mix between long-term training and short-term TA and training for MTE was determined by the combination of the nature of the main problem (scarcity of trained personnel) and the nature of the challenge (providing policy and management for the tourism sector in both the short and long run). If too much emphasis is put on long-term degree training, then serious short-term damage could occur both environmentally and in terms of tourist policy while the trainees are overseas and MTE is understaffed. If the TMP focuses too strongly on the future, then the TA and Belizean counterpart resources will not be available to run the system, to make policy decisions during the next two to three years, and to prepare for the return of the long-term trainees.

On the other hand, an over emphasis on the short term would leave unresolved the problem of insufficient degree-trained Belizeans capable of providing long-term management and policy direction for the tourism and environmental areas. A short-term focus would lead to underinvestment in human resources and a continuing severe shortage of Belizeans with the skills and background to take leadership roles in the tourism sector. The project aims to achieve a balance between individuals sent abroad by the MTE for extended training, and personnel retained at the Ministry to work as counterparts with technical specialists to establish the systems, procedures, and policies which will govern Belize's ecotourism development. Thus a mixed strategy along the lines proposed in this PP is called for to establish critical policies and programs in the short-run, while investing in the future to alleviate the shortage of trained manpower in the years ahead.

With BTIA, the emphasis is on the provision of short-term TA and training for staff and members, while using operational support to give the association time to raise its funding capacity and to hire and develop permanent staff. Again the strategy is a balance of short-term resources aimed at making BTIA into a full service industry association fairly quickly, while laying the foundation for sustainability over time. The declining profile of operational support reinforces the need for BTIA to utilize the available short-term inputs to achieve self sufficiency in the long run. The BTIA will need fewer people than MTE when it reaches full capacity and no long-term training is contemplated for them. It is anticipated that they will hire one or two new staff members fairly quickly and use short-term training and TA to capacitate them.

### C. Capacity Building

For MTE to carry out its mandate, it must develop its capacities for the planning, analysis, management, regulating and monitoring of tourism development and environmental protection. In addition to the capacities

developed in the symbiotic relationship and balance between tourism and the environment, a well trained staff will be necessary for MTE to be effective. The development of a comprehensive and accurate data base of information on tourism and environment which can be used for decision making is also essential.

For BTIA to fulfill its role in the tourism industry it must have similar capacities, but in a condensed version. Most critically it must be able to focus its members' views and interests, refine them with analysis, and then transmit or insert them in an effective way into the policy making process. To do this it will need to develop the skills of its staff and have some internal analytic capability.

In terms of overall project objectives there are four basic categories which apply to both the MTE and to the BTIA. These are better trained and equipped personnel, more effective policies and regulations, improved data collection and analysis, and adequate provision for recurrent costs in both MTE and BTIA. It is expected that these results can be accomplished during the five year life of the project as currently envisioned. Technical assistance and training provided to the Ministry and other public and private entities will contribute to the project's purpose by upgrading the expertise and improving the managerial skills of individuals involved in the tourism industry. These skill improvements will help ensure that an appropriate policy balance is maintained between the expansion of tourism and the protection and preservation of Belize's natural and cultural environment.

#### D. Constraints

The major constraints to the achievement of the goals of the TMP are those which cut across all sectors and broadly impact economic development projects in Belize: political will and fiscal commitment, mid and upper level managerial challenges, and adequately trained and competent staff to fill mid-level professional positions.

##### 1. Political Commitment and Willingness to Support Ecotourism with Adequate Fiscal Resources

The question of political will is always relevant when environmental issues are involved because of the weak record of governments all over the world. In the absence of overwhelming evidence and/or strong popular discontent, governments have tended to minimize or ignore environmental costs, while proceeding with industrial and agricultural development. Belize may be different, but until the GOB comes down firmly on the environmental or preservationists side in a significant case, this will remain a question mark. A more immediate concern is whether the GOB will make available adequate fiscal resources for the MTE so that environmental and archaeological preservation programs can be staffed up and pursued vigorously. A recent decision on proposed fiscal policy reforms suggests that public sector revenues will remain constrained, and that the GOB will be hard pressed to bring the MTE up to a level at which it can adequately fulfill its various missions.

This issue should be thoroughly explored in project negotiations. Consideration should be given to designating the revenue from the current

hotel occupancy tax, plus some additional amount out of general revenues to provide adequate funding for both BTB and MTE. As degree holders return in 1994 and 1995 it is critical that places be funded and waiting for them, otherwise they will find employment outside the MTE and perhaps outside the country. Ultimately, the solution to this constraint is beyond the scope of this project; however, an effort should be made during negotiations to get a GOB commitment on adequate funding for MTE for the next several years.

## **2. BTIA's Capability and Financial Viability**

Especially with the high option alternative, BTIA will be asked to achieve several different objectives, and this may be beyond its capability. BTIA must overcome the financial and managerial challenges of:

- a. Raising domestic revenues sharply;
- b. Hiring and retaining competent people;
- c. Improving services to members;
- d. Coordinating tourism industry training nationwide; and
- e. Managing a significant part of the private sector component of this project.

To compound these challenges, BTIA has had significant staff turnovers in the last six months, and still needs to reconfigure its personnel to provide member services and become active in tourism training. Achieving the project goals will take enormous time, effort, and commitment from BTIA's staff, directors and members. It is very important that they are fully aware of what is involved in the high option alternative of the TMP. GOB commitment on raising the hotel tax is also essential to fund tourism training, and to ensure BTIA a fee for its role in organizing the programs.

To assist BTIA in achieving these multiple objectives, expatriate TA is provided in the amount of three to four staff-months per year for the first two years. This TA specialist would assist in institutional development, planning and support of BTIA management. In addition to this TA, USAID's Project Manager would be supervising and monitoring BTIA's progress in achieving the agreed upon high option financial and operational targets. However, even with this TA support, BTIA will have a very full agenda of tasks under the TMP, if it is to stay on track.

## **3. Scarcity of Trained Personnel**

As discussed above in the section on Technical Problems, in the first two to three years of the project there will be a pervasive shortage of trained people capable of filling the designated positions and carrying out tasks. This problem is widespread in Belize, and although it is being addressed through other projects, it remains as the most important overall obstacle to economic development in the country. Moreover, when trained individuals are found and put in place, they are frequently hired away by other government or private agencies, sometimes in completely unrelated fields. Recently, a trained archaeologist was hired away from the Department of Archaeology by the Ministry of Foreign Affairs. This is perhaps an unusual case, but it points up the difficulty of keeping good staff even after they have been identified and brought on board.

The Department of Archaeology has a strategy for utilizing two or more trained expatriates (including one U.S. Peace Corps Volunteer) to fill staff positions for the next two years. After that, Belize nationals returning from degree programs should be available to fill existing positions.

The Department of Environment has two professional positions. One is filled, the other should be filled as of mid-summer 1991. Several additional posts are planned for and essential to the Department fulfilling its envisaged role, but they have not yet been formally created or funded. Once this occurs it may prove difficult to find fully qualified Belizeans, and some use of expatriates may be necessary for a few years, along the lines of the Department of Archaeology.

The BTIA will be looking for a professional to organize and coordinate tourism industry training programs if they move from the basic to the high option. This person will work with the industry to identify shortages, with local institutes and training programs to certify and set up courses, and with foreign donors who have technical assistance and training resources to contribute. Describing the position suggests that it will not be an easy one to fill, and the same can also be said for the position dealing with member services within the BTIA.

Recognition of these shortages in trained personnel is the basis for the heavy emphasis on TA and training in the TMP. Belize presently has very little trained expertise in the tourism industry, yet tourism has become a main thrust of its development strategy. The TMP is attempting to meet the problem directly by allocating nearly 48 percent of direct USAID funds to TA and training, which will broadly upgrade skills in the areas of tourism management, environmental protection, and archaeological preservation. In the short term, a strategy which relies heavily on TA and short courses for Belizeans, combined with some use of contract foreign employees, is the best approach to the personnel shortage. In the medium-term, well trained Belizeans will be returning from MA and EA programs in the United States, and should be able to assume positions of increasing responsibility in the MTE, BTIA and private tourism sector.

**FINANCIAL ANALYSIS****A. Overview**

While the ultimate goals of the Tourism Management Project (TMP) are reasonably clear, including continued growth of tourism in Belize, maintenance of the nation's archaeological and environmental integrity, and long-term maximization of domestic value-added from tourism, it is not possible to quantify with any precision the financial benefits of the project. The direct outputs of the project can be specified in terms of trained individuals and public and private agencies better able to carry out their work, but the relationship between these outputs and the resulting financial and economic benefits to Belize and Belizeans are not quantifiable. For example, instituting a training program for tour guides in nature reserves or at archaeological sites will improve the competence of the guides, potentially raise their incomes, and enhance the visitors travel experience, but it is impossible to quantify the effect of improved tour guide quality in terms of additional tourist days in the country, repeat visits, or word of mouth promotion of Belize as a destination.

Relating improvements in public sector planning and policy making to benefits accruing to Belize from tourism is even more difficult, and the significant theoretical and practical problems in estimating the benefits resulting from institutional development in the environmental and archaeological areas make it impossible to identify direct financial or economic benefits resulting from those components of the project. Public sector revenue collection will increase as a result of the project. The combined effects of improvements in tourism data collection and analysis, planning and policy formulation, public sector promotion and tourism management, and tax collection techniques should result in faster growth of arrivals and in an increased rate of collection. Projections of increased revenue from the hotel occupancy tax are included below.

**HOTEL TAX REVENUES  
(US\$000)**

<u>Year</u>	<u>Revenue</u>	<u>Collection Factor</u>	<u>Price Level</u>	<u>Accommodation Night Index</u>
88	\$296	1.00	1.48	1.00
89	340	1.00	1.02	1.13
90	500	1.25	1.06	1.29
91	750	1.50	1.10	1.53
92	1,000	1.60	1.16	1.83
93	1,325	1.68	1.22	2.19
94	1,680	1.72	1.28	2.59
95	2,105	1.76	1.34	3.01
96	2,500	1.78	1.41	3.37
97	2,900	1.80	1.48	3.69

## 1. Tourism and the Economy

In very broad strokes, it is possible to say that tourism comprises about 5 percent of total Belizean economic activity, constitutes roughly 15 percent of total exports of goods and services, and from 1983 to 1988, grew at an annual rate of about 12 percent as compared with the rest of the economy, which grew at a rate of 6 percent per year. Clearly tourism has been a leading sector in a generally buoyant economy. In addition, the tourism sector is labor intensive, providing some 9,000 direct and indirect jobs out of total employment of about 60,000 in Belize.

Growth in the economy in general and the tourism sector in particular have slowed down since 1989. However, through the 1990's, tourism is being looked to as one of the leading "growth poles" of the Belizean economy. Reasonable projections based on interviews with travel industry analysts suggested that once the recession begins to end in the United States, and as more Europeans learn of Belize as a destination, the number of tourist days will experience rapid growth which could last for most of the 1990's. Increased demand would be felt in terms of more arrivals, and particularly for Europeans, longer stays in Belize.

## 2. Hotel Occupancy Tax

Data for the tourist industry is weak, but the hotel tax shows a rate of growth of 325 percent between 1985 and 1990. Allowance for improvement in collections and inflation suggest that there was an increase in the number of accommodation nights of some 110 percent in just five years. For 1991, the projected hotel tax revenue is US \$800,000, which would be a 60 percent increase over the 1990 level. This sharp increase is unlikely, but realistic projections suggest that revenues generated by the 5 percent hotel tax will rise sharply during the period of the TMP project, due to a combination of improved tax collection, moderate inflation (assumed to be 5 percent) and continued growth in accommodation nights.

Assuming a recovery in the U.S. economy in the second half of 1991, and recognizing the impact of the new Ramada and Biltmore Hotels in Belize City, rapid tourism growth is likely in the next two to three years. Many existing hotels have spare capacity; so aside from certain site-specific problems (such as the water problem at San Pedro on Ambergis Caye), the hotel industry should be able to accommodate significant additional arrivals in 1992 and 1993. While hotel tax revenue may not reach the projected level of \$800,000 in 1991, future growth could easily reach \$1,000,000 by 1992 and \$2 million by 1995. A projection of hotel tax revenues over the life of the project is shown in Table 5 at the end of this Annex.

Evidence suggests that tax collection has been improved noticeably in recent years. The projection assumes some continued gains in collections, but at a lower rate in the next few years. Inflation is projected at 5 percent, consistent with other analyses in the Project Paper, but this figure could be conservative if hotel owners increase their room charges more rapidly than the general rate of price inflation.

Finally, a 20 percent surge in accommodation nights is assumed for 1992 and 1993, with the rate of increase tapering off to 10 percent by 1997. This may

be an optimistic view of the future, but is not unrealistic given the low occupancy levels Belize experienced in the 1990- 91 season, especially during the Persian Gulf War. Even with half of the projected expansion rate, the growth in hotel tax revenue would be robust, reaching \$1.1 million in 1993, and \$1.7 million in 1996. Only things that could prevent this minimal level of growth would be serious world economic problems and/or significant security or public health concerns in Belize.

The operative conclusion is that even without an increase in the hotel tax rate from its current level of 5 percent, there should be adequate revenues available for the Belize Tourist Board, which is funded by its earmarked share of half of the hotel tax revenues. The other half of this tax is slated to go into general government revenues, and though it is not currently earmarked as such, would certainly help to pay for a large share of MTE's expenditures. An increase in the hotel tax rate to about 8 percent is probably desirable in the short run, and will be discussed below in conjunction with financing training programs for new job seekers in the tourism sector.

### 3. Financial Perspectives of TMP

Annual tourism expenditure in the 1990-91 period is estimated to be \$50 million of which roughly half goes for imports, and half for Belizean goods and services. By the end of the project in 1996-97, this expenditure level is projected to exceed \$150 million, and it is hoped that the share of Belizean value-added in tourism can be increased. The objective of the TMP is not as much increasing tourism during the projected period, but to equip the Belizean Government and the private tourism sector to manage the expected influx of visitors, in both by maintaining a high quality of service, and by preserving the physical and cultural environment from the "crush" of tourists. For this reason, it is not possible to relate the costs of the TMP to any short-term financial gains in the tourism sector. The financial gains will come in the form of sustained medium-term growth in ecotourism and increased Belizean value-added in overall tourist expenditures. The financial effects of the project will occur in the mid- and late-1990's and will be attributable to the maintenance of the natural environment and the development of the high quality, moderate volume, ecotouristic character of Belize's tourism industry.

Without the TMP, it is more likely that short-term growth in tourism will over-stress the country's environment, and degrade the natural tourism resources, making Belize a less attractive destination in the medium term, i.e., five to ten years. If proper planning and management is not available, a surge in tourism in the early 1990's could exceed the capacity of the sector, especially in terms of trained workers, causing permanent damage to the reef, the archaeological sites, and the natural reserves, exacerbating security and perhaps health problems, and ultimately resulting in a deterioration of the tourism product Belize has to offer.

The main objective of the project is to assist the Belizeans in the prevention of such an outcome, and encouraging the development of sustainable, high quality, high domestic value added tourism in Belize. In addition, there are benefits beyond the tourism industry in the form of improved environmental conditions for Belizeans, preservation of wildlife and flora, and protection of archaeological sites for scholarly exploration. While these benefits are all highly desirable and likely to be promoted by the project, they cannot be

measured financially. Similarly, the objective of sustainable, high quality ecotourism is not conducive to financial analysis, but is critically important if Belize is to simultaneously protect its environment and natural resource endowments, and provide higher income and employment opportunities for its citizens.

With this perspective, the cost of the project at \$4.8 million, of which USAID would put up \$3 million, appears reasonable in relation to the longer-term gains likely to flow from improved tourism and environmental planning and management. Economic development with a growing tourism sector is both inevitable and desirable in Belize. What is at issue is the cost in terms of the country's unique natural setting. Without proper planning and management, the cost in terms of environmental deterioration is likely to be high. With this project, these costs can be reduced significantly and economic development, particularly tourist development, can be done on an environmentally sound, sustainable basis with a view to maximizing longer term benefits to the country.

The project divides logically into two components, public sector support for tourism, environmental and archaeological planning and policy formulation in the Ministry of Tourism and Environment (including the Departments of Archaeology, the Environment, and the BTB) and private sector support for tourism management and training through the Belize Tourist Industry Association. These components face quite different financial and institutional situations and are analyzed separately in the section below.

## B. Public Sector Component

### 1. Introduction

The public sector component of the project will channel resources to the Ministry of Tourism and Environment with the explicit goal of improving public planning and policy making in the tourism, archaeological and environmental areas. This will enable the Government of Belize to support the private tourism sector, and to manage the country's tourism resources, including archaeological sites and environmental endowments, in the best long-term interests of the nation. The instrumentalities for achieving this will be technical assistance, short-term and degree training, materials for information and education programs, and some equipment.

### 2. Cost/Benefit Alternatives

In designing the project, several alternative approaches were considered and rejected, primarily on technical grounds. This is discussed in detail in Section B, Technical Problems, of the Technical Analysis, and reflects the need to strike a balance between the short-term and long-term objectives of the TMP. In the next two or three years, short-term training and TA are used to support the accelerated capacitation of both the MTE and the BTIA. At the same time, the project will fund several degree candidates in pursuing their studies overseas. In the third year of the TMP, these individuals will begin returning to positions within MTE to provide the longer-term staff and leadership necessary to administer and make policy in the tourism, environmental and archaeological areas. Only a mixed strategy will provide the desired results and maximize benefits for any given cost level.

If all TMP resources go to long-term training, then the short-term costs in terms of environmental deterioration could be very high, tourism could face diminished growth prospects, and the degree holders would be returning to a significantly worse situation than the one they left. In this case, the gain in trained people four to five years in the future does not offset potentially significant short-term costs to the country's natural resource endowment. At the other extreme, it would not be appropriate to focus entirely on the short term and fail to make some provision for additional trained people in the future. Even if local and/or expatriate technical specialists were able to address all the immediate problems, trained Belizeans will be needed to run the systems and administer the programs put in place.

It is clear then that financial benefits are maximized when resources are balanced between short-term and long-term objectives. Whether the TMP's existing mix between short and long terms is exactly right is hard to say because the project's benefits, particularly those resulting from improvements in environmental policy and enforcement, cannot be quantified. However, a mixed strategy along the lines of the current design is probably close to optimum. As the project progresses, the grantees may want to shift funds from short-term training TA to fund an additional MA degree, or vice versa. The PO should be flexible in such cases recognizing that the precise mix of long versus short-term resources may have to be fine-tuned as the project progresses. It is clear, however, that a mixed strategy roughly along the lines proposed in this PP will yield the best overall financial results, because it avoids excessive costs in either the short or long run.

### 3. Financial Analysis

The public sector component is budgeted at \$1,945,000 over a five year period. Of this total cost, USAID will contribute \$1,270,000. Financial and in-kind support from the Government of Belize will be \$675,000 during the life of the project. The project budget, including both USAID local cost and Government of Belize contributions, is summarized in Table 1 for both the public and private sector components. USAID's contribution will be 65.3 percent of the public sector component of the project. The support to be provided by the Government of Belize is expected to cover the remaining 35.7 percent of the \$1,945,000 total cost of the public sector component.

The Government of Belize's share of costs for each activity ranges from a high of 22 percent for information and education programs, to a low of 20.8 percent for Equipment/Material. The financial contribution of the Government would consist principally of the ongoing expenditures of the Ministry of Tourism and Environment for the activities of the project, i.e., information and education programs, equipment maintenance and operation, counterparts, offices and conference space, administrative support costs, the bulk of the local costs of training and channeling funds for private sector training, and the transportation expenses related to sending participant trainees to the U.S.

Tables 4A and 4B on Section IV, Implementation Plan and Procurement, provide schedules and budgets for Training and Technical Assistance. The TA and training are broken down by FYs and needs projected for MTE and BTIA by sources, that is, U.S., Regional and local; all TA and training are estimated in person months and in US\$.

The TMP project will provide assistance to four units within or related to the Ministry: the Tourism Board, the Department of the Environment, the Department of Archaeology, and a new unit to be established within the Ministry for Planning and Policy Analysis.

#### 4. Project Activities

Most of the training and technical assistance needs within the Ministry of Tourism and Environment can be specified at this time and are identified in Table 4A and 4B. However, in each of the components, the project's finances which are reflected by person/month have a degree of flexibility that would allow for the provision of other TA and training needs that may emerge during the life of project.

Technical assistance costs are calculated based on the source of the TA; expatriate TA expenditures, at \$18,000 per month, regional TA, at \$14,000 per month, and Belizean TA, estimated at \$5,000 per month. The local TA would have very low or no overhead on the direct costs. This yields an average of about \$12,450 per month for 29 person months of TA in the public sector part of the project.

Training costs are estimated at \$10,000 per short course (1 month) in the US and in the region, \$5,000 for local workshops and \$24,000 for a year of degree work. Of this, it is anticipated that USAID would cover everything except the transportation costs for all short and long term courses. (transportation costs for the public component will be project funded up to March 31, 1992, after which transportation costs and other local costs will be covered by GOB). In general, it is expected that \$24,000 would fully cover tuition, books, and all normal living expenses for the colleges and degrees likely to be involved.

Equipment and materials are costed out on a per unit basis.

#### 5. GOB Funding

It is not anticipated that there will be any problem with the financing of the GOB share of the project in that the revenues will be available if the GOB moves ahead with its planned expansion of the Ministry of Tourism and Environment. However, to ensure the soundness of the financing plan, USAID/Belize should ascertain that the GOB is fully prepared to provide their share of funding for the positions and activities included in the project, prior to signing the Project Agreement with the GOB. The issue is one of political will and commitment at the Cabinet level. If this is absent, then the Ministry will lack the necessary human and material resources to utilize the training, technical assistance and material support envisaged in the TMP project. Thus, an important prior condition for proceeding with the project is a guarantee that the Ministry of Tourism and Environment will be receiving adequate funding to expand its staff (i.e., will be allocated the requisite posts) and achieve its goals of supporting an expanding tourism sector, while protecting the nation's unique environmental and archaeological resources.

## 6. Intertemporal Financial Costs

A projection of expenditures over the 5-year life of the project for FYs 92 to 96 (beginning in September of 1991) is shown in Table 2 on Section III, Cost Estimate and Financial Plan. This presentation of costs corresponds with the sequencing of activities described in the implementation plan. The public sector expenditure pattern remain at a high level during the first three years declining to \$185,000 in 1995 and \$18,000 in 1996. This includes almost all of the purchase of equipment and materials, and envisages a high initial level of training and technical assistance in the first three years of the project. The contribution of the GOB is expected to increase from an initial level of \$158,000 in FY 92 to \$195,000 in FY 93, \$184,000 in FY 1994 and then drop to \$94,000 in FY'95 and \$18,000 in FY 96. The Ministry's expenditures on tourism, environment, and archaeological programs will be much greater than this, but in the latter years as project activities taper down so will GOB's direct contribution to the project. The GOB contribution directly affecting USAID supported activities is estimated \$675,000 during the five years of the project.

Contingency funds allocated for TMP total \$250,000, or about 9 percent of the \$2,750,000 non-contingency funding that USAID would be contributing. Setting aside the \$225,000 audit and evaluation funds, and \$180,000 Project Management funds, contingency funding is 10.6 percent of the \$2,345,000 which is to be directed to the two grantees, the GOB and the BTIA. Considering that some flexibility has already been built into the technical assistance funding, as described above, this level of contingency financing is considered adequate for the project.

The timing of the financing is as expected for an institutional development project, with USAID providing funds to initiate new programs and train new personnel, and the grantees providing most of the local cost of start-up operations and all of the recurring costs for additional staff, equipment maintenance and operation, and on-going program activities.

## C. Private Sector Component

### 1. Overview

The private sector grantee is the Belize Tourism Industry Association (BTIA), which represents and provides some services for local hotels and other tourism firms. High and basic options are considered for BTIA, representing the maximal size that BTIA could realistically sustain once the project ends as the high option, and the minimal size for BTIA consistent with achieving the objectives of the TMP as the basic option. The high option implies seven to eight full-time BTIA staff; the basic option is based on five or six staff members. Either option entails a significant challenge to BTIA's fundraising and managerial capacity, as evident from the indicative projections of BTIA revenues and expenses shown in Table 6. A low option with only two or three staff members was rejected as inadequate to achieve the goals of the project.

The high option alternative aims at creating a maximal BTIA over the next five years, which would be the central point for coordinating and organizing training in the tourism industry and would provide a broad range of services to member firms. This implies a reconfiguration of existing BTIA staff, and a

major effort in terms of fundraising, defining and providing member services, and establishing a national tourism training program with BTIA in a central role. On the financial side, the critical factors in the high option strategy for BTIA are the organization's cash flow, particularly its ability to be self-sustaining in five years, and identifying revenues to support BTIA sponsored training programs for prospective hotel and tourism industry employees. The most likely revenue source for the training programs is an increase in the hotel occupancy tax from five to eight percent, which the GOB would dedicate to help pay for training programs in the tourism sector.

With the high option, the private sector component would cost a total of \$2,125,000 over the five years of the project. USAID would provide \$1,075,000, or 51 percent of the total. BTIA revenues and members' in-kind contributions would amount to \$550,000 (including \$140,000 in fees earned from the training program. The balance is an estimated \$500,000 in training program costs, supported in part by the GOB, and in part by charges to trainees. (This is a conservative estimate; a three percent increase in the hotel tax initiated in 1993 could generate over \$4,000,000 by the end of the project.)

Without the high option training activity, the total cost of the basic level private sector component would be \$1,300,000. USAID would provide \$900,000, or 69 percent. The largest part of the difference in total project cost comes from elimination of the training program for tourism employees. Costs for the public sector component would not change.

Whether the high or basic option is ultimately pursued, two important issues emerge from a review of BTIA's cash flow projections. First, there will be a funding gap in the short-term, that is, in the second half of calendar year 1991, unless TMP funds can begin flowing by September or October, 1991. Certain expenditures have already been made in 1991 under the TEP project, and even with an austere spending strategy for the remainder of the year, BTIA is likely to have annual expenditures of between \$220,000 and \$230,000. Inflows identified include TEP funds of \$128,600, and domestic revenues of about \$28,000. To this can be added about \$50,000 with which BTIA began the year, and it is readily apparent that BTIA will need about \$25,000 of additional funds to meet 1991 expenses, regardless of which option is pursued for BTIA's future.

A second important issue is to recognize that with either option, BTIA and its successive Boards of Directors must be committed to a maximum effort to simultaneously raise domestic revenues and keep expenditure growth in check if sustainability is to be a reality in the late 1990's. A projected build up of surpluses in the 1992-95 period may make this even more difficult. Particularly in 1994 and 1995 with the high option, there may be a tendency for new BTIA board members to increase expenditures for programs that are meritorious in the short run, but cannot be sustained in the long run.

The basic option implies a lower risk level for USAID, reduces the challenge facing BTIA in terms of the numbers of activities to be carried out, and yet still leaves BTIA strengthened and fully capable of fulfilling a broad range of tasks in support of the tourism industry. On the other hand, despite the higher risks, the gains of the high option are significant: (1) the fundamental problem of tourism training would be included within the project;

(2) BTIA's overall role would be enhanced within the industry and the society; and, (3) BTIA's finances would benefit from its involvement. Therefore, if the high option conditions can be met it would be the desirable alternative because it addresses the critical area of tourism industry training.

**Table 6. BTIA Revenue and Expenditure Projections**  
(U.S.\$000)

	'91	'92	'93	'94	'95	'96	'97
<b>EXPENDITURES (Basic)</b>							
Core Staff		80	84	88	92	96	100
Member Services		30	31	32	34	36	38
Total (Basic)	224	110	115	120	126	132	138
<b>REVENUES (Basic Level)</b>							
Membership/Other	28	35	45	58	75	98	127
USAID TEP*	177						
TMP	30	80	78	67	58	37	0
Totals (Basic)	235	115	123	125	133	135	127
<b>High Option Addition</b>							
<b>EXPENDITURES</b>							
Training Coord.			45	47	50	52	55
<b>REVENUES</b>							
Fees			10	30	45	55	58
USAID TMP			40	30	10	0	0
Totals			50	60	55	55	58

\* Includes carryover from 1990

BTIA core staff costs were at an annual cost level of about \$108,000 in the second half of 1991. Further adjustments and economy measures, as well as substantial increases in revenues, are essential to achieve sustainability. The projection uses an estimated growth rate of 30 percent in membership dues, fees and contributions, apart from potential revenues from a training program.

Aside from the key issue of domestic value-added, which will be discussed below, there are no important differences between the financial analysis and the economic analysis for the Tourism Management Project. Neither the financial nor the economic benefits from an institutional development and conservation project such as this can be quantified. Therefore, conventional cost-benefit analysis is not possible. However, the benefits appear to be significant relative to the cost of the project. In terms of both medium-term economic and financial returns to Belize's tourism sector, and the longer-term economic and scholarly benefits resulting from the preservation of flora, fauna, and historic antiquities, the likely economic benefits of the project appear to justify the relatively modest cost. The economic benefits would almost certainly exceed the financial benefits, because of the significant positive externalities involved in the conservation activities.

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The inclusion of a medium option for BTIA, at lower cost than the high option, presents an alternative approach to achieving the goals of the TMP. It would be desirable to have a larger BTIA and to address the training problem, but it is not critical to the project. Foreign exchange issues are moot because of the full convertibility of the Belizean dollar. Interest rate issues are not applicable because there is no on-lending, and inflation is not a serious problem in Belize.

The one major economic issue in the project is domestic value added in the tourism sector. Training is one important aspect of this, and agriculture and food processing is the other. The economic arguments in favor of public revenue supporting training programs to foster employment in tourism are quite clear. Individual firms within the industry are not in a position to provide adequate training to the population, because they will always lose a certain proportion of their trained staff over time and thus lose their investment in training. The problem is particularly acute for the many small hotels and tourism firms in Belize, who do not have the potential for employee promotion within the organization.

The second aspect of increasing Belizean value-added in the tourism sector is in raising the quantity, quality, and delivery standards of Belizean agricultural output. At the moment, the input of the agriculture sector to tourism is supply-constrained. Therefore, if domestic agricultural value-added is to be increased in the tourism sector, it will have to come out of increased total agricultural production. At the same time, there must be a successful effort to improve quality, and to fulfill the delivery scheduling requirements of the hotels and restaurants.

To help raise domestic agricultural value, an individual might be brought into the Ministry of Tourism and Environment, and trained and supported by technical assistance, with the objective of working with the Ministry of Agriculture and the hotels and restaurants to improve the quantity, quality, and timeliness of agricultural production in Belize.

## 2. Raising the Hotel Tax

It may not be necessary to increase the hotel tax by a full 3 percent immediately; it may be desirable to phase this in over 3 years, and give the country's tourism training capacity adequate time to develop. The specifics of tourism training should be worked out with the GOB and other donors interested in training, including the Costa Ricans, as a condition for proceeding with the high option alternative for BTIA. It need not be a precondition, but adequate arrangements for a nationwide tourism training program coordinated by BTIA ought to be in place by the end of the first year of the project, if high option disbursements are to proceed.

Training is key to creating a large, self-sustaining BTIA over the life time of the project because it appears to be the only real hope of BTIA being able to provide services to members which can also be supported out of public revenues. The tourism industry in Belize is unlikely to be able to support a large BTIA within a decade or so through dues and other services. Some public sector subvention is needed, but for both fiscal and political reasons, it cannot be direct. Training, which is clearly needed and which ought to be supported by public funds on both theoretical and political grounds, appears to be the best/only short-term means of indirectly supporting BTIA with public funds.

### 3. High Option Conditions

The high option alternative entails risks for the project because it requires a high degree of public/private cooperation, and calls on BTIA to succeed at several different tasks simultaneously. Key decision criteria for proceeding with the high option training element alternative include:

- o Agreement with GOB to allocate revenues, most likely from an increase in the hotel occupancy tax, to support certified hotel and tourism training programs;
- o Agreement by GOB that BTIA is to be the organizer and coordinator of tourism training programs, and that BTIA will receive a fee for the provision of these services; and
- o Agreement within BTIA on a medium-term revenue and expenditure program with close on-going supervision and monitoring by USAID regarding its progress toward financial and institutional sustainability.

BTIA faces a daunting challenge on the financial side, because the country is so small and because the costs of conducting an industry association face critical indivisibilities.

The arguments in favor of USAID providing start-up costs for BTIA are strong, but it is not clear what dimension of tourism industry association can ultimately be sustained in Belize. The largest scale conceivable at this time would include a training function, but that activity would have to be fully self-sustaining within two or three years to be viable.

### 4. Important Issues

An important issue is to recognize that with either option, BTIA and its successive Boards of Directors must be committed to a maximum effort to simultaneously raise domestic revenues and keep expenditure growth in check if sustainability is to be a reality in the late 1990's. What will make this difficult is the projected build up of surpluses in the 1992-95 period. Particularly in 1993 and 1994 in the high option, there may be a tendency for new BTIA board members to increase expenditures for programs that are meritorious in the short run, but cannot be sustained in the long run. Any increase in expenditure beyond agreed-upon levels in 1992-96 must be matched by simultaneous increases in net revenues, if BTIA's sustainability is to be maintained as one of the principle targets of the project. For this reason, there is a clear need for strong, on-going monitoring, especially financial and institutional monitoring, of BTIA's programs during the lifetime of the project.

## ECONOMIC ANALYSIS

### A. Overview

Aside from the key issue of domestic value added which will be discussed below, there are no important differences between the financial analysis and the economic analysis for the Tourism Management Project. Neither the financial nor the economic benefits from an institutional development cum conservation project such as this can be quantified. Therefore, conventional cost-benefit analysis is not possible. However, the benefits appear to be significant relative to the cost of the project. In terms of both medium-term economic and financial returns to Belize's tourism sector and the longer-term economic and scholarly benefits resulting from the preservation of flora, fauna, and historic antiquities, the likely economic benefits of the project appear to justify the relatively modest cost.

The economic benefits would almost certainly exceed the financial benefits, because of the significant positive externalities involved in the conservation activities.

The inclusion of a basic option for BTIA presents a lower cost approach to achieving the goals of the TMP. It would be desirable to have a larger BTIA and to address the training problem, but it is not critical to the project. Foreign exchange issues are moot because of the full convertibility of the Belizean dollar. Interest rate issues are not applicable because there is no on-lending, and inflation is not a serious problem in Belize.

### B. Value Added Issues

The one major economic issue in the project is domestic value-added in the tourism sector. Training is one important aspect of this, and agriculture and food processing is the other. The economic arguments in favor of public revenue supporting training programs to foster employment in tourism are quite clear. Individual firms within the industry are not in a position to provide adequate training to the population, because they will always lose a certain proportion of their trained staff over time and thus lose their investment in training. The problem is particularly acute for the many small hotels and tourism firms in Belize, who do not have the potential for employee promotion within the organization. The economically rational strategy in these cases is to let others make the investment in training personnel, and then hire them away to capture the benefits. If training costs are minimized, then any single firm will be able to pay more to lure away workers trained elsewhere. It is well known that training creates externalities which will not be fully captured by the firm doing the training (unless employees remain with firms for the duration of their working life), and that this typically leads to under-provision of training by private sector--particularly when it is made up of many small firms. Under these circumstances there is a strong case for public support of training programs, and the use of part of the hotel occupancy tax would be an appropriate way to do this.

87

The economic argument for including a training aspect within the TMP is very strong, and hopefully can be organized through the BTIA. If, however, the BTIA is unable to proceed with this task, then it will have to be done elsewhere, preferably in the private sector, as now occurs with a school for cooks. Whatever the mechanism to expand training, an underlying principle for providing it adequately is that the public sector support half or more of the tuition for accredited tourism training programs. Part of the tuition may be charged to the trainee or to his prospective employer, but for new work force entrants or the unemployed, public revenues may have to pay the full cost. In general, the provision of training will always be insufficient unless there is significant public support for this form of education.

The second aspect of increasing Belizean value-added in the tourism sector is in raising the quantity, quality, and delivery standards of Belizean agricultural output. At the moment, the input of the agriculture sector to tourism is supply-constrained. The hotels typically buy from one or more of the large well-known provisioners headquartered in Belize City, and often do not know the national origin of what they purchase. Vegetables, fruits, and even meats may come from Belize, Mexico, or the United States, depending on the season and the quality of local farm production. The importation of agricultural goods is rigidly controlled by the Ministry of Commerce and Trade, which imposes quotas, or more often prohibitions on the importation of most agricultural goods most of the time. The rule of thumb seems to be to prohibit imports of particular crops whenever domestic produce is available. Only in those months when domestic production is clearly insufficient are significant imports allowed to flow into the country. Within this overall trade framework, food for the tourist sector is purchased from the stocks available on the domestic market, and its ultimate source is a function of whether or not imports are needed to make up shortfalls in domestic food supplies. Therefore, if domestic agricultural value-added is to be increased in the tourism sector, it will have to come out of increased total agricultural production. At the same time, there must be a successful effort to improve quality and fulfill the delivery scheduling requirements of the hotels and restaurants.

To help raise domestic agricultural value, an individual might be brought into the Ministry of Tourism and Environment to be trained and supported by technical assistance, with the objective of working with the Ministry of Agriculture and the hotels and restaurants to improve the quantity, quality and timeliness of agricultural production in Belize. This issue has been raised elsewhere, and it would be worth checking to see what experience Barbados, Jamaica, and some of the other Caribbean tourist destinations have in this field. While not a critical aspect of the project, increased domestic agricultural value added in the tourism sector is a desirable economic objective of the TMP, and a conscious effort should be made to achieve it. On the training side, the need for more trained Belizeans is very important. It would be extremely beneficial if local unemployment could be reduced through jobs in tourism, rather than having to bring in expatriates to do the work.

Income distribution will be positively affected by greater domestic value-added. Training programs will primarily benefit the young and unemployed, while increased agricultural purchases will help farmers and farm laborers. In both cases, the poorer segments of the population will benefit disproportionately.

SOCIAL SOUNDNESS ANALYSISA. Socio-Cultural Context1. Overview

Belize has a multi-ethnic society of some 190,000 persons. The population density is very low (21.1 persons per square mile), and fairly evenly divided between urban centers and rural areas. The main ethnic groups are Creole, Mestizo, and Garifuna. There are also a number of people of Spanish, East Indian, Arab, Chinese, and European descent. English is the official language and the language of instruction in schools. Spanish is spoken by nearly half of the population, and is also taught in the schools though nearly everyone speaks Creole patois. The Garifuna and Maya languages are also used by their respective ethnic groups.

Approximately 25 percent of Belize's population lives in Belize City. Once the political capital, it is now the commercial, political, and cultural center of Belize. The major economic infrastructures are located in or near Belize City, including the international airport, the seaport, major educational and medical facilities, and telephone and telecommunication facilities. Belize City is still the primary "jumping off" point for the tourist and business visitors to the country. As of mid-1991, it had the greatest number of hotel rooms and the newest and most prestigious accommodations.

Belize City is a microcosm of the ethnic diversity in the country, except for the dominance of the Creole population. The multi-ethnic mix is reflected in a variety of settlement patterns in nearly 1000 communities and villages, though some villages have a single ethnic population, such as the few Mennonite communities in the Cayes and Orange Walk Districts, the Garifuna communities (3) in the Stann Creek District, the Amerindian Mayas in the Toledo District, some Mestizo villages in the Western and Northern Districts and, more recently, some refugee settlements in all six Districts of Belize. The cultural richness of each of these groups, the cross-fertilization of the Caribbean and Central American influences on Belize culture, and the legacy of the Mayan civilization provide a unique opportunity for tourism in Belize. The ease and friendliness of Belizeans is yet another attraction in the promotion of tourism in Belize.

Although Belize has one of the highest fertility rates in the world (3.72 percent), historically the population has grown slowly (1.9 percent), due to heavy out-migration, principally of Creoles, and mainly to the United States. Immigration has increased dramatically in recent years. It is estimated that approximately 15,000 immigrants, mainly Mestizo refugees from Central America as well as Asians, have settled in Belize. Thus, the ethnic balance of Belize is changing.

2. Employment

The employment situation in Belize is changing too, and competition is increasing for jobs in certain sectors. Many Belizeans are returning to Belize as new economic opportunities develop. The Creole population, in

81

particular, view the refugees as a threat and as competitors for jobs, especially in the construction, manufacturing, and tourist industries. The work force is estimated at some 60,000 persons (ranging in age from 15 to 64 years). The best estimates of unemployment and underemployment range between 12 to 18 percent. The tourism sector employs approximately 3,500 persons directly, and another 5,500 indirectly. Women represent over 50 percent of the people in the tourism industry.

With agriculture and tourism (ecotourism) as the first and second priorities in the country's Five Year (1991-96) Development Plan, these sectors will provide increasing opportunities for economic activities in rural Belize. These new opportunities in tourism will encompass tour guides, handicraft manufacturing, production and vending of foodstuffs, construction of facilities, cultural entertainment. There will be some dislocative effects on rural milpa farmers and traditional fishermen vis-a-vis the ecological protection of potentially good agricultural lands and "off limits" fishing zones, respectively. Many rural producers gain their income from fishing, milpa farming, and harvesting of the forest for various items such as timber, game, and produce. Fishermen have used the offshore reefs for many years as their base of operation and some of these areas are now becoming "off limits" as environmental awareness of the need to protect them grows. Such incidents will test the political will of the national commitment to ecotourism, and will require that strong planning and implementation mechanisms be put into effect.

Outside of the major industries such as sugar, garment manufacturing and the government, many employees work at more than one steady job, due in part to the seasonal nature of their main employment. This applies more to people in rural areas. Increasingly, rural workers are seeking employment outside their homes. Belizeans traditionally have deep-seated cultural values which focus on hard work and good craftsmanship, though some Belizeans, especially from the urban areas, may have a "laid back" attitude toward work, which may affect their responsiveness to the service requirements of the tourism industry.

Tourism as a major industry is relatively new to Belize, especially ecotourism. Concern has been expressed as to whether the "small is beautiful" strategy will provide adequate job security, and also whether opportunities for advancement for Belizeans will be available at the larger hotel facilities. The range of skills required for the tourism industry are broad. They range from bellhops, cooks, wine stewards, and maids to managers, professional tour guides, specialized accountants, and policy makers. Limited training opportunities exist in Belize to prepare people for jobs in the tourism industry.

Belizeans, in light of their education, exposure, and experience gained from working overseas, are trainable and suitable for employment (given the right incentives and suitable management) in the tourist industry. Current estimates are that up to 1,000 new jobs will be created in the next two to three years in the tourism industry. Some of these jobs will absorb a fair portion of the unemployed and underemployed in the urban areas if there are solid public education and training programs to prepare them for work in the industry. Tourism may also provide outlets for the "hardcore" unemployed urban youths as peddlers, guides, and handicraft salesman. There will, however, continue to be a "hardcore" of unemployable people. In addition to

skills training, work ethics orientation (particularly towards high standards) for potential workers in the tourism industry will be needed for many of the working population (especially the young, ages 16-30) to enable them to be effective in a competitive tourism industry which requires "snappy" service to meet the expectations of many foreign tourists.

### 3. Education

Despite the rapid growth of tourism in Belize, many Belizeans are not in a position to participate in or benefit from it fully. Belize's population has a high literacy rate and a number of well-educated professionals. However, many of the individuals who might be valuable resources for developing and managing policies and programs related to tourism and the environment in Belize have migrated to the U.S., Canada, and the U.K. As a result, there are relatively few trained professionals available, in or out of government, to carry out the requisite policy analysis, develop a rational planning process, monitor trends and enforce policies and regulations. Considerable training is needed for current and future tourism personnel who promote, manage, and regulate the industry. If Belize wants to attract more foreign tourists, training in health and quality standards to acceptable international levels will be needed at various levels of the workforce. Basic training in hospitality and service is also needed.

The formal education system in Belize from primary to tertiary levels offers no specific training in tourism-related skills. There are housekeeping courses in some of the vocational and secondary schools. Ad hoc seminars are organized from time to time for tourism-related skills, such as tour guides and supervisors. Plans are underway to set up a "Center for Employment" as a pre-training school for dropouts, with a component on tourism skills training. Although primary education is available (some 85 percent of children are enrolled) in all parts of Belize, the quality tends to be of a lower standard in the rural villages. High-school education of reasonable quality is now available in all towns. Traditionally, education has been seen as a ticket to escape the rural villages. Government has made a concerted and deliberate effort to provide access roads, telephones, electricity, and water supply to villages and to promote the diversification of industries outside of the principal towns, in an effort to create more employment opportunities in rural areas.

Belizeans, while generally aware of the importance of tourism, do not appreciate the significant contribution it makes to the economy. Many do not see the linkage between the protection and preservation of Belize's physical and cultural environment, and the growth of tourism which it enables. Not all citizens are aware of the need to develop and enforce policies and regulations to protect and conserve the country's unique environment, which in turn will "protect" their jobs in the long run. In sum, more of the Belizean population may need to understand the relationships between the environment, tourism and the tourist, so as to provide a broad base of popular support for the public and private sector actions needed to balance tourism growth with other important governmental objectives, including environmental protection. Education and information programs, both formal and informal, are needed to improve Belizean understanding of the unique qualities of the natural and cultural environment. Developing a tourism appropriate for the enjoyment of

both residents and visitors will help many Belizeans to understand the significance of tourism, its links to the environment and other priority objectives.

#### 4. Belizeans and Tourists

Belize has a small population and has generally promoted "small scale" tourism. However, much of the "small scale" tourism has been concentrated on the cayes and, increasingly, in a few inland areas. The exceptions are San Pedro and Belize City, where the bulk of the tourists visit. This clustering of tourist facilities also concentrates the increasing volume of tourists in specific localities where they will develop a high profile in those destinations. Unless appropriate programs are put in place, the growing number of tourists will increasingly overwhelm the local populations in areas of the country where their numbers have become disproportionately large. The two localities most exposed at present are San Pedro town and Belize City. Already problems are developing, such as a lack of hospitality, indifference, and an exhibition of resentment towards foreigners, most of whom are tourists. The "small is beautiful" concept, if spread countrywide, will place tremendous pressures on the GOB's financial resources to provide for physical and economic infrastructure, and may divert resources from non- ecotourism localities where the population is concentrated.

While Belize is not one of the poorest countries in Central America, the tourists that are attracted to Belize's unique physical and cultural environment tend to have an upper-middle-class income. The obvious "gap" between rich and poor has, in recent years, led to an increase in some of the more common problems experienced by tourists in other developing countries. Tourists are viewed along with some Belizeans as "targets of opportunity" by muggers, drug pushers, and by persons who verbally and physically abuse other people. These incidents are generally rooted in unemployment and the drug scene, though they are exacerbated by the growing presence of wealthier tourists and expatriate residents. While prostitution has not been a problem in Belize, it could become more prevalent as the number of tourists increases. Any plans to develop and expand the tourism sector must take into consideration the local social fabric and the limits to which it can be "stretched" without serious compromise of its values and structures.

A consequence of the "Belizeans First" policy of the government is the high profiling and continuous examination and review of the role of foreigners--whether tourists, investors, land developers, foreign management, and/or professional personnel. This extends even to skilled and unskilled workers ("aliens") from neighboring countries. The problems cited with "foreigners" are many. The list includes: crimes in certain places (i.e., cayes) that are perpetrated by aliens; land speculation, particularly on the cayes, that has made it more difficult for Belizeans to buy and own property for personal and/or business use; the assumption of key managerial positions in foreign-owned commercial tourist establishments (i.e., hotels and restaurants) held by foreigners; substantial profits from these businesses that are repatriated to other countries; and, foreigners that enjoy more favorable "tax breaks" than Belizeans.

The relatively vast ecotourism resources (marine, reefs, Mayan ruins, and wildlife) provide development opportunities outstripping the capacity (human,

Third, the foreign investor and tourist will also benefit from a well-managed tourism industry. The investor will have access to a more productive and higher quality workforce, and a better business environment. The tourist will feel more comfortable and secure, have access to better facilities and amenities and can also depend on high quality service and health standards. The construction, transportation, handicraft, and agriculture sectors will also benefit greatly from an expanded industry which, via careful planning, will depend on the increasing use of local inputs.

Women, in particular, will further benefit from an expanding, well managed tourism industry. Women generally dominate the service occupations. Data on hotel employment shows the distribution between males and females to be 43.5 percent and 57.5 percent respectively. Women are already very involved in all phases of the tourist industry as employees at all levels of hotels and furniture manufacturers, as owners and employees in handicraft enterprises and tour guides. Generally, women are well represented at the managerial level in the private sector in Belize, and dominate the support staff level in both the public and private sectors. Many of the jobs that will be created in an expanding industry, such as in hotels and in furniture manufacturing, will attract women. Unfortunately, many of these jobs are often seasonal, low paying, low status, and/or part time. Many women support their children on their own, and are faced with a lack of child care support. The "shift" system in the tourism industry (hotels, restaurant) may somewhat ease the burden of child care.

As the MTE and BTIA improve their capacity to develop and implement management and human resource training programs as a result of the TMP, more women will have the opportunity to get training to improve their access to more remunerative jobs in industry. Rural women will gain new opportunities in the handicraft manufacture, food preparation, vending, and cultural activities within the context of ecotourism.

### C. Participation

The direct beneficiaries participating in the TMP were involved in the development of the project. The Minister and PS of MTE, as well as key staff at the Departments of Archaeology, and the Environment, and at the BTB met with the design team on a number of occasions, both formally and informally. Discussions also took place with many personnel across a range of public sector Ministries responsible for fisheries, agriculture, natural resources, trade, and economic development. In-depth discussions took place, and the proposed public sector beneficiaries took part in a review of the interim findings and recommendations of the project. Proposals were also received from the Departments of the MTE and BTB. Consultations encompassed the specific needs related to the training and technical assistance in the areas of policy analysis, planning and regulatory concerns, environmental impact studies, statistical data gathering and analysis, tourism promotion, public education programs, archaeology management and promotion, and fiscal and administrative strategies and policies relating to future directions of tourism, environment activities, and coordinating mechanisms. Similar in-depth discussions were held with BTIA staff and Board members. The design team not only met with members of both the outgoing and incoming Board, but also attended the Annual General meeting of BTIA in order to gain a broader perspective on the priorities and needs of the organization.

financial, etc.) of the Belizean population alone to respond. With effective promotion and massive tourist flow, there is fear that a situation could develop where Belizeans are not available or able to take advantage of the opportunities, and the industry could become dominated by foreigners.

There is a growing sense that the government must "do something" to better regulate and monitor the acquisition and use of land, not only to ensure continued Belizean ownership, but also to preclude a situation of "over-development" and degradation of the unique natural resource base. Many Belizeans would like to constrain the use of foreign managers and the flight of monies, or at least clarify acceptable limits for both. There is concern that if the monitoring and regulating of tourism in Belize is not strengthened, developers will capitalize on the weaknesses of the system, and Belizeans will never have a chance to participate equitably and fully in the expansion of the sector.

#### B. Beneficiaries

There are two different groups of direct beneficiaries of the TMP technical assistance, training, equipment and materials, and public education programs. In the public sector, the beneficiaries will be the professional and support staff of the Ministry of Tourism and Environment, including the Archaeological Department, the Environmental Department, and the Belize Tourist Board (BTB). These beneficiaries will be managers, policy analysts, professional archeologists, environmentalists, data processing personnel, and some support staff involved in administering the tourism industry and monitoring environmental concerns. They will generally be located in Belmopan. In the private sector, the Belize Tourist Industry Association (BTIA) members, Board, Executive Director, and staff will benefit directly. These beneficiaries are generally located in Belize City, except for the members who are located countrywide.

The indirect beneficiaries of the project include several groups. First, owners or those who are employed in either full or part-time jobs generated by the tourism industry will benefit as TMP's direct beneficiaries in MTE and BTIA provide training and other support to the tourist industry, based on project activities. In particular, individuals who have managerial or manpower development responsibilities in the industry will likely benefit directly from the training provided by the TMP during, and subsequent to, the life of this particular project. These individuals will also benefit from a better managed tourism industry that sets clear regulations and standards. They include owners or employees of hotels, guest houses, (including bed-and-breakfasts) restaurants, travel services including tour guides, transportation systems, national parks, handicraft production enterprises, entertainment facilities, shops, local producers of furniture and food-stuffs. Second, the Belizean population-at-large will benefit from the greater harmony that evolves from a planned tourism industry, increased incomes and foreign exchange to the economy, widening of the educational opportunities available to school age children, training opportunities for young adults and the unemployed in job skills required in the industry, and the access to the tourism facilities and amenities dispersed countrywide. Residents of rural communities will benefit from increased tourist dollars spent in their communities.

The beneficiaries will be directly involved with project implementation through their direct participation in planning the work to be carried out under the project. One mechanism for involving the beneficiaries in this process is the establishment of a Project Steering Committee and a Project Working Group. In addition, the beneficiaries will have formal and "on-the-job" learning experiences, which should improve their capability to manage the expansion of tourism consistent with preserving the natural resource base. At the end-of-project evaluation stage the beneficiaries will be involved in reviewing the "progress" made in meeting the objectives set forth at the beginning of the project, and in determining what structures will be necessary for the future to sustain the activities initiated under the project.

Success in attaining the goal of this project will depend on the cooperation of a number of individuals in different Ministries with competing "turf" in the areas of tourism and the environment. Political factors could constrain the participation of some individuals in government who may not perceive the project to be in their Ministry's interest. While the MTE has been set up to develop policies and programs in these areas, other Ministries already have policies and programs that overlap the responsibilities of the MTE. These other Ministries cannot necessarily be expected to fully cooperate with the "new" policies and programs developed in the MTE, including the training and technical assistance aspects of this project.

MTE and BTB are confident that tourism growth will be buoyant, and that ecotourism will be a "winner". There will be a need to create safeguards against precipitous actions, e.g., enforcing environmental hazards without due process and having the necessary and proper legislative authority or excessive promotion out of "sync" with the infrastructure and facilities. Closer collaboration with other Ministries will be essential if their programs are to succeed.

BTIA as an organization is regrouping and now needs to basically repeat Phase One (organizational development) as the main players on the Board and staff have changed. Membership has continued to grow and to accept the need for a strong and vibrant private sector entity. The advocacy role is needed, as is a close working relationship with the public sector. This will not diminish strong advocacy on important issues which is important to preserving the democratic way of life in Belize. BTIA has recently widened its membership base to include workers in the tourism industry in an effort to more than double their membership potential. BTIA recognizes that conflicts may arise within its membership from the push for new development, orderly growth and the "small is beautiful" scenario. BTIA must be conscious at all times of the danger restrictive practices which could limit the benefits of the TMP to a few rather than to the wider membership.

The design team was instrumental in sharpening the focus of the needs of the beneficiaries in ensuring that the activities of the principal beneficiaries were complimentary and that the institutions were developed in tandem with the demand for programs. There was general agreement by the beneficiaries on the goal, purpose and objectives of the TMP, as well as on the inputs and outputs of the project. The success of the project will depend to a large extent on adherence to the goal and objectives mutually agreed upon by the design team, USAID and the beneficiaries.

#### **D. Socio-Cultural Feasibility**

All components of the project, including training, technical assistance, procurement of equipment and services, and public education and information programs, will make important contributions to the development of tourism in Belize, consistent with preserving its unique natural resources. These inputs will strengthen the capacities of both the public and private sector to plan and manage the growth of tourism without degrading the natural and cultural environment. With sound public education, training, the creation of employment opportunities, countrywide distribution of development programs, well-defined goals and objectives, and increasing cooperation between the public and private sectors, the outputs of the project can be achieved. There are no significant socio-cultural obstacles to achieving the goals of this project.

#### **E. Impact**

The TMP will contribute to the Government of Belize's ability to plan and manage growth, to maximize its employment potential, and to increase its revenues from tourism and foreign exchange earnings without negative consequences for the environment. The project will allow for sustained growth, and ensure that tourism remains a vital sector in the Belizean economy. The project will set the stage for national organizations such as BTIA to be more self-reliant and to mobilize and allocate resources to finance the recurrent costs of their operations more effectively. The Belizean public will be more aware of and support the many aspects of tourism in Belize, including environmental and cultural preservation efforts.

The mix of development opportunities, technical assistance, training, and proper land use planning will open new horizons for greater Belizean participation and give the "Belizeans First" policy a solid chance to work. The expansion of tourism, properly managed and regulated, will open up a myriad of new possibilities for small and medium scale tourism enterprises, in both the urban and rural areas. The TMP has been designed to assist the Belizeans in both the public and private sector to curtail unbridled and haphazard types of tourism activities, and to proceed on a properly planned basis. Also, as the project helps to foster a vibrant and growing tourist industry with countrywide participation in ownership, employment, and strong private sector organizations capable of promoting their own interests, democratic processes will be strengthened in the country.

## ADMINISTRATIVE ANALYSIS

### A. Overview

Since 1989, two important institutions, one in the public sector and one in the private sector, have been created or enhanced to respond to Belize's commitment to develop and manage tourism as the second development priority of the country. In the public sector, the Ministry of Tourism and Environment (MTE) was created in 1989, with overall responsibilities for all aspects of the tourism industry, environment, and archaeology. In the private sector, the Belize Tourism Industry Association (BTIA) was incorporated in August 1989 as a non-profit organization (NGO) to provide leadership and a variety of services for the tourism industry, and to foster stronger linkages between the public and private sectors.

The Administrative Analysis below describes the organization, management, staffing and current activities of these two entities, which will be the grantees under the TMP. It also discusses some of the implications of the organization and management of these two entities for the successful implementation of the TMP.

### B. Ministry of Tourism and the Environment

#### 1. Organization

The MTE was established in 1989 as a full-fledged Ministry of the GOB with three primary responsibilities -- tourism, archaeology and the environment. The Ministry has been charged with responsibilities for the enhancement and orderly growth of the industry including the development and enforcement of policies, legislation, and regulations relating to tourism; long term planning for the sector; and monitoring of the physical and cultural environment. The new MTE incorporated the Department of Archaeology (DA) which was already an established department in the GOB. The DA is specifically responsible for the excavation, maintenance, consolidation and preservation of archaeological and historical sites in Belize. This is an experienced department with well established procedures. The Department of the Environment was newly created. It currently has no legal basis of its own to exercise authority for environmental issues. The Chief Environmental Officer (CEO) can merely perform an advisory and monitoring role. The Department must develop its policies, strategies, and legislation regarding environmental protection by fostering strong inter-ministerial linkages and cooperation.

The Belize Tourist Board (BTB) was empowered under the BTB Bill in 1990 as an independent, statutory Board with separate powers and responsibilities administered by its own Board of Directors. Its work is to carry out GOB policies in the area of tourism. However, the Bill did not define the authority of the Board itself vis-a-vis the MTE or the BNTC in regard to policy development. As noted in the April 1991 Report on Administrative Restructuring and Training Needs of the MTE, "there is a theoretical problem as to powers if the BTB Board were to take a position in conflict with the Ministry on a policy matter." The BTB has been mandated by statute to undertake policy development and planning, research, and training, facilitate

91

tourists, promote Belize as a tourist destination, encourage local culture, undertake data collection and analysis, register hotels and collect revenues from them. At present, BTB is focusing its attention on three areas: hotel registration and tax collection (5% of hotel room incomes); public relations and promotion; and the development of a basic data collection. The policy advisory function is carried out by the Belize National Tourism Council (BNTC). Figure 6-1 illustrates the current organisation of the MTE.

Enabling legislation exists only for archaeology and tourism. In the area of the environment, administration will be complex as there is no definitive environmental protection legislation in place. As legislative responsibility for most environment issues is vested in other Ministries, the MTE is dependent on the goodwill and cooperation of a particular Minister who has responsibility for a given issue. Currently, land use, national parks, wildlife protection, nature reserve, and conservation fall under the Ministry of Natural Resources; pollution on health grounds falls under the Public Health Act; fisheries conservation and coastal zone management falls under the Ministry of Agriculture and Fisheries.

The funding and staffing of the Ministry is determined annually in the GOB 's budget. The monies approved for MTE's 1991 Budget (April 1991-March 1992) are listed below. The BTB operates separately, on the monies received from collection of the hotel tax.

<u>Department Operations</u>	
(BZ\$)	
Ministry (General)	\$134,336
Archaeology	335,703
Environment	137,338
<b>Total</b>	<b>\$707,377</b>

There are no direct revenues generated by the Ministry, except for the hotel tax collected by the BTB and the fees charged for the use and enjoyment of designated archaeology sites. BTB collections were some Bz\$1 million in 1990. The agreement with the Ministry of Finance is that 50 percent of those revenues are to be retained by the Board for their operations, with the balance be paid into the general revenues. In 1990, BTB expenditures exceeded Bz\$600,000. Collections from archaeology tariffs amounted to Bz\$27,000 in 1990 or 8.0 % of the annual budget of the archaeology department.

BTB's total projected budget for 1991-92 is projected at approximately Bz\$1.7 million with Bz\$1.1 million provided to BTB for operations. Roughly half of the BTB's expenditures (Bz\$540,000) are projected for Promotional and Marketing expenditures; Bz\$306,000 are planned for salaries and wages. The New York office costs the BTB approximately US\$150,000 per year. There has been a remarkable improvement in BTB's funding and this improvement is evident in BTB's high profile, dynamism and a modest increase in the efficiency of the organisation. BTB should continue its present focus (except to upgrade its data collection activities and to collaborate with and support BTIA). Technical assistance may be necessary to improve management practices, tax collection, management information systems, and data collection and analysis activities.

The Ministry has received funds from a number of international donors. The World Tourism Organization (WTO) has provided funds for the development of a TA and training package to capacitate small hotel/guest houses. The European Economic Community (EEC) has provided funds for the design of the Mundo Maya program. The Ministry will have peripheral involvement in the UK's ODA multiyear Land Use Project. Proposals also have been made to the United Nations Development Program (UNDP) for tourism, training, staffing, and the World Environment Fund (WEF) for an integrated TA, credit and physical planning/land purchase for environment protection zones project. In May 1991 the Government of Costa Rica, under a UNDP grant, proposed the provision of training for hotel management, tour guides, and other tourism related personnel. This proposal is under consideration.

The MTE has the authority to commit its funds in line with their budget allocations and the MTE's areas of responsibility. The PS, in coordination with the Minister, implements decisions regarding the disbursement of funds. Given the small size of the Ministry staff and the role of the PS (described below), there seems to be no impediment to project implementation in terms of constraints imposed by one department of the Ministry or another. The principal constraint will be the limitations imposed by time, and by personnel who are overburdened with both substantive and managerial responsibilities.

## 2. Management

The Minister has the "last word" on all matters of policy and legislation/regulations. The Minister also appoints the Boards (BTB and BNTC) that support the Ministry's work. The Minister is a lawyer and also the Attorney General for the GOB. By his own admission, he has little knowledge or experience with tourism issues, but brings a lawyer's precise mind to the problem solving agenda with regards to both tourism and environmental issues.

MTE policy is implemented through the Permanent Secretary who is the day-to-day operations manager for the Ministry. He has full responsibility and accountability for staffing and financial matters. The Permanent Secretary (PS) is the MTE's Chief of Staff, and controls all the office management functions including procurement, accounting, and staffing for each Department. The PS is supported by an Assistant Secretary and support staff, and is also the Chairperson of the BTB. Issues for the Minister's decision generally pass through the PS. The PS has also been designated as Belize's Executive Director of the Mundo Maya Secretariat which involves setting up the modus operandi for this new regional organization. This has not been viewed as a full time assignment, though it may require much more time as the Mundo Maya programs "take off." With the limited and over stretched staff, some support may be necessary for the accounting and administrative aspects of Mundo Maya. The current PS has a PhD in Environmental Studies.

The directors of the two Departments and of the BTB have responsibility and authority for conducting the affairs of their respective entities. They supervise the programs of their operations, and propose policy changes as appropriate. On a day-to-day basis, the PS plays an important "advisory" role to the heads of the two Departments. The BTB is tightly controlled by the Permanent Secretary, and BTB's activities reflect the wishes of the Ministry in specific as well as general policies. While it is a statutory Board in the legal sense, it actually operates more as a "department" of the Ministry. This relationship effectively "resolves" the potential of a conflict between the MTE and the BTB.

Management expertise in the Ministry and the BTB is relatively thin. Prior to assuming responsibilities as Permanent Secretary in late 1990, the PS served for six months as Chief Environmental Officer of MTE. Prior to this position he served as Director of the BAS. He has well-established linkages with environmental NGO both in Belize and worldwide, and is well-respected for his work in this area. He has gained considerable managerial experience from these past positions, and has much energy and enthusiasm for the task at hand. There is no reason to believe that he cannot fulfill his responsibilities as PS, a part of which will be managing the TMP for the Ministry.

The two department heads and the Executive Director of the BTB have little experience in public policy making or in management. The Acting Commissioner of Archaeology has the most experience with his Department having been on the staff for several years as a technical specialist before assuming his present position. The Commissioner of the Department is studying for his Ph.D. abroad, and will return in 1993. The Director of the DE has a Master's degree. He has little managerial experience.

### 3. Staffing

The MTE is "short" on qualified, experienced staff. With the exception of the Minister himself, all the other top managers (the PS, heads of the two departments and of BTB) have been in their respective positions less than a year. There are a number of Established Posts that remain unfilled; there is also a need to create some Posts essential not only to running the Ministry but also to implementing the TMP, such as a Post for Policy Planning. Table 6-1 provides an overview of staffing patterns in the Ministry as of May, 1991. The gap between Established Posts (EP) and Posts which are actually filled (FP), exists only at the critical professional and technical levels. All support staff positions have been filled. A detailed analysis of the staffing situation in the MTE can be found in the April 1991 Administrative Restructuring Report noted above.

#### a. Department of Archaeology

Operationally, the Commissioner administers the Antiquities Act and manages the technical staff as well as the physical and technical aspects of the Department's programs. The current Acting Commissioner holds a bachelor's degree in Anthropology, and worked with the Department as a technician prior to training abroad. He has been in the position for about one year. Even though the current Acting Commissioner is relatively new, his previous employment with the Department prior to overseas training has equipped him adequately to effectively to administer the DA. The loss of three of its four professional staff in early 1991 to other Ministries or activities has weakened the technical capability of the DA. There is an immediate need to train the technical staff to professional levels and to recruit replacements for some of the departed degreed staff. The Established Posts and financial provisions are currently available.

**Table 6-1: MTE Staffing Patterns, May 1991**

	<b>Exec.</b>	<b>Prof.</b>	<b>Tech/Admin.</b>	<b>Support</b>	<b>Total</b>
<b>M/General-FP</b>	1	0	2	6	9
<b>Arch. Dept-FP</b>	1	1	3	17	22
<b>Arch. Dept-EP</b>	1	4	6	17	28
<b>Env. Dept-FP</b>	1	0	0	1	2
<b>Env. Dept.-EP</b>	1	1	0	1	3
<b>Total-FP</b>	3	2	5	24	34
<b>Total-EP</b>	3	5	8	24	40

101

b. Department of Environment

Staff is a very serious problem in the DE at this time. The DE is in a formative stage with a staff of one, i.e. the CEO. The DE's approved budget calls for another Post for a Senior Environmental Officer, which the DE hopes to fill in the summer of 1991. The budget also includes a small contribution of BZ \$5,200 in 1991 to employ support staff. The CEO, who holds a Master's Degree and worked for some years with the Belize Environmental Center (BEC), is professionally qualified but will require management training to gain hands-on experience. He has been in the position for less than six months. For the six months previous to becoming CEO, he was the assistant to the CEO. The first substantive CEO was appointed in June 1990, and by 1991 was appointed Acting PS of the MTE. This department, therefore, has not really accomplished much on the ground to date. It is desperately in need of staff, and should consider the use of Peace Corps Volunteers and/or draw heavily on the technical expertise of NGO's in the short term, until it has more trained staff in established posts. USAID's Natural Resource Management Project will also be addressing the staffing and training concerns of the DE during the LOP of TMP.

c. Belize Tourist Board

The BTB has 15 staff members plus overseas promotion offices/representation in New York, Germany and Cancun, Mexico. The staff includes three people working on PR and marketing, including the Executive Director; two people working at a booth at the airport every day; five people assigned to the collection of the hotel tax (including the Registrar, three inspectors and a secretary), and five support staff. The Executive Director and the Registrar of Hotels have been employed by the Board only for the past year, though most of the support staff have been there for some time. The Executive Director is completing a Bachelor's Degree in management at UCB. She was formerly an executive secretary at a local commercial bank. She has strong credentials in public relations. The Registrar of Hotels is an accountant with considerable experience in this area. He has three assistants.

4. Issues Related to MTE's Capability to Manage the TMP

The description of the MTE and BTB's administrative structures and their current activities makes clear some of the challenges to be faced in successfully implementing the TMP. The MTE has a very full agenda, and only a handful of individuals with the technical training to implement it. The BTB has only two "professionals" with skills in the areas of accountancy and public relations. Neither the MTE or the BTB has trained analysts in the economics of tourism and tourism management. A recent study in April, 1991, (Administrative Restructuring and Training Needs Assessment of the MTE) provides a good overview of the situation at this time, citing the needs by Department. While somewhat ambitious, the study, which draws upon an earlier study of the Department of the Environment's Institutional Development Plan (December 1989), clearly indicates why the training aspects of the TMP are a sine qua non to improving the MTE's ability to adequately handle its mandate in the future.

While the MTE and BTB personnel are very enthusiastic about the project this shortage of appropriately trained and experienced staff will make it difficult

for the them to take full advantage of the benefits of the TMP, at least in the early years of the project. In a sense, there is an inevitable discontinuity in the timing of some of the activities of the project. For example, the Ministry needs TA as soon as possible to enable it to be and become a significant player in the cabinet-level policy making debates on tourism and the environment. However, unless Belizeans with the necessary technical qualifications can be identified and hired very early on in the LOP of the TMP, some of the TA and the institutional strengthening efforts it supports will not "take root" simply because the very people who will later have responsibility for policy making and program implementation will be off on long term training programs. This will be particularly true for Archaeology, BTB, and for the new Policy Planning Unit.

The MTE also faces shortages in the numbers of Established Posts recommended to carry out its work, and in availability of persons to fill those posts. The two studies referenced above both recommended a sizable increase in numbers of posts for MTE and the BTB, in recognition of the real work to be done on tourism and the environment in Belize. Yet these posts have not been created and given the competing agendas of other Ministries in the same area and it is not likely that they will be created or funded in the near future. Moreover, there is a danger that the few people currently filling existing posts will become overcommitted and pulled in many different directions by different donors eager to be involved in the environmental concerns of Belize.

Equally important is the present lack of a clear authority for the MTE in the area of the environment. While its mandate is broad, the MTE's dependency at this time on the good will and cooperation of other Ministries in terms of developing and implementing policy and programs is a major weakness. This extends to the tourism area as well as land use, concessions, coastal zone management, and other decisions critical to the future of the industry. To the degree power politics intervene (which they surely will), the MTE's ability to become effective in balancing tourism and the environment goals and objectives will be diminished, regardless of the capacitation efforts of the TMP.

Finally, the MTE faces considerable pressure to take on more responsibility than it can possibly handle in the short term. The DA is a case in point. The pressure on its limited resources has grown tremendously as Belize's place and importance in the Maya civilization has been uncovered, and as the implications for Belize's participation in the regional Mundo Maya development program have been recognized. There is urgent need for mobility on both land and sea to safeguard the national treasures. There are also serious needs for improved communications, improved data processing capabilities, and for public education programs in the schools and for the general public to create more awareness of and support, for the importance of Archaeology, and its relationship to tourism and national development in Belize. The DA has the capability, except for the short-term staffing gap, to carry out its functions as mandated. There is some reservation regarding the DA's possible overextension if it develops too many sites simultaneously. It may be best to concentrate on a few sites and expend resources to make those sites of high quality with the appropriate amenities.

Similarly, the DE is eager to assume broad responsibilities for the environment. It envisages that its responsibilities can be all-encompassing and cover all aspects of the environmental field. It contemplates that there

will ultimately be five divisions: Policy Planning and Coordination; Impact Assessment, Research and Evaluation; Enforcement and Compliance Monitoring; Promotion and Information; and Finance and Administration. It is unlikely, due to turf and GOB budget constraints and procedures, that such an all-encompassing structure can be established in the near future. Rather than take on all environmental responsibilities at once, the DE should seek "niches" where it can make an impact, for example in such areas as tourism-related environment issues and impact assessments, data collection and analysis, work with NGO'S already involved as "watchdogs" for the environment, policy formulation and the development public education programs. In view of the paucity of DE staffing, and the fact that most legislative authority resides elsewhere, the DE should proceed cautiously and with TA support to develop its operational policies, priorities, and statutory responsibilities, to promote international linkages and train its staff. It will need to broaden its relationships with suitable NGO'S to continue its monitoring efforts, and draw upon their technical expertise. The DE should proceed slowly with the assumption of regulatory responsibilities. Its major constraint will be to work out a modus operandi with the other Ministries that have legal authority for laws and regulations governing various aspects of Belize's environment. The TMP will be important in helping the DE to develop these "niches" effectively.

### C. Belize Tourism Industry Association

#### 1. Organization

The BTIA was established as a private sector association representing the tourism industry to foster the development of tourism in Belize. Its purpose is to promote and safeguard the industry, set standards, and provide information, services and support to its members. To date, BTIA has concentrated primarily on its own institutional development, and on responding to inquiries both by its members and by those in and outside Belize interested in tourism activities in the country. It has not paid adequate attention to the delivery of real services to members, nor has it focused becoming a financially viable association. A major problem BITA faces is its own development as a vital, self-sustaining private sector industry service organization which can become financially viable given the resources in Belize's small economy.

BTIA is a membership association. It currently has 266 members, of which hotels account for 71 members; restaurants for 6; and tourism services for 89. The latter category includes travel agencies, airlines, transportation services, security, professionals such as accounting, consulting, gift shops, guides, artisans, and dive shops. There is considerable potential for increasing the membership, and consequently the revenue, via dues, of BTIA. BTB statistics as of March 1991 indicate that there are 253 registered hotels in the country with 2,848 rooms available. The construction of at least four new hotels in the next several years will add 700 more rooms and accompanying staff. Additional data collected by the design team indicates that there is a potential membership not only among the growing number of hotels, but also from among the 403 restaurants and 1,352 taxis drivers. There is a wide range of service enterprises related to tourism that are as yet unrepresented in BTIA and no reliable data is available to estimate their potential membership. BTIA opened its membership to employees of tourism enterprises in the spring of 1991. This too increases both its potential for new revenue,

and for new involvement and influence in the tourism industry. It will also increase the demand for services and training from its members. Thus it is imperative to assist BTIA to become a well-managed, financially sound association.

Funding has been made available to BTIA under the USAID TEP program, channelled through BIM. There is no solid evidence that any effective monitoring of these funds has been undertaken. To date, BTIA's operation finance has been skewed with a heavy dependency on outside (donor) funds, and no efforts or targets have been set to increase local contributions and earnings. The current level of spending exceeds any reasonable level which could be financed from fresh TMP funds. There is a serious need to curtail BTIA expenses to levels that can be ultimately sustained by income derived from membership dues and payments for services provided. A more detailed look at BTIA's financial position can be found in the Financial Analysis.

## 2. Management

The BTIA is managed by a Board of Directors (16) elected by the full membership. There also is an executive committee of seven. There are representatives from all the major tourist locations. The Board has five sub-committees -- product development, marketing, training, finance, and fundraising and membership. The Board has changed leadership each year over the past three years. The current Board was elected in early May, 1991. The new President of the Board is the Director of one of the largest and most prestigious hotels in Belize City. He is well respected, and knowledgeable about the tourism industry in Belize and in other countries. The association is a very democratic group, and the membership are very active and vocal on a number of issues. BTIA membership supports ecotourism, but the members have different interpretations and concerns regarding the nature and extent of ecotourism in Belize. BTIA tends to represent many of the larger hotel operators in Belize City, who are less focused on ecotourism than are the smaller operators located near reefs, ruins or rainforests. There have been numerous clashes over "control" and gaining access to what appears to be a potentially well-funded (by donors) organization.

While BTIA has not "delivered" much in the way of services to its members to date, there is every reason to think that with the provision of solid technical assistance and training BTIA will be better able to deliver information and services to its members which will enable them to continue to have a strong voice in BTIA's focus and direction, as well as in GOB policy on tourism and environmental issues. The new Board is committed to developing BTIA's capacity to provide timely information to its membership. It is also committed to finding ways to increase the financial security of BTIA for the long haul. The Board sees a role for BTIA to play in coordinating training for the industry and in establishing standards of performance and quality for tourism establishments.

The organizational chart of BTIA is set out in Figure 6-2. The staff do not have well defined functional responsibilities. Basically the Executive Director implements Board policy and handles the day-to-day operations of BTIA. The BTIA has been beset with personnel issues over the last two years, partly due to a failure to plan adequately for the association's activities. The services of the previous Executive Director and a Senior Tourism Consultant were terminated by the previous Board in early 1991. The current

Executive Director came on board in March, 1991. The Executive Director has the responsibility to implement the Board's policies, and to manage the staff and all the financial affairs of BTIA.

### 3. Staffing

The staff of BTIA as of May 1991 was comprised of seven persons, including an Executive Director, an Assistant Executive Director, Administrative Assistant, Secretary, Accountant, Office Assistant/Messenger and Cleaner. The current staff have been with the organization for less than one year, and have little or no tourism related experience. The Executive Director and the Assistant Executive have only been on the job since March/April 1991. The Executive Director holds a Master's Degree in Biology. He worked previously with CARE as a program officer. He has some tourism experience from working in a travel agency early in his career. The Assistant Executive Director is a recent college graduate with a BS in Biology, and has no experience in the tourism industry. There is no staff member on board with experience in marketing, training, or the provision of member services. There is a need to reassess the staff's capability and placement in relation to the restructuring and performance-oriented direction of the organization.

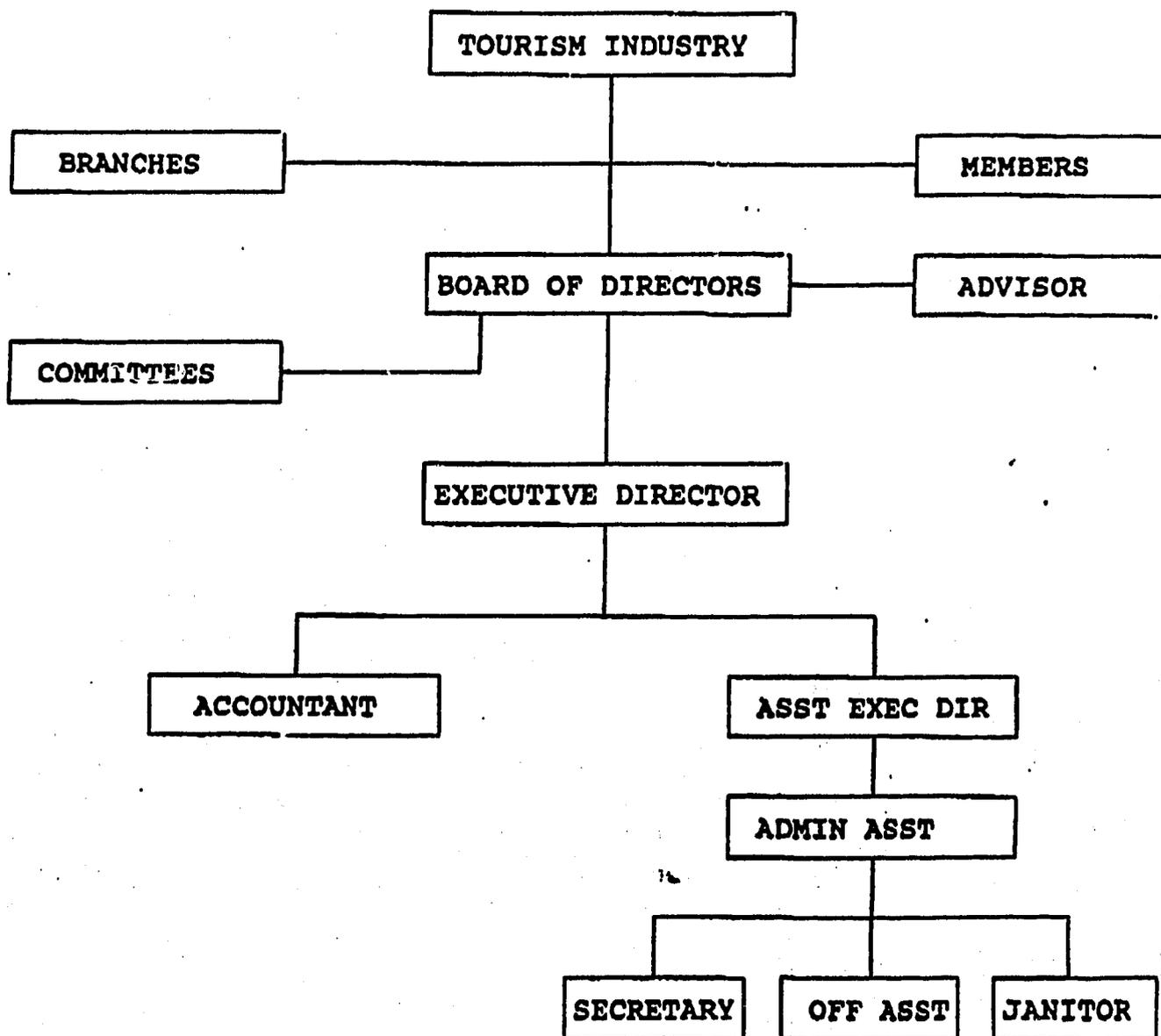
### 4. Issues Related to BTIA's Capability to Manage the TMP

BTIA is in a weak position to manage the private sector component of the TMP at this time. There has been little focus on how BTIA's mandate could be translated into effective services for its members or consideration given as to how the organization can be sustainable within a small market like Belize. The organization is basically at "square one". The combination of a new Board, new staff, a weak financial position in terms of long-term sustainability, and few services or information to offer its members or to attract new members make it very vulnerable. These circumstances clearly dictate that BTIA should receive considerable TA and be closely supervised and monitored, especially during the first two years of the TMP. Considerable institutional support is necessary in terms of setting up effective management and financial systems to deliver the kinds of technical support and information services, plus training that the member need at this time.

The operation needs to refocus its energies and trim its expenses to bring them into line with a lower risk, slower growth path that responds to the realities of long term sustainability in a small-scale economy. BTIA needs to reorder its priorities, and focus on activities linked to expanding membership and attaining financial sustainability in the medium term. The areas of focus should be lobbying, membership drives, coordinating training programs for its members, and technical assistance to members in those areas of benefit to members, such as tourism accounting, project packaging to attract credit, and specific promotion packages.

If BTIA focuses attention immediately on fundraising and on providing a few basic services to its members in year one of the TMP, it has the potential to develop into a significant private sector organization that can serve as a counter balance to GOB policies and actions. If, however, it tries to do too much in the next two years, it will likely put too much strain on a weak organization for it to survive. Thus, careful planning and management by the Board and staff together with an outside contractor are essential for its success.

TABLE 6-2  
BELIZE TOURISM INDUSTRY ASSOCIATION  
ORGANIZATIONAL STRUCTURE



107

## ENVIRONMENTAL ANALYSIS

### A. Introduction and Purpose

This environmental analysis of the Belize Tourism Management Project (TMP) meets the requirement of an Initial Environmental Examination (IEE), as set out in the environmental procedures for USAID funded projects. The TMP has an environmental component intended to mitigate the impact of tourism on the resources of Belize. The analysis serves two purposes: First, it provides the basis to determine if the impacts of the TMP would be severe enough to warrant an Environmental Assessment (EA) or Environmental Impact Statement (EIS) in accordance with USAID procedures; second, it provides guidance in the design of the TMP to help ensure that its goal and purpose are met, and as such becomes an integral part of the TMP's Project Paper (PP).

### B. Major Issues

#### 1. Growth Management

Belize's draft tourism policy seeks orderly growth of the industry. However, to achieve the socio-economic objectives of the policy, the Government of Belize (GOB) is aggressively undertaking investment promotion and marketing of the destination, and this could inadvertently lead to growth management problems. The pace at which tourism is growing, as indicated by tourist arrival figures (88,430 in 1984 to 179,814 in 1989), suggest that it will be difficult to maintain low-impact tourism. There is no reason at this time to suggest that, taken overall, growth should be arrested. Rather, an awareness that there are inherent difficulties in achieving the objectives of sustainable tourism should strengthen the resolve of the GOB to improve the capacity to manage the industry.

Older Caribbean tourism destinations with development strategies similar to Belize have severe problems managing tourism uses in the coastal zone. They are unable to match water supply, sewage waste management, labor, and housing to the demands created by rapidly growing tourist economies. Thus, in some cases, water is occasionally rationed and resort areas lose their attraction and business due to sewage waste pollution. The demand for cheap housing by persons working or seeking employment in tourism resorts may increase unsanitary conditions and lead to a higher incidence of diseases in overcrowded housing areas.

In Belize itself, the experience of Ambergris Caye is instructive of what lies ahead if the differences between tourism and environment are not reconciled. In theory, Ambergris Caye, with a population of only 5,000 residents and less than 900 hotel beds, should be able to meet water demands which cannot be more than 400,000 gals/day, and should be devoid of sewage pollution problems that threaten water supply and health. Barbados, which is about the same size, produces water for its population of over one quarter million and close to one half million tourists per year from ground water sources. Ambergris Caye represents an unfortunate case of unmanaged growth, not over-development, where water and pollution problems threaten the tourism industry itself.

## **2. Institutional Capacity for Environmental Management**

Recent and ongoing attempts to build institutional capacity for environmental management within the GOB are commendable. However, there are still critical weaknesses in the institutional structure for managing tourism/environment linkages that need to be addressed.

### **a. Environmental Policies**

There is considerable sentiment and enthusiasm for better resource management within the community. These energies could be channelled into more tangible gains if environmental policies were clearly articulated so that there is no ambiguity among the public and private sectors and the NGO community on environmental management goals and objectives. Under a grant from WWF-US, supported partly by USAID funding, the Conservation Division, Forestry Department (CD/FD) of the Ministry of Natural Resources (MNR) will combine technical support with the involvement of an inter-agency Advisory Committee to develop policies for parks and protected areas, inclusive of visitor fees and recreational concessions within such areas, for GOB's adoption. The Ministry of Tourism and the Environment (MTE) clearly should collaborate in this effort, which is expected to further promote and manage tourism uses in parks and protected areas. MNR is also preparing a similar undertaking in the development of a water resources management policy.

These are timely efforts that should be complemented by other policy initiatives. A comprehensive land use policy built out of broad-based inter-ministerial consultations with input from the private sector is desirable. It would provide the framework for needed upgrading of land use planning legislation and for creating an effective development review and permitting system, inclusive of Environmental Impact Assessment (EIA) provisions. This is essential to minimizing the impact of future tourism development projects on the environment. It is an area of vital interest to the MTE, and thus the DE should encourage and be prepared to assist with this and other appropriate environmental policy initiatives.

### **b. Clarification of Environmental Mandates**

The Department of the Environment (DE) within MTE is a new entity still searching for the right niche in environmental management. It needs legislative backing and a clear mandate that is acceptable to longer standing environmental bodies. It would then be in a better position to realistically determine staffing and training needs, and to program its affairs. Its proposed mandate would usurp environmental functions from some other GOB agencies, a situation that could cause some resentment if not carefully handled. A review and clarification of the environmental mandates of all agencies in question is important to the outcome of this project.

### **c. Recruitment and Training of Qualified Staff**

Shortage of qualified staff is a major impediment to resource management in Belize. Just about every GOB resource management agency has vacancies to fill. Competition between agencies for qualified candidates is growing. The DE can therefore expect to have difficulties in recruiting professional staff, and in finding candidates to fill BS and MS training slots proposed in USAID's NRMP. The DE presently has one (1) staff person, the Chief Environmental

Officer, and another established position for a Senior Environmental Officer, which it hopes to fill by June, 1991. The intention is to budget two additional slots in FY 1992-93 for associate degree level environmental technicians, and possibly one position for an administrative officer. It presently gets administrative support from a pool in the MTE.

Recruitment of qualified staff is absolutely essential to the DE's ability to make a significant contribution to the management of the tourism industry. Its situation is not unique, but is perhaps more precarious than other public sector agencies, NGOs and private sector organizations. Nevertheless, an initial staff of two degreed though fairly inexperienced, professionals, and two technicians could be expected to make a reasonable contribution to the DE's effort in a thoughtfully designed work program.

Despite the numerous training opportunities available under various donor programs, a resource management skill shortage will remain acute for years to come. This is a management crisis of serious proportions that is not fully acknowledged. The wide range of technical support available to Belize will be less effective as a result. It will be one of the major constraints to the success of the TMP.

#### d. Legislation and Enforcement

Despite an impressive body of environmental legislation, enforcement remains weak. For example, the installation of private sewage systems on Ambergris Caye is in theory controlled by the Water and Sewage (Plumbing) Code 1981, Statutory Instrument No 29 of 1982, which requires effluent leaching pits to be located 150 ft from wells. This is not enforced and the contamination of ground water is a result. The provision of the Instrument may be unrealistic given the urban character of San Pedro. If this is so, the review and update of the law should be considered.

This project could provide the DE with the support to undertake a review of the environmental legislation that should be upgraded to manage the impacts of tourism on the environment, and to identify factors that limit enforcement. The draft Ambergris Caye Master Plan states that the provisions governing physical planning under the Housing and Town Planning Ordinance (Cap 148) lack reference to policy, demographic and socio-economic conditions and therefore cannot deal with the complex requirements for the development of towns, cities and tourism resorts. Redrafting of the law is needed to allow a planning process that is more fluid and respectful of social, economic and environmental imperatives and to create a better system of development control.

On the other hand, the proliferation of environmental legislation is not desirable. Each new piece of legislation comes with a cost that is not usually quantified. Often the feeling is that once a bill becomes law, most of the work has been done. One suspects that difficulties of enforcement are frequently due to the inability to shoulder the costs that come with the particular legislation. It is therefore important that the MTE, which is presently considering environmental protection legislation along the lines of the Guyana Environmental Protection Act undertake an analysis of costs, as well as legislative compatibility in designing the legislation and any protective agency.

**e. Other Institutional Issues**

Other important issues must also be addressed. Data inadequacies are widely acknowledged, although the situation is gradually improving with the support of various donors. Data needs can be prioritized in relation to the objectives of this project. In this case, a data base for the DE could be designed initially to facilitate the assessment of environmental impact of tourism projects and uses, and to assist with strategic planning for the "zoning" of tourism development areas. There are existing data bases that the DE could tap into to build its own capacity, and the system could expand on demand.

The application of environmental standards in project assessment and in the monitoring of tourism uses is often discretionary and even arbitrary. Fairness requires, for example, that the tourism industry is made fully aware of regulatory standards for effluent discharge, or of standards sought through administrative decree if regulations do not exist, and which agencies are responsible for their administration and enforcement. The industry also needs to know procedures for the redressing of grievances. In relation to its role in EIA, the DE could coordinate an effort in reaching agreement on a package of standards related to the construction and use of tourism facilities and have them published.

**C. Environmental Management for Tourism in Belize**

**1. Roles and Responsibilities**

Environmental management in Belize is shared by the public and private sectors and NGOs. As with all other matters, the GOB is responsible for developing policy, but the private sector and NGOs are very much involved in the policy process in lobbying and advocacy or through the use of various collaborative mechanisms, such as national advisory councils, public/private sector committees, etc.

Table 1 lists the entities whose responsibilities relate to tourism and environment. A full description of responsibilities and functions is beyond the scope of this analysis. It is worth noting, however, that the responsibility for managing the three major heritage attractions are vested in the institutions briefly described below:

**a. Wildlands and Wildlife**

MNR houses this responsibility, legally vested in the FD. Through its CD it is developing a Parks and Protected Areas (PPA) management service. The FD/CD has a unique relationship with the Belize Audubon Society (BAS), which has been delegated the responsibility for managing existing PPAs. The relationship is prescribed solely by a letter of understanding, which has serious legal ramifications and thus the agreement must be made legally sound. One drawback is that the BAS cannot enforce the PPA system and wildlife laws in the areas they manage and therefore an effective enforcement regime must be put in place to ensure the compliance of growing tourism uses.

A fairly novel situation exists in the management of private "reserves" as tourist attractions. Private stewardship of protected areas is not commonly

practiced, but appears to be successful in Belize and perhaps should be further encouraged under an instrument that allows the GOB to register areas that qualify for official reserve status, and to provide guidelines on standards of operation.

**Table 1: PUBLIC AND PRIVATE SECTOR AGENCIES  
AND ORGANIZATIONS WITH TOURISM AND ENVIRONMENT  
FUNCTIONS AND RESPONSIBILITIES**

<u>AGENCY/ORGANIZATION</u>	<u>FUNCTIONS</u>
<u>Government of Belize</u>	
<u>MTE</u>	<u>Policy, Strategy, Planning, Analysis</u>
BTB	Policy Execution, Promotion, Visitor State
DE	Assessment of Tourism Projects, Coordination of Environmental Issues
DA	Management of Archaeological Resources
BNTC	Policy Advice to MTE
<u>MNR</u>	<u>Land Policy, Land Use</u>
CD/FD	Parks and Protected Areas and Wildlife Management
LUA	Land Use, Development Control
Lands Div.	Land Subdivision
<u>MOA</u>	<u>Agricultural and Fisheries Policy</u>
Fisheries Dept.	Management of Fisheries Resources
CZM Unit	CZM Research, Planning
Hol Chan Mgt.	Management of Hol Chan Reserve
<u>MED</u>	<u>Tourism Concessions</u>
<u>MO Housing</u>	<u>Physical Planning</u>
<u>MO Health</u>	<u>Waste Pollution, Health</u>
<u>Private Sector</u>	
BTIA	Training and Support to Tourism Industry
BAS	PPA Mgt., Awareness, Policy Advocacy
BCES	Environmental Inventory, Assessment, Planning
Belize Zoo	Environmental Education, Awareness

Weaknesses exist in protected area planning within the GOB. The Belize Center for Environmental Studies (BCES) is helping to fill this gap. Research and planning are needed to ensure the best possible PPA system is created to give adequate protection to biological diversity while achieving economic objectives. PPA planning is part of the mandate of the CD, and environmental planning is that of the DE. Neither is presently in the position to undertake such tasks and therefore GOB capacity in this area must be built.

112

**b. Barrier Reef, Cayes and Other Coastal Resources**

The Fisheries Department is the most active GOB agency managing coastal zone (CZ) resources, including the Hol Chan Reserve. However, the CZ represents a complex of resources, processes and uses, requiring an equally complex networking of agencies to achieve CZM goals. Thus, any steps to create a CZM authority, as has been promised in some areas, must clearly state the responsibilities of such an authority in relation to those of other entities, who by law and good reason must continue to share responsibility for the CZ.

The Fisheries Department is rightly taking the lead in CZM and through its CZM Unit is preparing a CZM plan. The barrier reef, for example, is perhaps more valuable to fisheries than any other sector, but by law the MTE has jurisdiction over abandoned wrecks, MNR for mangroves and land uses, the Ministry of Economic Development (MED) for granting concessions for tourism projects, and the Ministry of Health (MOH) for pollution abatement from tourism and other uses. It would seem then that the preparation of the CZM should have a greater degree of inter-ministerial input, technical and advisory, than now occurs.

If environmental planning and policy is to be a part of MTE's portfolio, this presents an excellent opportunity for the involvement of DE and DA staff. They would contribute to, and gain valuable experience from the CZM planning process, and would help to build formal and informal collaborative mechanisms for CZM. It is very important for the management of tourism and other use of the barrier reef and cayes that formal mechanisms are identified for arbitrating ministerial jurisdictional conflicts in the CZ when they occur. A likely source of such conflict is the barrier reef, where salvage operations under MTE authority may severely damage the reef as a fishery resource.

**c. Archaeological Resources**

The MTE/DA has responsibility for the management of archaeological resources, land and marine. Collaboration with the MOA is required for the management of wrecks and therefore a "Fisheries Administrator" is appointed to the Abandoned Wreck Authority under the Abandoned Wreck Act of 1990. There is also some form of collaborative mechanism between the MTE/DA and the FD/CD in the management of Mayan sites that fall within parks and protected areas and forest reserves. The DA recently lost two trained archaeologists, and must now rebuild staff through recruitment and training. It has a total of thirteen (13) field staff working at eight (8) Mayan sites open for visits. Given the scope of its responsibilities, it is critically understaffed in technical and non-technical areas.

Under the Ancient Monument and Antiquities Ordinance (CH 259), a private owner may apply to maintain and manage ancient monuments or antiquities in his/her possession, but all such resources are vested in the Crown. The Belize Archaeological Association is an NGO with interest in archaeological resources. Logging and agricultural uses threaten the integrity of some Mayan sites, such as Altun Ha, thus the Lands Division and LUA in the MNR should exercise their authority to ensure that land uses near such areas are less threatening. The MTE/DE has been meeting with other ministries to identify land use issues and priorities for action. It may want to consider engaging TA under the TMP to prepare guidelines for land use and zoning procedures for Mayan sites threatened by encroaching uses.

## 2. Specific Responsibilities of TMP Beneficiaries

### a. MTE

The TMP expects to build the Ministry's capacity for policy, planning, and analysis, which is presently lacking. The difficulties involved in the DE, assuming a very broad proposed mandate, were already discussed. Its actual functions are currently the review of tourism and other projects seeking concessions; facilitation of problem response monitoring activities, such as hotel waste pollution; working with the Ministry of Health and other agencies; and helping the MTE to coordinate discussions on environmental issues.

The Permanent Secretary of the MTE is well known and respected for past accomplishments in environmental matters while working with NGOs. Thus, despite the various constraints, the prospects of the MTE becoming an important force for conservation management should be viewed with optimism. BTB has no direct environmental management functions, but should build its data gathering capacity to help monitor negative trends in visitor use of PPAs, the barrier reef, and Mayan ruins.

### b. BTIA

There is considerable sentiment among BTIA membership for improved tourism and environmental management. At present, however, the organization appears to have no real mechanisms for becoming more involved in environmental management actions on the ground, outside of lobbying and providing policy advice to the GOB. An environmental subcommittee of the BTIA Board could be considered to further engage the BTIA and its membership in environmental affairs.

### D. Inter-Agency Mechanisms

Committees, task forces, councils and such other inter-agency and public/private sector groups are an important element of the institutional culture of Belize. They exist because they are considered good collaborative and cooperative mechanisms, but also because staffing weaknesses in some GOB agencies present a demand for inter-agency support.

Such bodies are effective in identifying issues and priorities for action, but are usually weak in follow-up due to inadequate secretariat support. Environmental inter-agency entities often lack political support and may cease to function, such as the National Conservation Advisory Board, which the MTE is trying to revive as the Belize Environmental Advisory Council (BEAC).

The MTE itself is represented on a number of inter-agency bodies important to tourism and environment management. These include the San Pedro (Ambergris Caye) Planning Board, the Pesticide Control Board, the Physical Planning Task Force (a subcommittee of the National Economic Mobilization Council), the Turneffe Management Committee, and the Protected Areas Commission (PAC) of the BAS. Where necessary, the MTE through the DE should ensure adequate follow-up to the work of these bodies, particularly for tourism environment actions.

## **E. Opportunities and Constraints for Tourism**

### **1. Overview**

Belize's resource base is remarkable for a country its size. The wildland resources of the mountains and interior, the coastal zone, ancient monuments and abandoned wrecks provide it with enormous potential for tourism. Constraints to the expansion of tourism will be imposed by the small size of its population and labor force, a small human resource pool from which to draw skills, and the financial resources to finance water needs, waste management infrastructure, and resource management for a rapidly growing tourist industry.

### **2. Wildland Attractions and Biodiversity**

The natural land and marine attractions of Belize are also the custodians of its biological wealth. Biodiversity is an attraction to natural history tourists, but it also has current and yet to be discovered value for agriculture, pharmaceuticals and science. Thus, while it presents an opportunity for expanding ecotourism, its protection must be assured for other economic reasons.

Available data indicates that the country harbors 120 species of mammals, 520 species of birds, 130 species of reptiles and amphibians, 4,000 species of native flowering plants (including 250 species of orchids) and 700 species of native trees. Its number of vertebrate species is lower than other Central American countries, but the population of most are in better condition. Twenty-two (22) species of mammals listed as rare or endangered by the Convention of Trade in Endangered Species are still common in Belize. Approximately 10,120 square miles of forests, including mangroves, offers with topography and drainage a landscape of rivers, waterfalls, caves and scenery for various recreation and activities.

### **3. Belize Barrier Reef**

The Belize barrier reef complex, including atolls and cayes, over 400 km in length is the longest in the Western Hemisphere. It is under consideration by UNESCO for World Heritage classification as one of the outstanding natural features in the world. Along with mangroves and marine grasses, it sustains the fishing industry of Belize, which is a major foreign exchange earner and important source of protein. It is also the only source of protection for the low lying mainland coast from storm surge.

The fact that the reef is important to the economy and natural security should not be lost in the strategies for expanding marine tourism. Major ecological and structural damage of this vital resource must be avoided. If global warming continues its upward trend, the continued vertical growth of the reef could help to cushion the effects of sea level rise.

### **4. Archaeological Resources**

Belize has over 600 Mayan archaeological sites, 60 of which have been fully or partly excavated. Twelve are used by visitors, eight are officially opened. The Mundo Maya project, a collaborative effort by Belize and four other Central American countries to promote a multi-destination package of Mayan

ruins, will create additional opportunities for cultural tourism in the country. A serious constraint to sustaining this form of tourism are limited financial and human resource skills for continued excavation work and effective site management.

On the marine side, at least 50 abandoned wrecks lie on, or adjacent to the barrier reef. Known sites are divided into 24 blocks for the issuing of prospecting and salvaging rights. Wreck artifacts will be an additional attraction to cultural tourism, and the remains of the vessels can be expected to create a boom in wreck diving.

## F. Trends and Impacts

### 1. Expanding Room Capacity

Two of the country's largest hotels, with a total of over 200 rooms, opened in Belize City in May, 1991. Seven hundred (700) new rooms from six hotels have been approved and could be built in San Pedro, Corosal and Big Creek by 1992. The total number of hotel rooms in 1987 was 1,653. This notable shift to larger hotels could be an early sign of emerging "mass tourism" which the GOB and the industry is hoping to avoid. Room expansion at San Pedro is likely to aggravate already serious problems in water shortage and sewage related water pollution. Planned developments for Turneffe Islands and other Cayes will present difficulties for waste management unless appropriate, dependable and low cost technologies are applied to treat sewage from individual properties.

### 2. Increasing Residential Subdivisions

Tourism expansion is usually accompanied by increased demand for residential plots. This results from non-belongers seeking to invest in homes in a maturing real estate market and from belongers wanting to diversify their incomes by renting holiday homes. In Belize this has encouraged a trend towards large (up to 5,000 lots or more) and small subdivisions, some of which require extensive draining and filling of mangrove wetlands. Although the FD/CD administers the legislation on the removal of mangroves, the capacity is not in place for thorough impact assessment and monitoring of subdivision projects.

### 3. Increasing Visitor Uses

Fast growth in visitor arrivals is accompanied by significant increases in tourist visits to PPAs, Mayan sites and the barrier reef. Visits to the Altun Ha Mayan site doubled from 3,500 in 1987 to 7,363 in 1990, and Xunantunich, the figure tripled from 2,290 to 7,007 in the same period. Figures for PPAs were not obtained, but the BAS and ETB indicated significant visitor increases to these areas also. Present visitor volume is not overwhelming, and the impacts could hardly be called critical. However, the trends suggest that the visitor load could easily exceed the capacity to manage the areas in the future, and major impacts could result.

The barrier reef, on the other hand, is already experiencing excessive sediment loading from the action of fins during diving and snorkeling at the Hol Chan Marine Reserve. Beyond a certain level of tolerance, fine particles will smother and choke the coral. Ninety percent of all diving and snorkeling

on the barrier reef is said to occur in the Reserve, which attracts up to 30,000 tourists a year. The perception of the Hol Chan Management is that the problems for overcrowding could be minimized by diverting some visitors to other parts of the reef, and it intends to install forty (40) mooring buoys outside the Reserve to make this possible. Strict management will be needed to ensure that the problem is not transferred to these areas.

#### 4. Cruiseships, Yachts, Diveboats

There are no clear indications of fast growth in yachting. An increase in live-aboard dive boats is in the making and growth in normal-to-large cruiseships and mini-cruiseships, of the 100-150 passenger variety, is likely, depending on GOB policy. An expanded marine tourism plant capacity will place extra demands on planning and management to cope with increased visitor use of marine and land attractions, damage to reefs and marine grasses, demands for berthing space in sensitive coastal areas, garbage and sewage.

#### G. Future Concerns and Priorities

Based on the analysis of issues, trends and current tourism impacts, a list of concerns have emerged out of which priorities for environmental actions can be identified. The priorities are briefly summarized, and should not be viewed as the complete set of actions needed to sustain a viable tourism/environment relationship. They should be seen as vital areas to be addressed by GOB and to which the TMP, NRMP and other donor projects can make meaningful contributions:

- o Monitor the effects of GOB development policies. Take the necessary steps to ensure that GOB's tourism development policies do not result in a rate of expansion that overwhelms the human resource capacity for management, and the financial resources for providing adequate infrastructure. The fullest possible integration of development and environmental policies is required.
- o Fully institutionalize the capacity for land use planning and development control. Land use planning and development control are key instruments of environmental management, and absolutely essential to mitigating the impacts of tourism.
- o Build the capacity for assessing and monitoring the impacts of tourism. This will require building appropriate standards and procedures, skill development and investment in the right equipment.
- o Build the capacity to manage tourism uses of PPAs, other wildlands, Mayan sites, and the barrier reef. This is an enormous challenge, requiring the most urgent attention. The desire to open all accessible heritage resources to tourism must be balanced against the capacity to manage the industry's impacts. The total acreage of PPAs entrusted to the BAS is 231,700 acres (362 sq. miles), way beyond the organization's capacity. Zoning and restriction of tourism uses to selected areas of the barrier reef, parks and wildlands is considered necessary.

- o Seek to build political, industry and community support for the enforcement of applicable laws and regulations. Areas pertinent to tourism include litter and waste pollution. The effort will require considerable dialogue and awareness building.
- o Devise a coordinated strategy to assess training needs and develop a training program for GOB resource management. Current efforts to recruit and train personnel are fragmented, not cost-effective and lead to undue competition between agencies for qualified trainees and professionals.

## H. Impacts of the TMP

### 1. Goal and Purpose of the TMP

The goal of the TMP is to sustain the development of tourism while preserving Belize's unique natural and cultural resource base. Its purpose is to increase the capacity within Belize to do so. Managing the relationship between tourism growth and environmental protection is an intimate part of the project's goal and purpose. Its outputs are designed to help mitigate negative impacts through training, technical assistance (TA), operational support, equipment and material purchase.

### 2. Project Beneficiaries and Elements

The Grantees of the project are the GOB MTE and the Belize Tourism Industry Association (BTIA). GOB beneficiaries will be mainly the MTE's headquarters, DE, DA and the BTB. The support for BTIA will ultimately benefit its membership. Project elements include training through short courses, as well as support for BA and MA degrees for MTE, operational support, equipment for MTE (including computers, vehicles), radio equipment, a boat, and supplies and various forms of TA for both MTE and BTIA.

### 3. Negative Impacts

There are no perceived direct negative impacts that will result from the TMP. In fact, it should help to mitigate the impact of tourism on the environment. One possible source of indirect negative impact should be guarded against by strengthening the MTE, BTB and BTIA which will help optimize the capacity to expand the industry, through better management of investments, promotion and marketing of Belize. Rapid, unmanaged tourism growth, with the corresponding environmental ills, is a definite possibility. The TMP's best chance to avoid such an eventuality is to help carve a stronger niche for environmental conditions in tourism policy.

### 4. Positive Impacts and Recommendations

Through its various elements, the TMP will help improve the GOB's capacity to manage tourism in a sustainable manner. This analysis has already shown that managing the industry is not an easy task and that management responsibilities are shared with other GOB agencies and NGOs, which are not direct beneficiaries of the TMP. Therefore, there should not be unrealistic expectations over what the project can and will accomplish. Nevertheless, the project should make a significant contribution in addressing the issues and problems identified in this analysis.

Various suggestions have already been given to help the beneficiaries realize the outputs of the TMP. A list of priorities was offered to provide a wider focus on actions needed to improve the tourism environment relationship. The following short list of recommendations serves to highlight major actions critical to the project's success:

- o **DE:** Define a realistic and acceptable mandate using TA if necessary. Based on agreed responsibilities a practical work program can be devised to fit the capacity of current staff and the unit's training needs could be better assessed.
- o **DA:** Provide the DA with the resources and capacity to effectively monitor the impacts from salvage operations. Short-term training for selected staff in salvage operations, and adequate equipment are essential. As a basis for monitoring, an EIS should be required for salvage projects that could damage the reef.
- o **BTB:** For the purpose of planning and executing an ecotourism marketing strategy, assist BTB staff and Board, to fully understand the opportunities and constraints inherent in the use of the heritage resources they promote. They should then receive awareness training, designed to include field components, to improve their understanding and orientation.
- o **BTIA:** Assist BTIA to develop the capacity to convert the favorable environmental sentiments of its members into solid environmental actions. A standing sub-committee for environmental matters should be created from its Board to develop membership support for selected activities.

##### 5. Conclusion

In summary, there are a wide range of issues, problems and concerns that must be addressed to sustain tourism development, and simultaneously preserve the natural and cultural resources of Belize. This environmental analysis shows that the TMP can make an important contribution to better tourism/environment relationships, although there are limits of how much it can achieve. It will generate no conceivable direct negative impacts. If negative impacts result from too rapid an expansion of the industry, it would be a consequence of how the GOB decides to pursue its development policies, and not a direct result of the project. The findings suggest therefore that there is no need for an EA or EIS to be conducted for the TMP.

WOMEN IN DEVELOPMENT ANALYSIS

The female population overall represents 49.1 percent of the total Belizean population. In urban areas, females outnumber males (51 percent to 49 percent). In rural areas, males outnumber women 52.7 percent to 47.3 percent. The birth rate at 3.72 percent is somewhat high. Approximately 42.75 percent of women are married. In the Belize City and Stann Creek Districts, the ratio of unmarried to married women exceeds 2 to 1; only in Corozal District was the ratio less than one. The distribution shows that 73 percent of total childbirths are by women in the age range of 15 to 29 years, with the 15 to 19 age group near to 19 percent of total births.

Female roles vary widely among the various cultural groups in Belize. Creole, Garifina, and European women are dominant in community affairs and well represented in professional, technical and administrative areas, both in the public and private sectors (though more so in the public sector). There are still relatively few women in the trades and crafts, except in tourism. In agriculture, rural women are generally involved in a complimentary role to their male partners. Women generally dominate the field in education, clerical and service employment. There is an increasing number of women in the police and armed forces.

Traditionally, and especially in the rural areas, females did not attend primary schools, much less secondary school. Potential opportunities for women to advance are best illustrated by their growing presence in the educational system of Belize. Women now represent 46.8 percent of the total primary school enrollment, and are well represented in all of the six Districts. At the overall secondary level, females now outnumber males 53.2 percent to 46.8 percent, except in the Orange Walk and Toledo Districts. At the tertiary level, females represent 56.75 percent of the total enrollment. Females dominate the teaching profession at the primary school level. At the secondary level, they represents 42 percent of the teachers, and slightly exceed the percentage of male teachers at the tertiary level. A significant number of women have benefitted from the TEP/BIM management, supervisory and skills training programs.

Women represent approximately 25 percent of the work force in Belize. Whereas unemployment for men is estimated at 14 percent, the data indicates that for the urban areas, unemployment for women is approximately 25 percent. Traditionally women, particularly in middle and upper income households, and in rural villages, did not take on paid employment. The urban poor women, especially where they were heads of households, were employed in low paying service and garment type operations. Many women have migrated, primarily to North America. The lack of adequate and reasonable child care facilities has imposed somewhat of a restraint on employment opportunities for women and hurt the welfare of the children due to lack of supervision. Reliable data on women in the work place is scarce. However, the 1991 census now underway, and the short-term business activity and labor distribution study now being conducted by the Central Statistical Unit of the Ministry of Finance, should yield more precise information on women for indepth analysis.

The tourism sector provides ample opportunities for women at all levels for employment and training. The available data on employment in hotels shows that women represent 57.5 percent of those employed, compared to 43.5 percent for men. Women have been pioneers in the hotel, restaurant and craft operations countrywide. They are hotel owners/managers in Corozal, San Ignacio, Dangriga, Hopkins (women's cooperative), Placencia, San Pedro, Caye Caulker, Belize City, to name a few. Of the known professionals trained in tourism management/hotels, all are women. The chairperson of the main environmental NGC, Belize Audubon Society, is a woman, and women of all ages are well presented in all NGO's impacting on the tourism sector. Women are also well presented in the BTIA (40 percent of BTIA's membership in 1989 were female), and until recently had served as President of the Board for several terms. Also, the recent increase in minimum wage to Bz\$2.25 per hour will also help to improve the income of the lower paid employees.

As the MTE, BTB, and BTIA improve their capacity to develop and implement management and human resources training programs as a result of the TMP, more women will have the opportunity to get training to improve their access to more remunerative jobs in the industry. The recent Ramada experience dramatically illustrates that women will secure more than 50 percent of the new jobs created in the hotel industry, and the ease with which such women were recruited from varying social groups. One of the lessons learned is that where the employer is high profile, and job security and opportunities for advancement exist in a large enterprise with strong credibility, the "pull" effect to secure quality employees, particularly women, will be strong.

**Tourism Management Project  
No. 505-0044**

**ASSISTANCE CHECKLIST**

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support Fund resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

**CROSS REFERENCE: IS COUNTRY CHECKLIST UP TO DATE?**

Yes

**A. CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS**

1. **Host Country Development Efforts (FAA Sec. 601(a):** Information and conclusions on whether assistance will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.

The project is designed to promote tourism, thus increasing international trade and foster private initiative and competition.

2. **U.S. Private Trade and Investment (FAA Sec. 601(b):** Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

The tourism Development project will involve the provision of technical assistance, training, as well as investment resources from the U.S. private sector.

**3. Congressional Notification**

a. **General requirement (FY 1991 Appropriations Act Secs. 523 and 591; FAA Sec. 634A):** If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the notification requirement has been waived because of substantial risk to human health or welfare)?

Funding for this project was included in the FY 91 Congressional Presentation, Annex III, Page 42. A Technical Notification was sent to Congress on May 16, 1991 to increase funding.

b. **Notice of new account obligation (FY 1991 Appropriations Act Sec. 514):** If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?

N/A

122-

c. Cash transfers and nonproject sector assistance (FY 1991 Appropriations Act Sec. 575(b)(3): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted?

NA

4. Engineering and Financial Plans (FAA Sec. 611(a): Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

NA

5. Legislative Action (FAA Sec. 611(a)(2): If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?

No legislative action is required.

6. Water Resources (FAA Sec. 611(b); FY 1991 Appropriations Act Sec. 501): If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)

NA

7. Cash Transfer and Sector Assistance (FY 1991 Appropriations Act Sec. 575(b): Will cash transfer or nonproject sector assistance be maintained in separate account and not commingled with other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)?

NA

8. Capital Assistance (FAA Sec. 611(e)): If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively?

NA

9. Multiple Country Objectives (FAA Sec. 601(a): Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

The project is designed to promote tourism, thus increasing international trade and foster private initiative and competition.

10. U.S. Private trade (FAA Sec. 601(b)): Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

See paragraph A2 above.

#### 11. Local Currencies

a. Recipient Contributions (FAA Secs. 612(b), 636(h): Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

The GOB is committed to make a substantial counterpart contribution.

b. U.S.-owned Currency (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

No

c. Separate Account (FY 1991 Appropriations Act Sec. 575). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:

N/A

(1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

N/A

(2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

N/A

(3) Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

N/A

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

N/A

#### 12. Trade Restrictions

a. Surplus Commodities (FY 1991 Appropriations Act Sec. 521(a)): If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause

N/A

substantial injury to U.S. producers of the same, similar or competing commodity?

- b. Textiles (Leutenberg Amendment) (FY 1991 Appropriations Act Sec. 521(c)): Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? N/A
13. Tropical Forests (FY 1991 Appropriations Act Sec. 533(c)(3)): Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas? No
14. Sahel Accounting (FAA Sec. 121(d)): If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling recipient and expenditure of project funds (either dollars or local currency generated therefrom)? N/A
15. PVO Assistance
- a. Auditing and registration (FY 1991 Appropriations Act Sec. 537): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? N/A
- b. Funding sources (FY 1991 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? N/A
16. Project Agreement Documentation (State Authorization Sec. 139 (as interpreted by conference report)): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). N/A

17. Metric System (Omnibus Trade and Competitiveness act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic states, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight) through the implementation stage?

N/A

18. Women in Development (FY 1991 Appropriations Act, Title II, under heading "Women in Development"): Will assistance be designed so that the percentage of women participants will be demonstrably increased?

Yes

19. Regional and Multilateral Assistance (FAA Sec. 209): Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.

Assistance is most effective on a bilateral basis.

20. Abortions (FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 525):

a. Will assistance be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?

No

b. Will any funds be used to lobby for abortion?

No

21. Cooperatives (FAA Sec. 111): Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life?

N/A

22. U.S.-Owned Foreign Currencies

a. Use of currencies (FAA Secs. 612(b), 636(h); FY 1991 Appropriations Act Secs. 507, 509): Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services.

N/A

b. Release of currencies (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

N/A

### 23. Procurement

a. Small business (FAA Sec. 602(a)): Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?

The project procurement will comply with all AID regulations.

b. U.S. procurement (FAA Sec. 604(a)): Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him?

Yes

c. Marine insurance (FAA Sec. 604(d)): If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?

N/A

d. Non-U.S. agricultural procurement (FAA Sec. 604(e)): If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)

N/A

e. Construction or engineering services (FAA Sec. 604(g)): Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.)

N/A

f. Cargo preference shipping (FAA Sec. 603): Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates?

N/A

g. Technical assistance (FAA Sec. 621(a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Yes

127

h. U.S. air carriers (International Air Transportation Fair Competitive Practices Act, 1974): If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes

i. Termination for convenience of U.S. Government (FY 1991 Appropriations Act Sec. 504): If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? Yes

j. Consulting services (FY 1991 Appropriations Act Sec. 524): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? Yes

k. Metric conversion (Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic states, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage? N/A

l. Competitive Selection Procedures (FAA Sec. 601(e)): Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes

#### 24. Construction

a. Capital project (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used? N/A

b. Construction contract (FAA Sec. 611(c)): If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A

c. Large projects, Congressional approval (FAA Sec. 620(k)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not N/A

exceed \$100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation), or does assistance have the express approval of Congress?

25. U.S. Audit Rights (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A
26. Communist Assistance (FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes
27. Narcotics
- a. Cash reimbursements (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicitly drug crops are eradicated? Yes
- b. Assistance to narcotics traffickers (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? Yes
28. Expropriation and Land Reform (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? Yes
29. Police and Prisons (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons or other law enforcement forces, except for narcotics programs? Yes
30. CIA Activities (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? Yes
31. Motor Vehicles (FAA Sec. 636(i)): Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes
32. Military Personnel (FY 1991 Appropriations Act Sec. 503): Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes

33. Payment of U.N. Assessments (FY 1991 Appropriations Act Sec. 505): Will assistance preclude use of financing to pay U.N. assessments, arrearages or dues? Yes
34. Multilateral Organization Lending (FY 1991 Appropriations Act Sec. 506): Will assistance preclude use of financing to carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes
35. Export of Nuclear Resources (FY 1991 Appropriations Act Sec. 510): Will assistance preclude use of financing to finance the export of nuclear equipment, fuel, or technology? Yes
36. Repression of Population (FY 1991 Appropriations Act Sec. 511): Will assistance preclude use of financing for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes
37. Publicity or Propaganda (FY 1991 Appropriations Act Sec. 516): Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? No
38. Marine Insurance (FY 1991 Appropriations Act Sec. 563): Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate? Yes
39. Exchange for Prohibited Act (FY 1991 Appropriations Act Sec. 569): Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law? No

**B. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY**

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Agricultural Exports (Bumpers Amendment) FY 1991 Appropriations Act Sec. 521(b), as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?</p> | N/A                                                                                                                                                                                                                                                                                                                                          |
| <p>2. Tied Aid Credits (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund"): Will DA funds be used for tied aid credits?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | No                                                                                                                                                                                                                                                                                                                                           |
| <p>3. Appropriate Technology (FAA Sec. 107): Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | No                                                                                                                                                                                                                                                                                                                                           |
| <p>4. Indigenous Needs and Resources (FAA Sec. 281(b)): Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>The goal of the Project is the development of tourism in Belize in a national manner that contributes to sustainable economic growth and preserve its unique natural and cultural resource base.</p>                                                                                                                                      |
| <p>5. Economic Development (FAA Sec. 101(a)): Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>Yes. The Project will improve planning and management of the tourism industry by increasing the capacity of both private and public sector entities.</p>                                                                                                                                                                                  |
| <p>6. Special Development Emphases (FAA Secs. 102(b), 113, 281(a)): Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>This project will support the self-help efforts of Belize by providing training for staff of the Ministry of Tourism and Environment, and the private sector Belize Tourism Industry Association. In particular, the project will enhance the participation of women in the development process, both as recipients and participants.</p> |

131

insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

7. Recipient Country Contribution (FAA Secs. 110, 124(d)): Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed country")?

Yes. The GOS is providing 59% of total project costs including cash and in-kind contribution.

8. Benefit to Poor Majority (FAA Sec. 128(b)): If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Yes, both Government and private sector institutions will increase their capabilities, creating employment opportunities for the poorer segments of society.

9. Abortions (FAA Sec. 104(f); FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 535):

a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No

b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

No

c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?

No

d. Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services?

N/A

e. In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning?

N/A

f. Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No

132

g. Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization?

No

10. Contract Awards (FAA Sec. 601 (e)): Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes

11. Disadvantaged Enterprises (FY 1991 Appropriations Act, Sec. 567): What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

The U.S. institutional contractors responsible for placement of participants are under the obligation to use minority firms, HBCUs and other minority colleges whenever these can meet the objectives of specific training programs.

12. Biological Diversity (FAA Sec. 119(g): Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

Yes, the project is designed to develop tourism while preserving the environment. In particular, the Department of Environment will be strengthened to assure and enforce compliance with good environmental regulations and practices.

13. Tropical Forests (FAA Sec. 118; FY 1991 Appropriations Act Sec. 533(c)-(e) & (g)):

a. A.I.D. Regulation 16: Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16?

Yes

b. Conservation: Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds

Yes

177

and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; (11) utilize the resources and abilities of all relevant U.S. government agencies; (12) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; and (13) take full account of the environmental impacts of the proposed activities on biological diversity?

c. Forest Degradation: Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (3) activities which would result in the conversion of forest lands to the rearing of livestock; (4) the construction, upgrading or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (5) the colonization of forest lands; or (6) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

N/A

d. Sustainable forestry: If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

N/A

124

e. Environmental impact statements: Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable A.I.D. regulations requiring an environmental impact statement for activities significantly affecting the environment? N/A

14. Energy (FY 1991 Appropriations Act Sec. 533(c)): If assistance relates to energy, will such assistance focus on: (a) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (b) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases? N/A

15. Sub-Saharan Africa Assistance (FY 1991 Appropriations Act Sec. 562, adding a new FAA chapter 10 (FAA Sec. 496)): If assistance will come from the Sub-Saharan Africa DA account, is it: (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) to be used to promote sustained economic growth, encourage private sector development, promote individual initiatives, and help to reduce the role of central governments in areas more appropriate for the private sector; (c) being provided in accordance with the policies contained in FAA section 102; (d) being provided in close consultation with African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (e) being used to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take into account, in assisted policy reforms, the need to protect vulnerable groups; (f) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas? N/A

135

16. Debt-for-Nature Exchange (FAA Sec.463): If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (a) the world's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves; or describe how the exchange will promote: (d) natural resource management, (e) local conservation programs, (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing, and watershed management.

N/A

17. Deobligation/Reobligation (FY 1991 Appropriations Act Sec. 515): If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

N/A

#### 18. Loans

a. Repayment capacity (FAA Sec. 122(b)): Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.

N/A

b. Long-range plans (FAA Sec. 122(b)): Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

N/A

c. Interest rate (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter?

N/A

d. Exports to United States (FAA Sec. 620(d)): If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

N/A

19. Development Objectives (FAA Secs. 102(a), 111, 113, 281(a): Extent to which activity will: (1) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local government institutions; (3) support the self-help efforts of

The Project will increase the capacity in Belize to plan and manage tourism growth in a way that benefits Belizeans broadly while protecting the country's natural and cultural environment on which this growth depends. The project is basically an institutional and human resource development project.

136

developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

**20. Agriculture, Rural Development and Nutrition, and Agricultural Research (FAA Secs. 103 and 103A):**

a. Rural poor and small farmers: If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to increase productivity and income of rural poor; or if assistance is being made available for agricultural research, has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made.

N/A

b. Nutrition: Describe extent to which assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expand use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people.

N/A

c. Food security: Describe extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

N/A

21. Population and Health (FAA Secs. 104(b) and (c)): If assistance is being made available for population or health activities, describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

N/A

22. Education and Human Resources Development (FAA Sec. 105): If assistance is being made available for education, public administration, or human resource development, describe (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in

N/A

development; (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

23. Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec. 106): If assistance is being made available for energy, private voluntary organizations, and selected development problems, describe extent to which activity is:

a. concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment; N/A

b. concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations; N/A

c. research into, and evaluation of, economic development processes and techniques; N/A

d. reconstruction after natural or man-made disaster and programs of disaster preparedness; N/A

e. for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance; N/A

f. for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development. N/A

24. Sahel Development (FAA Secs. 120-21). If assistance is being made available for the Sahelian region, describe: (a) extent to which there is international coordination in planning and implementation; participation and support by African countries and organizations in determining development priorities; and a long-term, multi-donor development plan which calls for equitable burden-sharing with other donors; (b) whether a determination has been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of projects funds (dollars or local currency generated therefrom). N/A

123

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UNCLAS SECTION 01 OF 02 STATE 063943

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E.O. 12356: N/A

TAGS:

SUBJECT: BELIZE TOURISM MANAGEMENT PID (505-0044) REVIEW

REF: 90 STATE 000861

1. SUMMARY: THE REVIEW OF THE TOURISM MANAGEMENT PROJECT (TMP) PID WAS HELD ON 1/31/91. THE MEETING WAS CHAIRED BY ELENA BRINEMAN, DEPUTY DIRECTOR, LAC/DR, AND THE MISSION WAS REPRESENTED BY PDO PAUL BISEK. THE CHAIR COMPLIMENTED THE MISSION ON A WELL DONE PAPER. THE PID WAS APPROVED AND THE USAID BELIZE REPRESENTATIVE IS HEREBY DLEGATED AUTHORITY TO APPROVE AND AUTHORIZE THE PROJECT IN THE FIELD, SUBJECT TO THE CONDITIONS OUTLINED BELOW. END SUMMARY.

2. ENVIRONMENTAL THRESHOLD DECISION: IT IS NOT POSSIBLE AT THIS TIME TO FULLY EVALUATE THE POTENTIAL ENVIRONMENTAL EFFECTS OF THE TMP PROJECT, SINCE SPECIFIC ACTIVITIES, ESPECIALLY IN THE PRIVATE SECTOR COMPONENT, WILL ONLY BECOME CLEAR AS THE PROJECT DEVELOPS FURTHER.

DECISION: AN ENVIRONMENTAL DETERMINATION CANNOT BE MADE AT THIS TIME. THE BUREAU THEREFORE RECOMMENDS THE

TNCLUSION OF AN ENVIRONMENTAL SPECIALIST ON THE PP DEVELOPMENT TEAM TO ASSIST WITH GENERAL DESIGN REQUIREMENTS AND REG. 16 DOCUMENTATION. THE LATTER SHOULD BE FORWARDED TO LAC/DR/E FOR APPROVAL ASAP AND PRIOR TO PROJECT APPROVAL.

3. PROJECT MANAGEMENT: THE CAPABILITY OF THE MINISTRY OF TOURISM AND ENVIRONMENT (MTE) TO MANAGE ELEMENTS OF BOTH THE TOURISM MANAGEMENT AND NATURAL RESOURCES MANAGEMENT PROJECTS WAS QUESTIONED. IT WAS SUGGESTED THAT THE PROJECT OPERATIONS UNIT BING PROPOSED UNDER THE NATURAL RESOURCES MANAGEMENT PROJECT (NRMP) COULD BE EMPLOYED TO COORDINATE AND MANAGE THE ACTIVITIES UNDER THE TMP PROJECT. THE MISSION REPRESENTATIVE RESPONDED THAT IT WAS NOT NECESSARY TO ADD ANOTHER MANAGEMENT OVERSIGHT NIT, SINCE THE BELIZE TOURIST BOARD (BTB) AND THE BELIZE TOURISM INDUSTRY ASSOCIATION (BTIA) SHOULD BE

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ABLE TO EFFECTIVELY MANAGE THE PROJECT WITH THE TECHNICAL ASSISTANCE BEING PROPOSED.

DECISION: HE PP SHOULD CAREFULLY ANALYZE AND DETAIL HOW THE IMPLEMENTING AGENCIES WILL MANAGE THE PROJECT. IN PARTICULAR, THE BTB'S CAPACITY TO MANAGE ITS AREAS OF RESPONSIBILITY UNDER THE TMP AND NRMP PROJECTS SHOULD BE ADDRESSED.

4. HUMAN RESOURCE DEVELOPMENT: THE PID NOTES THAT THERE ARE RELATIVELY FEW TRAINED PROFESSIONALS AVAILABLE IN OR OUT OF THE GOVERNMENT TO CARRY OUT THE PROJECT'S MANDATE. THE MISSION REP BELIEVED THAT THE ONLY WAY THE GOB CAN COUNTERACT THIS SITUATION IS TO ESTABLISH THE NECESSARY POSITIONS, AND TO RECOMMEND INDIVIDUALS TO BE TRAINED. HE FURTHER ADVISED THE MEETING THAT THERE WAS NO NEED TO CONDITION PROJECT FUNDING ON THE AVAILABILITY OF QUALIFIED COUNTERPARTS AS THE PROJECT WAS NATURALLY PHASED BECAUSE OF THE PLANNED GRADUAL IMPLEMENTATION OF THE PROJECT OVER FIVE YEARS. FINALLY, THE BUREAU QUESTIONED THE ADEQUACY OF PROVIDING TRAINING FOR ONLY ONE GRADUATE DEGREE PROGRAM IN TOURISM PLANNING/ANALYSIS.

DECISION: IT IS OUR UNDERSTANDING THAT TRAINING WILL BE TARGETTED AT INDIVIDUALS IN THE PUBLIC SECTOR AND IN NON-PROFIT ORGANIZATIONS AND NO TRAINING OF INDIVIDUALS WHOSE FOR-PROFIT BUSINESSES WOULD DIRECTLY BENEFIT FROM THE TRAINING (E.G., HOTEL MANAGEMENT) IS ENVISIONED. PP DESIGNERS SHOULD ASSESS THE PROJECT'S LONG TERM TRAINING NEEDS AND CONSIDER TRAINING MORE THAN ONE INDIVIDUAL IN TOURISM PLANNING AND ANALYSIS AS A HEDGE AGAINST TRAINED

INDIVIDUALS LEAVING FOR MORE LUCRATIVE OFFERS. ALSO, GIVEN STAFF CONSTRAINTS OF THE BTB THE PP SHOULD EXPLORE ALTERNATIVES FOR CONDUCTING PLANNED POLICY ANALYSIS, INCLUDING CONTRACTING WITH QUALIFIED BELIZEAN OR EXTERNA ORGANIZATIONS OR ANALYSTS.

5. MONITORING/EVALUATION PLAN: IT WAS SUGGESTED THAT THE PLAN IMPLICITLY PROPOSED IN THE PID SEEMS TO BE BASED MORE ON QUALITATIVE RATHER THAN QUANTITATIVE ASSESSMENTS.

DECISION ALTHOUGH THE BUREAU UNDERSTANDS THAT IT WILL BE DIFFICULT, THE PP SHOULD ADDRESS THE ISSUE OF PROGRAM LEVEL INDICATORS AND EVALUATION/MONITORING SYSTEMS WHICH WILL ALLOW THE MISSION TO MEASURE PROGRAM IMPACT. THE EVALUATION PLAN DEVELOPED SHOULD BE GENDER SENSITIVE, I.E., ABLE TO MEASURE THE IMPACT ON BOTH MEN AND WOMEN.

6. SUSTAINABILITY: IN RESPONSE TO THE QUESTION OF HOW

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140

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 UNCLAS SECTION 02 OF 02 STATE 063943

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E.O. 12356: N/A

TAGS:

SUBJECT: BELIZE TOURISM MANAGEMENT PID (505-0044) REVIEW

THE ACTIVITIES UNDER THE TMP PROJECT WILL BE CONTINUED AFTER A.I.D. FUNDING ENDS, THE MISSION REPRESENTATIVE DID NOT FORESEE A PROBLEM WITH THE PUBLIC SECTOR COMPONENT. THE GOB HAS ALREADY DEMONSTRATED ITS COMMITMENT BY CREATING A NEW MINISTRY (MTE) TO HANDLE TOURISM. THE RELATIVELY SMALL AMOUNT (\$200,000/YEAR) OF RECURRENT COSTS, HE BELIEVED CAN BE EASILY PROVIDED BY THE GOB. WITH RESPECT TO THE PRIVATE SECTOR COMPONENT, HE FELT THAT THE SUSTAINABILITY OF BTIA IS PROBLEMATIC. THE STAFF IS RELATIVELY NEW AND THEREFORE IT IS TOO EARLY TO ASSESS ITS CAPABILITY. HE SUGGESTED THAT THE PRIVATE SECTOR, THROUGH FEES AND MEMBERSHIP DUES, SHOULD FINANCE ITS OPERATIONS. BTIA IS NOT SELF-SUPPORTING NOW, AND THE MISSION WILL BE WILLING TO END ITS FINANCIAL SUPPORT IF IT IS UNABLE TO ACHIEVE THAT OBJECTIVE BY THE END OF THE PROJECT.

DECISION: FROM THE ONSET, THE MISSION SHOULD GUARD AGAINST SUBSIDIZING THE SERVICES THAT BTIA WILL PROVIDE TO ITS MEMBERS. THE MISSION IS ALSO REMINDED RE PAR 1, REPTEL THAT QUOTE GENERALLY IT IS THE INTENT OF BUREAU POLICY TO EXCLUDE FROM A.I.D FUNDING THE OPERATING COSTS OF GOVERNMENT OR PRIVATE SECTOR TOURISM PROMOTION OFFICES HIGH FUND ADVERTISING CAMPAIGNS FOR TOURISM PER SE. UNQUOTE.

7. BELIZEAN NGOS: THE PID IS SILENT ON THE ROLE OF ENVIRONMENTAL NGOS. THEY ARE ESSENTIAL TO THE SUCCESS OF ECOTOURISM THROUGH THEIR ROLE IN MANAGING SOME OF THE

PROTECTED AREAS, PROVIDING ENVIRONMENTAL EDUCATION AND ACTING AS THE MAJOR SOURCE OF BELIZE'S ENVIRONMENTAL EXPERTISE.

DECISION: IT IS OUR UNDERSTANDING THAT BTIA AND BB ALREADY PERCEIVE THE NEED TO WORK WITH ENVIRONMENTAL NGOS. HOWEVER, THE PP SHOULD EXPLICITLY INDICATE HOW SUCH A LINKAGE WILL OCCUR.

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141

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8. CLARIFICATIONS:

FUNDING - IT IS THE BUREAU'S UNDERSTANDING THAT IF PROJECT FUNDING BEGINNING IN FY 92 IS LESS THAN PLANNED, THE MISSION WOULD DEFER SOME TRAINING FOR THE FOLLOWING YEAR, WHICH COULD EXTEND THE PROJECT BY ONE YEAR.

MUNDO MAYA - THE GOB THROUGH ITS OWN RESOURCES IS ACTIVELY INVOLVED IN THE MUNDO MAYA PROGRAM. DURING PP DESIGN USAID/BELIZE SHOULD ENSURE THAT THE TMP PROJECT IS SUPPORTIVE OF THE GOB'S MUNDO MAYA EFFORT.

9. DELEGATION OF AUTHORITY: IN CONSIDERING THE MISSION'S REQUEST TO APPROVE AND AUTHORIZE THE TOURISM MANAGEMENT PROJECT IN THE FIELD, THE BUREAU CONSIDERED, AMONG OTHER POINTS, THE CAPABILITY OF BELIZE TO MANAGE AND SUSTAIN THE PROJECT AND BUREAU TOURISM POLICY ISSUES.

DECISION: THE LAC BUREAU APPROVES THE PID AND DELEGATES AUTHORITY TO THE MISSION REPRESENTATIVE TO APPROVE AND AUTHORIZE THE PROJECT IN THE FIELD. BAKER

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142



**BELIZE TOURISM INDUSTRY ASSOCIATION**

99 Albert Street, Belize City, Belize, C.A.  
Tel: 02 - 75717 & 78709, Fax: 501 2 78710

Mailing Address:  
P.O. Box 62,  
Belize City, Belize, C.A.

Ref: 9108/211

August 9, 1991

Mr. Paul Bisseck  
Project Development Officer  
USAID Mission  
Gabourel Lane  
Belize City

Reference: Request for Future funding for BTIA

Dear Mr. Bisseck:

USAID's support to BTIA under the TEP project through the Belize Institute of Management ends on September 30, 1991.

Much was accomplished under the above mentioned project including institution building and training. Much more needs to be done if BTIA is to develop the capacity to plan and assist the Ministry of Tourism and the Environment to manage the tourism industry's growth in a rational manner which should benefit all Belizeans at the same time preserving its cultural and environmental patrimony.

It is for this reason that BTIA requests continued financial support for its next five year plan which was accomplished at a recent retreat of the BTIA's Board of Directors and staff.

Attached is a copy of the five year plan which we have estimated will cost \$1.5 million US dollars over the five year period 1991 - 1996.

We trust that USAID will seriously consider this request and we thank you.

Sincerely,

Sylvano Guerrero  
Executive Director



143



*Ministry of Economic Development*

Fax: (501)08-23111  
Tel: (501)08-22526/08-22527  
Your Ref.:  
Our Ref.: 2015/91(24)

311  
P.O. Box 42  
Unity Boulevard  
Belmopan  
Belize, Central America

September 11, 1991

Mrs. Barbara Sandoval  
A.I.D. Representative  
U.S.A.I.D. Mission to Belize  
Gabourel Lane  
Belize City, Belize

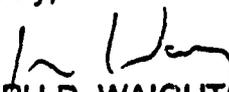
Dear Mrs. Sandoval:

Kindly regard this letter as a formal request for a U.S.A.I.D. grant in the amount of US\$300,000 to assist the Government of Belize in improving its capacity to plan and manage tourism growth in a way that benefits Belizeans broadly while protecting the country's natural and cultural environment.

A review of the documentation provided confirms that the goal of the project is the development of tourism in Belize in a rational manner that simultaneously contributes to sustainable economic growth and preserves the country's unique natural resource base. To achieve this, the project's components will focus on developing the analytical, technical, administrative, and logistical capabilities of those public agencies and private sector institutions responsible for managing and regulating the tourism industry.

We believe this project will make a significant contribution to the economic development of Belize. I will be available for further discussions on the foregoing proposal at our mutual convenience.

Sincerely,

  
JOSEPH D. WAIGHT  
Permanent Secretary  
Ministry of Economic Development

cc: Permanent Secretary, Ministry of Natural Resources  
Permanent Secretary, Ministry of Tourism & Environment  
Financial Secretary

N.B. Amount is planned initial Agreement amount,  
not planned LOP funding.

144

INITIAL ENVIRONMENTAL EXAMINATION

PROJECT LOCATION: Belize  
PROJECT TITLE: Tourism Management Project  
PROJECT NUMBER: 505-0044  
ESTIMATED FUNDING: LOP(\$000) AID \$3,000 (Grant)  
LIFE OF PROJECT: Five Years (FY 91-96)  
IEE PREPARED: Pedro N. Perez, Jr.  
Private Sector Project Manager  
RECOMMENDED THRESHOLD  
DECISION: Negative Determination

CONCURRENCE:

  
\_\_\_\_\_  
Patrick McDuffie  
Acting A.I.D. Representative

6/7/91  
\_\_\_\_\_  
Date

APPROVAL:

\_\_\_\_\_  
Jim Hester  
Chief Environmental Officer  
LAC/DR/E

\_\_\_\_\_  
Date

Clearance: PDO/PPerez   
PDO/ArtVillanueva DRAFT   
ADO/NRO/JeffAllen DRAFT 

AGENCY FOR INTERNATIONAL DEVELOPMENT  
UNITED STATES A. I. D. MISSION TO BELIZE  
EMBASSY OF THE UNITED STATES OF AMERICA  
BELIZE CITY, BELIZE, CENTRAL AMERICA

MEMORANDUM

June 7, 1991

TO : LAC/DR/E - Jim Hester

FROM : Acting A.I.D. Representative - Patrick McDuffie

SUBJECT: IEE for Belize Tourism Management Project (505-0044)

REF : STATE 063943

USAID/Belize was requested by LAC to include an Environmental Specialist on the development team for the Tourism Management Project (TMP) Project Paper to assist with general design requirements and REG. 16 Documentation (22 CFR Part 216). Mr. Ivor Jackson was the Environmental Specialist included in the Devres, Inc. development team in response to the Bureau's request.

Attached please find the Environmental Analysis on the Tourism Management Project. In accordance with 22 CFR Part 216, the analysis identifies the potential problem areas that would impact on the environment and proposes safeguards to address them; recommends ways in which the host country could strengthen its capabilities to appreciate and effectively evaluate the potential environmental effects of proposed and existing policies, and identifies good environmental practices. The analysis also describes the opportunities and constraints that are present for the development of tourism in an environmentally sound manner and suggests ways to protect the cultural stability and the natural resource base on which sustained development depends.

The conclusion of the Environmental Analysis is that a categorical exclusion is justified because the activities will have little or no direct effect on the physical or human environment.

Your approval on the attached IEE recommending a negative threshold determination for the project is requested at the earliest possible time since we expect to have the Project Paper finalized in early July. If you deem it necessary, we can provide you a copy of the draft PP in late June, or the final PP in July, for your information and files.

Attachment

146

## I. Project Description

The purpose of the project is to increase capacity in Belize to plan and manage tourism growth in a way that benefits Belizeans broadly while protecting the country's natural and cultural environment. The project will help strengthen the capability of the recently formed Ministry of Tourism and the Environment, along with other relevant public and private sector entities, to identify and analyze policy options and to implement and enforce policies and regulations relating to tourism growth and associated environmental concerns.

In addition, the project will continue to strengthen the Belize Tourism Industry Association in building its capacity to provide research and market intelligence services to government and the tourism industry, as well as other services to help tourism operators, especially small enterprises, to improve the quality and profitability of their businesses. The private sector component will in addition support BTIA's efforts to identify and develop programs to meet the tourism industry's training needs.

The assistance under the project will increase the capacity of both public and private sector entities to respond to critical tourism and environmental issues in terms of conducting policy analysis, formulating policies and procedures, implementing programs and monitoring and regulating the tourism industry. The project will also enhance coordination and cooperation with other public and private entities thus contributing to a more efficient and profitable tourism industry resulting from a better managerial and regulatory environment.

The proposed A.I.D. contribution to this project over five years is \$3 million. A.I.D. funds will be used primarily for technical assistance, information and education, training, equipment/materials and operational support under the private sector component.

## II. Environmental Impact Checklist

### Impact Identification and Evaluation Form

- N - No environmental impact
- L - Little environmental impact
- M - Moderate environmental impact
- H - High environmental impact
- U - Unknown environmental impact
- + - Positive impact
- - Negative impact

## Impact Areas and Sub-areas

### A. Land Use

1. Changing the character of the land through
  - a. Increasing the population N
  - b. Extracting natural resources N
  - c. Land clearing N
  - d. Changing soil character N
2. Altering natural defenses N
3. Foreclosing important use N
4. Jeopardizing man or his works N
5. Other factors N

### B. Water Quality

1. Physical state of water N
2. Chemical and biological states N
3. Ecological balance N
4. Other factors N

### C. Atmosphere

1. Air additives N
2. Air pollution N
3. Noise pollution N
4. Other factors N

### D. Natural Resources

1. Diversion, altered use of water N
2. Irreversible, inefficient commitments N
3. Other factors N

### E. Cultural

1. Altering physical symbols N
2. Dilution of cultural traditions N
3. Other factors N

### F. Socio-economic

1. Change in economic/employment patterns +
2. Change in population N
3. Changes in cultural patterns +
4. Other factors +

### G. Health

1. Changing a natural environment N
2. Eliminating an ecosystem element N
3. Community health conditions N

148

**H. General**

- |                          |   |
|--------------------------|---|
| 1. International impacts | + |
| 2. Controversial impacts | N |
| 3. Larger program impact | + |
| 4. Other factors         | N |

**III. Impact Identification and Evaluation**

This Project is essentially an institution building and training effort with a principal objective of strengthening the GOB and the Private Sector to plan, manage and monitor tourism growth in an environmentally sound manner which is essential to the development of a vibrant and sustainable industry. The activities have little or no direct effect on the physical and natural environment; a categorical exclusion is justified.

**IV. Recommendation**

In light of the nature of this Project and the programs and actions which could follow it, a negative threshold determination is recommended.

## ANNEX 7

### ENVIRONMENTAL ANALYSIS

#### A. Introduction and Purpose

This environmental analysis of the Belize Tourism Management Project (TMP) meets the requirement of an Initial Environmental Examination (IEE) as set out in the environmental procedures for USAID funded projects. The TMP has an environmental component intended to mitigate the impact of tourism on the resources of Belize. The analysis serves two purposes: First, it provides the basis to determine if the impacts of the TMP would be severe enough to warrant an Environmental Assessment (EA) or Environmental Impact Statement (EIS) in accordance with USAID procedures; second, it provides guidance in the design of the TMP to help ensure that its goal and purpose are met and as such becomes an integral part of the TMP's Project Paper (PP).

#### B. Major Issues

##### 1. Growth management

Belize's draft tourism policy seeks orderly growth of the industry. However, to achieve the socio-economic objectives of the policy the Government of Belize (GOB) is aggressively undertaking investment promotion and marketing of the destination and this could inadvertently lead to growth management problems. The pace at which tourism is growing, as indicated by tourist arrival figures (88,430 in 1984 to 179,814 in 1989) suggest that it will be difficult to maintain low-impact tourism. There is no reason at this time to suggest that, taken overall, growth should be arrested. Rather, an awareness that there are inherent difficulties in achieving the objectives of sustainable tourism should strengthen the resolve of the GOB to improve the capacity to manage the industry.

Older Caribbean tourism destinations with development strategies similar to Belize have severe problems managing tourism uses in the coastal zone. They are unable to match water supply, sewage waste management, labor and housing to the demands created by rapidly growing tourist economies. Thus, in some cases, water is occasionally rationed and resort areas lose their attraction and business due to sewage waste pollution. The demand for cheap housing by persons working or seeking employment in tourism resorts may increase unsanitary conditions and a higher incidence of diseases in overcrowded housing areas.

In Belize itself, the experience of Ambergris Caye is instructive of what lies ahead if the differences between tourism and environment are not reconciled. In theory, Ambergris Caye with a population of only 5,000 residents and

less than 900 hotel beds should be able to meet water demands which cannot be more than 400,000 gals/day and should be devoid of sewage pollution problems that threaten water supply and health. Barbados, which is about the same size, produces water for its population of over one quarter million and close to one half million tourists per year from ground water sources. Ambergris Caye represents an unfortunate case of unmanaged growth, not over-development, where water and pollution problems threaten the tourism industry itself.

## 2. Institutional capacity for environmental management

Recent and ongoing attempts to build institutional capacity for environmental management within the GOB are commendable. However, there are still critical weaknesses in the institutional structure for managing tourism/environment linkages that need to be addressed.

### a. Environmental policies

There is considerable sentiment and enthusiasm for better resource management within the community. These energies could be channelled into more tangible gains if environmental policies were clearly articulated so that there is no ambiguity among the public and private sectors and the NGO community on environmental management goals and objectives. Under a grant from WWF-US, supported partly by USAID funding, the Conservation Division, Forestry Department (CD/FD) of the Ministry of Natural Resources (MNR) will combine technical support with the involvement of an inter-agency Advisory Committee to develop policies for parks and protected areas, inclusive of visitor fees and recreational concessions within such areas, for GOB's adoption. The Ministry of Tourism and the Environment (MTE) should clearly collaborate in this effort, which is expected to further promote and manage tourism uses in parks and protected areas. MNR is also preparing a similar undertaking in the development of a water resources management policy.

These are timely efforts that should be complemented by other policy initiatives. A comprehensive land use policy built out of broad based inter-ministerial consultations with input from the private sector is desirable. It would provide the framework for needed upgrading of land use planning legislation and for creating an effective development review and permitting system, inclusive of Environmental Impact Assessment (EIA) provisions. This is essential to minimizing the impact of future tourism development projects on the environment. It is an area of vital interest to the MTE and thus the DE should encourage and be prepared to assist with this and other appropriate environmental policy initiatives.

**b. Clarification of environmental mandates**

The Department of the Environment (DE) within MTE is a new entity still searching for the right niche in environmental management. It needs legislative backing and a clear mandate that is acceptable to longer standing environmental bodies. It would then be in a better position to realistically determine staffing and training needs and program its affairs. Its proposed mandate would usurp environmental functions from some other GOB agencies, a situation that could cause some resentment if not carefully handled. A review and clarification of the environmental mandates of all agencies in question is important to the outcome of this project.

**c. Recruitment and training of qualified staff**

Shortage of qualified staff is a major impediment to resource management in Belize. Just about every GOB resource management agency has vacancies to fill. Competition between agencies for qualified candidates is growing. The DE can therefore expect to have difficulties in recruiting professional staff and in finding candidates to fill Bsc and MS training slots proposed in USAID's NRMP. The DE presently has one (1) staff person, the Chief Environmental Officer, and another established position for a Senior Environmental Officer, which it hopes to fill by June, 1991. The intention is to budget two additional slots in FY 1992-93 for associate degree level environmental technicians and possibly one position for an administrative officer. It presently gets administrative support from a pool in the MTE.

Recruitment of qualified staff is absolutely essential to the ability of the DE to make a significant contribution to the management of the tourism industry. Its situation is not unique, but perhaps more precarious than other public sector agencies, NGOs and private sector organizations. Nevertheless, an initial staff of two degreed though fairly inexperienced, professionals and two technicians could be expected to make a reasonable contribution to the DE's effort in a thoughtfully designed work program.

Despite the numerous training opportunities available under various donor programs, a resource management skill shortage will remain acute for years to come. This is a management crisis of serious proportions that is not fully acknowledged. The wide range of technical support available to Belize will be less effective as a result. It will be one of the major constraints to the success of the TMP.

**d. Legislation and enforcement**

Despite an impressive body of environmental legislation, enforcement remains weak. For example, the installation of private sewage systems on Ambergris Caye is in

theory controlled by the Water and Sewage (Plumbing) Code 1981, Statutory Instrument No 29 of 1982, which requires effluent leaching pits to be located 150 ft from wells. This is not enforced and the contamination of ground water is a result. The provision of the Instrument may be unrealistic given the urban character of San Pedro. If this is so, the review and update of the law should be considered.

This project could provide the DE with the support to undertake a review of environmental legislation that should be upgraded to manage the impacts of tourism on the environment and to identify factors that limit enforcement. The draft Ambergris Cays Master Plan states that the provisions governing physical planning under the Housing and Town Planning Ordinance (Cap 148) lack reference to policy, demographic and socio-economic conditions and therefore cannot deal with the complex requirements for the development of towns, cities and tourism resorts. Redrafting of the law is needed to allow a planning process that is more fluid and respectful of social, economic and environmental imperatives and to create a better system of development control.

On the other hand the proliferation of environmental legislation is not desirable. Each new piece of legislation comes with a cost that is not usually quantified. Often the feeling is that once a bill becomes law, most of the work has been done. One suspects that difficulties of enforcement are frequently due to the inability to shoulder the costs that come with the particular legislation. It is therefore important that the MTE, which is presently considering environmental protection legislation along the lines of the Guyana Environmental Protection Act undertake an analysis of costs as well as legislative compatibility in designing the legislation and any protective agency.

#### e. Other institutional issues

Other important issues must also be addressed. Data inadequacies are widely acknowledged, although with the support of various donors the situation is gradually improving. Data needs can be prioritized in relation to the objectives of this project. In this case, a data base for the DE could be designed initially to facilitate the assessment of environmental impact of tourism projects and uses and to assist with strategic planning for the "zoning" of tourism development areas. There are existing data bases that the DE could tap into to build its own capacity and the system could expand on demand.

The application of environmental standards in project assessment and in the monitoring of tourism uses is often discretionary and even arbitrary. Fairness requires, for example, that the tourism industry is made fully aware of regulatory standards for effluent discharge, or of standards sought through administrative decree if regulations do not

exist, and which agencies are responsible for their administration and enforcement. The industry also needs to know procedures for the redressing of grievances. In relation to its role in EIA the DE could coordinate an effort in reaching agreement on a package of standards related to the construction and use of tourism facilities and have them published.

### C. Environmental Management for Tourism In Belize

#### 1. Roles and responsibilities

Environmental management in Belize is shared by the public and private sectors and NGOs. As with all other matters, the GOB is responsible for developing policy but the private sector and NGOs are very much involved in the policy process in lobbying and advocacy or through the use of various collaborative mechanisms, such as national advisory councils, public/private sector committees, etc.

Table 1 lists the entities whose responsibilities relate to tourism and environment. A full description of responsibilities and functions is beyond the scope of this analysis. It is worth noting, however, that the responsibility for managing the three major heritage attractions are vested in the institutions briefly described below:

#### a. Wildlands and wildlife

MNR houses this responsibility, legally vested in the FD. Through its CD it is developing a Parks and Protected Areas (PPA) management service. The FD/CD has a very unique relationship with the Belize Audubon Society (BAS), which has been delegated the responsibility for managing existing PPAs. The relationship is prescribed solely by a letter of understanding, which has serious legal ramifications and thus the agreement must be made legally sound. One drawback is that the BAS cannot enforce the PPA system and wildlife laws in the areas they manage and therefore an effective enforcement regime must be put in place to ensure the compliance of growing tourism uses.

A fairly novel situation exists in the management of private "reserves" as tourist attractions. Private stewardship of protected areas is not commonly practiced but appears to be successful in Belize and perhaps should be further encouraged under an instrument that allows the GOB to register areas that qualify for official reserve status and to provide guidelines on standards of operation.

**Table 1: PUBLIC AND PRIVATE SECTOR AGENCIES  
AND ORGANIZATIONS WITH TOURISM AND  
ENVIRONMENT FUNCTIONS AND  
RESPONSIBILITIES**

<u>AGENCY/ORGANIZATION</u>	<u>FUNCTIONS</u>
<u>Government of Belize</u>	
<u>MTE</u> BTB State DE Coordination of  DA Resources BNTC	<u>Policy, Strategy, Planning, Analysis</u> Policy Execution, Promotion, Visitor  Assessment of Tourism Projects,  Environmental Issues Management of Archaeological  Policy Advice to MTE
<u>MNR</u> CD/FD  LUA Lands Div.	<u>Land Policy, Land Use</u> Parks and Protected Areas and Wildlife Management Land Use, Development Control Land Subdivision
<u>MOA</u> Fisheries Dept. Resources CZM Unit Hol Chan Mgt.	<u>Agricultural and Fisheries Policy</u> Management of Fisheries  CZM Research, Planning Management of Hol Chan Reserve
<u>MEP</u>	<u>Tourism Concessions</u>
<u>MO Housing</u>	<u>Physical Planning</u>
<u>MO Health</u>	<u>Waste Pollution, Health</u>
<u>Private Sector</u>	
BTIA Industry BAS Advocacy BCES Planning Belize Zoo Awareness	Training and Support to Tourism  PPA Mgt., Awareness, Policy  Environmental Inventory, Assessment,  Environmental Education,

155

ses exist in protected area planning within the GOB. Center for Environmental Studies (BCES) is helping to gap. Research and planning are needed to ensure the ble PPA system is created to give adequate protection cal diversity while achieving economic objectives. ng is part of the mandate of the CD and environmental s that of the DE. Neither is presently in the o undertake such tasks and therefore GOB capacity in must be built.

b. Barrier reef, cays and other coastal resources

The Fisheries Department is the most active GOB naging coastal zone (CZ) resources, including the Hol erve. The CZ however represents a complex of resources, s and uses, requiring an equally complex networking of to achieve CZM goals. Thus, any steps to create a CZM y, as has been promised in some areas, must clearly e responsibilities of such an authority in relation to f other entities, who by law and good reason must e to share responsibility for the CZ.

Fisheries Department is rightly taking the lead in CZM ough its CZM Unit is preparing a CZM plan. The barrier or example, is perhaps more valuable to fisheries than er sector, but by law the MTE has jurisdiction over ned wrecks, MNR for mangroves and land uses, the Ministry omic Development (MED) for granting concessions for a projects, and the Ministry of Health (MOH) for pollution ent from tourism and other uses. It would seem then that eparation of the CZM should have a greater degree of -ministerial input, technical and advisory, than now occurs.

f environmental planning and policy is to be a part of portfolio, this presents an excellent opportunity for the vement of DE and DA staff. They would contribute to, and valuable experience from the CZM planning process, and help to build formal and informal collaborative mechanisms CZM. It is very important for the management of tourism and r use of the barrier reef and cays that formal mechanisms identified for arbitrating ministerial jurisdictional icts in the CZ when they occur. A likely source of such flict is the barrier reef, where salvage operations under MTE ority may severely damage the reef as a fishery resource.

c. Archaeological resources

The MTE/DA has responsibility for the management of chaeological resources, land and marine. Collaboration with e MOA is required for the management of wrecks and therefore a isheries Administrator" is appointed to the Abandoned Wreck thority under the Abandoned Wreck Act of 1990. There is also me form of collaborative mechanism between the MTE/DA and the )/CD in the management of Mayan sites that fall within parks.

and protected areas and forest reserves. The DA recently lost two trained archaeologists and must now rebuild staff through recruitment and training. It has a total of thirteen (13) field staff working at eight (8) Mayan sites open for visits. Given the scope of its responsibilities, it is critically understaffed in technical and non-technical areas.

Under the Ancient Monument and Antiquities Ordinance (CH 259) a private owner may apply to maintain and manage ancient monuments or antiquities in his/her possession, but all such resources are vested in the Crown. The Belize Archaeological Association is an NGO with interest in archaeological resources. Logging and agricultural uses threaten the integrity of some Mayan sites, such as Altun Ha, thus the Lands Division and LUA in the MNR should exercise their authority to ensure that land uses near such areas are less threatening. The MTE/DE has been meeting with other ministries to identify land use issues and priorities for action. It may want to consider engaging TA under ~~the~~ TMP to prepare guidelines for land use and zoning procedures for Mayan sites threatened by encroaching uses.

## 2. Specific responsibilities of TMP beneficiaries

### a. MTE

The TMP expects to build the Ministry's capacity for policy, planning, and analysis, which is presently lacking. The difficulties involved in the DE assuming a very broad proposed mandate were already discussed. Its actual functions currently are the review of tourism and other projects seeking concessions, facilitation of problem response monitoring activities, such as hotel waste pollution, working with the Ministry of Health and other agencies, and helping the MTE to coordinate discussions on environmental issues.

The Permanent Secretary of the MTE is well known and respected for past accomplishments in environmental matters working with NGOs. Thus, despite the various constraints, the prospects of the MTE becoming an important force for conservation management should be viewed with optimism. BTB has no direct environmental management functions, but should build its data gathering capacity to help monitor negative trends in visitor use of PPAs, the barrier reef, and Mayan ruins.

### b. BTIA

There is considerable sentiment among BTIA membership for improved tourism and environment management. At present, however, the organization appears to have no real mechanisms for becoming more involved in environmental management actions on the ground, outside of lobbying and providing policy advice to the GOB. An environmental subcommittee of the BTIA Board could be considered to further engage the BTIA and its membership in environmental affairs.

MEMORANDUM

June 7, 1991

TO : LAC/DR/E - Jim Hester  
FROM : Acting A.I.D. Representative - Patrick McDuffie  
SUBJECT: IEE for Belize Tourism Management Project (505-0044)  
REF : STATE 063943

USAID/Belize was requested by LAC to include an Environmental Specialist on the development team for the Tourism Management Project (TMP) Project Paper to assist with general design requirements and REG. 16 Documentation (22 CFR Part 216). Mr. Ivor Jackson was the Environmental Specialist included in the Devres, Inc. development team in response to the Bureau's request.

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Attachment

Drafted: PPerezJr1069w/05/04/91  
Clearance: Acting PDO/Art Villanueva draft  
PDO/NRO/Jeff Allen draft

sent with  
AID file  
4/9/91

58