

I. PROJECT IDENTIFICATION

1. PROJECT TITLE HUMAN RESOURCE DEVELOPMENT, BRITISH HONDURAS		APPENDIX ATTACHED <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <i>7p</i>	
3. RECIPIENT (specify) <input checked="" type="checkbox"/> COUNTRY British Honduras (Belize) <input type="checkbox"/> REGIONAL <input type="checkbox"/> INTERREGIONAL		2. PROJECT NO. (M.O. 1025.2) 596-11-660-100	
4. LIFE OF PROJECT BEGINNS FY 73 ENDS FY 75		5. SUBMISSION <input checked="" type="checkbox"/> ORIGINAL _____ DATE _____ <input type="checkbox"/> REV. NO. _____ DATE _____ CONTR./PASA NO. _____	

II. FUNDING (\$000) AND MAN MONTHS (MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMODITIES \$	F. OTHER COSTS \$	G. PASA/CONTR.		H. LOCAL EXCHANGE CURRENCY RATE: \$ US (U.S. OWNED)			
		(1) \$	(2) MM	(1) \$	(2) MM			(1) \$	(2) MM	(1) U.S. GRANT LOAN	(2) COOP COUNTRY		
										(A) JOINT	(B) BUDGET		
1. PRIOR THRU ACTUAL FY													
2. OPR. FY 73	75	40	9	28	60		7	40	9				66
3. BUDGET FY 74	75	40	9	25	60		10	40	9				64
4. BUDGET +1 FY 75	75	40	9	23	60		12	40	9				64
5. BUDGET +2 FY													
6. BUDGET +3 FY													
7. ALL SUBQ. FY													
8. GRAND TOTAL	225	120	27	76	180		29	120	27				

9. OTHER DONOR CONTRIBUTIONS

(A) NAME OF DONOR	(B) KIND OF GOODS/SERVICES	(C) AMOUNT

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTER John R. Eyre	TITLE Asst. Program Officer	DATE
2. CLEARANCE OFFICER Oliyer L. Sause	TITLE Director, ROCAP	DATE

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

Funding is authorized through FY 1974 for the Investment Promotion Activity. Authorization for funding of the remaining activities is limited to FY 1973.

2. CLEARANCES

BUR/OFF.	SIGNATURE	DATE	BUR/OFF.	SIGNATURE	DATE
LA/DR	Mr. F. Kimball	2/5/73	LA/MRSD	Mr. R. Greene	2/1/73
LA/CEN	Mr. J. Lockard	1/30/73	LA/DP	Mr. G. Hill	
LA/OPNS	Mr. G. Ueyehara	1/27/73			

3. APPROVAL AAS OR OFFICE DIRECTORS

SIGNATURE	DATE	SIGNATURE	DATE
<i>[Signature]</i>	<i>[Date]</i>	<i>[Signature]</i>	<i>[Date]</i>

4. APPROVAL A/AID (See M.O. 1025.1 VI C)

TITLE Deputy U.S. Coordinator	SIGNATURE	DATE
	<i>[Signature]</i>	<i>[Date]</i>

ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT

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Summary

A consistent unfavorable balance of payments of approximately \$15 million U.S. annually and a critical scarcity of skilled technicians and administrators combine to retard economic and social progress in the emerging nation of British Honduras (Belize). Although the U.K. has primary responsibility for assistance to B.H. and ROCAP's assistance is marginal, ROCAP's activities aim at alleviating the two problems mentioned through specialized participant training of key employees in government posts and the provision of technical assistance to stimulate and promote foreign and domestic investment, as well as limited assistance to the private sector in priority growth areas of the economy.

The activities are designed to result in a trained nucleus of key technicians and administrators working on development problems, ^{and} a functional Investment Promotion Office capable of developing investment promotional materials with a target of attracting about \$3 million in new investment during the first three years of its existence. In addition, very limited assistance will be given to private sector representatives and organizations which contribute to economic growth in British Honduras.

The proposed activity will build upon past and on-going ROCAP-financed activities in manpower development and the attraction of foreign investment, particularly as concerns the creation and organization of the Investment Promotion Office, the training of its staff and the production of investment promotion materials. The total program is planned for implementation over a three-year period, FY 1973 through FY 1975, at a total cost of some \$225,000 U.S. to ROCAP or approximately \$75,000 annually.

Human Resource Development in British Honduras (Belize)

British Honduras (Belize) with a land area of 8,866 square miles and a population of some 120,000 persons is the least densely populated Central American country. Since the passage of the Constitution of 1964, the nation has enjoyed almost full self-government under a ministerial system. However, it suffers a chronic "brain drain" of the very small pool of trained manpower available, has a high rate of unemployment and a serious structural balance of payments problem resulting in a deficit of about \$15 million U.S. annually. This deficit is currently paid by the British Government, albeit with increasing reluctance, and will pose a major economic problem to Belize when it does receive total independence. Meanwhile, the country moves slowly toward its independence from Great Britain with inadequate institutions and far too few skilled administrators, technicians and craftsmen attempting to develop the limited and generally un-exploited natural resources.

Improvements in the calibre of government technicians and administrators, assistance in organizing short-term vocational skill training in construction trades, and development of a capability to promote foreign investment have been the points of collaboration between ROCAP and the Government of British Honduras in the past, and two of these areas, the training of government employees and the development of an Investment Promotion Center and related skills and materials, continue to be the primary End-of-Project aims of this activity. A prior undertaking in a third area, vocational training of workers for the construction trades, is being successfully terminated at present. It is fully realized, of course, that the ROCAP inputs are so small as to be only marginally effective in assisting British Honduras towards a solution to her development problems. Nevertheless, both the Consulate General in Belize and AID/W have indicated their desire to continue the program, primarily as a tangible expression of U.S. interest in improving conditions in British Honduras.

The goal of U.S. assistance then, in broad terms, is to help British Honduras to carry out some of its economic and social development programs in preparation for the country's full independence from the United Kingdom.

The immediate project purpose of the ROCAP/British Honduras program is to strengthen the capacity of the GOBH to plan and implement development programs, and to create conditions favorable

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to the expansion of private sector investment.

The activities, specifically, are: 1) participant training directed at improving the abilities of key British Honduran Civil Servants in technical or administrative skills so that a nucleus of well-trained government employees working on the planning and implementation of development programs can help the country to cope adequately with its problems; 2) the organization and development of a National Investment Promotion and Advisory Center to attract critically needed foreign and domestic investment; and 3) limited assistance to private sector organizations contributing to economic growth within British Honduras.

The capability to attract and hold investment subsumes the ability to gather, collate and analyze investment data and information and to present it in a form which will capture the attention of potential investors. The ROCAP/British Honduras program is now in the organizational stage of creating such a capability. The GOEH has assigned an Investment Promotion Officer and an Administrative Assistant to the Investment Promotion Office, and ROCAP is financing a technical assistance contract between the GOEH and Thomas Miner and Associates to train the two Belizians in promotional techniques and the compilation and preparation of investment information for distribution in promotional form. Lines of communication for the gathering of investment data are now being developed. Coordination is being established between the Investment Promotion Office and a proposed UNDP investment analysis project and series of feasibility studies which will provide refined information on investment activities with real potential.

The methods of verification of achievement of the project purposes will include 1) a review of the accomplishments of the Investment Promotion Center at the end of FY 1974 and 1975, two to three years after the establishment of the Office. The review will consider promotional materials produced, investors counseled and actual investments undertaken. 2) A review of the positions held by ex-participants and a judgment as to their influence on developmental policy, plans and programs in areas of importance for British Honduran development. The judgment will be based on factors such as the level of the post held, use of training received, type of activities being dealt with and tenure in the post. 3) Additional ad hoc reviews to assess achievements of individual sub-activities.

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The critical assumptions influencing the success or failure of both programs are, first, that the GOEH is now and will continue to give high priority to solving problems of national development and policy and that realistic priorities will emerge from such action. Secondly, that the GOEH will select key individuals for training in skills which will be applied to the development priorities after training. Finally, that the Government will accept the desirability, and indeed the absolute necessity, for foreign investment in the economy. A corollary to the latter is, of course, that the government provide the incentives, legislation and support necessary to draw foreign investment to British Honduras.

The End-of-Project Status which should result from the activity will include a nucleus of well-trained civil servants exercising improved technical and administrative skills in the planning and implementation of development programs designed to prepare British Honduras for its forthcoming independence, the establishment of the Investment Promotion Office with trained personnel attempting to attract foreign capital to invest in areas of economic and social priority to the country on a basis which can function without continued U.S. assistance.

The outputs anticipated and which will result in this End-of-Project Status are: Thirty to forty trained civil servants in key technical and administrative posts and an Investment Promotion Office functioning and offering information and promotional materials to serious investors. A concomitant output will be a trained staff of nationals refining data, developing promotional materials and operating the Center on a full-time basis. The magnitude of outputs will be thirty to forty participants, as stated above; attraction of approximately \$3 million U.S. in new investment by the end of FY 1975 and the completion of training of two British Honduran nationals to staff the Investment Promotion Office. These outputs will be verified in the case of foreign investments by inspection of commitments, investment sources and Ministry of Commerce and Industry reports and a review of continuity and length of service of Investment Center staff.

An important assumption in the case of the proper functioning of the Investment Office is that both the Ministry of Commerce and Industry and the proposed UNDP investment analysis activity will provide usable information on potential business opportunities to be promoted by the Office. Without such

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informational and analytical inputs, the Center will be forced to develop its own information gathering and analytical abilities and systems. It is felt that these tasks, if coupled with promotional duties, would overtax the small staff and budget of the office and render it practically ineffective. The division of labor - information gathering and analysis in the Ministry of Commerce and Industry and refining and promotion in the Investment Promotion Office - is considered the only effective approach to the activity.

Inputs contemplated for the two primary activities: participant training and the technical assistance contract for the Investment Promotion Center are \$20,000 to \$30,000 U.S. annually through FY 1975 for investment promotion; and the establishment of a small special projects fund of some \$5,000 to \$10,000 annually over a three-year period to complement the two primary activities by providing limited training commodities or technical assistance to private organizations which involve local initiative, labor and funds. Such activities or members of local groups would be assisted by grants of materials or opportunities for local training which are not presently available to private individuals under the ROCAP-sponsored participant training program or, in some cases, short-term TDY technical assistance may be provided. An example of the latter type of activity would be the provision of one month of TDY assistance by an expert from the USDA to train meat graders for the Belize Meat Packing Company, a key point in the export of beef to the Caribbean market. Such assistance would usually not exceed \$2,000 in value for a single activity and the projects would be selected at the discretion of the U.S. Consulate General in Belize in coordination with appropriate authorities in the British Honduran Government and subject to ROCAP approval.

The inputs in sum will be: a total of approximately \$225,000 over a three-year period (FY 1973 through FY 1975) broken out in the following manner: short-term participant training for GOEH employees, \$20,000 to \$30,000 annually; Technical Assistance contract to the Investment Promotion Center, \$40,000 annually; funding for small projects and private individual training of TDY technical assistance, \$5,000 to \$10,000 annually. A small additional sum would also be included for ROCAP project management to cover communications and travel costs between Guatemala and British Honduras. This amount is estimated at approximately \$1,500 to \$2,000 annually.



Department of State

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TELEGRAM

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GUATEMALA FOR ROCAP

SUBJ: HUMAN RESOURCES DEVELOPMENT PROP, ROCAP PROJECT
596-11-660-100

REF: (A) BELIZE 0033; (B) GUATEMALA 0034

THE SUBJECT PROP IS APPROVED FOR FUNDING IN FY 73. THE INVESTMENT PROMOTION ACTIVITY IS APPROVED THRU FY 1974 SUBJECT, HOWEVER, TO ROCAP'S COMPLETION AND REVIEW OF A PROJECT APPRAISAL REPORT ON THIS ACTIVITY. THE THOMAS MINER CONTRACT SHOULD NOT BE EXTENDED UNTIL ROCAP HAS COMPLETED ITS REVIEW OF THE PAR. AID/W WILL CONSIDER FUNDING FOR THIS ACTIVITY BEYOND FY 1974 ONLY IN CONJUNCTION WITH AN EVALUATION OF THE ACTIVITY. AID/W WILL CONSIDER APPROPRIATENESS OF SDAA FUNDING FOR REMAINING ACTIVITIES BEGINNING IN FY 1974. ROGERS

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