

GRANT PROJECT AGREEMENT  
 between the United States of America, acting through  
 the Agency for International Development (A.I.D.)  
 and  
 the Government of Belize, acting through  
 the Ministry of Agriculture and Fisheries  
 (grantee)

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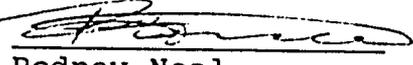
1. Project Title: Sustainability Review of Selected Agricultural Development Activities.
2. A.I.D. Project Number: 505-0000

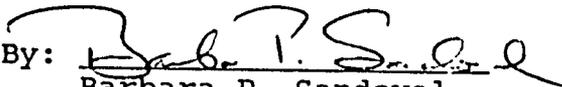
The above-named parties hereby mutually agree to carry out the Project described in this Agreement in accordance with (1) the terms of this Agreement including the annexes attached hereto, and (2) any general Agreement between the two Governments regarding economic or technical cooperation.

3. Amount of Grant: US\$60,000
4. Grantee Contribution to Project: US\$20,000 (in-kind)
5. Project Assistance Effective Date: September 30, 1992
6. Project Assistance Completion Date: June 30, 1993
7. This Agreement consists of this title page, Annex A-Amplified Project Description and Annex B-Standard Provisions.

8. Government of Belize

9. Government of the United States of America

By:   
 Rodney Neal  
 Permanent Secretary,  
 Ministry of Agriculture  
 and Fisheries

By:   
 Barbara P. Sandoval  
 A.I.D. Representative

Date: September 23, 1992

Date: September 23, 1992

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Appropriation	:	72-1121021.3
BPC No.	:	LDNA-92-25505-KG13
Control No.	:	B920387
This Obligation	:	US\$60,000

SUSTAINABILITY REVIEW OF SELECTED  
AGRICULTURAL DEVELOPMENT ACTIVITIES

PROJECT DESCRIPTION

I. PURPOSE

The purpose of this review of selected agricultural development activities is to determine the viability of the entities supported with USAID funds, other resources available to them, and the implications for continued activity.

II. BACKGROUND

The USAID/Belize program is in transition to one more narrowly focused on two strategic objectives--improving Belize's use of natural resources and improving the Government's fiscal resources. Several areas of A.I.D. support, including promotion of agricultural diversification, are drawing to conclusion.

One of the major A.I.D.-funded projects in support of agricultural diversification is the Commercialization of Alternative Crops (CAC) Project. The CAC Project was initiated in September 1985 with the purpose of expanding the base of economic activity in Belize by developing alternative agricultural products for export and import substitution, by developing agricultural cooperatives management capabilities, and by protecting the natural resource base. A secondary purpose is to strengthen public sector capabilities to plan and manage natural resource programs in fisheries and land titling. Project funds have been used to fulfill the stated purpose, including training, technical assistance, and the provision of equipment. The Project Assistance Completion Date (PACD) for the CAC Project is December 31, 1992.

USAID's Program Objectives Document for 1992-1996 specifically identified maintenance of benefits after project completion as one of two "cross-cutting" issues of key importance at this transitional stage of its program. Important activities under the CAC Project included assistance to the Belize Agribusiness Company (BABCO), the Belize Enterprise for Sustained Technology (BEST), and the Fisheries Department (FD) of the Ministry of Agriculture and Fisheries (MAF). USAID has interest in the accomplishments of this assistance, particularly with regard to the viability of both BABCO and BEST after the termination of A.I.D. support. In addition to USAID, other donors are contributing to the activities of the FD. This increased donor support plus the past accomplishments of USAID financed work of

the FD could have implications for USAID's ongoing program in the area of natural resource management. While these three CAC component entities will be the primary focus of the review program, other reviews related to continuation/sustainability of agricultural diversification activities may be undertaken depending on availability of funds and specific agreements with the MAF.

### III. DESCRIPTION OF ACTIVITIES

This project consists of a series of at least three studies, focused on entities assisted in support of agricultural diversification in Belize, to review what has been accomplished and the prospects for continuation of benefits. BABCO, BEST and the Fisheries Department are the entities which will be initially reviewed as described in Attachments 3, 4 and 5 of this Annex.

### IV. IMPLEMENTATION SCHEDULE

The activities under this Agreement are scheduled to commence on or about November 2, 1992. The reviews described need not occur in any set order; however, it is anticipated that the review of the Fisheries Department will be first undertaken followed by the reviews of BABCO and BEST. These reviews should be completed by March 31, 1993.

### V. GRANTEE RESPONSIBILITIES

The Grantee's contribution to this Project will be in-kind costs, including but not limited to, payment of salaries for staff in the Ministry of Agriculture and Fisheries who will participate in the individual reviews. In-kind costs will also be reflected in the salaries of the staff of BABCO and BEST. The Grantee is responsible for ensuring that GOB counterpart staff are available, as needed, to consult with the review teams.

### VI. IMPLEMENTATION RESPONSIBILITIES

In consultation with the Ministry of Agriculture and Fisheries, as represented by the Permanent Secretary, USAID/Belize will procure the services of suitable consultants for the reviews described below. One team will be contracted for each desired review and it is anticipated that individual contracts will be awarded to Belizean entities. Depending on availability of funding, other reviews or evaluations as mutually agreed to by USAID and the MAF may be conducted under the scope of this agreement.

The Agricultural Development Officer will have primary implementation responsibility for this Project on behalf of USAID. The Permanent Secretary, Ministry of Agriculture and Fisheries, or his designee, will implement the Project on behalf of the Grantee.

VII. FINANCIAL PLAN AND MANNER OF PAYMENT

The total estimated cost of this activity is US\$80,000 including US\$60,000 in A.I.D. grant funds and US\$20,000 equivalent in host country contributions. Technical assistance will be financed by the A.I.D. grant. Cooperating country contributions will be in the form of salaries and other costs related to the staff of the MAF, staff and board members of BABCO and BEST and farmers and others participating in the reviews.

An illustrative budget and financial plan are presented in Attachment 1 and 2 of this Annex.

Through A.I.D. direct contracts, manner of payments will be in the form of A.I.D. direct payments to the contractors.

ILLUSTRATIVE BUDGET - A.I.D. FINANCING  
(in US\$)

1.	Review of BABCO:	
	a. Compensation (75 person days/\$100/day)	\$7,500
	b. Per Diem (60 days x \$90/day)	5,400
	c. Travel	2,700
	d. Other Direct Costs	1,000
	e. Overhead	<u>5,400</u>
	Subtotal	<u>\$22,000</u>
2.	Review of BEST:	
	a. Compensation (80 person days x \$100/day)	\$8,000
	b. Per Diem (60 days x \$90/day)	5,400
	c. Travel	3,250
	d. Other Direct Costs	1,250
	e. Overhead	<u>6,100</u>
	Subtotal	<u>\$24,000</u>
3.	Review of CAC Fisheries Activities:	
	a. Compensation (60 person days x \$100/day)	\$6,000
	b. Per Diem (15 person days x \$90/day)	1,350
	c. Travel	2,000
	d. Other Direct Costs	1,000
	e. Overhead	<u>3,650</u>
	Subtotal	<u>\$14,000</u>
	TOTAL	<u>\$60,000</u>

All procurement under the Project Agreement will be handled by USAID directly through the issuance of Purchase Orders. This procurement will be of Belizean source and origin considering the size of the procurement action, the familiarity of local organizations with the entities to be reviewed and existing in-country capability. Payments will be made directly by USAID to the contractors.

PROJECT FINANCIAL PLAN  
(Source and Application of Funding - US\$000)

<u>Activity/Budget Item</u>	<u>USAID</u>	<u>GOB</u>	<u>NGO</u>	<u>Total</u>
A. Review of BABCO Technical Assistance Salaries/Support	22	1	8	22 9
B. Review of BEST Technical Assistance Salaries/Support	24	1	4	24 5
C. Review of CAC Fisheries Activities Technical Assistance Salaries/Support	14	5	1	14 6
D. TOTAL	<u>60</u>	<u>7</u>	<u>13</u>	<u>80</u>

STATEMENT OF WORK FOR A REVIEW  
OF THE  
BELIZE AGRIBUSINESS COMPANY

I. BACKGROUND

The Commercialization of Alternative Crops (CAC) Project was designed in response to a request from the Government of Belize to assist sugarcane farmers to find alternative export crops after sugarcane prices fell in the early 1980's and to develop oilseed crops to serve as import substitution for edible oils and animal feed protein. The geographic area covered by this Project includes the sugarcane producing districts of Corozal and Orange Walk. A Cooperative Agreement was signed in 1985 between USAID and the Belize Agribusiness Company (BABCO), a non-profit private sector company, to carry out the research and development to identify and promote at least two alternative export crops and at least one import substitution crop. Project funds of \$4,800,000 have been devoted to this cooperative agreement. Research and development was carried out using on-farm trials with cooperating farmers over a two-year period. Two vegetable crops were found to be profitable during a limited marketing season. One fruit, papaya, was found to be profitable and could be grown and shipped all year round. Due to the Medfly-free status of this portion of Belize, ripe papaya can be shipped directly into the United States. Approximately four thousand 10-lb. boxes (worth US\$28,000) are being shipped weekly to the United States. Buyers have found this papaya to be of superior quality and have expressed willingness to purchase larger quantities of this fruit. BABCO is also carrying out research trials on mango, starfruit, avocado, passion fruit, rambutan, lychee and mangosteen.

II. PURPOSE

The purpose is to evaluate progress made by the Belize Agribusiness Company funded under the CAC Project in achieving stated goals and purposes, and to make appropriate recommendations of these components in light of the termination of A.I.D. financial assistance.

III. OBJECTIVE

The objective is to present to USAID and the management of BABCO a measure of BABCO's structure, effectiveness, impact, and financial viability in light of the completion of A.I.D. funding in December 1992.

#### IV. SCOPE OF WORK

In meeting the above stated objective, the contractor will assess:

1. the revenues and expenses of BABCO to determine if it will be financially viable following the conclusion of A.I.D. assistance and what steps, if any, are needed to ensure this viability;
2. the qualifications of BABCO's staff members, and if they are appropriate for its mandate and current operation;
3. the personnel structure to determine if salaries of BABCO staff are compatible with job descriptions and responsibilities, if job performance criteria and remuneration processes are clearly spelled out, and if there exists any unresolved personnel issues;
4. the relationship between the BABCO Board of Directors, the Managing Director, and staff;
5. the established structure to transport fruit to market and the relationship with markets;
6. the relationship between BABCO, the Government of Belize, and participating farmers;
7. the overall short-, medium-, and long-term effects of BABCO on Belize and what is the probability for sustained impact; and
8. BABCO's major constraints to achieving its goals, what factors contributed to the success of particular areas or components of BABCO, and what strengths BABCO can utilize for further successes.

#### V. METHODOLOGY

The contractor will obtain needed information through the review of documents found at the USAID office in Belize City and the BABCO office in Orange Walk. Interviews will also be conducted with USAID and BABCO officials and individual farmers associated with BABCO. The evaluation will be initiated with an orientation meeting held at BABCO's office.

#### VI. WORK SCHEDULE

It is anticipated that the time required for this evaluation will require the full-time services of three individuals for twenty-five working days. Some travel to Orange Walk and Corozal will be required. The travel schedule will be arranged by the contractor.

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## VII. REPORTING

The contractor will brief USAID and BABCO in Belmopan between the 15th and 20th work day of this contract. Copies of the draft report will be submitted which will detail procedures, contacts, findings and recommendations. The contractor will present a briefing to USAID and BABCO at this time and incorporate comments into the final written evaluation. The final evaluation will be presented not later than 5 days after the termination of the contract. Three copies of the final report will be submitted to USAID and three copies of the final report will be submitted to BABCO. In addition, a copy of the document will be submitted to USAID on a 5 1/2 inch diskette on a Word Perfect format.

## VIII. LOGISTICAL ARRANGEMENTS

The contractor will be responsible for all logistical and secretarial arrangements required for the execution of this contract. Neither USAID nor BABCO will provide any logistical or secretarial service.

STATEMENT OF WORK FOR A REVIEW  
OF THE  
BELIZE ENTERPRISE FOR SUSTAINED TECHNOLOGY

I. BACKGROUND

The Belize Enterprise for Sustained Technology (BEST) was established in 1985 as a private non-profit non-political organization whose purpose is:

1. to provide an integrated package of management and technical services to local farmer groups involved in agricultural and agro-industrial sectors of the Belize economy;
2. to coordinate the physical, human and financial resources that are available to these groups in order to further the development process; and
3. to work with local development institutions (both governmental and private) to magnify and extend the impact of the services and resources available for the agricultural and agro-industrial development of Belize.

Thirteen individuals, including the Managing Director, make up the personnel of BEST and its operations are supervised by a Board of Directors. Over the past seven years, BEST has focused its activities on working with community-based enterprises in the areas of business management, accounting, agriculture, enterprise development and human resource development. The Board of Directors of BEST has recently mandated the organization to broaden its activities to include such areas as the environment and sustainable agriculture, women's community banking and alternative energy.

The most frequent request for assistance received by BEST has been for management and accounting training. As a result, BEST has developed a core of professional staff with a distinctively business bias and the capability to provide an integrated package of management and technical services to farmer groups and other community-based enterprises. However, most of the groups BEST currently serves are unable to pay the real cost of the services because of low sales volumes and profit margins. USAID financial assistance for BEST totals \$720,000 with this funding coming to a conclusion in December 1992. There are no A.I.D. resources

available to continue financial support to BEST. Realizing the completion of this assistance, the BEST Board of Directors charged the management to pursue activities that will lead to a greater degree of financial sustainability.

## II. OBJECTIVE

The objective of this evaluation is to present to USAID and the management of BEST a measure of BEST's impact on its client group, cooperatives and associations. This evaluation will also review the financial viability of BEST in light of the completion of A.I.D. funding. This evaluation will provide appropriate recommendations regarding BEST's structure, operation and impact.

## III. SCOPE OF WORK

The scope of work is divided into three categories: financial, administrative, and impact.

1. Financial: This section of the evaluation will include:
  - a. reviewing the accounting system of BEST to determine if funds have been programmed as required in the appropriate A.I.D. Cooperative Grant Agreement;
  - b. reviewing the payment processing system to determine if disbursements are adequately controlled and accounted for, and if the system properly identifies expenditures by source of funding;
  - c. an assessment of BEST's internal control system; and
  - d. an assessment of revenues and expenses to determine if BEST will be financially viable following the conclusion of A.I.D. assistance and what steps, if any, are needed to ensure this viability.
2. Administrative: This section of the evaluation will include:
  - a. determining if the qualifications of BEST's staff members are appropriate for its mandate and current operation;
  - b. reviewing the personnel contract structure to determine if salaries are compatible with job descriptions and responsibilities, and if performance criteria and remuneration processes are clearly spelled out; and
  - c. describing the relationship between the BEST Board of Directors, Managing Director and staff and BEST's relationship with its client group.

3. Impact: This section of the evaluation will determine:
- a. what criteria BEST uses to determine the type of assistance an organization needs (Is the assistance BEST provides based on a comprehensive diagnostic assessment of the enterprise situation? How reliable are these assessments?);
  - b. if BEST's clients show an improvement in real terms of gross value of production, net worth, productivity, long-term viability, and growth (Are the enterprises performing better financially, more productively, and have higher per capita income than non-assisted organizations facing the same pre-assistance conditions?);
  - c. if para-statal organizations and credit organizations, such as the Development Finance Corporation (DFC), are utilizing services from BEST (If not, why?);
  - d. what the relationship between BEST and its client group is;
  - e. what are the overall short-, medium-, and long-term effects of BEST on Belize and what the probability for sustained impact is;
  - f. what are BEST's major constraints to achieving its goals (What are the factors contributing to the success of particular areas or components of BEST? What are the strengths which BEST possesses that can be utilized for further successes?);
  - g. what extent BEST's clients are in a position to pay for BEST's services; and
  - h. to what extent should BEST be involved in sustainable agriculture, papaya and other fruit/vegetable industries, and the Community Banking project for women. (How can BEST be strengthened to enhance the role of women in the development of Belize? With what other types of activities/projects should BEST be involved?)

#### IV. METHODOLOGY

The contractor will obtain needed information to conduct this evaluation through the review of documents found at the USAID office in Belize City and the BEST office in Belmopan. Interviews will also be conducted of USAID and BEST officials and individuals associated with groups assisted by BEST. The evaluation will be initiated with an orientation meeting held at the office of BEST.

## V. WORK SCHEDULE

It is anticipated that this evaluation will require the full-time services of four individuals for twenty-five working days. Some travel to the Districts to visit clients of BEST is anticipated. This travel schedule will be arranged by the contractor.

## VI. REPORTING

The contractor will brief USAID and BEST personnel in Belmopan between day 15 and 20 of this contract. Six copies of the draft report will be submitted and will utilize the following format:

- an executive summary to include the purpose of the evaluation, methodology used, findings and conclusions, and recommendations;
- the body of the report to include a discussion of key issues and questions posed by the evaluation team, study methods, evidence/findings regarding the evaluation issues and questions, conclusions drawn from the findings, recommendations based on the study findings, and an action plan for continuity and sustainability of BEST;
- the appendices to include the evaluation scope of work, individuals and agencies consulted, and any other information or data deemed necessary or relevant to the evaluation.

The contractor will incorporate comments of USAID and BEST at the briefing into the final written evaluation report which will be presented not later than 5 days after the termination of the contract. Three copies of the final report will be submitted to USAID and three copies of the final report will be submitted to BEST. In addition, a copy of the report will be submitted to USAID on a 5-1/2 inch diskette on a Word Perfect format.

## VII. LOGISTICAL ARRANGEMENTS

The contractor will be responsible for all logistical and secretarial arrangements required for the execution of this contract. Neither USAID nor BEST will provide any logistical or secretarial service.

STATEMENT OF WORK FOR A REVIEW OF  
ACTIVITIES FUNDED UNDER AMENDMENT NO. 5 TO THE CAC PROJECT  
RELATED TO THE MAF FISHERIES DEPARTMENT

I. BACKGROUND

In February 1990, the Commercialization of Alternative Crops (CAC) Project Amendment No. 5 was issued to include activities related to the fisheries sector and to support the Fisheries Department of the Ministry of Agriculture and Fisheries. This Project component was to promote more careful planning of the coastal zone, short- and long-term training for personnel who work in the Government and in cooperatives, and greater awareness by the public about decisions related to the fisheries and coastal resources of the country. Approximately US\$800,000 was added to the CAC Project for technical assistance, training, equipment and materials related to fisheries activities.

II. PURPOSE

Evaluate progress made by the CAC Project in achieving stated goals and purposes as related to activities with the Fisheries Department. Determine the activities of other donors in this sector and their relation to USAID-funded work. Make appropriate recommendations of this component in light of the December 1992 termination of A.I.D. financial assistance for the CAC Project.

III. OBJECTIVE

The objective of this evaluation is to measure the success of Amendment No. 5 to the CAC Project Agreement, specifically those related to the Fisheries Department. These results may help determine if additional A.I.D. financial assistance to the Fisheries Department is warranted.

IV. SCOPE OF WORK

In meeting the above stated objective, the contractor will assess:

1. the extent to which overall plans were developed by the Fisheries Department to utilize available A.I.D. funds;
2. the activities conducted and commodities purchased with A.I.D. financing and their effectiveness;
3. the progress made with regard to fisheries planning, training, public awareness and policy considerations as described in project documentation;

4. the staffing of the Fisheries Department in relation to its mandate and ongoing activities; and
5. the sources of funding under other bilateral and multilateral sources and their purposes.

#### V. METHODOLOGY

The contractor will obtain needed information to meet this evaluation through the review of documents found at the USAID office in Belize City and the Fisheries Department office in Belize City. Interviews will also be conducted with USAID and Fisheries Department officials.

#### VI. WORK SCHEDULE

It is anticipated that the time required for this evaluation will require the full-time services of two persons for twenty work days.

#### VII. REPORTING

The contractor will brief USAID and MAF staff between the 15th and 20th work day of this contract. Copies of the draft report will be submitted which will detail procedures, contacts, findings and recommendations. The contractor will present a briefing to USAID and MAF staff at this time and incorporate comments into the final written evaluation. The final evaluation will be presented not later than 5 days after the termination of the contract. Three copies of the final report will be submitted to USAID and three copies to the MAF. In addition, a copy of the report will be submitted to USAID on a 5-1/2 inch diskette on a Word Perfect format.

#### VIII. LOGISTICAL ARRANGEMENTS

The contractor will be responsible for all logistical and secretarial arrangements required for the execution of this contract. Neither USAID nor the Ministry of Agriculture and Fisheries will provide any logistical or secretarial service.