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SEMI-ANNUAL REPORTS

October 1, 1985 - March 31, 1986

Belize

June 1986

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I. PORTFOLIO OVERVIEW

A. SUMMARY TABLE

		<u>In U.S. \$000</u>			EX	
		AUTH.	OBL.	CUM EX	THIS PD	
<u>ARDN</u>						
0006	Livestock Development	G L	1,350 1,900	1,350 1,900	564 1,095	307 381
0007	Rural Access Roads and Bridges	G	6,150	6,150	5,444	800
0008	Commercialization of Alternative Crops	G	6,800	3,225	200	200
0010	Junior School of Agriculture (SDA)	G	75	75	50	29
0023	Accelerated Cocoa Production	G	615	615	211	77
0030	BEST	G	385	200	50	50
<u>ESF and SDA</u>						
0005	Commercial Bank Discount Fund	L	5,000	5,000	355	220
0011	Nat Dev Foundation of Belize (NDFB)	G	142	142	134	17
0012	Counterpart Fund II	L	13,000	13,000	7,500	5,000
		G	1,000	1,000	230	92
0025	Export Promotion	G	200	200	160	35
<u>HE, EHR and HIG</u>						
HG001	Home Improvement Loan	L	2,000	2,000	714	91
0003	Housing Assistance for Home Improv.	G	400	400	400	0
0018	Increased Prod. through Health	G	7,000	2,500	182	95
0020	Training for Employment	G	2,000	2,000	47	47
0024	Village Health and Sanitation	G	700	700	129	9
0026	Guidance, Couns. Placement Service (SDA)	G	80	80	37	20
0029	Breast is Best League	G	50	50	23	2
0031	Family Life Education	G	78	50	30	30
0033	Belize Drug Awareness	G	350	250	178	73

B. STATUS OF NEW PROJECT DEVELOPMENT

1. 505-0027 Export and Investment Promotion, LOP \$2.5M, FY 86
\$1.5M

The project will provide assistance to the Belize Export and Investment Promotion Unit (BEIPU) of the Belize Chamber of Commerce and Industry (BCCI), in export and investment and promotion and to the GOB in improving the export and investment concession review process and strengthening the Belize Tourism Board. The Project will be authorized and funds will be obligated in June, 1986.

2. 505-0016 Toledo Agricultural Marketing Project, LOP \$2.5m,
FY 86 \$.6m

The PID was completed in March, 1986 and is expected to be approved in early June, 1986. The Project Paper will be completed by the end of July, 1986 and USAID expects to obligate in August 1986.

The Project will (1) establish a viable export oriented industry among small holders in the Toledo District, and (2) accelerate ongoing transition from traditional "slash-and-burn" agriculture to modified systems through improved post harvest practices and provision of a viable marketing system.

II. PROJECT LISTINGS

A. ARDN

1. LIVESTOCK

(I) Background Data

Project Title: Belize Livestock Development Project
Project Number: 505-0006
Date of Authorization: August 22, 1983
Date of Obligation: August 26, 1983
Amendment I - April 30, 1984
PACD: December 31, 1988
Implementing Agency: Ministry of Natural Resources
Major Contractor: SECID
AID Project Officer: Alyn Willmore, AADO

(II) Project Purpose: The purpose of the project is to improve small and medium farmers' production efficiencies in the rearing of livestock and to expand market outlets for these products, primarily through import substitution activities. The project will finance six major components plus contingencies to accomplish this purpose. The components are set forth below.

Programmed Funding by Component in US \$000

1. Swine Improvement Program:
 - L 350
 - G 420
2. Pasture and Forage Improvement Program:
 - L 200
 - G 260
3. Dairy Industry Development:
 - L 540
 - G 180
4. Pork and Beef Processing:
 - L 40
 - G 90
5. Policy Analysis and Formulation:
 - L 220
 - G 200
6. Meat Residue Testing:
 - L 185
7. Evaluation
 - L 70
8. Inflation
 - L 210
 - G 150

9. Contingencies
L 85
G 50

Totals: L 1,900
G 1,350

(III) Project Status

A. Financial Summary

--Amount authorized: L 1.90 million G 1.35 million
--Amount obligated: L 1.90 million G 1.35 million
--Amount committed: L 1.695 million G 1.186 million
--Accrued expenditures:
Cumulative L 1,095 million G 564,000
This PD L 381,000 G 307,000
--Status of Covenants and Conditions Precedent: All met

B. Major Outputs

--Four candidates for long-term educational training have been selected and are currently studying in the U.S.
--Three short-term observation tours are completed. A fourth is yet unscheduled.
--All staff have arrived and are in place.
--Dairy plant construction began in November 1985.
--Twenty-week training for meat processors complete and highly successful.

C. Other Accomplishments

--Project has sponsored two WID fellows.
--Swine seminar extension agent training.
--Agriculture Policy Advisory Committee formed and in operation in the Ministry of Natural Resources. Highly successful performance.
--Conducted seminar to establish market links between Swine producers, finishers and meat processors

D. Follow-up Actions: Not applicable during this time frame.

E. Summary of Audits and Evaluations: An evaluation was completed in late October 1985 which focused on early implementations of the project. Recommendations centered on adjustments in the project implementation plan in order to more fully achieve the goals and objectives of the projects. No major problems were identified.

(IV) Problems and Delays

Dairy Industry Development -- Construction of the dairy plant was delayed until November 1985. Cost overruns on equipment and construction of the plant are not major problems and could be handled within the scope of the project. Construction will be completed in June 1986.

Swine Revolving Fund -- The operation of this fund, designed to facilitate the expansion of efficient, profitable swine production to small and medium size farmers, has been delayed. The main issue was identifying the means by which the fund would be dispersed and managed. We expect to sign an agreement with an organization to do these functions in April 1986.

(V) Major Activities

A. Corrective Actions: See above

B. Major Project or Management Activities

--Continue work with MNR Agricultural Policy Advisory Committee

--Annual Plan of work submitted.

--Sign agreement for the management and disbursement of the Swine Revolving Fund.

--Swine Advisor departs post.

--Complete construction of dairy plant and installation of equipment. Begin dairy operation.

--Begin Fresh Milk Marketing Study

--Continue work to improve district pastures and establish nurseries.

--Establish on-farm demonstration pastures on dairy farms.

--Complete final weeks of meat processing training.

--Complete construction of meat testing laboratory. Install equipment and begin operations.

(VI) Mission Director's Assessment:

No major implementation problems.

(VII) Special Concerns

A. Participant Training: Under the SECID contract one Ph.D., and two B.S.' are currently being trained; one MS started in September 1985..

B. Gray Amendment HBCU Contracts: Southern University (HBCU) sub-contracted under the SECID contract.

2. RURAL ROADS AND BRIDGES

(I) Background Data

Project Title:	Rural Roads and Bridges Project
Project Number:	505-0007
Date of Authorization:	September 29, 1983
Dates of Obligation:	September 30, 1983
	Amendment 1 - December 19, 1983
	Amendment 2 - May 24, 1984
	Amendment 3 - November 20, 1984
PACD:	January 1, 1987
Implementing Agency:	Ministry of Works
Major Contractor:	Alex Powers, PSC
Project Manager:	Gilbert Canton, APO

(II) Project Purpose

Purpose: To increase the capability of the Government of Belize (GOB) to build, maintain and protect its rural access road infrastructure through training, technical assistance and equipment procurement.

Programmed Funding by Component in US \$000

	<u>Grant</u>
1. Technical Assistance	\$1,637
2. Equipment	2,431
3. Spare parts	347
4. Fuel/lubricants	0
5. Shop tools	200
6. Shipping/transport	896
7. Local labor costs	0
8. Const. materials	425
9. Contract const. cost	0
10. Contingency	41
11. Inflation	35
12. Admin. expenses	138
Total	<u>\$ 6,150</u>

(III) Project Status

A. Financial Summary

--Amount authorized: \$6.15 million
--Amount obligated: \$6.15 million
--Amount committed: \$5.93 million
--Accrued expenditures:
 Cumulative \$5.44 million
 This PD \$ 800,000
--Status of Covenants and Conditions Precedent: All met

B. Major Outputs

--Rehabilitation of 300 miles (or 27%) of Belize's rural roads and corresponding training of 150 counterpart road workers.

Status: 130 miles have been rehabilitated with counterpart roads workers trained.

--Provide bridging material for the construction of 55 high-level all-weather river crossings on roads selected for rehabilitation.

Status: 103 bridge sets arrived in country; 64 have been committed to specific sites, 9 have been reserved for tentative sites, and 30 are in process of being allocated. The MOW has contracted with private contractors to construct abutments and piers for major bridges and is building three major bridges.

--Reduce cost for rural road construction and maintenance by 50% and 33% respectively.

Status: Not yet measured.

--Training of 100 road maintenance workers

Status: In process. Under the Road Maintenance Training Unit (MTU), all six district MTUs have their full complement of equipment in place in each district, and road maintenance activities have ensued. A comprehensive road maintenance training plan has been completed and is being implemented.

--Training of 75 equipment shop mechanics and allied tradesmen.

Status: In process. Under the Equipment Maintenance Component (EMC), all spare parts ordered for project equipment are in country. Equipment and tools procured to upgrade district shops have been allocated. The equipment maintenance specialist has assisted the district shops in setting up the equipment and is adhering to a more rigorous schedule tied in with the Road Maintenance Program for training in equipment maintenance to first eschelon capability.

--Establish of an improved internal management and control system for the Ministry of Works.

Status: In process. Under the Management Improvement Component (MIC) - A data base for the MOW's planning and budget unit has been compiled and is continually being upgraded. An inventory of roads in Belize has been completed. A five-year operational plan and budget was completed, and is in the process of incorporation into the MOW present system.

--Establishment of a permanent, national system for the maintenance of Belize's rural road system.

Status: Accomplished. Central and district maintenance functions were established in November 1983; training maintenance operators began at the district level in March 1984; and maintenance supervisors began operating at the district level in March 1984.

--Preparation of national rural access roads inventory.

Status: Accomplished

C. Other Accomplishments and Overall Status

As above.

D. Follow-up Actions: N/A until construction at specific sites begin.

E. Summary of Audits and Evaluations

A mid-term evaluation was conducted in September 1985. During this reporting period, the project team implemented the recommendations from this evaluation in an effort to more smoothly and effectively produce the objectives of the project.

(IV) Problems and Delays: At this stage in project activities all components in the program are exhibiting reasonable progress. Past excessive rainfall hindered road rehabilitation progress and the PACD was extended six months so that the project output of 300 miles can be reached. Other problems and developments identified during the evaluation process are being addressed.

(V) Major Activities During Next Six Months April 1 - September 30

A. Completed Action: See Above.

B. Major project activities

--Road rehabilitation and associated training will continue with action taken on evaluation recommendations.

--Follow-up maintenance by MTU's on roads rehabilitated will be emphasized.

--The management and planning tool developed by MIC will be constantly updated and upgraded and focus placed on integration into the present MOW management system.

--Activities surrounding bridge erection will be accelerated as much as possible, i.e., contracting, construction, etc.

--Project implementation will be closely monitored.

(VI) Mission Director's Assessment: No major implementation problems.

(VII) Special Concerns

A. Participant Training: None.

B. Gray Amendment/HBCU Contracts: None.

3. COMMERCIALIZATION OF ALTERNATIVE CROPS

(I) Background Data

Project Title:	Commercialization of Alternative Crops
Project Number:	505-0008
Date of Authorization:	September 24, 1985
Date of Obligation:	September 25, 1985
PACD:	September 30, 1990
Implementing Agency:	Ministry of Natural Resources
Major Contractor:	None
AID Project Officer:	Barbara Ellington-Banks

(II) Project Purpose: The purpose of this project is to expand the base of economic activity in Belize by developing alternative agricultural products for export and for import substitution. The project has private and public sector components both directed to the more efficient operation of export and import substitution activities.

Programmed Funding by Component in US \$000

Private Sector (BABCO)	G 4,800
Public Sector (MNR)	G 2,000

(III) Project Status

A. Financial Summary

--Amount authorized:	\$6.8 million
--Amount obligated:	3.22 million
--Amount committed:	200,000
--Accrued expenditures:	
Cumulative:	200,000
This FY:	200,000
--Status of Covenants and Conditions Precedent:	All met

B. Major Outputs

--Cooperative Agreement signed with BABCO for \$ 1.7 million amended 25 February 1986 by \$500,000 to \$2.2 million.

--Grant Agreement signed with MNR for \$525,000 amended January 3, 1986 by \$500,000 to \$1.025 million.

--RFP issued for private sector component - November, 1985.

--Proposals received for private sector component - February, 1986.

C. Other Accomplishments - Not Applicable.

D. Follow-up Actions: Proceed with Project start-up.

E. Summary of Audits and Evaluations: Not Applicable

(IV) Problems and Delays: None to date.

(V) Major Activities:

--Select contractor for private sector component - April, 1986

--Private Sector component team arrival - June, 1986

--Private Sector component start-up - implementation activities.

--RFP for Public Sector component - July, 1986

--Selection of contractor for Public Sector component - October, 1986

(VI) Mission Director's Assessment

No major implementation problems.

(VII) Special Concern:

A. Participant Training: Not Applicable

B. Gray Amendment: Private Sector Component RFP identified Mission concern for the use of 8-A firms as possible subcontractors.

4. BELIZE JUNIOR SCHOOL OF AGRICULTURE

(I) Background Data

Project Title: Special Development Activities Fund
Project: Belize Junior School of
Agriculture (OPG)
Project Number: 505-0010
Date of Authorization: June 14, 1984
Date of Obligation: June 15, 1984
Amendment I - September 23, 1985
PACD: June 15, 1986
Implementing Agency: Peace Corps/Belize
Major Contractor: None
AID Project Manager: Alyn Willmore, AADO

(II) Project Purpose

A two-year agricultural project in Belize to offer primary school leavers an education in agriculture, encourage the expansion and diversification of agriculture, and develop agricultural marketing procedures, thereby strengthening the self-sufficiency of Belize.

(III) Project Status

A. Financial Summary

--Amount authorized: \$75,000
--Amount obligated: \$75,000
--Amount committed: \$50,000
--Accrued expenditures:
 Cumulative: \$50,000
 This period: \$29,000
--Status of Covenants and Conditions Precedent: All met

B. Major Outputs

--Completed first year.
--Increased community participation in school.
--Upgraded physical structures.
--Hosted Peace Corps training which used facilities during summer holiday and brought in added revenue.
--Second year well underway.

C. Overall Status

--21 students completed first year and continued to second year.

--21 new first-year students were admitted for September 1985.

--The GOB has requested a second BJSA be created in another district.

D. Follow-up Actions: N/A

E. Summary of Audits and Evaluations: N/A

(IV) Problems and Delays: The school continues to work with its board of directors to resolve the issue of ministry jurisdiction for the school. This will not be resolved for another six months.

(V) Major Activities During Next Six Months

A. Completed Action: See above.

B. Major project activities

--Complete second term for both first and second year students.

--Graduate first class from school.

--Resolve jurisdictional issues.

--Continue to transfer operation of school to Belizean counterparts.

--Continue financially independent activities.

C. AID/W Actions: None.

(VI) Mission Director's Assessment: No major implementation problems.

(VII) Special Concerns

A. Participant Training: N/A

B. Gray Amendment/HBCU Contracts: N/A

5. ACCELERATED COCOA PRODUCTION

(I) Background Data

Project Title: Accelerated Cocoa Production
Project Number: 505-0023
Date of Authorization: July 30, 1984
Date of Obligation: July 31, 1984;
Amendment 1 - January 10, 1985
December 31, 1987
PACD:
Implementing Agency: PADF
Major Contractor: PADF
AID Project Officer: Alyn Willmore, AADO

(II) Project Purpose

The purpose of this project is to accelerate the rate at which small farmers in Belize establish cocoa planting, utilizing improved varieties and cultural practices developed by the Hershey Food Corporation at the Hummingbird Farm.

This project will provide direct assistance to sixty farm families in the establishment of cocoa plantations. During the life of the project:

- a total of 600 acres of cocoa will be established;
- 60 small farmers will be fully trained in improved cocoa production technology;
- 6 Government of Belize extension agents will be trained as trainers in cocoa production and extension;
- 20 Government of Belize extension agents will in turn be trained in cocoa production and extension;
- methodology specifically adapted to accelerate cocoa establishment in other areas of Belize will have been perfected and institutionalized.

Programmed Funding by Component in U.S.\$000

Salaries	\$244
Home Office support	\$ 66
Travel	\$ 56
Training	7
Administrative expense	\$ 11
Equipment	\$ 51
Loans	\$ 25
Evaluation	\$ 20
Overhead	\$135
Total	<u>\$615</u>

(III) Project Status

A. Financial Summary

--Amount authorized: \$615,000
--Amount obligated: \$615,000
--Amount committed: \$615,000
--Accrued expenditures:
 Cumulative \$211,000
 This PD \$ 77,000
--Status of Conditions Precedent: All met

B. Major Outputs

--Farmers selected and assigned land at Ringtail Village.
--Cocoa nursery established at both Hummingbird Hershey and Valley of Peace.
--Planting and housing activities well under-way at Ringtail Village.
--Planting activities begun at Valley of Peace.
--First project evaluation complete.
--Community Center begun.
--Road into Ringtail Village improved.
--Credit union opened at Hummingbird Hershey For Ringtail Village.

C. Overall Status: The project is on track, and ahead of schedule in some areas.

D. Follow-up Actions: N/A

E. Summary of Audits and Evaluations

In early September 1985 an evaluation of the Cocoa Project was undertaken. General opinion was that the project has been very successful thus far. Recommendations were made to improve the project and more effectively utilize project personnel.

(IV) Problems and Delays

--More land needs to be acquired in the Ringtail Village area that is suitable to farming. Much of the initial land proved to be unsuitable.

--Credit availability for the participants in the Valley of Peace area must be speeded up.

(V) Major Activities

A. Corrective Actions: Project personnel continue to act on the evaluation recommendations by improving coordination, re-writing work plans, including Peace Corps Volunteers in technical work, and working more closely with GOB officials in resolving policy problems.

B. Major Project or Management Activities

--Finish road into Ringtail Village.

--Continue planting and housing activities.

--Officially register Ringtail Village as a village with the GOB.

--Continue to expand activities in Valley of Peace.

--Begin work on the development of Extension Manuals for Cocoa Production.

--Second project evaluation.

C. AID/W Actions: N/A

(VI) Mission Director's Assessment: No major implementation problems.

(VII) Special Concerns

A. Participant Training: 12 planned but none to date.

B. Gray Amendment/HBCU Contracts: No contracts contemplated.

6. BEST--CASA

(I) Background Data

Project Title:	Belize Enterprise for Sustained Technology (BEST)
Project Number:	505-0030
Date of Authorization	December 3, 1985
Date of Obligation:	December 3, 1985
	Amendment I - December 24, 1985

PACD: September 30, 1988
Implementing Agency: BEST
Major Contractor: None
AID Project Officer: Stephen Szadek, ADO

(II) Project Purpose: The purpose of the grant is to provide funding to BEST to support their activities, as:

1. To provide an integrated package of management and technical services principally to low income local farmer groups within the 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 voluntary organizations) to magnify and extend the impact of the services and resources available for the agricultural and agro-industrial development of Belize.

Programmed Funding by Component in US\$

Salaries and Benefits	\$245,000
Local Travel and Subsistence	73,000
Office Expenses	37,000
International Travel and Subsistence	20,000
Trainers	10,000
Total	<u>\$385,000</u>

(III) Project Status

A. Financial Summary

--Amount authorized: \$385,000
--Amount obligated: 200,000
--Amount committed 200,000
--Accrued expenditures:
 Cumulative: 50,000
 This PD 50,000
--Status of Covenants and Conditions Precedent: N/A

B. Major Outputs

--Office opened and 90 percent staffed.
--Many contacts made with potential clients. Four jobs taken.

- C. Other Accomplishments: Not applicable
- D. Follow-up Actions: Not applicable.
- E. Summary of Audits and Evaluations: Not applicable.

(IV) Problems and Delays

--Not applicable.

(V) Major Activities

- A. Corrective Actions: Not applicable.
- B. Major Project or Management Activities

--Continue current level of activity.

--Complete staffing.

--Increase number of clients by four.

(VI) Mission Director's Assessment:

No major implementation problems.

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INCOMING
TELEGRAM

PAGE 01 BELIZE 02201 00 OF 02 252354Z 1404 067371 AID5502
ACTION AID-00

- SHRIMP 250,000
A TOUR OPERATOR 175,000
A WOOD PRODUCTS 100,000

ACTION OFFICE IADR-DJ
INFO LACQ:01 LADP-04 RELO-01 TELL-01 LACA-03 /013 A1 X25

INFO LOG-00 COPY-01 ARA-03 /001 W
-----271270 252356Z /65 61-38

O 252215Z JUN 86
FM AMEMBASSY BELIZE
TO SECSTATE WASHDC IMMEDIATE 5579

UNCLAS BELIZE 2201

AIDAC

FDR MARY JUNE, LAC/DR

E.O. 12356: N/A
TAGS: N/A
SUBJECT: STATUS REPORT FOR PROJECT 505-0005, COMMERCIAL BANK
DISCOUNT FUND

REF: A. BELIZE 0302 E. BELIZE 1236

1. SUMMARY. THIS IS AN UPDATED STATUS REPORT OF SUBJECT PROJECT FOR PIPELINE REVIEW SCHEDULED ON JUNE 26, 1986. USAID HAS ACHIEVED SIGNIFICANT PROGRESS SINCE LAST PIPELINE REVIEW. DOLS ONE MILLION OF LOANS HAVE NOW BEEN FULLY APPROVED AND/OR DISBURSED BY COMMERCIAL BANKS AND CENTRAL BANK (CB). INCREASES IN DEVELOPMENTAL MID TO LONG-TERM LENDING BY COMMERCIAL BANKS HAVE BEEN SUBSTANTIAL IN LAST FOUR MONTHS. END SUMMARY.

2. BACKGROUND. BACKGROUND INFORMATION IS CONTAINED IN REFTELS. FINANCIAL SUMMARY

- AID DISBURSEMENTS	395,000
CB APPROVED,	
(AID DISBURSEMENT IMMINENT)	582,500
SUB-TOTAL AID DISBURSED OR IMMINENT	977,500
WAITING FOR FINAL GUARANTEE	
ARRANGEMENTS AND CB BOARD APPROVAL	
(EXPECTED TO BE FINALIZED AT 7/10/86	
BOARD MEETING.)	375,000
NEAR APPROVAL WITH BNS	525,000
TOTAL DISBURSED IMMINENT AND NEAR	
APPROVAL	1,877,500
OTHER PROPOSALS IN SYSTEM (UNCERTAIN)	3,175,000

THE BANKS' LEVEL OF INVOLVEMENT AND STATUS ARE LISTED BELOW:

BARCLAYS BANK (BB)	
A. APPROVED AND DISBURSED	1,395,000
B. APPROVED BY CB AND BB, (DISBURSE- MENT REQUEST RECEIVED BY USAID PER PARA 4)	
A SHRIMP	332,500
A BANK OF NOVA SCOTIA (BNS)	
A. APPROVED AND DISBURSED	
- NONE	
B. APPROVED BY CB AND BNS, (DISBURSE- MENT REQUEST RECEIVED BY USAID PER PARA 4)	
A RESORT MARINA	250,000
C. APPROVED BY BNS AND USAID, AWAITING FINAL ADJUSTMENTS ON CB GUARANTEE AND CB BOARD OF DIRECTORS CONCURRENCE (EXPECTED TO BE FINALIZED AT 7/10/86 BOARD OF DIRECTORS MEETING).	
A HOTEL EXPANSION	200,000
A TIRE MANUFACTURING	175,000
D. UNDER EVALUATION, FAVORABLE DECISION EXPECTED	

4. FYI, USAID TODAY RECEIVED CENTRAL BANK REQUEST TO HAVE ITS ACCOUNT IN THE FEDERAL RESERVE BANK OF NEW YORK WITH DOLS 582,000 BY EFT, IN ACCORDANCE WITH SECTION B.1. (C) OF ANNEA 1, PROJECT DESCRIPTION TO THE LOAN AGREEMENT. WE WILL BE CABLING REQUEST FOR THIS EFT TO FM THIS PM OR TOMORROW 6/26 AM.

5. PRIVATIZATION AND LEVERAGING. IN CONJUNCTION WITH IMPLEMENTING THE COMMERCIAL BANK DISCOUNT FUND, THE MISSION TOOK THE LEAD IN SUPPORTING AND IMPLEMENTING THE COMPLETE DIVESTITURE OF THE GOVERNMENT OF BELIZE'S BANANA PLANTATIONS. THE DIVESTITURE IS NOW COMPLETE. IN THE PAST FOUR MONTHS, USAID PREPARED LOAN PROPOSALS FOR MOST OF THE BANANA FARMS BUT, CONTRARY TO INITIAL PLANS, LEVERAGED ITS FUNDS RATHER THAN USED THE DISCOUNT FUND EXCLUSIVELY. IN THE PROCESS, AID CONTRIBUTED DOLS 125,000, WHILE IN EXCESS OF DOLS 2.0 MILLION OF NEW MONEY WAS LOANED TO THE BANANA INDUSTRY (BY LAAD, DFC, BB, AND BNS). USAID PROVIDED EXPERTISE, AND CONDUCTED POLICY DIALOGUE WITH THE HIGHEST LEVELS OF GOB IN ORDER TO FACILITATE THE PROVISION OF MOST OF THE DOLS 2.0 MILLION NEEDED BY THE INDUSTRY.

6. POLICY DIALOGUE. USAID HAS ACHIEVED SUBSTANTIAL PROGRESS IN BANKING POLICY REFORMS BY COMMERCIAL BANKS IN THE LAST FOUR MONTHS. LOANS THAT WERE BEING CONSIDERED JUST FOR THE DISCOUNT FUND, ARE NOW BEING FINANCED BY THE BANKS THEMSELVES. THE BANKS ARE CURRENTLY VERY LIQUID. NORMALLY, IN A TIME OF HIGH LIQUIDITY, BANKS PLACE EXCESS FUNDS IN GOB T-BILLS. ON A SMALL SCALE, BANKS ARE BEGINNING TO APPROVE MID AND LONG-TERM DEVELOPMENT LOANS. BARCLAYS BANK, IN PARTICULAR, IS FOCUSING ON PROVIDING DEVELOPMENT LOANS TO THE AGRICULTURAL SECTOR. THEY HAVE JUST RECENTLY APPROVED A DOLS 450,000 LOAN TO A BANANA FARMER. ALSO, THEY HAVE STARTED A "FARM PLAN LOANS" PROGRAM TO HELP SMALL FARMERS WITH LIMITED TECHNICAL ASSISTANCE, AGRICULTURAL INPUTS AND EQUIPMENT RENTAL. IN ADDITION, CB, BB AND BNS OFFICIALS HAVE INFORMED USAID THAT BB AND BNS WILL PROVIDE AN ADDITIONAL 25 PERCENT IN CO-FINANCING FOR AID AMOUNTS LISTED IN PARA 3.

7. CONCLUSION. USAID FIRMLY BELIEVES THAT ITS EFFORTS OVER THE PAST SIX MONTHS HAVE RESULTED IN SIGNIFICANT IMPROVEMENT IN IMPLEMENTATION. WITH THE DOLS 522,000 DRAWDOWN IN PARA 4,

NEARLY DOLS ONE MILLION WILL HAVE BEEN DISBURSED. BEFORE YEAR END 1986, WE EXPECT AN ADDITIONAL DOLS 1,000,000 TO BE APPROVED AND DISBURSED. USAID WOULD GREATLY APPRECIATE YOUR SUPPORT IN ENSURING THAT ANY RECOMMENDATION COMING OUT OF THE PIPELINE REVIEW BE SUPPORTIVE OF THE STATUS DESCRIBED ABOVE. GUTHRIE

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INCOMING
TELEGRAM

FAGE #1 BELIZE 01230 0022022 0509 036775 AID6444

BELIZE 01230 0022022

0509 036775 AID6444

ACTION AID-02

A RESORT MARINA 150,000
C. UNDEF EVALUATION, FAVORABLE DECISION EXPECTED
- BANANA 450,000

ACTION OFFICE ACA-01

INFO FPA-02 IACU-01 LADP-04 LADR-03 GC-01 GCLA-03 GCFL-01
STAG-07 SACT-01 STFA-01 RELO-01 /023 A4 00

A BANK OF NOVA SCOTIA

A. APPROVED AND DISBURSED

- NONE

INFO LOG-00 COPY-01 CIAE-00 EB-00 UODE-00 ARA-00 /009 W
-----002633 09R4122 /60

B. INTERNAL APPROVAL, PENDING WITH CENTRAL BANK (COMPLETELY APPROVED BY BOTH BELIZE BRANCH AND HOME OFFICE)

A TIRE MANUFACTURING 175,000

A HOTEL EXPANSION 200,000

A RESORT MARINA 150,000

C. UNDEF EVALUATION, FAVORABLE DECISION EXPECTED (APPROVED BY CB AND USAID, PENDING FINAL APPROVAL BY BNS)

A BANANA 450,000

A BANANA 125,000

A SHRIMP 250,000

A TOUR OPERATOR 125,000

A WOOD PRODUCTS 100,000

DUPLICATION BETWEEN BANKS

F 0020452 APR 86
FM AMEMBASSY BELIZE
TO SECSTATE WASHDC 0029

UNCLAS BELIZE 1230

AIDAC

FOR LAC/CAR

E.O. 12356: N/A
TAGS: N/A
SUBJECT: STATUS COMMERCIAL BANK DISCOUNT FUND, 505-0005

REF: CAMPBELL/LAPERA TELCOM 4/1

IN ADDITION, A NEW BANK IN BELIZE, THE BELIZE BANK OF COMMERCE AND INDUSTRY (BBCI) IS CURRENTLY STARTING UP AND IS VERY INTERESTED IN UTILIZING THE DISCOUNT FUND. THE CENTRAL BANK STRONGLY SUPPORTS THIS BANK'S PARTICIPATION.

1. SUMMARY OF SUB-PROJECT APPROVAL AND ANALYSIS.
THERE ARE SEVERAL STAGES TO THE APPROVAL AND ANALYSIS PROCESS OF THE SUBJECT PROJECT:

A PROSPECTIVE BORROWER SUBMITS PROJECT PROPOSAL TO COMMERCIAL BANK.

A COMMERCIAL BANK ANALYZES PROPOSAL: 1) IF IT APPROVES PROPOSAL, BARCLAYS BANK SUBMITS PROPOSAL TO CENTRAL BANK FOR ITS APPROVAL OF DISCOUNTING AND/OR GUARANTEE. 2) BANK OF NOVA SCOTIA USUALLY SUBMITS PROPOSAL TO CENTRAL BANK PRIOR TO ITS OWN APPROVAL.

A CENTRAL BANK SUBMITS PROPOSAL TO USAID FOR CONCEPT APPROVAL. (I. E. THAT THE PROPOSED SUB-PROJECT IS WITHIN THE SCOPE OF THE COMMERCIAL BANK DISCOUNT FUND)

A USAID INFORMS CENTRAL BANK OF DETERMINATION.

A CENTRAL BANK INFORMS COMMERCIAL BANK OF ITS OWN AND AIDS DETERMINATION.

A BARCLAY'S BANK OFFICIALLY APPROVES, CONTRACTS AND DISBURSES LOAN.

A NOVA SCOTIA PROCEEDS WITH ITS OWN ANALYSIS AND APPROVAL PROCESS. IN THE PAST, THE APPROVAL PROCESS UNDER NOVA SCOTIA HAS RESULTED IN PROPOSALS BEING APPROVED BY NOVA SCOTIA/BELIZE. CB, AND AID ONLY TO BE TURNED DOWN BY NOVA SCOTIA REGIONAL OR HOME OFFICES.

4. REFINANCING - BECAUSE ALL OF THE ABOVE PROJECTS ARE EXPANSIONS OF ALREADY EXISTING BUSINESSES, SOME MINOR AMOUNTS OF REFINANCING HAVE TAKEN PLACE AS A NECESSARY INGREDIENT OF NEW ACTIVITIES. IN SUB-PROJECTS OF MAJOR BUSINESS EXPANSION, THE RETIREMENT OF SHORT-TERM DEBT INTO LONG-TERM DEBT SEEMS TO BE A NORMAL AND REQUIRED PRACTICE. IN DETERMINING DISALLOWANCE OF REFINANCING, USAID WILL CONSIDER: 1) THE RATIO OF REFINANCING TO TOTAL LOAN. 2) THE OVERALL ACTIVITY AND THE DEGREE TO WHICH IT IS A NEW ENDEAVOR OR, CONVERSELY, A SCHEME BY THE BANK TO REPLACE ITS FUNDS.

4. MISSION WILL KEEP AID/W INFORMED OF NEW DEVELOPMENTS. GUTHRIE

C. UNDER THE TERMS OF THE PROJECT LOAN AGREEMENT WITH THE GDB, USAID APPROVAL OF ANY SUB-PROJECTS IS NOT REQUIRED FOR PROPOSALS LESS THAN U.S. DOLS 500,000. FOR THIS REASON, UP UNTIL MAY, 1985, USAID WAS NOT CLOSELY INVOLVED IN SUB-PROJECT ANALYSIS APPROVAL. AT THAT TIME, HOWEVER, CENTRAL BANK DECIDED TO REFER ALL PROPOSALS IT RECEIVED TO AID FOR A DETERMINATION ON WHETHER GIVEN PROPOSALS WERE CONSISTENT WITH THE SCOPE OF THE PROJECT. ALSO, USAID BECAME MORE INVOLVED WITH PROMOTING USE OF THE FUND AND AS A RESULT RECEIVED MANY PROPOSALS DIRECTLY. THUS, USAID IS EXAMINING ALL PROJECT PROPOSALS SENT TO THE CENTRAL BANK FOR DISCOUNTING FROM THE COMMERCIAL BANKS.

2. CURRENT STATUS. TO DATE, ONLY BARCLAYS HAS BEEN ACTIVE IN USING THE DISCOUNT FUND. BANK OF NOVA SCOTIA HAS CONSIDERED NUMEROUS PROPOSALS, BUT HAS NOT DRAWN DOWN ON FUNDS. THE BANKS' LEVEL OF INVOLVEMENT AND STATUS IS LISTED BELOW:

A BARCLAYS BANK

A. APPROVED AND DISBURSED

(TOTAL AMOUNT DISBURSED 1,425,000 DOES NOT AGREE WITH TOTAL AMOUNT DISBURSED BY AID, 1,335,000, DUE TO LAG TIME IN DISCOUNTING PL

A LIVESTOCK 1200,000

M A CHICKEN 125,000

A PIG 100,000

B. INTERNAL APPROVAL, PENDING WITH CENTRAL BANK

- LIVESTOCK 250,000

A SHRIMP 350,000

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INFO FPA-02 LACO-01 LADR-03 GC-01 GCLA-03 GCFL-01 FLD-02
CMGT-05 STAG-02 PPR-01 SACT-01 STFA-01 RELO-01 TELE-01
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UNCLAS BELIZE 0302

AIDAC
FOR LAC/DP AND LAC/DR
E.O. 12356: N/A
TAGS: N/A

SUBJECT: STATUS REPORT FOR PROJECT 505-0005, COMMERCIAL BANK
REF: BELIZE 0124

1. SUMMARY. THIS IS AN UPDATED STATUS REPORT ON SUBJECT PROJECT FOR PIPELINE REVIEW SCHEDULED ON OR ABOUT JANUARY 29, 1986. USAID HAS EXTENDED PAGO TO DECEMBER 31, 1985 AND APPROVED THE PARTICIPATION OF A NEW COMMERCIAL BANK. OTHER NEW DEVELOPMENTS AND MINOR MODIFICATIONS DESCRIBED BELOW WILL GREATLY ACCELERATE APPROVAL AND DISBURSEMENT OF SUB-PROJECTS. END SUMMARY.

2. BACKGROUND. THE DOLS. 5.0 MILLION COMMERCIAL BANK DISCOUNT LOAN FUND (505-0005) WAS AUTHORIZED ON MARCH 24, 1983 AND CFS WERE MET ON AUGUST 23, 1983. THE PROJECT CONSISTS OF A REVOLVING FUND WITHIN THE CENTRAL BANK OF BELIZE, AGAINST WHICH COMMERCIAL BANKS DISCOUNT CREDITS EXTENDED TO PRODUCTIVE PRIVATE SECTOR AGRICULTURAL AND AGRO-INDUSTRIAL PROJECTS. THE LOAN AND DISCOUNT TERMS ALLOW THE CENTRAL BANK SUFFICIENT NET INTEREST EARNINGS OVER THE REPAYMENT PERIOD OF THE AID-LOAN TO FORM A PERMANENT FUND SUBSTANTIALLY LARGER THAN THIS LOAN.

UNTIL RECENTLY, DISBURSEMENT HAS BEEN SLOW. UNDER CONTRACT TO THE MISSION, THE FIRM OF A.D. LITTLE REVIEWED THE SITUATION IN MARCH, 1984 AND MADE SEVERAL RECOMMENDATIONS FOR SPEEDING UP DISBURSEMENT. THIS REPORT WAS SUBSEQUENTLY ENDORSED BY THE LAC/DR PRIVATE SECTOR OFFICE. MOST OF THESE RECOMMENDATIONS HAVE BEEN ACTED UPON, WITH SUCCESSFUL RESULTS APPEARING ONLY NOW (I.E., EXTENDING LOAN TERMS, RISK SHARING WITH THE CENTRAL BANK, AND IMPROVING BORROWER PROPOSAL PREPARATION). ALSO, A PROJECT AUTHORIZATION AMENDMENT DATED SEPTEMBER 12, 1984 PERMITTED THE COMMERCIAL BANKS TO DISCOUNT CREDITS FOR ALL ACTIVITIES EXCEPT THOSE WHICH ARE NOT NET EARNERS OF FOREIGN EXCHANGE. THIS AMPLIFIED THE PROJECT TO INCLUDE INDUSTRIAL EXPORT AND TOURISM SUB-PROJECTS.

PROJECTS TOTALING IN EXCESS OF DOLS. 6.2 MILLION WERE PROPOSED AND REJECTED BY THE COMMERCIAL BANKS IN CY 1985 -- ALL HAVING BEEN APPROVED IN PRINCIPLE BY USAID AND THE CENTRAL BANK. THIS INDICATES THAT WHILE THERE ARE PROBLEMS IN WORKING THROUGH THE COMMERCIAL BANKS, THE DEMAND ON THE FUND REMAINS HIGH.

3. ANALYSIS OF THE FINANCIAL SECTOR. BELIZE IS A YOUNG COUNTRY NOT YET ENCUMBERED BY EXCESSIVE REGULATIONS. GOVERNMENT POLICY SUPPORTS FREE ENTERPRISE AND AN OPEN MARKET SYSTEM. FOR THE MOST PART, THE CONSTRAINTS TO BUSINESS AND COMMERCIAL DEVELOPMENT ARE NOT THE PRODUCT OF GOVERNMENT INTERVENTION, BUT EXIST IN THE PRIVATE SECTOR ITSELF. A MAJOR CONSTRAINT IN THE PRIVATE SECTOR IS LACK OF ACCESS TO MEDIUM- AND LONG-TERM CREDIT. BELIZE'S FINANCIAL SECTOR IS SERVED BY FOUR COMMERCIAL BANKS (A FIFTH COMMERCIAL BANK IS DISCUSSED BELOW), A GOVERNMENT-OWNED DEVELOPMENT FINANCE CORPORATION, AND A HIGHLY SUCCESSFUL PVO (NATIONAL DEVELOPMENT FOUNDATION) SERVING THE CREDIT NEEDS OF SMALL BUSINESSES AND MICRO-ENTREPRENEURS.

TRADITIONALLY, THE FOUR COMMERCIAL BANKS HAVE PROVIDED OVERDRAFT AND WORKING CAPITAL LOANS TO PRIVATE FIRMS. THESE LOANS ARE LOW-RISK AND EXTENDED FOR RELATIVELY SHORT TERMS. LONGER-TERM QUOTE HIGHER RISK UNQUOTE LOANS ARE PROVIDED BY THE DEVELOPMENT FINANCE

CORPORATION. MEDIUM-TERM, QUOTE HIGHER RISK UNQUOTE LOANS ARE PROVIDED TO SMALL BUSINESSES BY THE NATIONAL DEVELOPMENT FOUNDATION.

A. COMMERCIAL BANKS. THE ABSENCE OF ESTABLISHED CAPITAL MARKETS, AS WELL AS THE SHALLOWNESS OF MARKETS FOR REAL ASSETS IN BELIZE, CONSTRAIN BANKERS' INVESTMENTS AND LENDING DECISIONS. UNLIKE BANKS IN THE UNITED STATES WHICH HAVE ACCESS TO MARKETS TO HEDGE THEIR RISKS, BELIZEAN BANKS MUST MANAGE THEIR PORTFOLIOS WITHOUT THE ABILITY TO HEDGE RISKS. A POLICY OF MAKING ONLY SHORT-TERM LOANS AND OF REQUIRING RELATIVELY HIGH COLLATERAL WAS DEVELOPED AS A MEANS TO DEALING WITH THE LIMITED LIQUIDITY AND SHALLOWNESS OF BELIZEAN MARKETS FOR REAL AND FINANCIAL ASSETS.

THE COMMERCIAL BANKS DEAL MOSTLY WITH THE SHORT-TERM, LOW-RISK CREDIT NEEDS OF RETAIL AND WHOLESALE IMPORTERS TO AVOID THE RISKS INHERENT IN OTHER NEWER, PRODUCTIVE PRIVATE SECTOR VENTURES -- BESIDES THE FACT THAT THE BANKS HAVE LITTLE EXPERTISE IN MEDIUM- AND LONG-TERM DEVELOPMENT LENDING AND LOAN ANALYSIS. IT IS UNREALISTIC TO EXPECT THAT BANKS OPERATING WITHIN BELIZE WILL TAKE ON THE SAME RISKS AS WOULD COMMERCIAL BANKS WITHIN THE UNITED STATES -- AS ORIGINALLY ASSUMED IN THE PROJECT PAPER.

THE PREVAILING SECURITY LOAN VALUE RATIO OF BELIZE'S TOTAL COMMERCIAL LOAN PORTFOLIO IS 200 PERCENT, E.G., AT LEAST DOLS. 2.00 IN QUALIFYING ASSETS PLEDGED TO SECURE EACH DOLS. 1.00 OF BORROWING (ALTHOUGH BARCLAYS HAS STATED THAT IT IS WILLING TO CONSIDER MORE FAVORABLE RATIOS). THE COLLATERAL PROBLEM IS FURTHER COMPOUNDED BY THE DEFINITION OF QUALIFYING OR PLEDGEABLE ASSETS. FOR EXAMPLE, SPECIALIZED MACHINERY AND EQUIPMENT WHICH MAY BE DIFFICULT TO RESELL LOCALLY, TYPICALLY WILL NOT QUALIFY AS COLLATERAL.

BANKS ARE RELUCTANT TO CONSIDER UNDEVELOPED LAND TO BE SALEABLE COLLATERAL. COMMERCIAL BANK SECURITY REQUIREMENTS LIMIT THE LEVERAGE AVAILABLE TO LOCAL BUSINESS, THUS TYING THE GROWTH IN TOTAL AVAILABLE CAPITAL TO GROWTH IN EQUITY.

IN ADDITION, BANK POLICY DECISIONS ARE MADE OFFSHORE IN HEAD OFFICES. CONSEQUENTLY, VERY LITTLE MONEY IS BEING LENT ON DEVELOPMENT PROJECTS. MEDIUM- AND LONG-TERM FINANCING IS NEEDED FOR RAW MATERIALS, CAPITAL GOODS, PREEXPORT USE, ACCOUNTS RECEIVABLE AND WORKING CAPITAL -- YET BANK MANAGERS ARE NOT FREE TO MAKE MEDIUM- AND LONG-TERM CREDIT DECISIONS. AS DISCUSSED ABOVE, THE BANKS APPEAR TO BE EXCESSIVELY CONCERNED WITH COLLATERAL USUALLY CASH ITSELF) AND THEIR OWN IMMEDIATE LIQUIDITY, EVEN THOUGH THE BELIZEAN DOLLAR HAS BEEN STABLE. IN ADDITION, THE HOME OFFICES OF THE COMMERCIAL BANKS, IN MOST CASES, HAVE GIVEN NO VALID REASONS

FOR TURNING DOWN MANY OF THE WELL-PREPARED PROJECT PROPOSALS IMPLYING THAT THEY HAVE MADE A POLICY DECISION NOT TO LEND TO LONG-TERM IN BELIZE. USAID DISCUSSIONS WITH RDO/C ON COMMERCIAL BANKING PRACTICES INDICATE THAT THIS POLICY APPLIES TO THE ENGLISH-SPEAKING EASTERN CARIBBEAN AS WELL.

B. THE DEVELOPMENT FINANCE CORPORATION (DFC). THE DFC WAS FORMED IN 1973 IN ORDER TO PROVIDE CREDIT TO MEET NEW BUSINESS DEVELOPMENT NEEDS IN BELIZE. THE DFC MAKES SOME LONG-TERM LOANS TO BUSINESSES BELOW THE 14 PERCENT PRIME RATE SET BY THE CENTRAL BANK, BUT THE MAJORITY OF ITS PORTFOLIO IS IN SHORT- AND MEDIUM-TERM CREDIT. PRESENTLY, THE DFC HOLDS A LOAN PORTFOLIO OF DOLS. 13.4 MILLION, OF WHICH DOLS. 6.6 MILLION ARE LOANS TO THE AGRICULTURAL SECTOR. THIS IS A VERY SMALL PORTFOLIO WHEN COMPARED TO THE DOLS. 62 MILLION HOLDINGS OF THE FOUR COMMERCIAL BANKS IN BELIZE.

UNLIKE THE COMMERCIAL BANKS, THE RESPONSIBILITY OF THE DFC IS NOT TO PROTECT THE SECURITY AND LIQUIDITY OF BANK DEPOSITORS, BUT RATHER TO FOSTER THE DEVELOPMENT OF THE BELIZEAN ECONOMY. THIS DEVELOPMENT ORIENTATION MAY MAKE THE DFC BETTER SUITED TO LONG-TERM FUNDING OF RISKY PROJECTS THAN THE COMMERCIAL BANKS. HOWEVER, POOR PORTFOLIO MANAGEMENT PRACTICES HAVE MADE THE DFC INEFFECTIVE IN CARRYING OUT ITS ASSIGNED ROLE.

THE DFC'S FINANCIAL STABILITY REMAINS HIGHLY QUESTIONABLE. THE ARREARS SITUATION IS QUITE HIGH (35 PERCENT UP TO 90 DAYS). THE DFC RARELY FORECLOSES ON DEFAULTED LOANS (ONLY THREE TIMES IN ITS ENTIRE TWELVE-YEAR HISTORY) AND CARRIES BAD LOANS ON ITS BOOKS FOR EXTENDED PERIODS WITHOUT EVER WRITING THEM OFF AS LOSSES. THE FACT THAT DFC IS A DEVELOPMENT INSTITUTION ACCEPTING ABOVE NORMAL RISKS AND CHARGING SUBMARKET RATES ON LOANS SUGGESTS THAT EXPECTED

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LOSSES WILL BE UNACCEPTABLY HIGH IN COMPARISON TO PRIVATE SECTOR BANKING STANDARDS. THOUGH THE DFC IS MORE FLEXIBLE THAN THE COMMERCIAL BANKS IN MATTERS OF COLLATERAL, THIS ADVANTAGE IS SIGNIFICANTLY DIMINISHED BY WEAK PORTFOLIO MANAGEMENT PRACTICES. FOR THESE REASONS, AND BECAUSE DFC IS NOT A PRIVATE FINANCIAL INSTITUTION, USAID IS RELUCTANT TO CONSIDER DFC AND CENTRAL BANK REQUESTS TO ALLOW DFC TO PARTICIPATE IN THE PROJECT.

IN SUPPORT OF NEW MEDIUM- AND LONG-TERM LENDING INSTITUTIONS WHICH ARE VITAL TO THE GROWTH OF THE BELIZEAN ECONOMY AND DEVELOPMENT OF FOREIGN EXCHANGE EARNING EXPORT AND TOURISM ACTIVITIES.

IN APPROVAL OF THE REMAINING FUNDS WITHIN THE NEXT TWELVE MONTHS.

IN A GREATER NUMBER OF MICROBUSINESSMEN WILL HAVE ACCESS TO NEEDED CAPITAL WITH THE INCLUSION OF HDFB.

C. NATIONAL DEVELOPMENT FOUNDATION OF BELIZE (NDFB). THE NDFB WAS FORMED IN 1962 BY A GROUP OF PROMINENT BELIZEAN BUSINESS LEADERS. IT HAS RECEIVED A DOLS. 530,000 OMG FROM USAID/BELIZE, AS WELL AS TECHNICAL ASSISTANCE IN SETTING UP ITS LENDING OPERATION FROM THE PAN AMERICAN DEVELOPMENT FOUNDATION. NDFB HAS BEEN PROVIDING SMALL LESS THAN U.S. DOLS. 20,000. HIGH RISK, MEDIUM-TERM (3-5 YEARS) LOANS TO SMALL BUSINESSES AND MICRO-ENTREPRENEURS. TO DATE, NDFB HAS LESS THAN A FIVE PERCENT DEFAULT RATE ON 152 LOANS WORTH IN EXCESS OF U.S. DOLS. 350,000. IN SHORT, ITS LENDING AND PORTFOLIO MANAGEMENT PRACTICES ARE IMPRESSIVE.

7. CONCLUSION. USAID FIRMLY BELIEVES THAT THE SCENARIO DESCRIBED ABOVE, COMBINED WITH INCREASED MOMENTUM OF AIDS PRIVATE SECTOR PROGRAM IN BELIZE (AS DESCRIBED IN REF (A)), HAS SET THE STAGE FOR SUCCESSFUL IMPLEMENTATION OF THE PROJECT. WOULD GREATLY APPRECIATE YOUR SUPPORT IN ENSURING THAT ANY RECOMMENDATION COMING OUT OF THE PIPELINE REVIEW BE SUPPORTIVE OF THE SITUATION DESCRIBED ABOVE. GUTHRIE

4. RECENT DEVELOPMENTS. TO DATE, FOUR LOANS HAVE BEEN APPROVED BY BARCLAYS, OF WHICH TWO HAVE BEEN DISBURSED. THE VALUE OF THE APPROVED LOANS TOTAL DOLS. 655,000, OF WHICH DOLS 355,000 HAVE BEEN DISBURSED. IN ADDITION, BARCLAYS INFORMED USAID ON JANUARY 23 THAT IT GUARANTEES APPROVAL OF TWO ADDITIONAL LOANS TOTALING DOLS. 600,000 AT ITS EARLY FEBRUARY BOARD MEETING.

A NEW BANK, THE BELIZE BANK OF COMMERCE AND INDUSTRY (BBCI) ORGANIZED BY A GROUP OF PROMINENT BELIZEAN AND U.S. BUSINESS PEOPLE, WAS RECENTLY APPROVED AS A COMMERCIAL BANK BY THE GOVERNMENT. THE BOARD OF DIRECTORS HAS SIGNIFICANT WORLDWIDE BANKING EXPERIENCE, AND IS ORIENTED TO MEDIUM- AND LONG-TERM DEVELOPMENT LENDING. BBCI HAS ALREADY APPROVED A DOLS. 750,000 LOAN PACKAGE TO PRIVATE BANANA FARMERS FOR AGRICULTURAL INPUTS. THE LOAN PACKAGE SUPPORTS THE BIGGEST DIVESTITURE OF A PARASTATAL IN BELIZES HISTORY. A NUMBER OF OTHER PROJECTS IS BEING REVIEWED BY BBCI AT THE PRESENT TIME.

4. FUTURE ACTIONS. CONTINGENT UPON CENTRAL BANK ANALYSIS AND APPROVAL, USAID WILL AUTHORIZE TWO ADDITIONAL INSTITUTIONS DESCRIBED BELOW TO PARTICIPATE UNDER THE PROJECT.

A. INTER-AMERICA VENTURE GROUP (IAVG) -- A NEW VENTURE CAPITAL FUND ORGANIZED BY A U.S. BUSINESSMAN WITH MAJOR FINANCIAL INTERESTS IN BELIZE. BOTH THE CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE BOARD HAVE EXTENSIVE U.S. COMMERCIAL BANKING EXPERIENCE (WITH HAVING MANAGED COMMERCIAL PORTFOLIOS IN EXCESS OF U.S. DOLS. 50.0 MILLION). INTER-AMERICA HAS ALREADY APPROVED THREE LOANS. THE FIRST IS A DOLS. 1.5 MILLION LOAN TO WATER CAYE RESORT, A TOURISM PROJECT, WHICH WOULD PROVIDE BELIZE WITH ITS FIRST WORLD-CLASS HOTEL AND RESORT; SECOND IS A DOLS. 0.5 MILLION LOAN FOR A RESORT PROJECT IN SAN PEDRO, AND THIRD IS TO DISCOVER BELIZE, INC. FOR DOLS. 200,000 FOR FINANCING EXPANSION OF A FISHING AND DIVING CHARTER BUSINESS IN BELIZE. IN ADDITION, INTER-AMERICA IS CONSIDERING TWO OTHER LOANS. THE FIRST IS A DOLS. 1.0 MILLION LOAN TO WHITERIDGE FARMS, A SUCCESSFUL VEGETABLE GROWING AND PROCESSING VENTURE OWNED AND OPERATED BY THREE U.S. AGRI-BUSINESSMEN (WHITERIDGE EXPORTED 360,000 POUNDS OF PRODUCE TO THE U.S. IN 1985), AND THE SECOND IS A DOLS. 1.0 MILLION LOAN TO SET UP A LIME PROCESSING PLANT IN BELIZE. THE COMPANY HAS ACCESSIBLE MINERAL DEPOSITS THAT CAN SUSTAIN PRODUCTION OF 20,000 TONS OF LIME PER YEAR FOR 67 YEARS. ONLY A SMALL PORTION OF THE LIME WOULD BE USED FOR THE DOMESTIC MARKET, THE REST WOULD BE EXPORTED TO THE U.S. AND THE CARIBBEAN.

B. NATIONAL DEVELOPMENT FOUNDATION OF BELIZE -- SEE SUB-PARA 3C. SUBJECT TO ITS INCLUSION IN THE DISCOUNT FUND, THE NDFB HAS ALREADY APPROVED A LOAN TOTALING DOLS. 200,000 TO PLEATEX, LTD. PLEATEX IS AN ESTABLISHED BELIZEAN CLOTHING MANUFACTURER THAT IS SETTING UP A 200 FAMILY COTTAGE INDUSTRY IN BELIZE FOR THE KNITTING AND EXPORTING OF SWEATERS TO THE U.S. MARKET. THE PROJECT WILL BE A STRONG FOREIGN EXCHANGE EARNER, AND WILL INITIALLY PROVIDE EMPLOYMENT FOR OVER 200 FAMILIES. IN ADDITION, NDFB IS CONSIDERING A DOLS. 100,000 LOAN TO THE NORTHERN FISHERMENS COOP FOR THE EXPORT OF LOBSTER -- OVER 100 LOBSTER FISHERMEN WOULD BENEFIT.

6. PROJECTED ACCOMPLISHMENTS. WITH THE ABOVE RECENT ACTIONS TAKEN AND ACTIONS TO BE TAKEN, USAID WILL ACHIEVE THE FOLLOWING:

B. ESF and SDA

1. COMMERCIAL BANK DISCOUNT FUND

(I) Background Data

Project Title: Commercial Bank Discount Fund
Project Number: 505-0005
Date of Authorization: March 24, 1983
Date of Obligation: March 29, 1983
PACD: December 31, 1986
Implementing Agencies: Central Bank; four commercial banks in Belize
Major Contractors: None
AID Project Manager: Doug Willmore, PDO

(II) Project Purpose: To increase private sector investment in all productive activities except those which are not net earners of foreign exchange.

(III) Project Status

A. Financial Summary

--Amount authorized: \$5.0 million ESF Loan
--Amount obligated: \$5.0 million
--Amount committed: \$355,000
--Accrued expenditures:
 Cumulative \$355,000
 This PD \$230,000
--Status of Covenants and Conditions Precedent: All Conditions Precedent were met by August 26, 1983.

B. Major Outputs

Targets from PP

--40 new investments
--Discount fund established on a permanent basis
--Banking policy and institutional change resulting in longer term credit and appraisal banking.

Status

Unfortunately, disbursement has occurred for only three sub-loans totalling \$355,000; but an additional \$1.1 million in loan applications are in the process of being fully approved by

the commercial banks. Policy reforms have been substantial in the last six months. Yet, the commercial banks' general conservatism, concentration on high interest, quick turnover, over-drafts and short-term loans along with prohibitive collateral policies still are constraints to moving the loan funds. It should be noted that the inability and unwillingness to engage in medium- and long-term investment is characteristic of commercial banks in the Caribbean. This is understandable, given that the commercial banks traditional clients are importers whose credit requirements are short-term based on inventory turnover. Also, medium- to long-term investment/development lending is labor intensive and requires promotional activities as well as monitoring efforts.

C. Other Accomplishments and Overall Status

--Privatization and leveraging. In conjunction with implementing the Commercial Bank Discount Fund, the Mission took the lead in supporting and implementing the complete divestiture of the Government of Belize's banana plantations. USAID prepared financial packages for the new owners and assisted them in gaining financing from sources other than the Discount Fund. Through promotion and implementation of the Discount Fund, over \$3.7 million from other sources (LAAD, DFC and banks' own resources) have been lent for projects which could have been funded by the Discount Fund.

--Policy Dialogue. USAID has achieved substantial progress in reforms by commercial banks in the last six months. Loans that were being considered just for the Discount Fund, are now being financed by the banks themselves. Whereas, in a time of high liquidity, which the banks face right now, normal practice would have been placing excess liquidity reserves in Government T-bills. Yet now, the banks are considering, and in some cases approving, long-term development loans. This is a positive step. Barclay's Bank, in particular, is focusing on providing development loans to the agricultural sector. They have revived their "Farm Plan Loans"--which is a program to help small farmers. Barclay's has advertised this program, offering advice from their agricultural advisor, and even offering money to rent equipment.

D. Follow-up Actions from Prior Report

--USAID has assisted users in designing proposals, and has promoted use of the Discount Fund.

--USAID has increased contact and communication with Central Bank and commercial banks to facilitate the flow of projects

through the approval process, and to continue to work on policy reforms.

--The PACD was extended to December 31, 1986.

E. Summary of Audits and Evaluations: A comprehensive evaluation was carried out by A.D. Little during March 1984. Most of the recommendations of this evaluation have been implemented and use of loans has been expanded, constraints on maturity terms have been loosened and the Central Bank has assumed greater risk.

(IV) Problems and Delays

The constraints to disbursement have been:

--Guarantee: Although the Central Bank approved guaranteeing loans up to 75% several months ago, the Central Bank is reluctant to give such guarantees.

--Lack of readily 'bankable' projects: Until the last nine months, the commercial banks have not received many proposals with sufficient data or information on which to act.

--High interest rates: Potential borrowers claim that the prime rate, currently set at 14% by the Central Bank is too high for medium- and longer-term investment credit, given commercial banks' practice to lend between 16% and 22%..

--Collateral requirements by commercial banks: Potential borrowers claim that the collateral requirements (150%-200% of loan value) are too high. Collateral pledged on loans include developed real property, machinery readily saleable in Belize, and negotiable instruments.

--Ineligibility of citrus projects: There is high interest on the part of the Central Bank, commercial banks, and potential borrowers in exporting citrus concentrate to the U.S. Loans would be for large amounts and would quickly draw down on loan funds. However, current interpretation of PD 71 does not permit this undertaking.

--Inactivity of Central Bank: The Central Bank, as the prime implementing agency for the project, has taken a passive attitude towards successful implementation of the project.

(V) Major Activities During Next Six Months: USAID believes that the lack of promoting the CDF with the commercial banks and potential end-users resulted in a standstill in

implementation. Therefore, the steps listed below will continue.

A. Corrective Actions

--Lack of bankable projects: AID and the Belize Chamber of Commerce and Industry (BCCI) will continue to assist users in designing proposals. There has already been significant improvement in project proposal design. Commercial banks have pledged their full cooperation. USAID will take steps to ensure that the Central Bank fulfills its role of promoting and managing the Discount Fund.

--High interest rates: The governor of the Central Bank will raise this issue with the Central Bank Board of Directors and the Ministry of Finance.

--High collateral requirements: Improved presentation of proposals may have a beneficial impact in collateral requirements. Otherwise, banks are not very flexible on this matter.

--USAID will continue to work with the commercial banks to facilitate the flow of project proposals through the approval process. With projects totalling \$1.1 million close to approval, and an additional \$3.0 million in the approval process pipeline, this activity is very important.

B. Major Project or Management Activities: None anticipated.

C. AID/W Actions: None anticipated.

(VI) Mission Director's Assessment: This project continues to require significant management attention.

(VII) Special Concerns

A. Participant Training: N/A

B. Gray Amendment/HBCU Contracts: USAID will give full consideration to 8(a) sources should need for TA arise. Such a need is not anticipated at this time.

2. NATIONAL DEVELOPMENT FOUNDATION

(I) Background Data

Project Title: National Development Foundation of
Belize
Project Number: 505-0011

Date of Authorization: April, 1983
Date of Obligation: July 28, 1983
PACD: September 30, 1986
Implementing Agency: National Development Foundation/Pan
American Development Foundation
Major Contractor: None
AID Project Manager: Doug Willmore, PDO

(II) Project Purpose

Provide 410 Belizean micro-entrepreneurs with credit, business guidance, and technical assistance to help them improve their employment opportunities, increase income, expand productivity, and mobilize and involve the local successful private sector in the establishment of the National Development Foundation, whose on-going programs will assist micro-entrepreneurs.

NDFB extends small loans to beneficiaries who meet eligibility criteria determined by the Foundation. Along with all loans, beneficiaries who meet eligibility criteria will receive technical guidance and training in marketing strategies, financial management, accounting and other business skills appropriate to small-scale productive activities.

Programmed Funding by Component in U.S.\$

Personnel	\$ 15,000
Training	\$ 17,000
Commodities	\$ 52,000
Transportation	\$ 26,400
Survey/Eval.	\$ 9,000
Overhead	\$ 22,600
	<u>\$142,000</u>

(III) Project Status

--Amount authorized: \$142,000 G
--Amount obligated: \$142,000
--Amount committed: \$142,000
--Accrued expenditures:
 Cumulative \$134,000
 This PD \$ 17,000
--Status of Conditions Precedent: All met
 GOB ESF L/C contribution Bz.\$770,000

B. Major Outputs

Target: Credit and technical assistance delivered to 410 beneficiaries by end of project. Through April 1, 1986, 239

loans in the amount of Bz.\$711,490 have been granted. 39 loans for Bz.\$244,812 are still being considered.

Target: NDFB staff trained and in place. This target has been reached.

Target: NDFB legally established with functioning Board of Directors and increasing local membership. This target has been reached.

Target: Management systems, operational policies and procedures, accounting and financial systems in place. This target has been reached.

Target: Sufficient ability and track record to attract additional external resources. NDFB committed to raise Bz.\$150,000 in country. To date Bz.\$80,000 has been raised. External resources of U.S.\$162,000 has been raised against a LOP target of U.S.\$374,000.

Target: Conduct small business and marketing surveys. Three surveys have been conducted to date. This target has been reached.

C. Other Accomplishments: Loans have created 72 new jobs and increased the earning power of 235 more individuals. The loan payback record is excellent--there is a delinquency rate of only 4.2%. Technical assistance has reached 92 individuals.

D. Summary of Audits: The last audit was conducted on December 27, 1984. It found that the NDFB was under budget and was maintaining an adequate accounting system. We advised the Foundation that AID funds should be kept separate from other Foundation funds. The accountant indicated he would comply with our suggestion.

(IV) Problems and Delays

At the close of the three-year project it is envisioned that the Foundation will be financially- and managerially-sound and supported by the local private sector. The Foundation, however, agreed to raise Bz.\$150,000 to pay for project costs. It looks doubtful that the Foundation will be able to raise this money from membership development and fund-raising activities. According to the Foundation's accountant the organization had managed to raise Bz.\$80,000 during the period July 28, 1983, through April 1, 1986. The Foundation members are aware of the cash-flow problem. The cash problem will be more evident once the OPG funds run out at the close of the

1986 fiscal year. We note that the Foundation reported it will press on for local fund-raising activities.

(V) Major Activities During Next Six Months

Continued expansion of successful credit operations and technical assistance to micro-businesses. Greatly increased fund-raising efforts and activities. Mission will grant the NDFB an additional \$30,000 for FY '86, and \$30,000 in each of FY '87 and FY '88.

(VI) Mission Director's Assessment

The project has no major implementation problems and is meeting its original objectives of providing credit, technical assistance, and business guidance to micro-businesses. We expect the continued expansion of its efforts, as well as a stronger effort by fund-raising activities.

(VII) Special Concerns

A. Participant Training

--New starts - 1 male, 1 female
--Returnees - 3 males
--In training - none

B. Gray Amendment/HBCU Contracts: Project does not contemplate contract needs. However in the past a small business assessment by a minority firm (Mintz Report) was completed.

3. COUNTERPART FUND II

(I) Background Data

Project Title: Economic Support Project Counterpart
Fund II (ESF)
Project Number: 505-0012
Date of Authorization: February 25, 1985
Date of Obligation: February 28, 1985
PACD: August 31, 1986
Implementing Agencies: Ministry of Finance, Central Bank of
Belize
Major Contractors: None
AID Project Managers: Peter B. Lopera, PDO
Mohamed Tanamly, CONT

(II) Project Purpose: To assist the GOB in attaining stability in its external accounts.

(III) Project Status

A. Financial Summary

--Amount authorized: \$13.0 million ESF Loan
\$ 1.0 million ESF Grant
--Amount obligated: \$13.0 million ESF Loan
\$ 1.0 million ESF Grant
--Amount committed: \$ 7.5 million ESF Loan
--Accrued expenditures:
 Cumulative \$ 7.5 million ESF Loan
 \$ 230,000 ESF Grant
 This PD \$ 5.0 million ESF Loan
 \$ 92,000 ESF Grant
--Status of Covenants and Conditions Precedent: CPs to
disbursement of first, second and third tranches of U.S.\$2.5
million each have been met. Disbursement has been made.

B. Major Outputs

--Balance-of-payment support to import \$13 million worth of
U.S. goods.
--GOB local currency development expenditures equivalent to \$13
million under GOB Capital II Budget.
--Removal of quantitative trade restrictions.
--Restructuring debt and improving management of the Belize
Electricity Board (BEB).
--Restructuring the Belize Marketing Board (BMB).

Status: Implementation of this economic support program is
well underway. A study on the divestiture of the BMB has been
completed. The BEB advisor has been in place since September
15, 1985, and a study has been completed on the domestic and
foreign trade regime.

C. Other Accomplishments: The BEB with the help of the USAID
advisor is close to meeting the CPs for a \$15 million World
Bank power expansion project.

D. Follow-up Actions: N/A

E. Audits and Evaluations: During this period, Booz-Allen &
Hamilton conducted an evaluation of the performance of the
non-financial public sector which indicated that the

stabilization program has been successful but pointed to the need to improve the GOB project development/investment process.

(IV) Problems and Delays: None to date

(V) Major Activities During Next Six Months:

- Removal of trade restrictions initiated in 1982.
- Continued improved financial and managerial performance of BEB.
- Implementation of steps to change BMB into an institution concerned exclusively with commodity price stabilization.

C. AID/W Actions: N/A

(VI) Mission Director's Assessment: This program has no major implementation problems.

(VII) Special Concerns

A. Participant Training: N/A

B. Gray Amendment/HBCU Contracts: N/A

4. EXPORT PROMOTION

(I) Background Data

Project Title:	Export Promotion (OPG)
Project Number:	505-0025
Date of Authorization:	June 13, 1984
Date of Obligation:	June 15, 1984
PACD:	July 31, 1986
Implementing Agency:	Belize Chamber of Commerce and Industry (BCCI)
Major Contractor:	None
AID Project Manager:	Peter Lapera, PDO

(II) Project Purpose: To provide support for the Belize private sector export-investment promotion activities.

Programmed Funding by Component in U.S.\$

New Orleans World Fair	\$ 75,000
Trade missions	\$ 55,300
Salaries and benefits	\$ 30,000
Vehicle	\$ 15,000

Advertising,	
export promotion	\$ 9,000
Evaluation	\$ 5,000
Miscellaneous	\$ 4,000
Contingencies	\$ 6,700
	<u>\$200,000</u>

(III) Project Status: As planned, BCCI conducted trade missions to the Far East, Europe, and the U.S. These have resulted in sales of Belizean products, real estate, and tourist packages, as well as great interest in future investments and exports now being followed up.

A. Financial Summary

--Amount authorized:	\$200
--Amount obligated:	\$200
--Amount committed:	\$200
--Accrued expenditures:	
Cumulative	\$160
This PD	\$ 35

B. Major Outputs

- Undertaking of four trade and investment missions.
- Dissemination of information about specific Belizean opportunities.
- Participation in New Orleans World Fair.
- Hire BEIPU Executive Director, Assistant Director, and Accountant.

(IV) Activities During Next Six Months: None anticipated.

(V) Major Project or Management Activities

A. Corrective Actions: N/A

B. Major Project or Management Activities: Mission completion and approval of PP for \$2.5 million follow-up export promotion project.

C. AID/W Actions: N/A

(VI) Mission Director's Assessment: No major implementation problems.

(VII) Special Concerns

A. Participant Training: N/A

B. Gray Amendment/HBCU Contracts: N/A

C. HE, EHR, HIG

HOME IMPROVEMENT

(I) Background Data

Project Title: Home Improvement Loan Project
Project Number: 505-HG-001
Date of Authorization: September 9, 1982
Date of Implementation Agreement : December 17, 1982
Date of Loan Agreement: January 16, 1984
Date of PACD: September 30, 1988
Implementing Agency: Development Finance Corporation (DFC), Belize Credit Union League (BCUL), and individual credit unions throughout the country.
Major Contractor: N/A
AID Project Manager: Alexi Panehal, RHUDO/CA
Sam Dowding, GDO

(II.) Project Purpose

- Support and expand private sector participation in financing and construction of shelter.
- Stimulate and strengthen the institutional capacity of the local credit union system.
- Preserve the existing housing stock of below median income families.
- Assist GOB to rationalize its housing delivery system.

The project provides \$2 million of housing guaranty resources which will be used by credit unions in urban areas to finance home improvement loans for families with below median incomes and by the Development Finance Corporation (DFC) for home improvement loans in rural areas not reached by credit unions. The HG resources are to finance approximately 1,300 home

improvement loans. (Also a \$400,000 ESF grant plus \$60,000 had been provided to the Cooperative Housing Foundation (CHF) to finance the services of a resident advisor and a variety of short-term technical assistance to facilitate the successful implementation of the project. This activity ended in FY 85.).

(III.) Project Status

A. Financial Summary

--Amount authorized: \$2,000,000 (HG)
 --Amount obligated: \$2,000,000 (HG)
 --Amount committed:
 --Accrued expenditures:
 Cumulative 714,600
 This PD 91,000

B. Major Outputs:

	<u>No. of Loans Disbursed</u>		<u>Value of Loans Disbursed</u>	
	<u>This period</u>	<u>Cumulative</u>	<u>This period</u>	<u>Cumulative</u>
BCUL	--	290	----	372,718.75
DFC	61	177	91,000.00	254,387.50*
HRCU	--	55	----	87,500.00
	<u>61</u>	<u>522</u>	<u>91,000.00</u>	<u>714,606.25</u>

*The amount of \$239,675.00 reported as disbursed in the report for March - September 1985 represented requested and not actual disbursements. The amount actually disbursed at that time was \$163,387.50.

C. Other Accomplishments and Overall Status

1. - Mission continued urging the BCUL in its efforts to secure agreement from Credit Unions to increase the onlending rate for HILP loans from 12% to 14%. No positive response emerged, however. Only four of the nine participating credit unions had agreed by the end of the last reporting period and there was no change to this, except the hardening of the resolve of the four larger credit unions not to agree to any increase.

2. - Negotiations were sidetracked for awhile in January by a proposal from the DFC to radically alter the program, its delivery and primary purposes, or terminate it. The DFC proposals included that all funds now held in escrow be brought to Belize for

investment by DFC at a higher rate of return, that DFC be authorized to decide which credit unions should participate, and that DFC be authorized to approve and disburse loans to urban dwellers. Mission's response indicated the unlikelihood of the first two requests succeeding. Mission also proceeded to request authorization to amend the Implementation Agreement to permit DFC loan operations in urban centers. By the end of the reporting period this issue had not yet been resolved, although there were no indications that DFC would persist in its indicated withdrawal from the program.

3. - The processing of Disbursement Request No. 7, submitted in December 1985 was held up in the absence of an updated Program Delivery Plan - a condition precedent which needs to be fulfilled each year. By the end of this period indications were that the DFC would resume updating of the PDP for submission to AID early in the new period.

4. - Oral confirmation was received that the draft housing policy was approved by the Government of Belize cabinet without any changes. There have so far been no requests for technical assistance to elaborate the policy or design an implementation plan.

D. Follow up Actions From Prior Report:

Mission proceeded to request that the Implementation Agreement be amended to allow DFC loan operations in urban areas, thus accelerating disbursements from escrow. This request was being considered by PRE/H and LAC/DR at the end of the period.

E. Summary of Audits and Evaluations:

None.

(IV.) Problems and Delays

The refusal of credit unions to increase the lending interest rate, thus curtailing their involvement in the program (due to inadequate spread between the borrowing and lending rates) will result in one of the purposes of the project - that of expanding private sector (credit union) participation in the shelter sector - being, unsuccessful. Mission regrets this eventuality but considers that the delivery of shelter improvement to the below medium income population remains of critical importance at this stage,

thus is willing to consider alternate ways of delivering the required financing.

(V.) Major Activities During the Next Six Months

A. Corrective Actions:

- The implementation Agreement is to be amended to permit DFC to lend to urban dwellers who are not covered by the credit unions. This action will accelerate disbursements from escrow, while opening the program to persons who are willing to pay a higher interest rate at the DFC, but whose credit unions do not wish to participate in the program, and also to those urban dwellers who do not belong to credit unions.

B. Major Project or Management Activities

- Authorization of DFC to lend in urban areas.
- Approval of updated Program Delivery Plans and resumption of processing of disbursement requests.

(VI.) Mission Director's Assessment:

Developments this period did not hold out much hope for progress. However, indications towards the end of the period are that a thorough re-assessment of the program is underway by all the Belize participants. Mission will determine appropriate actions upon the receipt of the proposals from GOB.

(VII.) Special Concerns

- | | |
|------------------------------------|--------------|
| A. Participant Training: | None |
| B. Gray Amendments/HBCU contracts: | No contracts |

INCREASED PRODUCTIVITY THROUGH BETTER HEALTH

I. Background Data

Project Title:	Increased Productivity Through Better Health
Project Number:	505-0018

Date of Authorization: March 21, 1985
Date of Obligation: March 26, 1985
Date of PACD: March 31, 1989
Implementing Agency: Ministry of Health
Major Contractor: PRAGMA/MCD
AID Project Manager: Samuel E. Dowding
Health Project Manager

(II.) Project Purpose

To control the incidence of malaria and dengue fever nationally by 1988 to a level where they are no longer public health problems; to extend coverage of water and sanitation in rural communities in the three districts of Cayo, Stann Creek, and Belize; and to improve the national water quality control program.

--Major activities:

Malaria/ <u>Aedes Aegypti</u> Control	\$1,886,000
Water and Sanitation	\$3,008,000
Project Management	\$1,892,000
Contingencies	\$ 214,000
TOTAL	<u>\$7,000,000</u>

(III.) Project Status:

A. Financial Summary

--Amount authorized:	\$7,000,000	DA Grant
--Amount obligated:	\$2,500,000	
--Amount Committed	\$ 241,963	
--Accrued Expenditures:		
Cumulative:	\$ 182,080	
This PD	\$ 95,900	

Status of Covenants and Conditions Precedent: The Conditions Precedent to first disbursement, and to initial disbursements for both the Malaria/Aedes Aegypti Control, and Water/Sanitation Components were satisfied in October 10, 1985. Conditions precedent to disbursement after March 31, 1986 were yet to be satisfied at the end of the period.

B. Major Outputs

- With the satisfaction of the conditions precedent on October 10, 1985, Mission proceeded to finalize with the Ministry of Health the lists of equipment and supplies for the project. Two PIO/C's were issued in January 86 for procurement of 95 items of equipment and supplies for the Vector Control and Water/Sanitation components of the project. These lists included vehicles, spray equipment, laboratory equipment and supplies, audio-visual equipment, well drilling rigs, handpumps, well casings, and insecticides.

- Mission also proceeded to arrange for separate procurement of the vehicles for the project management team, which arrived in country January 21. As a result of several disappointing delays, the vehicles had not yet been delivered at the end of the period.

- The long term technical assistance team comprising a Team leader/Vector Control advisor, Health Education/Community Development advisor, and Water and Sanitation advisor, arrived in Belize on January 21, 1986. The team is fielded by the PRAGMA Corporation in association with Medial Care Development (MCD). The contract with PRAGMA was finally executed on January 16, 1986 through the Small Business Administration. Mission was disappointed that this process of contracting with an 8a firm, which was initiated more than six months previously, took so long to be completed. A fourth long term consultant, the Vehicle maintenance advisor, arrived in March for two years.

- The National Coordinating Committee for Water and Sanitation met only twice during this reporting period. A third draft of the policy guidelines for construction and maintenance of water supply and sanitation systems was submitted to the Ministry of Health for comments. These have been provided and the final revision will be done and hopefully presented as Ministry of Health policy by June 30.

- Mission took advantage of an offer of USG surplus prefabricated Butler Huts and procured seven for the Ministry of Health. These are to be erected in Belize city and three district towns. The Ministry of Health has moved slowly to arrange for erection of the buildings. Mission hopes to accelerate this process to completion during the next period.

- Two inspectors of the Aedes Aegypti control program have been accepted for the comprehensive Vector Control Training Program in South Carolina to be held in April.

- A two day meeting to review project plans was held in January soon after the arrival of the T.A. Team. The meeting achieved its purpose of ventilating all issues and instilling a better understanding of the roles of each of the project participants. Out of the meeting has emerged the definition of additional staffing resources required by the Ministry of Health to properly implement this project and to retain some of the expertise being imparted by the T.A. team.

- The Ministry of Health encountered some resistance from the Ministry of Finance in obtaining the funds necessary for the employment of the additional staff required. Mission has written the Ministry of Finance urging release of the funds.

C. Other Accomplishments and Overall Status

Implementation is proceeding slower than anticipated. More time has been used up in contracting, procurement and in the employment of additional staff than originally expected. Some of these delays can be expected to be repeated and Mission intends to avoid those that it can by initiating actions earlier.

D. Follow up Actions

None

E. Summary of Audits and Evaluations

None

(IV.) Problems and Delays

- The process of procuring the equipment, materials and other supplies essential for effective start up of the project, which was originally estimated to take about four months is turning out to be closer to seven or eight months. Regrettably, this impacts very adversely on the implementation schedule, since with the arrival of the rains in June, it will not be possible to escalate work schedules even with the required equipment.

- The Government of Belize Ministry of Finance delayed releasing funds to the Ministry of Health in March, thus impeding the employment of additional staff and the conclusion of some other counterpart activities.

(V.) Major Activities During Next Six Months

A. Corrective Actions: None

B. Major Project or Management Activities

- Satisfaction of Conditions Precedent to Disbursement after March 31, 1986.

- Delivery of project commodities including vehicles, boats, insecticides, laboratory equipment and supplies, and audio-visual and well drilling equipment.

- Participant training of two Aedes Aegypti inspectors in Comprehensive Vector Control, and one malaria supervisor in Malaria Control.

- Overseas site visits by Directors of Malaria and Aedes Control programs, and National Coordinator of Water and Sanitation.

- Construction of office and storage facilities.

- Establishment of relationship (PASA?) with Centers for Disease Control, to undertake research on vector resistance to chloroquine.

- Employment by Ministry of Health of additional spraymen, well drilling and maintenance crews, malaria evaluators, and water quality analyst, among others.

- In country training courses for new malaria and aedes aegypti control staff.

Substantial completion of village profiles in the water and sanitation target districts.

- Initiation of village level activities including establishment of Water and Sanitation Committees, health education community meetings and school sessions, and household surveys.

C. AID/W Actions

Mission anticipates active assistance from ST/H in executing the agreement with CDC for the planned operational research.

(VI.) Mission Directors Assessment

There are no major implementation problems with this project.

(VII.) Special Concerns

- A. Participant Training: None yet. Three persons are expected to attend Vector Control course in South Carolina, and three directors will make site visits in the US and a Caribbean or Central American Country during the next period.
- B. Gray Amendment/HBCU Contracts: The contractor, PRAGMA/MCD, is an 8(a) firm. A contract for approximately \$2.7 million over thirty-nine months was signed in January. The Procurement Service Agent for two PIO/C's sent to Washington, Experience Inc., is one of the 8a firms in the new PSA IQC mechanism.

TRAINING FOR EMPLOYMENT AND PRODUCTIVITY

(I.) Background Data

Project Title:	Training for Employment and Productivity
Project Number:	505-0020
Date of Authorization:	August 23, 1985
Date of Obligation:	August 30, 1985
Date of PACD:	September 30, 1990
Implementing Agency:	Belize Chamber of Commerce & Industry; GOB Ministry of Economic Development; and GOB Ministry of Education.
Major Contractor:	Not yet awarded.

AID Project Manager:

Mary Ellen Duffy Tanamly,
General Development Officer

(II.) Project Purpose

The purpose of the project is to provide the management, public administration, and skills training necessary to promote growth of export and tourism-oriented enterprises in Belize. The project consists of two components: (1) Private Sector Management and Technical Training for Export and Tourism Development and (2) GOB Training for Vocational Education and Export and Tourism Development.

Programed Funding by Component:

Private Sector Training:	\$2,750,000
Public Sector Training:	\$2,250,000
TOTAL:	\$5,000,000

(III.) Project Status

A. Financial Summary

--Amount authorized:	\$5,000 DA (Grant)
--Amount obligated:	\$2,000 DA (Grant)
--Amount committed:	\$106,862
--Accrued expenditures:	none
Cumulative:	none
This PD:	none.

Status of Covenants and Conditions Precedent:

All CP's satisfied for both public and private sector agreements.

B. Major Outputs

- A Project Grant Agreement was signed for an initial obligation of US\$600,000 with the Government of Belize.
- A Project Grant Agreement was signed for an initial obligation of US\$1,400,000 with the Belize Chamber of Commerce and Industry.
- The competitive process is underway for a selection of a contractor to provide long and short term technical assistance and manage participant training.

- The Belize Institute of Management (BIM) office has been set up, the Executive Board formulated, and the Executive Director selected.

D. Follow-up Actions: none

E. Summary of Audits and Evaluations: none

(IV.) Problems and Delays: none

(V.) Major Activities:

A. Corrective Actions: none

B. Major Project or Management Activities

- Mission will complete the process for contracting for the technical assistance team by mid July. The team should arrive in country August 1986.

- An annual plan and budget for BIM activities will be formulated by the BIM Executive Board.

- Procurement Plans for both components will be finalized and procurement initiated.

- Initial steps to create a Division of Vocational Education will be taken, including appointment of a Director of Vocational Education.

C. AID/W Actions: none

(VI.) Mission Director's Assessment:

There are no major implementation problems with this project.

(VII.) Special Concerns:

A. Participant Training: \$739,000 has been allocated for participant training in the U.S. and third countries.

B. Gray Amendment/HBCU contracts:
Every consideration will be given to minority firms for award of the prime contract, or as a

subcontractor. Project implementation plans also call for completion of 94 person months of short-term technical assistance projects by TEP. \$1,128,000 has been budgeted for this purpose. The prime contractor, BCCI and USAID will make an effort to identify minority, disadvantaged firms to provide these services. To that end, the prime contractor will be requested to consult the Office of Small and Disadvantaged Business Utilization for a list of potential sub-contractors.

VILLAGE HEALTH AND SANITATION

(I.) Background Data

Project Title:	Village Level Water Supply and Sanitation
Project Number:	505-0024
Date of Authorization:	August 30, 1984
Date of Obligation:	January 11, 1985
Date of PACD:	December 31, 1987
Implementing Agency:	C.A.R.E./Belize
Major Contractor:	N/A
AID Project Manager:	Samuel E. Dowding Health Project Manager

(II.) Project Purpose

To assist the GOB in developing an integrated training program in Nutrition, Food Education, and Water and Sanitation in 16 villages located in the Corozal and Orange Walk districts of Belize. Essential elements of the project are seminars/workshops and educational programs in health and nutrition education, the drilling of 160 wells equipped with handpumps, and the construction of 1600 pit latrines. Costs associated with major aspects of the project are:

Personnel	\$112,540
Materials and Equipment	471,140
Operations and Evaluations	29,633
Contingencies and overhead	86,687
Total	<u>\$700,000</u>

(III.) Project Status

A. Financial Summary

--Amount authorized:	\$700,000
--Amount obligated:	700,000
--Amount committed:	700,000
--Accrued expenditures:	
Cumulative:	129,050
This PD	9,000

B. Major Outputs

- The handpumps ordered through UNICEF for which procurement actions were initiated almost a year ago have still not arrived. Nevertheless, two wells have been drilled in Buena Vista, one of the year 1 villages. The project has decided not to lose more time and has taken advantage of the availability of one of the Ministry of Health rigs and drilling crews. The wells drilled are eighty and ninety feet deep respectively and have been capped whilst the handpumps are awaited.

- The six villages for year 2 have been selected but work is proceeding only in four of these. The responses of the other two villages has not been as encouraging as envisaged. Village council elections have recently been held and the change of government seems to have affected the cooperation previously promised.

- In the four new villages in which work is proceeding, household surveys were being completed at the end of March. The Sanitation Program in these villages was expected to be in high gear early in the new period.

- Health education activities through the schools and village water and sanitation committees continued in Buena Vista and San Antonio Rio Hondo, the first two villages in the project.

C. Other Accomplishments

- Mission in January approved an amendment to the agreement, adding \$200,000 for the construction of rudimentary water systems (RWS). The first village to be considered for this type of system is San Antonio

Rio Hondo where two artesian wells drilled over five years ago currently waste over 100,000 gallons weekly. These wells cannot be equipped with handpumps since the force of the water has ruined each attempt to do so. It is now planned to tap this force and to effect gravity distribution of this water from overhead tanks. The additional funding will allow for this alternative to be seriously considered in other selected villages where handpumps may be inappropriate.

D. Follow-up Actions

The media consultant, June Mehra, experienced difficulties in acquiring her U.S. Visa, thus was unable to do the second part of her consultancy. This will be followed up in the new period.

E. Summary of Audits and Evaluations

None

(IV.) Problems and Delays

A further six months have elapsed and still the handpumps have not arrived. They are not expected till late in the next period, probably July 1986. This would be an entire year since they were ordered and this long delay will demand an evaluation of the procurement process through UNICEF.

(V.) Major Activities During the Next Six Months

A. Corrective Actions: None

B. Major Project or Management Activities

- Second part of June Mehra's consultancy for local production of H.E. materials.

- Arrival of handpumps and start of installation.

- Siting and erection of overhead tanks, laying of distribution lines for San Antonio Rio Hondo RWS.

- Sanitation Programs well advanced in six of eight project villages and started in two others.

C. AID/W Actions

Assistance in procuring Miss Mehra's services through the Medex Contract or WASH during this next period would be very much appreciated. Mission will cable request.

(VI.) Mission Director's Assessment

There are no major implementation problems with this project.

(VII.) Special Concerns

- A. Participant Training: None
- B. Gray Amendment/HBCU Contracts: None

GUIDANCE, COUNSELLING AND PLACEMENT SERVICE

(I) Background Data

Project Title: Pilot Guidance Counselling and Placement Service, OPG

Project Number: 505-0026

Date of Authorization: August 28, 1984

Date of Obligation: August 30, 1984

Date of PACD: December 31, 1987

Implementing Agency: Council of Voluntary Social Services

Major Contractor: None

AID Project Manager: Mary Ellen Duffy Tanamly,
General Development Officer

(II.) Project Purpose

To provide support for the effective job market placement of Belizean youth.

--Major Activities:

Establish a Guidance and Placement Center	\$56,000
Establish and Advisory Committee	4,000
Determine Guidance & Placement Informational Resources Available Locally	2,000
Inform the Public and Related Agencies about the Center	10,000
Contingencies	8,000
Total	<u>\$80,000</u>

(III.) Project Status

A. Financial Summary

--Amount authorized:	\$80,000
--Amount obligated:	80,000
--Amount committed:	80,000
--Accrued Expenditures:	
Cumulative:	37,314
This PD	20,000

B. Major Outputs

- The Center continues to register Belizean youths for job placement; 519 persons have registered with the Center, 75 (14.5%) have been placed in jobs.
- Guidance and counseling have been provided to 394 individuals.
- A career education syllabus for Belize is being formulated.
- An apprenticeship program package has been completed and is under review by the Citizen's Advisory Committee.

(IV.) Problems and Delays: None

(V.) Major Activities

- A. Corrective Actions: No corrective actions required as of the date of this report.
- B. Major Project or Management Activities: The Center will continue to offer job placement and counselling services throughout the country. An evaluation will take place in June 1986.

(VI.) Mission Director's Assessment: No major implementation problems.

(VII.) Special Concerns

- A. Participant Training: none
- B. Gray Amendment/HBCU Contracts: none

5. BREAST IS BEST LEAGUE

(I) Background Data

Project Title: Breast Is Best League, OPG
Project Number: 505-0029
Date of Authorization: January 11, 1985
Date of Obligation: February 12, 1985
PACD: December 31, 1987
Implementing Agency: The Breast Is Best League
Major Contractor: None
AID Project Manager: Mary Ellen Duffy Tanamly, GDO

(II) Project Purpose

To strengthen the services and expand the outreach of the Breast Is Best League. The Project will help to employ an Executive Director for the Breast Is Best League to continue the promotion of breastfeeding in Belize.

--Major Activities:

Management/Fund Raising	\$25,013
Training	\$ 8,327
Educational Programs	\$10,007
Promotion	\$ 595
Contingencies	\$ 4,218
Total	<u>\$50,000</u>

(III) Project Status

A. Financial Summary (U.S.\$)

--Amount authorized:	\$50,000
--Amount obligated:	\$50,000
--Amount committed:	\$50,000
--Accrued expenditures:	
Cumulative	\$23,393
This PD	\$ 2,000

B. Major Outputs

--Management/Fund Raising

- BIB has a new Advisory Board; three of the nine members are Ministry of Health representatives.
- BIB has raised \$9,236 this CY through memberships, and fund raising activities.
- Because of the high demand for BIB services, an assistant to the Director is being recruited.
- BIB has joined the Task Force for Child Survival and is still the only PVO participating in the National MCH committee.

--Training Activities

- Forty-five breastfeeding counselors have been trained in three rural Districts of the country.
- Monthly breastfeeding counselor meetings are held to collect reports and provide continuing education.

--Educational Programs

- BIB and the Ministry of Health have discussed cooperation in the MCH system.
- All seven District Hospital Maternity Wards have been visited as well as the prenatal section of the town Health Centers.
- Four breastfeeding information sheets have been formulated for distribution in clinics throughout the country.
- BIB staff and counselors have made sixty-six house calls in January-February-March; 352 women were counseled at pre natal clinic; 75 women were counseled at the maternity ward in Belize City.
- Thirty-seven working women have borrowed breast pumps from BIB since January, 1986.

--Promotion

- Breastfeeding calenders were distributed throughout the country in January.
- Breastfeeding awards have been given to a pediatrician and a nurse for their outstanding support to breastfeeding; two mothers received awards for breastfeeding under special circumstances.

- Mass media promotion has been intensified through daily promotional spots on radio, radio talks, t.v. spots (lots of response) and newspaper articles.

(IV.) Problems and Delays: None

(V) Major Activities

A. Corrective Actions: No corrective actions required as of the date of this report.

B. Major Project or Management Activities

-- Management/Fund Raising

The BIB League will continue its fund-raising activities both locally and abroad. Quarterly BIB Advisory Board meetings will be held regularly. The BIB League will continue to collaborate with other nutrition/health groups, especially the Ministry of Health, and Child Survival Activities.

-- Training

The BIB League will continue to educate resource persons who will disseminate breastfeeding information to the public. Targets are for 20 new breastfeeding counselors to be trained in the next six months, several workshops to be held for health workers, and continuing education to be offered to 30 experienced breastfeeding counselors. The BIB League Executive Director will continue to participate in training seminars for Peace Corps Volunteers, Red Cross Health Workers, and other lay and medical groups that request training.

-- Educational Programs

The BIB League plans to continue creating and distributing resource materials and providing educational settings for informing the general public, with emphasis on pregnant and lactating mothers. Breastfeeding Information Centers will be set up in three of the six districts. The BIB League is working with a neonatologist to promote breastfeeding at the high-risk nursing level and in trying to set up a milk bank.

-- Promotion

Efforts to create a positive attitude about breastfeeding will be continued. A variety of media will be utilized for these activities, including television, newsletters, calendars, T-shirts, Breastfeeding Awards, pamphlets, etc. Promotional activities are to be coordinated closely with the MOH and private groups.

(VI) Mission Director's Assessment: No major implementation problems.

(VII) Special Concerns

A. Participant Training: None

B. Gray Amendment/HBCU Contracts: None

BELIZE DRUG AWARENESS PROGRAM

(I.) Background Data

Project Title: Belize Drug Awareness Program
Project Number: 505-0033
Date of Authorization: September 23, 1985
Date of Obligation: September 23, 1985
Date of PACD: March 31, 1987
Implementing Agency: Parents' Resource Institute for Drug Education, Inc. (PRIDE)
Major Contractor: N/A
AID Project Manager: Mary Ellen Duffy Tanamly
General Development Officer

(II.) Project Purpose

The purpose is to reduce the prevalence of drug use and abuse among Belizeans, particularly the youth, future manpower of the nation, by increasing the public awareness of the dangers of drugs. The project is working on the development of a National Drug Awareness Program through a cooperative effort of Belizean PVO's, community, church and civic organizations (especially PTA's), assisted by PRIDE through a small field office in Belize. Costs associated with major aspects of the project are:

Personnel	\$112,000	
Training	38,000	
Commodities	95,000	
Other Costs	64,000	
Overhead and Contingencies		41,000
TOTAL	\$350,000	

(III.) Project Status

A. Financial Summary (US \$000)

--Amount authorized:	\$350,000
--Amount obligated:	250,000

--Amount Committed	250,000
--Accrued Expenditures:	
Cumulative:	178,274
This PD:	73,397

B. Major Outputs

- A grant agreement was signed with PRIDE on September 23, 1985, authorizing \$250,000 to provide support for a program in increasing public awareness of the dangers of drugs.

- PRIDE has set up a small field office in Belize.

- A Drug Awareness Action Committee has been formed in Belize City and several others are being organized in other Districts. These committees are working to get parents involved in drug education and prevention work as well as to involve all concerned organizations.

- PRIDE assisted in the implementation of a highly successful National Youth Congress devoted entirely to youth and drugs.

- PRIDE staff have talked with and distributed printed material to PTA's, church groups, student groups, and others throughout the country totaling 575 persons.

- A resource center has been created with an excellent collection of educational and reference materials. A newsletter has been initiated with a circulation of 2,000.

- A National Drug Use Prevalence Survey is underway; two thirds of the country has been surveyed to date.

C. Follow-up Actions none

D. Summary of Audits and Evaluations none

(IV.) Problems and Delays

Communities have welcomed PRIDE's message that something can be done about the problem that they voice concern about. However, the program has experienced difficulty enlisting adults to actually commit themselves to action. PRIDE is trying different strategies to solve the problem.

(V.) Major Activities for Next Six Months

A. Corrective Actions: none

B. Major Project Activities

- A National Drug Awareness Action committee (DAAC) will be formed with chapters in all six Districts. The DAAC will coordinate the efforts of all interested groups, channel technical and material assistance to organizations.

- Regular dissemination of drug awareness messages will be implemented through the mass media.

- Technical assistance will be continued to Belizean organizations to promote pro-health, anti-drug programs.

- The baseline survey to determine the national drug use prevalence will be completed and the results will be disseminated nationally.

- Parents groups will be reached/formed in high risk neighborhoods.

- Training of trainers for professional groups and community leaders will continue.

(VI.) Mission Director's Assessment

There are no major implementation problems with this project.

(VII.) Special Concerns

A. Participant Training: none

B. Gray Amendment/HBCU contracts: no contracts

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Department of State

INCOMING
TELEGRAM

PAGE 01 BELIZE 04008 222217Z
ACTION AID-00

6987 067712 AID9403

ACTION OFFICE. LACA-03

INFO LADR-03 RELO-01 TELE-01 DO-01 /009 A1 X22

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FM AMEMBASSY BELIZE

TO SECSTATE WASHDC IMMEDIATE 8077

UNCLAS BELIZE 4008

AIDAC

FOR LAC/CAR

E.O. 12356: N/A

TAGS: N/A

SUBJECT: SEMI-ANNUAL REPORT

REF: STATE 357603

1. MISSIONS SEMI-ANNUAL REPORT FOR PERIOD ENDING SEPTEMBER 30 WAS HAND-CARRIED TO WDC BY DEPARTMENT OFFICER BOB AUGUSTINE ON FRIDAY, NOVEMBER 15. MR. AUGUSTINE WAS TO DELIVER SUBJECT REPORT ON MONDAY, NOVEMBER 18, WHICH WAS ADDRESSED TO MARY JUNE, LAC/DR, 2252 NS.
2. MISSION WILL FEDERAL EXPRESS ANOTHER COPY OF SUBJECT REPORT ON NOVEMBER 23 FROM HOUSTON TO LAC/CAR ED CAMPBELL
3. PLEASE ADVISE IF MISSING REPORT IS LOCATED BEFORE NOVEMBER 27. BRASHICH

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PAGE 01 STATE 339109 9649 057139 A103544

ORIGIN OFFICE LADR-03
INFO LASA-03 LADP-04 AMAD-01 RELO-01 LACA-01 /015 AU
INFO LOG-00 EB-08 ARA-00 /008 R

DRAFTED BY: AID/LAC/DR: LKLASSEN: AEP
APPROVED BY: AID/LAC DR: DBJOHNSON
AID/LAC/DR: RJORDAN AID/LAC/DR: EZALIMAN
AID/LAC/DR: ILEVY

-----374221 050300Z /38

P 050256Z NOV 85
FM SECSTATE WASHDC
TO AMEMBASSY LA PAZ PRIORITY
AMEMBASSY QUITO PRIORITY
AMEMBASSY LIMA PRIORITY
AMEMBASSY BRIDGETOWN PRIORITY
AMEMBASSY BELIZE PRIORITY
AMEMBASSY GRENADA PRIORITY
AMEMBASSY ~~GEORGETOWN~~ PRIORITY *cancel Laos.*
AMEMBASSY PORT AU PRINCE PRIORITY
AMEMBASSY KINGSTON PRIORITY
AMEMBASSY SANTO DOMINGO PRIORITY

UNCLAS STATE 339109

AIDAC BRIDGETOWN FOR RDO/C

E. O. 12356: N/A
TAGS:
SUBJECT: FY 1986 PROJECT DOCUMENTATION FOR ONGOING PROJECTS

1. BUREAU VERY MUCH APPRECIATES MISSION RESPONSES TO BUREAU REQUEST FOR DOCUMENTATION SCHEDULES FOR NEW PROJECT STARTS IN FY 1986 AND HAS MADE PLANS ACCORDINGLY.
2. AS IN ANY OTHER YEAR HOWEVER, A CERTAIN NUMBER OF PROJECT PAPER AMENDMENTS OR SUPPLEMENTS ARE IN THE WORKS IN VARIOUS MISSIONS, AND IN SOME CASES MAY REQUIRE BUREAU REVIEW GIVEN THEIR SIZE OR THE NATURE OF CHANGES BEING CONTEMPLATED. WE ASK THAT THE MISSIONS PROVIDE US WITH A FY 1986 SCHEDULE SHOWING PROJECTED COMPLETION DATES OF ANY PP AMENDMENTS OR SUPPLEMENTS, NOTING WHERE APPROPRIATE WHETHER BUREAU REVIEW WILL BE NEEDED OR WHETHER MISSION WISHES TO APPROVE IN THE FIELD.
3. FINALLY PLEASE NOTE THAT, AS WITH PIDS AND PPS FOR NEW PROJECTS, PP SUPPLEMENTS OR AMENDMENTS APPROVED IN THE FIELD MUST BE SUBMITTED TO LAC/DR WITHIN TWO WEEKS OF THEIR APPROVAL. WHITEHEAD

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Department of State

OUTGOING
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PAGE 01 STATE 357603
ORIGIN AID-00

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ORIGIN OFFICE. LADR-03
INFO AMAD-01 RELO-01 LACA-03 /008 A0

INFO LOG-00 ARA-00 /000 R

DRAFTED BY: AID/LAC/DR: MJUNE: MVZ 1350N

APPROVED BY: AID/LAC/DR: ABISSET

AID/LAC/DR: EZALLMAN

AID/LAC/CAR: ECAMPBELL

-----236756 212233Z /38

R 212033Z NOV 85
FM SECSTATE WASHDC
TO AMEMBASSY BELIZE

UNCLAS STATE 357603

AIDAC

E. O. 12356: N/A

TAGS: N/A

SUBJECT: SEMI-ANNUAL REPORT

1. MISSION IS REMINDED THAT THE SEMI-ANNUAL REPORT FOR
PERIOD ENDING SEPTEMBER 30 WAS DUE NOVEMBER 15. PLEASE
ADVISE WHEN THE REPORT WILL BE SUBMITTED. WHITEHEAD

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PAGE 01 STATE 303889
ORIGIN AID-00

9837 037099 AID5814

ORIGIN OFFICE LADR-03
INFO AALA-01 LACE-03 LASA-03 LACA-02 /013 42 1002
INFO LOG-00 ARA-00 /000 R

DRAFTED BY: AID/LAC/DR: IALEVY: CMB
APPROVED BY: AID/LAC/DR: DBJOHNSON:

-----372076 022303Z /38

P 022225Z OCT 85 ZEX
FM SECSTATE WASHDC
TO USAID MISSIONS IN LATIN AMERICA PRIORITY

UNCLAS STATE 303889

AIDAC

E. O. 12356: N/A

TAGS:

SUBJECT: LAC BUREAU STATUS REPORTING

REFERENCES: (A) STATE 243395; (B) LA PAZ 006914; (C)
SAN SALVADOR 12305; (D) PORT-AU-PRINCE 6270, 6517; (E)
BELIZE 3315; (F) TEGUCIGALPA 13110

1. GIVEN SCHEDULING FOR ACTION PLAN REVIEWS, AND HEEDING MISSIONS' CRIES FOR RELIEF (SORRY TEGUCIGALPA), WE HAVE DETERMINED TO REINSTITUTE THE PREVIOUS SCHEDULE FOR PROJECT STATUS REPORTS. THUS, REPORTS WILL BE DUE NOVEMBER 15 (FOR APRIL-SEPTEMBER), AND MAY 15 (FOR OCTOBER- MARCH). NEXT REPORTS, THEN, WILL BE DUE NOVEMBER 15, 1985.

2. WE WISH TO REPEAT A-AA/LAC'S PERORATION IN REF. A: QUOTE IT IS INCREASINGLY IMPORTANT THAT PROJECT STATUS REPORTING BE DONE ON A TIMELY BASIS. I WILL EXPECT THESE STREAMLINED SEMI-ANNUAL REPORTS TO ARRIVE IN LAC/DR BY THE DUE DATE. END QUOTE.

3. FOR TEGUCIGALPA AND BELIZE: REPLY TO YOUR OTHER REPORTING CONCERNS WILL HAVE TO BE CONSIDERED SEPARATELY. WHITEHEAD

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Department of State

INCOMING
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PAGE 01 BELIZE 03315 252216Z 6313 033266 AID9315
ACTION AID-00

ACTION OFFICE LADR-03
INFO LACF-03 LASA-03 LAOP-04 PPPU-02 PPDC-01 RELO-01 LACA-03
/020 A2 1025

INFO LOG-00 COPY-01 ARA-00 AMAD-01 /002 W
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FM AMEMBASSY BELIZE
TO SECSTATE WASHDC 7655
INFO AMEMBASSY BRIDGETOWN
AMEMBASSY GEORGETOWN
AMEMBASSY GUATEMALA
AMEMBASSY KINGSTON
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY PANAMA
AMEMBASSY PORT AU PRINCE
AMEMBASSY QUITO
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY SANTO DOMINGO
AMEMBASSY TECUCIGALPA

UNCLAS BELIZE 3315

AIDAC

E. O. 12356: N/A

TAGS: N/A

SUBJECT: LAC BUREAU PROJECT STATUS REPORTING

REF: A. STATE 243395 B. LA PAZ 06914 C. SAN SALVADOR 12305
D. TEGUCIGALPA 13110 E. STATE 239021 F. STATE 239289

1. USAID/BELIZE AGREES WITH VIEWS EXPRESSED IN REFS (B, C, D) FOR THE SAME REASONS CITED. WE WILL BE BETTER ABLE TO DEDICATE THE TIME AND EFFORT REQUIRED FOR PREPARING SEMI-ANNUAL REPORTS IF THE PREVIOUS SCHEDULE IS USED (I. E., REPORTS FOR APRIL-SEPTEMBER DUE NOVEMBER 15 AND FOR OCTOBER-MARCH DUE MAY 15).
2. USAID AGREES WITH THE NEED FOR A COORDINATED APPROACH TO REPORTING REQUIREMENTS EXPRESSED IN REF (D). IN THE PAST SEVERAL MONTHS WE HAVE RECEIVED NUMEROUS REQUESTS FROM DIFFERENT AID/W OFFICES FOR INFORMATION ALREADY CONTAINED IN OR WHICH COULD EASILY BE ADDED TO THE SEMI-ANNUAL REPORTING FORMAT. FOR EXAMPLE IN REF (E) MISSIONS WERE ASKED TO CATEGORIZE USE OF THE PRIVATE SECTOR, INCLUDING PROJECT DESCRIPTIONS, COMPONENT BREAKDOWN, AND PROJECT COSTS. IN REF (F) MISSIONS WERE ASKED TO REPORT COMPLIANCE TO THE GRAY AMENDMENT.
3. WE BELIEVE THAT THE CURRENT SEMI-ANNUAL REPORT FORMAT IS QUITE COMPREHENSIVE AND IF CONSULTED COULD PROVIDE ANSWERS TO INQUIRIES FROM DIFFERENT OFFICES. WE AGREE THAT VARIOUS CONSUMERS BE BROUGHT TOGETHER, AS RECOMMENDED IN REF (D). WE FURTHER SUGGEST THAT ONE OFFICE (PERHAPS LAC/DR) SERVE AS A CLEARINGHOUSE FOR ALL REQUESTS TO MINIMIZE QUERIES FOR INFORMATION ALREADY PROVIDED BY THE SEMI-ANNUAL AND NBCCA REPORTING SYSTEMS. GUTHRIE

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Department of State

OUTGOING
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PAGE 01 OF 02 STATE 243395
ORIGIN AID-00

0631 00:103 AIN3236

STATE 243395

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ORIGIN OFFICE LADR-03
INFO LACE-03 LASA-03 LADP-04 PPPB-02 PPDC-01 RELO-01 LACA-03
/020 A3 J06

INFO LOG-00 EB-08 ARA-00 /008 R

DRAFTED BY: AID/LAC/DR:CPEARLEY:CHB
APPROVED BY: AID/AAA/LAC:HBTJLER:
AID/LAC/DR:IALEVY (DRAFT) AID/LAC/DR:DBJOHNSON (DRAFT)
AID/LAC/DP:WHILELER (DRAFT)

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FM SECSTATE WASHDC
TO USAID MISSIONS IN LATIN AMERICA IMMEDIATE

UNCLAS STATE 243395

AIDAC

E.O. 12356: N/A

TAGS:
SUBJECT: LAC BUREAU PROJECT STATUS REPORTING

FROM AAA/LAC TO MISSION DIRECTORS AND PROJECT
DEVELOPMENT OFFICERS

REF: (A) STATE 056683; (B) LIMA 02359; (C) SAN JOSE
02791; (D) SANTO DOMINGO 3425; AND (E) TEGUCIGALPA 05555

1. SUMMARY: BUREAU APPRECIATES THOUGHTFUL SUGGESTIONS
MADE IN REFTELS. WE HAVE INCORPORATED MANY OF THEM, AS
WELL AS CONCLUSIONS OF OUR OWN INTERNAL REVIEW, IN
REVISED FORMAT OUTLINED BELOW. NEW AGENCY PROGRAMMING
CONCEPT MAKES CLEAR THAT IMPLEMENTATION RESPONSIBILITY
RESIDES IN THE FIELD, BUT BUREAU HAS IMPORTANT
IMPLEMENTATION MONITORING RESPONSIBILITIES AND RELATED
INFORMATION NEEDS. WE CONTINUE TO BELIEVE SEMI-ANNUAL
RATHER THAN QUARTERLY REPORTING WILL BE SUFFICIENT, AND
WE HAVE STREAMLINED REPORTING FORMAT AND REDUCED AMOUNT
OF INFORMATION REQUIRED. SINCE THIS INFORMATION IS ALSO
NEEDED FOR MISSIONS' OWN INTERNAL MANAGEMENT REVIEWS, IT
SHOULD NOT BE A SEPARATE EXERCISE FOR WASHINGTON. A FEW

PROBLEM OR CONTROVERSIAL PROJECTS WILL REQUIRE MORE
INTENSIVE TREATMENT. (SEPTTEL FOLLOWS.) AS REPORTING
REQUIREMENTS ARE EASED TO LIFT BURDEN ON MISSIONS, WE
MUST ALSO REQUEST THAT MISSIONS MEET REMAINING
REQUIREMENTS ON A MORE TIMELY BASIS.

AID/W

2' SYSTEM OVERVIEW: THE BUREAU WILL CONDUCT PORTFOLIO
REVIEWS TWICE A YEAR -- IN AUGUST TO COVER THE JANUARY
-- JUNE 30 PERIOD; AND IN FEBRUARY TO COVER THE JULY --
DECEMBER 31 PERIOD. THE LATTER SET OF REVIEWS WILL BE
TIED INTO THE BUREAU'S INTENSIVE REVIEW OF MISSION
ACTION PLANS. LAC/DR GEOGRAPHIC FINANCE DIVISIONS WILL
COORDINATE THE PORTFOLIO REVIEWS, WORKING CLOSELY WITH
THE TECHNICAL DIVISIONS, COUNTRY DECKS, AND OTHER BUREAU
STAFF. LAC/DR FINANCE AND TECHNICAL DIVISIONS WILL ALSO
BE RESPONSIBLE FOR (A) KEEPING CURRENT ON IMPLEMENTATION
STATUS IN THE FIELD, ADVISING SENIOR MANAGEMENT OF
SERIOUS PROBLEMS; AND (B) ANSWERING THE INCREASING
NUMBER OF INQUIRIES FROM THE CONGRESS AND THE PUBLIC.
WE EXPECT BUREAU STAFF WILL BE MAKING MORE VISITS TO THE
FIELD, AMONG OTHER THINGS TO PARTICIPATE IN THE
MISSIONS' OWN PIPELINE/PORTFOLIO REVIEWS. WE ASK THOSE
MISSIONS WHICH HAVE NOT ALREADY DONE SO FORWARD TO
LAC/DR FINANCE DIVISION A LISTING OF PROJECTS, PROJECT
MANAGERS, AND SUPPORT OFFICERS ASAP.

USAID/Belija

3. REPORTING FORMAT: PLEASE NOTE THAT TO EXTENT
POSSIBLE LAC/DR STAFF WILL COMPILE INFORMATION FROM
EXISTING SOURCES -- E.G., PORTFOLIO OVERVIEW LISTING ALL
PROJECTS. LAC/DR WILL ALSO PREPARE DATA SHEETS WITH A
STANDARD INFORMATION THAT CHANGES INFREQUENTLY, THEREBY
ELIMINATING NEED FOR REPETITIVE REPORTING FROM THE
FIELD. WE HAVE ELIMINATED THE PORTFOLIO REVIEW SECTION
PROPOSED IN REF A, BUT WOULD ENCOURAGE MISSIONS AT THEIR
OPTION TO ADD A BRIEF NARRATIVE SECTION HIGHLIGHTING
MAJOR ACCOMPLISHMENTS OR MAJOR SYSTEMIC PROBLEMS WHICH
ARE AFFECTING THE OVERALL PORTFOLIO. REPORTS WILL
CONCENTRATE ON PROJECT LISTINGS. INDIVIDUAL REPORTS
SHOULD BE PREPARED FOR PROJECTS (EXCLUDING OPGS AS NOTED
BELOW), NON-PROJECT ASSISTANCE, HOUSING GUARANTEE
PROGRAMS, AND THE REGIONAL TRAINING PROJECT. EXPANDING
ON PROVISION IN REF. A, INDIVIDUAL REPORTS WILL NOT BE
REQUIRED ON OPGS OR OTHER SMALL DA PROJECTS WITH LOP
LESS THAN DOLS 1 MILLION. RATHER, MISSIONS SHOULD
INCLUDE A SUMMARY TABLE OF SMALL PROJECTS SHOWING
AMOUNTS AUTHORIZED, OBLIGATED, AND EXPENDED, AND A
SIMPLE STATEMENT OF ANY MAJOR ACCOMPLISHMENTS OR

PROBLEMS. AGAIN, PER REF A, WE MAY ASK FOR INDIVIDUAL
REPORTS ON CERTAIN CONTROVERSIAL OPGS OR OTHER SMALL
PROJECTS.

PROPOSED FORMAT FOR INDIVIDUAL PROJECTS/PROGRAMS:

- I. BACKGROUND DATA
 - PROJECT TITLE
 - PROJECT NUMBER
 - AID PROJECT MANAGER
 - DATE (S) OF AUTHORIZATION AND AMOUNT (L/G)
 - DATE (S) OF OBLIGATION AND AMOUNT (L/G)
 - PACD: ORIGINAL AND REVISED
 - IMPLEMENTING AGENCY(IES)

- II. PROJECT STATUS
 - A. FINANCIAL SUMMARY
 - COMMITTED: CUMULATIVE AND REPORTING PERIOD
 - ACCRUED EXPENDITURES: CUMULATIVE AND REPORTING PERIOD(PLEASE NOTE: BECAUSE OF FREQUENT DISCREPANCIES WITH MISSION REPORTING, WE ARE RELUCTANT TO RELY SOLELY ON PAIS REPORTING AVAILABLE IN AID/W. ALSO, WE BELIEVE THAT REPORTING ON FUNDS COMMITTED IS USEFUL IN ADDITION TO REGULAR EXPENDITURE REPORTING).

- B. MAJOR OUTPUTS -- LIST MAJOR OUTPUTS (E.G., FROM LOGICAL FRAMEWORK) AND GIVE STATUS OF EACH (CUMULATIVE AND DURING QUARTER). QUANTIFY TO MAXIMUM EXTENT POSSIBLE.

- C' OTHER ACCOMPLISHMENTS AND OVERALL STATUS -- BRIEF SUMMARY OF MAJOR HIGHLIGHTS DURING THE REPORTING PERIOD. (PLEASE NOTE: IF CONDITIONS PRECEDENT HAVE NOT BEEN MET, THIS SECTION SHOULD DISCUSS STATUS IN MEETING THEM. ALSO, IT WOULD BE HELPFUL TO DISCUSS FOLLOWUP ACTIONS TAKEN WITH REGARD TO PROBLEMS PREVIOUSLY IDENTIFIED OR ACTIONS REQUESTED FOLLOWING IMMEDIATELY PRIOR AID/W PIPELINE REVIEW. IF AN EVALUATION OR AUDIT HAS TAKEN PLACE DURING REPORTING PERIOD, PLEASE INCLUDE A SUMMARY OF FINDINGS AND RECOMMENDATIONS.)

- D. PROBLEMS AND DELAYS -- FOCUS ON MAJOR PROBLEMS, IF ANY. CANDOR IS IN OUR MUTUAL INTEREST.

- E' MISSION DIRECTOR'S ASSESSMENT -- A SIMPLE STATEMENT (QUOTE ONE-LINER END MATTER) OF WHETHER THE PROJECT SHOULD BE CATEGORIZED AS HAVING (A) NO MAJOR

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Department of State

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PAGE 02 OF 02 STATE 243395 0631 002103 AID8236
IMPLEMENTATION PROBLEMS; (B) CORRECTED PREVIOUS PROBLEMS

AND BACK ON TRACK; OR (C) MAJOR PROBLEMS WHICH REQUIRE
MANAGEMENT ATTENTION. WE WILL SEE THIS AS REFLECTING
DIRECTOR'S PERSONAL JUDGEMENTS.

F. CORRECTIVE ACTIONS FOR CATEGORY C PROJECTS -- FOR
ALL PROJECTS CATEGORIZED AS QUOTE C END QUOTE. THE
REPORT SHOULD INCLUDE A SECTION WHICH IDENTIFIES PLANNED
CORRECTIVE ACTIONS, SUCH AS REPROGRAMMING,
DEOBLIGATIONS, PAID EXTENSIONS, EVALUATIONS, AND OTHER
MORE SPECIFIC IMPLEMENTATION ACTIONS.

4. TIMING OF REPORTS: REPORTING WILL BE ON A
SEMI-ANNUAL BASIS:
--JANUARY 1 - JUNE 30: REPORT DUE AUGUST 15
--JULY 1 - DECEMBER 31: REPORT DUE FEBRUARY 15

WE FEEL THAT THIS TIMING COINCIDES BETTER WITH OTHER
PROGRAMMING REQUIREMENTS, SUCH AS THE ANNUAL ACTION PLAN
REVIEWS. DURING THIS PHASE-OVER PERIOD, REQUEST THAT
MISSIONS SUBMIT ON OCTOBER 15 STATUS REPORT USING NEW
FORMAT AND COVERING PERIOD FROM LAST STATUS REPORT
THROUGH AUGUST 31. NEXT REPORT WOULD COVER PERIOD
SEPTEMBER 1 - DECEMBER 31 AND IT WOULD BE DUE JANUARY
30, 1986. REGRET ANY INCONVENIENCE CAUSED BY THE NEED
FOR AN EXTRA REPORT DURING THIS PHASE-OVER PERIOD, BUT
IT IS UNAVOIDABLE SINCE THE ONLY OTHER OPTION WOULD HAVE
BEEN AN UNACCEPTABLY LONG NINE MONTH GAP IN REPORTING.
FOLLOWING SUBMISSION OF THIS SEPTEMBER 1 - DECEMBER 31
REPORT, WE WOULD MOVE TO JANUARY 1 - JUNE 30 AND JULY 1
- DECEMBER 31 REPORTING. IT IS INCREASINGLY IMPORTANT
THAT PROJECT STATUS REPORTING BE DONE ON A TIMELY
BASIS. I WILL EXPECT THESE STREAMLINED SEMI-ANNUAL
REPORTS TO ARRIVE IN LAC/DR BY THE DUE DATE, AND REQUEST
YOUR PERSONAL ATTENTION TO DEADLINES. SHULTZ

USAID/Belize

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Department of State

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PAGE 01 OF 02 STATE 056689
ORIGIN AID-00

3685 076345 AID4688

STATE 056689

3685 076345 AID4688

ORIGIN OFFICE LADR-03
INFO LACE-03 LASA-03 LADP-04 CMGT-02 CTR-02 RELO-01 HAST-01
LACA-03 /022 AS 1-25

INFO LOG-00 H-01 ARA-00 /001 R

DRAFTED BY: AID/LAC/DR: CPEASLEY: MG: 1293L

APPROVED BY: AIDLAC/DR: DJOHNSON

LAC/DR: ABISSET (DRAFT)

LAC/DR: ILEVY

LAC/DR: WSTICKEL (DRAFT)

LAC/DR: EZALLMAN (DRAFT)

LAC/DR: LKLASSEN (DRAFT)

LAC/DP: JOLESON (DRAFT)

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FH SECSTATE WASHDC

TO USAID MISSIONS IN LATIN AMERICA

UNCLAS STATE 056689

AIDAC

E.O. 12356: N/A

TAGS: N/A

SUBJECT: LAC BUREAU REPORTING AND PORTFOLIO REVIEWS

REF: STATE 193896

1. SUBJECT: SUMMARY. PER REFTEL, THE BUREAU IS IN PROCESS OF REVISING REPORTING AND PORTFOLIO REVIEW PROCEDURES. MAJOR CHANGES WILL BE SHIFT TO SEMI-ANNUAL REPORTING FROM THE FIELD AND GREATER INTEGRATION OF PORTFOLIO REVIEWS INTO BUREAU REVIEWS OF STRATEGY AND PROGRAM PROPOSALS. PURPOSE OF THIS CABLE IS TO (1) PROPOSE A NEW UNIFORM REPORTING FORMAT; (2) DESCRIBE NEW BUREAU REVIEW PROCEDURES; AND (3) SOLICIT MISSION VIEWS ON HOW TO DEVISE BEST POSSIBLE NEW SYSTEM.

2. SEMI-ANNUAL REPORTING FORMAT.

OUR OBJECTIVE IS TO DESIGN A FORMAT WHICH CAN SERVE AS A CONSTRUCTIVE MANAGEMENT TOOL TO FIELD MISSIONS, AS WELL AS MEET THE INFORMATION NEEDS OF AID/W - - AND NOT BECOME AN UNWIELDY AND TIME-CONSUMING TASK FOR MISSION STAFF. AID/W INFORMATION NEEDS ARE MULTIPLE: E.G., CONCERNING FINANCIAL STATUS; PROGRESS IN MEETING PROJECT OBJECTIVES; STATUS OF MAJOR ACTIVITIES AND SIGNIFICANT

ACCOMPLISHMENTS; CONTRACTING OPPORTUNITIES; PROBLEMS OR SUBSTANTIAL DELAYS IN ORIGINAL PROJECT IMPLEMENTATION SCHEDULE; AND REQUIRED MISSION AND AID/W ACTIONS.

IN ORDER TO MEET THESE NEEDS, WE PROPOSE THE FOLLOWING FORMAT FOR OUR NEW SEMI-ANNUAL REPORTS.

I. PORTFOLIO OVERVIEW

A. TABLE DETAILING ALL ACTIVE PROJECTS INDICATING AMOUNTS AUTHORIZED AND OBLIGATED, AS WELL AS CUMULATIVE EXPENDITURES AND EXPENDITURES DURING REPORTING PERIOD. NON-PROJECT AID AND DISASTER (IF ANY) ASSISTANCE SHOULD BE SHOWN SEPARATELY.

B. MISSIONS MAY ALSO WANT TO CONSIDER ADDING A BRIEF NARRATIVE SECTION HIGHLIGHTING MAJOR ACCOMPLISHMENTS DURING THE REPORTING PERIOD - - E.G., EXPENDITURES INCREASED 100 PERCENT OVER PREVIOUS SIX-MONTH PERIOD OR 3 PROJECTS WERE FINALLY PASSED BY THE NATIONAL ASSEMBLY AFTER 18 MONTHS OF DEBATE - - OR MAJOR SYSTEMIC PROBLEMS WHICH ARE AFFECTING THE ENTIRE PORTFOLIO.

C. STATUS OF NEW PROJECT DEVELOPMENT - GIVEN INCREASED REDELEGATIONS OF AUTHORITY, IT WOULD BE HELPFUL TO ADD A SHORT SUMMARY OF WHERE MISSION STANDS IN DEVELOPING PIDS AND PPS, HIGHLIGHTING THOSE FOR WHICH IT HAS APPROVAL AUTHORITY.

II. PROJECT LISTINGS

LENGTH OF NARRATIVES OBVIOUSLY DEPENDS UPON PROJECT COMPLEXITY AND THE PERSONAL PREFERENCES OF MISSION MANAGEMENT. WHILE NOT MANDATING A LENGTH, WE WOULD HOPE THAT MOST PROJECTS CAN BE ADEQUATELY REPORTED IN NO MORE THAN 3-4 PAGES. IN ORDER TO EASE THE REPORTING BURDEN, WE WILL NO LONGER REQUIRE INDIVIDUAL NARRATIVES ON OPGS OR OTHER SMALL DA PROJECTS LESS THAN DOLS 500,000. RATHER, WE WOULD SUGGEST A SUMMARY OF SMALL OPGS, SHOWING AMOUNTS AUTHORIZED, OBLIGATED, AND EXPENDED - - AND A SIMPLE STATEMENT OF ANY MAJOR ACCOMPLISHMENTS OR PROBLEMS. THE ONLY EXCEPTION WOULD BE FOR OPGS WHICH ARE CONTROVERSIAL OR FOR WHICH THERE IS STRONG CONGRESSIONAL INTEREST - - IN SUCH CASES, WE WOULD WANT INDIVIDUAL NARRATIVES. WE DO, HOWEVER, REQUEST INDIVIDUAL REPORTS ON NON-PROJECT ASSISTANCE AND HOUSING GUARANTEE PROGRAMS. (NOTE: LOCAL CURRENCY REPORTING SHOULD BE DONE AS AGREED TO IN PAAD REVIEW.)

PROPOSED FORMAT FOR INDIVIDUAL PROJECTS/PROGRAMS:

- I. BACKGROUND DATA
 - PROJECT TITLE
 - PROJECT NUMBER
 - DATE OF AUTHORIZATION (AND AMENDMENTS)
 - DATE OF OBLIGATION (INITIAL AND AMENDMENTS)
 - PACD: ORIGINAL (AND REVISED)
 - IMPLEMENTING AGENCY (IES)
 - MAJOR CONTRACTORS
 - AID PROJECT MANAGER

II. PROJECT PURPOSE - A BRIEF PARAGRAPH WHICH INCLUDES A STATEMENT OF PURPOSE AND MAJOR COMPONENTS OR ACTIVITIES, SPECIFYING FUNDING PROGRAMMED FOR EACH.

III. PROJECT STATUS

A: FINANCIAL SUMMARY

- AMOUNT AUTHORIZED: L/G; DA/ESF
- AMOUNT OBLIGATED: L/G; DA/ESF
- AMOUNT COMMITTED (CUMULATIVE AND REPORTING PERIOD)
- ACCRUED EXPENDITURES (CUMULATIVE AND REPORTING PERIOD)
- STATUS OF COVENANTS AND CONDITIONS PRECEDENT

B. MAJOR OUTPUTS - LIST TARGETS FROM PP IMPLEMENTATION PLAN AND GIVE STATUS OF EACH, BOTH CUMULATIVE AND DURING THE REPORTING PERIOD. QUANTIFY TO MAXIMUM EXTENT POSSIBLE.

C. OTHER ACCOMPLISHMENTS AND OVERALL STATUS - BRIEF SUMMARY OF MAJOR HIGHLIGHTS DURING THE REPORTING PERIOD.

D. FOLLOW-UP ACTIONS FROM PRIOR REPORT - BRIEF SUMMARY OF FOLLOW-UP ACTIONS TAKEN WITH REGARD TO PROBLEMS PREVIOUSLY IDENTIFIED OR TO ACTIONS REQUESTED IN MOST RECENT AID/W PIPELINE REVIEW.

E. SUMMARY OF AUDITS AND EVALUATIONS - DATES OF LAST AUDIT AND EVALUATION AND SUMMARY OF FINDINGS AND ACTIONS TAKEN.

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IV. PROBLEMS AND DELAYS - FOCUS ON MAJOR PROBLEMS, ESPECIALLY THOSE RELATED TO DELAYS IN MAJOR OUTPUTS OR ACTIVITIES.

V. MAJOR ACTIVITIES DURING NEXT SIX MONTHS.

A. CORRECTIVE ACTIONS - I.E., TO PROBLEMS IDENTIFIED IN IV ABOVE. THESE COULD INCLUDE REPROGRAMMING, PACD EXTENSIONS, AND OBLIGATIONS, AS WELL AS SPECIFIC IMPLEMENTATION ACTIONS.

B. MAJOR PROJECT OR MGT. ACTIVITIES - BRIEF SUMMARY OF MANAGEMENT ACTIONS (SUCH AS MAJOR PIOS AND CONTRACTING, REPROGRAMMING PIIS, ETC.), AND PROJECT ACTIVITIES OR OUTPUTS (ROAD OPENING, TRAINING COURSES, ETC.). TO ASSIST IN THEIR OWN PLANNING, MISSIONS MAY WANT TO INCLUDE PROJECTED EXPENDITURES OVER NEXT SIX MONTH PERIOD IN THIS SECTION.

C. AID/W ACTIONS - WHILE THIS SHOULD NOT BE THE SOLE REQUEST FOR AID/W ACTION, IT WOULD BE A USEFUL PROD TO MAKE SURE WE ACT QUICKLY ON RFPS, SECURING NECESSARY TA, APPROVING WAIVERS, ETC.

VI. MISSION DIRECTOR'S ASSESSMENT - A STATEMENT ON WHETHER THE PROJECT HAS (A) NO MAJOR IMPLEMENTATION PROBLEMS; (B) HAS CORRECTED PREVIOUS PROBLEMS AND IS BACK ON TRACK; OR (C) HAS MAJOR PROBLEMS WHICH REQUIRE SIGNIFICANT MANAGEMENT ATTENTION. (SEE CATEGORIZATIONS IN PARA 3 BELOW). IN MAKING ASSESSMENT, MISSION DIRECTOR SHOULD ALSO CONSIDER WHETHER THE PROJECT IS MEETING ITS ORIGINAL OBJECTIVES AND IS HAVING THE PLANNED DEVELOPMENTAL IMPACT.

VII. SPECIAL CONCERNS - BECAUSE THE BUREAU IS FREQUENTLY ASKED FOR IMMEDIATE INFORMATION ON GRAY AMENDMENT CONTRACTING AND PARTICIPANT TRAINING, EACH MISSION IS REQUESTED TO ADD A SPECIAL CONCERNS SECTION TO ITS REPORT ON EACH PROJECT. THE FOLLOWING FORMATS ARE SUGGESTED:

A. PARTICIPANT TRAINING

	NEW STARTS	RETURNEES	IN TRAINING
	M/F	M/F	M/F

LONG-TERM

SHORT-TERM

B. GRAY AMENDMENT/HBCU'S

(1) CONTRACTS/SUB-CONTRACTS/GRANTS SIGNED DURING THE REPORTING PERIOD FOR FIRMS COVERED BY GRAY AMENDMENT;

(2) CONTRACTS/SUBCONTRACTS/GRANTS FOR HBCUS.

3. TIMING OF REPORTS. REPORTING WILL BE ON A SEMI-ANNUAL BASIS: ONE REPORT COVERING OCTOBER 1 - MARCH 31, THE OTHER APRIL 1 - SEPTEMBER 30. IN ORDER TO BE USEFUL, THE REPORTS MUST BE TIMELY. THEREFORE, WE REQUEST THAT THE REPORTS (3 HARD COPIES AND WANG DISKETTE) REACH LAC/DR/RR NO LATER THAN SIX WEEKS AFTER THE END OF THE REPORTING PERIOD, I.E., BY MAY 15 - NOV. 15. THIS WILL THEN ALLOW US TO SCHEDULE IN ADVANCE AND CONDUCT PORTFOLIO REVIEWS ON A REGULAR BASIS AND ALLOW US TO INTEGRATE THESE REVIEWS OF IMPLEMENTATION INTO THE BUREAU'S BROADER STRATEGY AND PROGRAM REVIEWS. STATE

359163 AND STATE 045436 ADVISED MISSIONS ABOUT AGENCY AND LAC BUREAU PROGRAMMING REVISIONS. THE BUREAU EXPECTS THAT THESE CHANGES, BEGINNING WITH THE FY 1987 PROGRAM CYCLE, WILL INCREASE THE DIALOGUE BETWEEN INDIVIDUAL MISSIONS AND AID/W AND BRING TOGETHER IN THAT DIALOGUE OUR MUTUAL CONCERNS OVER POLICY, STRATEGY, IMPLEMENTATION, PERSONNEL, AND MANAGEMENT. WE HOPE THESE CHANGES WILL RESULT IN IMPROVED DECISION-MAKING. GOOD AND TIMELY PROJECT REPORTING IS AN ESSENTIAL PART OF THE PROCESS. PLEASE NOTE THAT NEW PROGRAM REVIEW PROCEDURES MAY REQUIRE US TO ACCELERATE SUBMISSION DATES FOR PROJECT STATUS REPORTS FROM SOME MISSIONS.

4. THE BUREAU'S PORTFOLIO OR PIPELINE REVIEWS NORMALLY WILL BE HELD DURING THE LAST WEEKS OF MAY AND NOVEMBER. EACH REGION - CENTRAL AMERICA, CARIBBEAN, AND SOUTH AMERICA/PANAMA - IS REVIEWED OVER ONE OR TWO AFTERNOON SESSIONS IN A MEETING CHAIRED BY THE LAC/DR OFFICE DIRECTOR AND ATTENDED BY REPRESENTATIVES FROM THE DESK, LAC/DP AND OTHER BUREAU OFFICES. LAC/DR TECHNICAL AND PROJECT DEVELOPMENT OFFICERS TAKE THE LEAD IN PREPARING BACKGROUND MATERIAL, IN IDENTIFYING PROBLEM PROJECTS FOR DISCUSSION, AND IN RECOMMENDING FOLLOW-UP ACTIVITIES. EACH COUNTRY PRESENTATION BEGINS WITH A GENERAL DISCUSSION OF THE TOTAL PORTFOLIO -- MAJOR ACCOMPLISHMENTS, FINANCIAL PROGRESS, AND COMMON PROBLEMS. (FYI ONE OF THE MOST USEFUL FINANCIAL VARIABLES HAS BEEN PIPELINE LIQUIDATION RATE, I.E., FISCAL YEAR EXPENDITURES DIVIDED BY END OF YEAR PIPELINE. BUREAU AVERAGE IS APPROXIMATELY 25 PERCENT, WITH SOME MISSIONS SUBSTANTIALLY HIGHER AND SOME AS LOW AS 10 PERCENT. END FYI). THEN INDIVIDUAL PROBLEM (CATEGORY C) PROJECTS ARE DISCUSSED FOR REVIEW PURPOSES, WE CATEGORIZE PROJECTS AS FOLLOWS:

CATEGORY A. PROJECTS NEWLY AUTHORIZED AND PROJECTS OPERATING WITHIN PLANNED TIME AND FUNDING LIMITS AND NOT EXPERIENCING MAJOR IMPLEMENTATION PROBLEMS.

CATEGORY B. PROJECTS WITH PAST PROBLEMS BUT CURRENTLY BACK ON TRACK AND PROGRESSING SATISFACTORILY BASED ON REVISED TIME SCHEDULES, FUNDING LEVEL, MODIFIED GOALS AND PURPOSES, ETC.

CATEGORY C. PROJECTS EXPERIENCING IMPLEMENTATION PROBLEMS AND/OR DELAYS WHICH REQUIRE SIGNIFICANT MANAGEMENT ATTENTION IN THE COMING MONTHS.

PROBLEMS AND POTENTIAL CORRECTIVE ACTIONS ARE DISCUSSED FOR EACH PROBLEM PROJECT. RECOMMENDATIONS OR REQUESTS FOR ADDITIONAL INFORMATION WILL SUBSEQUENTLY BE CABLED TO THE MISSIONS. EFFORT WILL ALSO BE MADE TO APPLY LESSONS LEARNED DURING THESE PORTFOLIO REVIEWS TO OUR DIALOGUE WITH THE MISSIONS ON POLICY, STRATEGY, AND MANAGEMENT ISSUES.

4. WE WOULD APPRECIATE MISSION COMMENTS ON PROPOSED PROCEDURES AND FORMAT. PLEASE CABLE ANY COMMENTS, WITH INFO COPIES TO OTHER LAC MISSIONS. IN THE MEANTIME, PLEASE PROCEED WITH PROPOSED FORMAT FOR OCT. 1, 1984-MARCH 30, 1985 REPORT. IF FURTHER REVISIONS ARE NEEDED, WE WILL COMMUNICATE THEM IN TIME FOR THE APRIL 1 - SEPTEMBER 30 REPORT. WE ARE ALSO EXPLORING WAYS TO AUTOMATE PROJECT MONITORING; ANY MISSION SUGGESTIONS WOULD BE APPRECIATED. DAM

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INFO OCT-00 ARA-00 /000 R

DRAFTED BY AID/LAC/DR: LKLASSEN AEP

APPROVED BY AID/LAC/DR: OBJOHNSON

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AID/LAC/DR: ILEVY

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TO USAID MISSIONS IN LATIN AMERICA IMMEDIATE

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TAGS:

SUBJECT: BUREAU REPORTING AND PORTFOLIO REVIEW PROCEDURES

REF: A) STATE 193896; B) LIMA 8926; C) KINGSTON 9352; D;
TEGUCIGALPA 11391; E) PANAMA 11100

1. PER REFTEL A), BUREAU HAD INTENDED TO HAVE MISSIONS USE NEW REPORTING FORMAT FOR SEMI-ANNUAL ACTIVITY STATUS REPORTS COVERING PERIOD THROUGH SEPTEMBER 30. ORIGINAL EXPECTATION WAS TO HAVE THESE NEW REPORTS SUBMITTED BY THE END OF OCTOBER IN TIME FOR PIPELINE REVIEW IN LATE NOVEMBER. HOWEVER, THE SCHEDULE OF PROJECT SUBMISSIONS AND REVIEWS BETWEEN NOW AND THE END OF 1984 IS SUCH THAT WE HAVE DECIDED TO MOVE THE PORTFOLIO PIPELINE REVIEWS UP TO LATE OCTOBER/EARLY NOVEMBER. THIS TIMING PRECLUDES THE MISSIONS' USE OF NEW REPORTING FORMAT IN TIME FOR THE NEXT PIPELINE REVIEW. WE THEREFORE REQUEST THAT LAC MISSIONS USE THEIR CURRENT REPORTING FORMATS FOR THE PERIOD ENDING SEPTEMBER 1984 AD PLAN ON USING THE NEW FORMAT FOR THE PERIOD ENDING MARCH 1985.
2. GIVEN THE CURRENT TIMING OF THE PIPELINE REVIEWS AND THE TIME NORMALLY INVOLVED IN PREPARING THE ACTIVITY STATUS REPORTS, COMPLETION OF A FULL REPORT, EVEN WITH THE CURRENT FORMAT, BY THE END OF OCTOBER MAY NOT BE POSSIBLE FOR ALL MISSIONS. WE WOULD THEREFORE ASK THAT THOSE MISSIONS UNABLE TO SUBMIT FULL REPORTS BY OCTOBER 26 PREPARE UPDATES ON THOSE PROJECTS WHICH WERE THE SUBJECTS OF AID/W QUERIES AS A RESULT OF THE LAST PIPELINE REVIEW, OR WHICH THE MISSIONS FEEL SHOULD BE BROUGHT TO THE ATTENTION OF AID/W. THE INTERIM UPDATES SHOULD BE CABLED BY OCTOBER 26 AND THE REGULAR REPORTS SHOULD BE PREPARED AND SUBMITTED AS QUICKLY AS POSSIBLE THEREAFTER. THIS WILL ENSURE THAT THE BUREAU HAS AS MUCH INFORMATION AS POSSIBLE FROM THE MISSIONS ON PROBLEM PROJECTS PRIOR TO THE PIPELINE REVIEW.
3. A SEPTTEL WILL FOLLOW BY OCTOBER 24 LAYING OUT THE NEW REPORTING FORMAT FOR MISSION COMMENTS AND CLEARANCES. SHULTZ

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DRAFTED BY AID/LAC/DR:SESMITH:NHD0758L
APPROVED BY AA/LAC:VRIVERA
AID/LAC/DR:ILEVY (DRAFT)
AID/LAC/DR:ABISSET (DRAFT)
AID/LAC/CAR:JHOLTAWAY
AID/LAC/CAP:PASKIN
AID/LAC/SA:FALMAGUER
AA/LAC:HBROWN
AID/LAC/DR:DJOHNSON

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TAGS:

SUBJECT: BUREAU REPORTING AND PORTFOLIO REVIEW

PROCEDURES

LAC BUREAU HAS RECENTLY EXAMINED THE CURRENT PROCEDURES FOR PROJECT STATUS REPORTING AND PIPELINE REVIEWS IN THE BUREAU. ALTHOUGH WE ARE STILL DEVELOPING A DETAILED PROPOSAL FOR MODIFIED PROCEDURES FOR MISSION CONSIDERATION LATER THIS SUMMER, WE WOULD LIKE TO ADVISE MISSIONS NOW OF THE MAJOR CHANGES. THESE ARE AS FOLLOWS:

1. THE FREQUENCY OF REQUIRED PROJECT STATUS REPORTS WOULD BE CHANGED TO SEMI-ANNUALLY (I.E. FOR THE SIX MONTH PERIOD ENDING 3/31 AND 9/30 OF EACH YEAR). MISSIONS WOULD STILL BE EXPECTED TO HAVE INTERNAL REVIEWS OF THEIR PORTFOLIOS AT LEAST QUARTERLY. -
2. MISSION REPORTS WOULD COVER THE ENTIRE PORTFOLIO, I.E. ALL PROJECT AND NON-PROJECT (E.G. ESF, PL 480) ACTIVITY.
3. THE REPORTS WOULD ALSO CONTAIN AN OVERALL PORTFOLIO ASSESSMENT AND APPROPRIATE ANALYSIS BY THE MISSION.
4. THE REPORTS WOULD BE TRANSMITTED BY WANG DISKETTE RATHER THAN MULTIPLE COPIES.
5. THE REPORTS WOULD BE THE BASIS FOR THE BUREAU'S SEMI-ANNUAL PORTFOLIO REVIEWS. THE SCOPE OF THESE REVIEWS WOULD BE EXPANDED TO FOCUS NOT ONLY ON PROBLEM PROJECTS BUT ON SUCCESS STORIES AND IMPLEMENTATION PROGRESS ON ALL TYPES OF ASSISTANCE.
6. MISSIONS WOULD BE ASKED TO PROVIDE SUPPLEMENTARY REPORTING ON PROJECTS OR OTHER ACTIVITIES WHICH ARE EXPERIENCING MAJOR IMPLEMENTATION PROBLEMS OR WHICH ARE RECEIVING MAJOR ATTENTION BY AGENCY MANAGEMENT OR THE CONGRESS. THE FREQUENCY AND CONTENT OF THESE AD HOC REPORTS WOULD BE DETERMINED AT THE SEMI-ANNUAL PORTFOLIO REVIEWS.
7. THE FORMAT AND CONTENT OF THE ACTIVITY STATUS REPORTS WOULD BE STANDARD FOR ALL MISSIONS, AND WOULD BE BASED ON

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INFORMATION NEEDS OF VARIOUS LEVELS OF LAC/WASHINGTON. AN INTER-OFFICE WORKING GROUP WILL BE MEETING OVER THE NEXT MONTH OR SO TO DEFINE MORE PRECISELY THESE NEEDS AND INFORMATION USES IN LAC, AND TO DEVELOP A PROPOSED FORMAT FOR THESE REPORTS. COPIES OF THE PROPOSED FORMAT WILL BE SENT TO THE MISSIONS FOR COMMENT BEFORE THE CHANGES ARE FINALIZED.

8. WE EXPECT THIS APPROACH TO GO INTO EFFECT FOR THE REPORTING PERIOD ENDING 9/30/84. SHULTZ

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