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ACTION PLAN

FY 1986-87

BELIZE

May 1985

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## I. INTRODUCTION

### A. Overall Strategy

The strategy of the AID Assistance Program in Belize is to attack the three constraints to economic growth: fiscal instability, a narrow productive base and lack of infrastructure. Our strategy is totally consistent with the FY 1986 CDSS. Over the FY 1986 and FY 1987 period the program will continue to focus on economic stabilization, agricultural diversification, export promotion and selected human resources development. We view all these areas as being interconnected, and believe that the economic solution to the balance of payments and fiscal deficits and development problems lies in export development, given Belize's small population base and limited domestic markets. With this in mind, we will consolidate our portfolio by interrelating projects to the maximum extent possible. For example, the Agricultural Production and Diversification and the Training for Employment Projects, scheduled to begin in late FY 1985, will both have a private sector emphasis and be closely tied to the Export and Investment Promotion Project to begin in FY 1986.

During FY 1986, efforts to stabilize the economy will continue through providing tranching dollar transfers, conditioned by reductions in budgetary transfers to public enterprises and maintenance of programmed levels of GOB development/investment expenditures. Agricultural projects will concentrate on developing the infrastructure for increased production by (1) providing farmers access to markets through improved rural roads and bridges; (2) introducing new production technology directly to farmers; (3) establishing a public and private sector capacity for adaptive research; and (4) strengthening producers' associations to not only provide production technology and inputs to its members, but also assist in accessing both U.S. and domestic markets.

Export promotion will focus on developing and accessing markets for agricultural and industrial products as well as tourism. Such efforts will include matching producers with buyers, providing technical assistance to firms and producers, setting up joint ventures, and establishing information and data bases on markets, inputs, sources of technical assistance, etc. The Health, Education and Human Resources efforts will be geared to making the Belizean population healthier and better trained in order to increase productivity and employment. The Increased Productivity Through Better Health Project, initiated in FY 1985, will provide potable water and rural sanitation and attack the problems of malaria and dengue fever. The Training

for Employment Project, also scheduled to begin in late FY 1985, will make a direct contribution to training employees of private sector firms for the purpose of stimulating exports. In addition, Belize will actively participate in the CAPS program, sending over 60 participants, the majority from the private sector, to the U.S. during the next five years.

B. The Central American Initiative for Democracy, Peace and Development in Belize

Our strategy and goals are discussed in detail under each funding resource. However, in this section, we would like to highlight the strategy and goals as they relate to the four major strategy areas and the goals contained in the FY 1986 Congressional Presentation.

Strategy Areas

1. Balance of Payments assistance to correct the spiraling decline in incomes, employment and economic activity. AID Balance of Payments assistance from March 31, 1985 through June 30, 1986 totals \$13.0 million, while the IMF Standby Arrangement provides \$7.125 million SDR from December 1984 through March 31, 1986. We believe that the total Balance of Payments assistance (AID and IMF) of approximately \$20.0 million is adequate through FY 1986. It is not anticipated that BOP assistance will be necessary for FY 1987, given ~~conditioned~~ improvements in the management and operating efficiency of public enterprises, the GOB operating budget austerity program and GOB policies to reduce imports and increase exports. Throughout 1986, USAID will monitor the balance of payments situation and review additional requirements for 1987 and subsequent years.

2. Help to establish the basis for long-term economic growth through improvements in economic policy and in economic infrastructure.

Under the Economic Stabilization Agreement, 505-0012, we have conditioned tranches of cash transfers to improvements in policies vis-a-vis public enterprises, i.e., to improvements in Belize Electricity Board (BEB) management and financial performance and to possible divestiture of Belize Marketing Board (BMB) rice mills and uneconomical buying and selling of other commodities. We are also providing technical assistance to examine the foreign trade regime and domestic pricing policies in Belize. All the above efforts involve the establishment of high level working groups within which policy dialogues will be conducted based on the recommendations of technical assistance advisors.

3. Help assure the widest possible distribution of the benefits of economic growth in the region through assistance aimed at improving the education, health and social conditions of the poorest groups in Central American society.

In March, 1985, we signed the Agreement for Increased Productivity Through Better Health Project, 505-0018, a four-year \$7.0 million project which will provide assistance to control the incidence of malaria and dengue fever, extend the coverage of potable water and sanitation systems in rural communities and villages in three districts, and improve the national water quality programs. During FY 1986, USAID will fund a study to analyze the current health delivery system and help define an appropriate strategy for this area.

In July, 1985, we will be signing a \$5.0 million four-year project entitled, Training for Employment Project, 505-0020, which will provide vocational and management training to all levels of Belizean society. The Central American Action Plan for the education sector being prepared in Belize in early July, 1985, will help formulate any future assistance in the education sector.

In addition, we have ongoing OPG's in village health and sanitation; guidance, counseling and youth placement services; and breast-feeding.

Finally, our agriculture and private sector activities are aimed at improving the social conditions of the poor in Belizean society.

4. Support improvements in democratic processes and institutions, and in the administration of justice, as well as activities to expose more Central Americans to U.S. values through increased access to U.S. education.

Belize in late 1984 underwent a fair and clean election process which resulted in a change of the ruling party. Belize, fortunate not to have a history of military dictatorships, has a government and political process which supports the development envisaged by the Central American Initiative for Development.

USAID and the Embassy are currently examining the possibility of participating in the regional administration of justice effort, as well as related training opportunities such as Fulbright scholarships for Belizeans involved in the legal and judicial process, in order to provide exposure to U.S. administration of justice.

Belize will also actively participate in the Central American Peace Scholarships (CAPS) program by sending over 60 participants to the U.S. over the next five years.

Relationship of the AID Belize Program to U.S. Goals stated in the FY 1986 Congressional Presentation.

--to end the decline in per capita production by the end of 1985.

The decline in per capita GDP will probably continue through 1985, given sugar's 60% share of export earnings and its continuing low market price.

--to achieve an annual economic growth rate of at least 6% in the region within six years, producing more than 250,000 jobs annually through export and growth.

We predict that a 2% per annum growth rate will be achieved in 1986 and 1987, taking into account the continuing short-term dependence on sugar and its low prices. The long-term goal stated above will be achievable as the agricultural production and diversification and export promotion efforts bear fruit.

Belize's share of the goal of 250,000 jobs annually is approximately 1,800. We believe that agricultural diversification and export promotion efforts will enable the achievement of this rate by 1987.

--to increase agricultural production by 4% per year by 1989, generating 80,000 jobs per year and increasing both food availability and agroindustrial exports.

The key to economic growth in Belize is a major increase in agricultural production and diversification for export. The overall economic growth rate and job creation goals, described above, will be achieved mostly through increases in agricultural production earnings. By 1989 agricultural production increases will exceed 4%, and 1400 of the total jobs created annually will be attributable to agricultural production and agroindustry. Food availability of grains, vegetables, fruit and beef will be increased as will agroindustrial exports.

--to expand participation of all sectors of the Central American population in the benefits of economic growth.

--increase in primary school enrollments to 95% by 1989. Enrollments currently are at 85%. USAID has no definite plans for assistance, but the Central American Action Plan team will conduct a preliminary study in late June, 1985, to devise a strategy to address this goal.



--reduction in the rate of primary level grade repeaters by 50% and an increase in primary level completion rates from 80% to 95% by 1990. During FY 1986 we will conduct studies in order to determine what projects or activities are necessary to achieve this goal.

--reduction in infant mortality from the current rate of 65 per thousand to 50 per thousand by 1989. The 1983 rate was 23.2 per thousand. A December 1983 Pan American Health Organization report demonstrates that diarrheal disease is one of the major causes of infant and early childhood mortality and morbidity in Belize. The four-year Increased Productivity Through Better Health Project, 505-0018, begun in March, 1985, includes a major water and sanitation effort. This project will contribute to further reducing the infant mortality rate. Also, USAID will examine the entire Belizean health care system in either FY 1986 or 1987 to determine the need for AID projects or activities in improving the health care system.

--provision of modern family planning services. Although the population of Belize (between 155,000 and 160,000) is small, it is predicted that a decrease in out-migration to the U.S. and growing immigration from El Salvador and Guatemala will cause a higher growth rate (2.3% net of immigration in 1984). The provision of family planning services should be considered vis-a-vis the GOB's current and future capability to provide educational, health, and social services to its population and a rise in illegal abortions. USAID has no specific plans to address family planning in Belize, but has agreed to a visit by the International Planned Parenthood Federation in June, 1985, (IPPF) to study possible support for a private family planning association.

--increase of 25% in the rate of construction of low-income housing by 1989. Much of the existing housing stock is sub-standard, e.g., houses are unconnected to city water and sewerage services, and the residents do not have the resources to upgrade their homes. Improved and additional low- and middle-income housing is needed throughout the country, but especially in agricultural areas. With the new strategy for crop diversification away from cane production, farm families will need homes close to the land they are working. Long-term financing for housing is not available in the country (with the exception of a few credit unions that make loans to members). Commercial banks do not make mortgage loans.

AID's major contribution to the shelter sector through a HIG loan of \$2 million is in jeopardy because participating credit unions may not agree to the interest rate required to make the loans economically feasible for the institutions. (This will

be resolved by June 15, 1985.) Only a small portion of the loan has been disbursed and the PACD has been extended through September 30, 1988. Also, Belize is participating in the Cooperative Neighborhood Improvement and Jobs Program for Central America (596-0131) implemented by the Cooperative Housing Foundation. This project will help develop permanent private sector systems to mobilize and channel resources for self-help shelter construction and upgrading.

--increase of 25% in the coverage of water and sewerage services by 1989. The Increased Productivity Through Better Health Project, 505-0018 includes a water and sanitation activity described above, as does a small OPG with CARE. These AID efforts combined with the CIDA-funded \$7.7 million Water and Sewerage Project II should facilitate achievement of the goal by 1989.

It should be noted that the GOB, UNICEF, CARE and AID have formed a Coordination Committee for Water and Sanitation.

--to strengthen democratic institutions in countries where they already exist, and achieve substantial progress toward participating democracy and legal systems that respect individual human rights in the others.

Belize's political process and institutions are democratic. AID's Private Sector, Agriculture, Health, Education and Housing Projects in Belize are aimed at strengthening the economic underpinnings of the Belizean political system in a way which fosters broad-based, democratic participation.

### C. Organization of Strategy

The objectives, goals and benchmarks of the AID program in Belize are presented according to funding resource. In addition, each discussion is prefaced by a section summarizing the problems faced by each sector. Discussion in needed policy changes and policy dialogue and relationship to each objective is presented directly after the summary of AID projects in order to show AID's policy dialogue as another means of accomplishing stated objectives, goals and benchmarks. Policy dialogue in Belize takes place not only between the GOB and AID, but also among the donors. Since our program has a directed focus, we seek complementarity with the World Bank, the United Kingdom, and other donors. While our projects stress production technology and export development, we expect the World Bank and the UK to support projects in infrastructure development, such as highway construction. To summarize, the strategy discussion presents the AID program, policy dialogue and coordination with other donors as inputs to achieving benchmarks, goals and objectives.

## II. ESF AND LOCAL CURRENCY PROGRAM

### A. Summary of Problems

New program assistance is not proposed, therefore this ~~discussion does not update the balance of payments and fiscal gap analysis included in the PAAD approved on February 25, 1985.~~ Since it is tranching over six quarterly disbursements, the \$13.0 million loan/\$1.0 million grant current program covers most of FY 1986.

The problems which necessitated this assistance in conjunction with a local currency program are threefold. The non-financial public sector, consisting of the Central Government, municipalities, and public sector enterprises ran a deficit of 7% of GDP in FY 1982/83. Between 1982 and 1984, 30% to 40% of the deficit resulted from losses by public enterprises. To cover these losses and its own deficit, the Central Government had to borrow from the banking system, to a level of 80% of public sector deficit in FY 1983/84. By March 31, 1984, such borrowing reached the statutory limit; commercial bank portfolios could not accommodate more holdings of treasury bills, and the government had accumulated \$4.3 million arrears in interest and external transfers.

The balance of payments situation fared no better. While export revenues fell as world sugar prices fell and the re-export trade with Mexico virtually disappeared, imports remained at a high level. The result was during 1984, gross reserves dipped to \$14 million, an amount equivalent to five weeks of imports.

As a result of the financial and organizational difficulties experienced by the public sector, the amounts allocated by the Central Government to investment have been declining.

### B. Summary of Objectives

The objectives for program assistance to be disbursed during FY 1986 and projected ESF assistance beginning in FY 1986 are as follows:

#### Objective 1

Improve financial management in the public sector and GOB policies concerning balance of payments.

#### Objective 2

Stimulate growth, output, exports, and employment through financial and technical assistance.

#### Objective 3

Allow the GOB to increase public sector investments.

Objective 4

Rationally expand power-generating capacity needed for long-term economic growth.

C. ESF Objective 1

1. Goal: Reduce overall public sector deficit to 5% of GDP by end of FY 1986; reduce Central Government budgetary transfers to public enterprise operational accounts by 100% by end of CY 1986; increase public sector savings to 3.5% of GDP by end of CY 1986; and improve GOB's foreign trade regime and domestic price policies by the end of CY 1986.

a. Benchmarks

--The Belize Electricity Board (BEB) reorganized, its current account in balance and modernization of distribution system underway by end of 1986.

--The Belize Marketing Board (BMB) divested of the feed and rice mills and uneconomical buying and selling of commodities by end of 1987, after which its chief function will be implementing rational commodity price stabilization.

--Banana Control Board (BCB) completely divested by end of 1987.

--Recommendations of technical assistance regarding foreign trade regime and domestic price policies implemented in CY 1986.

b. AID Program

The tranches of the ongoing \$13.0 million Program Assistance are conditioned by the accomplishment of benchmarks designed to eliminate the public enterprise drain on the GOB budget. For example, the March 1985 tranche required arranging long-term technical assistance by financial and management advisors for the BEB; the September 30, 1985 tranche requires completion of a plan to restructure the BEB debt, and demonstration that BEB external arrears have been eliminated; the December 31, 1985 tranche and all subsequent disbursements require that the BEB debt be restructured, that the GOB make payments to the BEB on a regular basis for its current electricity usage, and that the BEB commercial debt be serviced on a timely basis. A similar set of conditions will be applied to restructuring the Belize Marketing Board (BMB) in order to divest it of its rice mills and change its function into that of an institution concerned exclusively with commodity price stabilization.

USAID is considering a small grant to the Central Bank and the Central Statistical Office (CSO) of the Ministry of Foreign Affairs and Economic Development to improve those entities' capabilities in researching and collecting economic data. The lack of up-to-date economic data has been a source of

frustration to USAID as well as to IMF and World Bank teams. A small grant to provide technical assistance coupled with short-term training of Central Bank and CSO personnel under CAPS would go a long way in improving GOB economic research and data collection and, consequently, AID's ability to monitor the objectives, goals, and benchmarks discussed in this Action Plan.

c. Needed Policy Changes and Dialogue Strategy

In the case of ESF, needed policy changes for accomplishing the improvement of the GOB's fiscal and balance of payments management are conditions to disbursement under tranching ESF cash transfers. However, satisfaction of the conditions will not be easy; USAID will have to monitor progress closely and meet regularly with appropriate ministers to negotiate implementation of the required actions regarding the BEB and BMB. Although there is no conditionality which addresses partial or complete divestiture of the BCB under the Economic Support Agreement, USAID, in its ongoing policy dialogue with the Ministry of Finance, will monitor GOB policies and actions regarding this third public enterprise which has been running at a deficit.

Reducing GOB subsidies to public enterprises is only one means to improved fiscal management. Another means is the implementation of a set of instruments that the GOB has undertaken under a standby arrangement with the IMF which allows access to Fund resources in an amount equivalent to SDR \$7,125 million. These instruments include: (1) increased revenues through newly enacted taxes; (2) improved revenue collections; (3) control over Central Government current expenditures; (4) improved operational efficiency of the public sector enterprises including rational pricing policies; (5) strengthening the Office of Management and Budget and the introduction of a consolidated budget for the non-financial public sector; and (6) the establishment of a high level commission to approve all external debt transactions and an office in the Central Bank which will monitor these transactions.

To address the GOB's trade policies and balance of payments management, two conditions were included in the AID Economic Stabilization Agreement requiring (1) contracting of a review and analysis of the foreign trade regime and domestic price policy and practices, and (2) a plan for eliminating the quantitative trade restrictions imposed in 1982 for development reasons.

The review and analysis mentioned above will identify existing policies and regulations in the two areas, assess impact of

these and make recommendations as to whether they should be retained, modified or eliminated. USAID will monitor implementation of the recommendations.

d. Donor Coordination

USAID encourages regular meetings with World Bank and IMF teams whenever they visit Belize. The conditionality regarding restructuring of public enterprises discussed above is consistent with recommendations the World Bank included in its Economic Memorandum on Belize, dated October 29, 1984. We consider the set of GOB budget improvement instruments listed above to be the purview of the IMF. While we do not intend to initiate a direct policy dialogue in the implementation of these instruments, we do plan to monitor them closely, given their complementarity to our conditions.

D. ESF Objective 2

1. Goal: Increase credit flows and technical assistance for industrial and agricultural export-oriented activities by 100%. (See related discussion under Agriculture - ARDN strategy).

a. Benchmarks

--Successful implementation of a set of measures to improve utilization of the Commercial Discount Fund by July 1985.

--Establishment of a small business development company oriented to investment financing by December 1986.

--Establishment and start-up of the investment banking oriented "Bank of the Americas" by June 1985.

--Successful implementation of the Trade Credit Insurance Program and utilization of its \$5 million allocation to Belize by mid-1986.

--Broadly based participation of local and foreign investors in the equity of new financial institutions in Belize.

b. AID Program

The Commercial Bank Discount Fund, Project 505-0005, which provides loans to sub-projects (net foreign exchange earners), will continue through FY 1986.

To accomplish the second benchmark listed above, AID will fund a "Financial Sector Assessment" during the first half of FY

1986, which will examine existing and potential credit demand and constraints to providing investment and development credit, and recommend solutions. This study will form the basis of a PID for a small business development company.

Under the Small Business Development Project, 505-0019, \$2 million of an ESF loan (LOP \$8 million) will be obligated during June 1986. This project will fill the gap in development financing and will be closely coordinated with the new Agricultural Production and Diversification and Export and Investment Promotion Projects.

c. Needed Policy Changes and Dialogue Strategy

USAID anticipates no major problems or bottlenecks in establishing the privately-owned small business development company. Interest rates in the financial system are market rates, i.e., they are positive in real terms and this real rate of interest is higher than the real rate of interest in the U.S. financial market. The resolution of issues identified above as ESF policy issues will have a positive impact on the Belizean financial system.

d. Donor Coordination

The Caribbean Development Bank has provided small loans to the Belizean financial system in the past, mainly through the government owned Development Finance Corporation. No other donor has proposed new credit projects at the level required by the GOB's plans for export promotion and agricultural diversification. In the ongoing coordination meetings (every six weeks) with other donors, AID plans for credit projects will be closely coordinated.

E. ESF Objective 3

1. Goal: Raise level of public investment to approximately 12% of GDP per annum by 1987.

a. Benchmarks

--Increasing amount of project costs financed with public savings.

--By end of 1987, key statutory boards/public enterprises such as the BEB, BMB and BCB improve management and finances in order to make public savings available for investment.

--By end of 1987, administrative and organizational improvements implemented within the operating budget of the GDP.

--ESF counterpart local currency used exclusively for GOB Capital II Investment Budget.

b. AID Program

The Belize \$26 million counterpart local currency equivalent to the \$13 million ESF loan has been programmed exclusively for the GOB's 1985 and 1986 Capital II Investment Budget. ESF local currencies have been allocated to specific capital budget line items such as land/pasture development, agricultural equipment, water and sewerage, and roads.

c. Needed Policy Changes and Policy Dialogue Strategy

Under the Economic Stabilization Agreement (505-0012), the AID Representative must approve the programming of counterpart local currency. The GOB is committed to increasing allocations to its Capital II Investment Budget. Furthermore, the government has pledged to comply with the ESF conditions regarding the divestiture and management improvement of public enterprises, as well streamline its own personnel system. The latter process will probably necessitate the reduction of the overstaffed lower, general service categories and the strengthening of technical administrative officer grades. The IMF is monitoring this expenditure control effort in addition to the GOB's measures to increase tax revenues and improve collection and improve budgeting.

d. Donor Coordination

USAID's programming of ESF local currencies for the GOB capital investment budget is carefully coordinated with the GOB and other donors. Accordingly, allocations of local currencies do not duplicate allocations from other sources. In fact, the local currency allocations are being utilized to support other donor activities as necessary. For example, very important complementary support is being provided to GOB Road Projects funded by the UK and IBRD.

F. ESF Objective 4

1. Goal: Expand and rationalize power generation. (This goal can be quantified after the GOB has executed a national energy plan.)

a. Benchmarks

--By the end of 1986, GOB undertakes and completes a national energy plan.

--By the end of 1988, cost of KWH to the public reduced by 20% to 25%.



--Planned Industrial and agricultural development activities receive adequate energy.

b. AID Program

AID has conditioned ESF cash transfers to improved financial management of the Belize Electricity Board as described above.

By June or July of FY 1986 the Energy Sector Structural Adjustment Project 505-0028 will be obligated. This project will provide capital requirements for the orderly expansion and modernization of the power system. It is anticipated that energy losses will have been reduced by 30% and lower costs per unit of output in the order of 20-25% will have been reached by the end of 1988.

c. Needed Policy Changes and Policy Dialogue Strategy

As discussed under the first objective of ESF, AID will continue the policy dialogue with the Belize Electricity Board (BEB), the Minister of Energy and Communications, and the Financial Secretary to monitor implementation of the restructuring of BEB finances and needed management reforms. AID will also meet regularly with the ministers named above to urge formulation of a national energy plan and policy.

d. Donor Coordination

Last year, AID held discussions with World Bank representatives to coordinate activities to improve the finances and management of the BEB. The World Bank is preparing a program to assure a reliable supply of power for the future. While the World Bank Project will be a long-term program to possibly include increasing power-generating capacity and feasibility studies for hydro-electricity and renewable energy alternatives, funding is not certain. The World Bank has programmed \$15 million: \$8 million of its own funds, \$5 million in Caribbean Development Bank funds, and \$2 million in Commonwealth Development Corporation funds. To mount an adequate program, it may be necessary for AID to buy into the World Bank Project.

III. Special Development and Private Sector Activities

A. Summary of Problems

Underlying the major constraints to business and commercial development is the fact that private sector institutional and infrastructural development is ~~only in its infancy in Belize.~~ Heretofore, private sector activity has been dominated by the ~~buying and selling of traders,~~ with little emphasis on taking advantage of the rich productive base characteristic of

Belize's natural resources. While the infrastructure, including roads and port facilities, remains undeveloped, the institutional modes for providing investment credit and for accommodating potential investors are limited. There is a need to develop the entrepreneurial spirit on a large scale and at the small- and micro-business level.

Lending policy is extremely conservative. The lending policies of the four commercial banks are made offshore in head offices in England, Canada, and Honduras. Local collateral requirements are demanding and not conducive to development investments. Commercial bank practices are passive; there are no efforts to promote the use of investment credit; banks give inadequate guidance to potential investment credit borrowers; and little financial packaging takes place. This situation has frustrated potential investors in tourism, industrial and agricultural projects.

B. Special Development and Private Sector Objective

AID's private sector activities in Belize will facilitate the accomplishment of objectives described in the other sections, especially ESF and Agriculture.

SDA Objective:

Through private sector institutional development, export promotion and tourism, increase foreign exchange and employment.

1. Goal: Increase export volume by 4% per year through 1987.
2. Goal: Increase the volume of tourist arrivals by 10% in 1986 and 1987.
3. Goal: Provide approximately 400 new jobs in tourism and industry by the end of 1987.

a. Benchmarks

--Belizean Export and Investment Promotion Unit, fully operational in the Chamber of Commerce and Industry (BCCI) and working effectively with domestic and foreign investors, financial institutions and the GOB by mid-1986.

--New financial institution oriented towards export financial packaging fully capitalized and operational by December 1986.

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--Provision of credit for industrial and agricultural export production through existing and new institutions judged to be adequate.

--Manufacturing grows by 3% per year during 1986 and 1987, led predominantly by food processing industries and garment production.

--GOB policy paper on tourism issued by January 1986.

--100 new hotel rooms constructed by December 1987.

b. AID Projects and Activities

To help accomplish the first benchmark listed above, during early FY 1986 USAID will follow up a small FY 84/85 \$200,000 OPG to start up the Belizean Export and Investment Promotion Unit (BEIPU) with the development of a \$2.0 million SDA grant Export and Investment Promotion Project, 505-0027. This project will establish within BEIPU the capacity to carry out the full range of export and investment promotion activities. These activities will include institutional strengthening of BCCI and BEIPU, participation in trade fairs, and promotional trips to the U.S. and Far East. The most important activity will be an Export and Investment Promotion Service which will match U.S. and Belizean investors in joint ventures, promote Belizean products in the U.S., and offer market access to the U.S. as well as technical assistance and information on production and exporting. This service will address both industry (including agro-industry) and agriculture. Successful implementation of this service will lead to the accomplishment of the growth benchmark for manufacturing.

BEIPU will also be involved in coordinating private sector and GOB efforts to promote tourism. Specifically, BEIPU will take an active role in arranging training of hotel employees through AID's Training for Employment Project (505-0020) and in promoting the use of the Commercial Bank Discount Fund Project (505-0005) for tourism sub-projects. These efforts will assist the accomplishment of the tourism benchmarks.

To accomplish the credit benchmarks, AID will develop the Small Business Development Project (505-0019), which is discussed under ESF. The BCCI will be involved in developing this project, as well as in efforts to provide adequate credit in general. It is expected that the Export and Investment Promotion Project will generate and bring out demand for credit, as well as improve organizational modes and processes for export promotion throughout the entire Belizean private sector. It will also establish the investment packaging and

investor matching capability which precedes financial packaging. For these reasons this project will precede the Small Business Development Project, (505-0019). Further, the former project is ripe for immediate development, interest is high and through the current OPG, BEIPU has become a viable entity within the BCCI.

AID's private sector and agricultural activities will be very closely coordinated. Essentially BEIPU will play the important role of facilitating the export of agricultural and agroindustrial products. To do this the Chamber of Commerce membership and influence will be extended beyond Belize City. BEIPU will work closely with the Belize Enterprise for Sustained Technology (BEST) which will endeavor to make viable producer associations and cooperatives under an OPG. This OPG, scheduled to begin in FY 1986, is more fully described under the strategy discussion on the Agriculture Account. Important linkages between BEIPU and BEST are already in place - several BEIPU Board of Director members also serve on the BEST Board of Directors.

Another small but important activity to be funded as an activity of the Export and Investment Promotion Project or as an OPG will be a Junior Achievement and Applied Economics Program within the BCCI. Such a program will be oriented toward developing the entrepreneurial spirit in Belizean youth and future export-minded business leaders.

c. Needed Policy Changes and Policy Dialogue Strategy

BEIPU has full GOB approval and includes GOB participation on its Board of Directors. The GOB has given fair treatment to both Belizean and foreign investors. The Investment Code recognizes the needs of the private sector, is simple and offers a set of incentives through tax/customs exemptions and other inducements.

To facilitate the development and implementation of AID activities described above, AID will continue the policy dialogue with the government and the private sector policy dialogue will address the institutionalization of an in-country process to establish and implement trade and marketing programs and the provision of improved and expanded banking services, including enabling legislation for the new financial institutions contemplated by AID's FY 1986 and 1987 program.

d. Donor Coordination

No other donor is involved, to any significant degree, in export and investment promotion. In the donor coordination

meetings held every six weeks, AID will coordinate export promotion activities with infrastructure building, technical assistance, and other donor activities.

#### IV. AGRICULTURE

##### A. Summary of Problems

Colonial interest in Belize was limited to its tropical hardwood forests. Colonial exploitation forced both native Amerindians and imported labor to work as loggers. A prohibition of any kind of agricultural development was strictly enforced. Therefore, there is no cultural tradition of commercial farming. The first significant commercial farming began in the early 1950's with the introduction of sugarcane.

For these reasons, the principal bottleneck to agricultural development is the paucity of knowledge and interest in agriculture as a livelihood among a major segment of the Belizean society. Only the rural poor, who are limited by resources, are willing to perform the labor necessary for agricultural development.

The requisite infrastructure to support commercial agriculture has not developed. Historically, the roads and bridges in place are only passable in fair weather. Domestic marketing channels are non-existent since merchants continue to look to external food suppliers. The demand for the quality and taste of imported food is well entrenched and domestic food products are poor competitors.

While the industrial crop of sugar cane rewarded those farmers who grew it in the northern districts during the 60's and 70's, today sugar cane production is no longer profitable. Sugar as a mono-crop represented 60% of foreign exchange earnings and its relatively rapid demise has left a vacuum in Belize's foreign exchange earning capacity.

All too late, the GOB has realized the need for diversification not only as a replacement for sugar cane, but to reduce the vulnerability of dependence on a single crop.

There are various constraints underlying the lack of crop diversification. They are: the absence of the capacity to introduce and develop appropriate technology for year-round tropical and semi-tropical crop production (i.e., the need for adaptive research, the lack of water management-irrigation in the north, drainage in the south), the need for a developed

marketing system for import substitution and export, high production input prices, especially for pesticides and fertilizers, lack of speedy and efficient intra-country and export transportation, and the need for agricultural investment and production credit.

B. ARDN Objective

The major program objective is to assist the GOB to diversify and expand agricultural production so that agricultural export foreign exchange earnings are maximized, importation of food minimized and agricultural and agro-industrial employment increased.

The goals and benchmarks leading to the accomplishment of this objective are presented on a consolidated basis because many of the same benchmarks apply to different goals.

1. Goal: Achieve a 4% per annum GDP growth rate in agriculture with diversification out of a mono-culture, as in the case of sugar, to a broad spectrum of other crops.
2. Goal: Increase agricultural export earnings of non-traditional crops including vegetable crops to approximately \$11 million by December 1987.
3. Goal: Provide approximately 1,400 new jobs per annum in agribusiness and agricultural production by December 1987.

a. Benchmarks

--300 miles of rural all-weather roads and bridges in place by the end of CY 1987.

--Developed infrastructure and supporting requirements to efficiently ship products to their destination markets by the end of 1988.

--Increased supply and decreased prices of production inputs.

--Established and strengthened producers associations and cooperatives by the end of 1987.

--Four to six new crop varieties with well defined, technological and management practices demonstrated and adapted by small- and medium-sized commercial farms by the end of 1987.

--A cadre of farmers with the know-how, interest and capability to produce at competitive levels of efficiency for each approved crop variety by the end of 1987.

--3,000 acres of cocoa plantations established by private growers by the end of 1987.

--Continuing replacement of land in sugarcane by higher value alternative crops.

--Grain sorghum and other feed grains available in adequate quantities for pork and milk production and at economically feasible prices by the end of 1988.

--Viable oilseed production and processing for local production of vegetable oil and livestock feed in place and operating by the end of 1987.

--300 small milpa farmers make transition from slash-and-burn shifting cultivation to a more commercially oriented farming system by the end of 1987.

--A system developed for the efficient provision of agricultural production and investment credit at a level adequate to accomplish the benchmarks listed above.

b. AID Projects and Activities

AID's current projects in Livestock Production (505-0006), Rural Access Roads and Bridges (505-0007), and the Cocoa Production OPG (505-0023) will lead to the accomplishment of benchmarks pertaining to these areas.

~~In August 1985, AID will sign an agreement for the Agricultural Production and Diversification Project 505-0008. This project will be the keystone of the AID agricultural portfolio. The project will focus on private sector exports to accomplish the benchmarks listed above regarding agricultural diversification. The Agricultural Production and Diversification Project will be closely coordinated with an OPG project implemented by the Belize Enterprise for Sustained Technology. To accomplish the association-strengthening benchmark, the OPG will carry out a program of integrated management, technical and training services to agricultural, agro-industrial and fishing cooperative societies and associations. Assistance in agricultural diversification will be provided to the cane farmers, the Belize Vegetable Producers' Association and the Corozal Vegetable Producers' Cooperative Society.~~

The Agricultural Production and Diversification Project will also be coordinated closely with the Export Promotion and Investment Project 505-0027 to begin in early FY 1986, which

will facilitate the exportation of agricultural products as well as with the Agricultural Credit and Marketing Project 505-0031. This FY 1987 project will assist in achieving the credit benchmark listed above, which, in turn, is important to achieving the other benchmarks. The Agricultural Credit and Marketing Project will follow other AID credit activities, namely, the Commercial Bank Discount Fund (ongoing through FY 1986) and the Small Business Development Project to begin in late FY 1986. While both of these projects will facilitate the provision of some agricultural credit - mostly for investment purposes - there will be a growing need for the production credit to be provided through the Agricultural Credit and Marketing Project. USAID will elaborate further in the inter-relationships among the three AID financed credit projects after the completion of a financial sector assessment (including projected demand analyses) in early FY 1986.

Another new project will be the FY 1986 Farming Systems for Milpa Farmers Project which will lead to accomplishment of a benchmark specific to milpa farmers.

c. Needed Policy Changes and Policy Dialogue Strategy

Certain GOB policies create disincentives to diversifying agriculture. These include: (1) failure to implement a rational policy regarding imported food products which may be disincentives to domestically produced food commodities; (2) ceilings on domestic marketing margins which discourage development of a competitive marketing system for local produce and may even favor wholesalers and retailers of imports over traders of local products; (3) the involvement of the Belize Marketing Board in buying and selling of large quantities of local products at politically motivated uneconomic prices, and importation of basic commodities and operation of rice mills; (4) granting of exclusive importing privileges (concessions) to importers of animal feed, fertilizer, and chemicals for crop protection, which have allowed monopolistic practices and consequently increased costs for these agricultural inputs.

USAID will continue the policy of dialogue on all four agricultural policy issues.

The overall trade policy of the GOB is to diversify and increase exports while decreasing imports. AID will urge the Ministry of Finance to effectively implement a reduction of imports in order to improve the balance of payments and allow the domestic market to grow.

In regard to the second issue, ceilings on domestic marketing margins under the Economic Stabilization Agreement 505-0012, AID will fund a comprehensive study of the domestic and foreign

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trade regime in Belize which will analyze domestic price controls, their effect on imported and locally produced products and on consumer welfare. Involving a working group of high-level GOB and private sector participants, the specialist conducting this long-term study will make recommendations with respect to possible changes in domestic pricing policy. Here, AID's policy dialogue will begin with the working group and will continue with the highest levels of the GOB once the recommendations have been made.

In regard to the third issue, the Economic Stabilization Agreement requires divestiture and improvement of BMB operations in order to make it an institution concerned exclusively with growth oriented commodity price stabilization. AID ESF grant funds will finance technical assistance to review the operations and policies of the BMB, make recommendations and develop appropriate implementation schedules. A GOB working group will work with the specialists. USAID will conduct a policy dialogue with the highest level of the GOB, to effect implementation of appropriate recommendations.

In regard to the fourth policy issue, the granting of exclusive importing privileges, the one major concession for importing animal feed fertilizer and chemicals for crop protection will expire in the summer of 1985. USAID will conduct a policy dialogue with the highest levels of the GOB to ensure that this concession not be renewed and that in the future, the GOB not grant such concessions, thereby making the importation of agricultural inputs more competitive and the supply adequate and economical for increasing and diversifying production.

d. Donor Coordination

Other major donors are not involved, to any significant degree, in agricultural diversification. A review of the list of major ongoing and new projects included in the October 1984 Economic Memorandum on Belize indicates that the World Bank and UK plan to continue ongoing and develop new infrastructure projects. Such activities will certainly contribute to the marketing and production of diversified crops. AID's dialogue with other donors in the coordination meetings held every six weeks will urge continuation of infrastructure projects.

## V. HEALTH AND EDUCATION/HUMAN RESOURCES

### A. Summary of Problems

The overall health status of the Belizean population has improved over the last decade and is somewhat better than most Central American countries. For example, the May 1983 infant mortality rate was estimated at 23.2/1000 live births (compared with 64.1/1000 in Guatemala in 1983, but higher than Costa Rica with 18/1000 in 1981. However, there are still significant health problems. Two principal tropical diseases, malaria and dengue fever, are on the rise. The birth rate is extremely high. While most of the urban population has access to health facilities, a substantial number of small towns and villages, particularly in the south, are many hours away from any health facility. Health care and drugs offered by the Government of Belize, the main provider of health care, are essentially free to all. The management of the health care system needs improvement in the area of financial management, human resources allocation and training and overall administration.

Malaria has emerged as a growing deterrent to potential foreign investment and tourism, as well as a disabler of the population. In the last ten years, the incidence of malaria has increased 3900%. Serious dengue fever outbreaks have increased in recent years as the vector has re-infested the country. Belize's inadequate water and hazardous sanitation conditions have also been identified as major sources of disease. A December 1983 Pan American Health Organization report demonstrates that diarrheal disease is one of the major causes of infant and early childhood mortality and morbidity in Belize.

Nearly one-third of the Belizean population is of school age and less than one-quarter comprises the adult workforce, so the country's educational system is burdened with large enrollments and a relatively limited population base to generate the wealth necessary to maintain the social infrastructure. In 1983, the government devoted 21.0% of its budget to education. This percentage reflects the enormous effort of the GOB to develop education; however, the GOB is hampered by a definite lack of planning capacity at the central level. Private expenditure on education contributes to a certain extent to cover recurrent expenses of schools, the majority of which are supported by a church/state partnership.

85% of the primary school-age children are enrolled in primary school. However, attendance in some rural areas is poor and a

significant proportion do not actually complete the eight grades. Less than 60% of primary school leavers go on to attend secondary school.

Unemployment was estimated at 14.3% of the labor force in 1980. Nearly 50% of the unemployed live in Belize City, and more than two-thirds are in the 15-19 year-old group. At the same time, workers for agro-industries and skilled technicians are in short supply.

~~One of the foreseeable constraints to Belize's participation in the CBI is the limitation of human resources in Belize's private sector. Local managers and administrators are~~ basically traders accustomed to low-risk buying and selling and are unfamiliar with the field of manufacturing, especially in the export context where one must compete with firms in other countries. In the technical and blue-collar skills, there are similar deficiencies. Highly skilled maintenance workers simply are not available. Craftsmen and skilled laborers are not at levels of productivity on a par with countries like Costa Rica. Semi-skilled production workers are unaccustomed to the discipline and quality standards demanded by factory conditions. An out-migration of roughly one-half the population over 25 years of age has severely exacerbated the situation by drawing away critical talent.

B. Summary of Health and Education/Human Resources Objectives  
The objectives for recently begun health and training projects are as follows:

HE Objective 1

--improve the health and productivity of the Belizean people by controlling the incidence of malaria and dengue fever and providing water and sanitation services in rural areas.

EH Objective 2

--strengthen the educational system by improving the quality of education and by making the programs more relevant to the labor market requirements.

C. HE Objective 1

1. Goal: To control the present epidemic rise of malaria by 1987 to the level of an annual incidence of eight cases per 1,000 population.

To control the present epidemic of dengue fever and prevent its reoccurrence by reducing the total number of Aedes aegypti positive localities to less than 20% of the total localities in the country by 1987.

To increase the access to clean drinking water and adequate sanitation in 70% of the communities in five districts of Belize by 1987.

a. Benchmarks

--The National Malaria Control Service is maintaining malaria surveillance by end of 1986.

--Adequate malaria vector control methods tested and implemented by end of 1987.

--Volunteer malaria workers in place in 360 localities by end of 1987.

--The Aedes aegypti Control Service fully and properly staffed by mid-1987.

--An effective Aedes aegypti surveillance system operating by end of 1987.

--An active program operating in controlling Aedes aegypti by end of 1986.

--Development of the necessary infrastructure within the country for the extension of potable water coverage and maintenance of the installed capacity by end of 1987.

--Development of the managerial, technical, and operational capacity of the responsible institutions, primarily the Environmental Health Service by end of 1987.

--Establishment of the laboratory capability to analyze samples of rural water supplies by end of 1986.

--Identification promotion and transfer of low cost technologies and design criteria for drinking water and sanitation.

--Formulation of rational financing and tariff mechanisms oriented to ensuring both community participation and government support of rural water and sanitation service by end of 1987.

b. AID Projects and Activities

USAID is just beginning the implementation of the Increased Productivity through Better Health Project (505-0018). This project, with a PPJD of March 31, 1989, has a two-fold purpose: (1) to control the country-wide incidence of malaria and dengue fever by 1988 to a level where they are no longer public health problems, and (2) to extend coverage of water and sanitation in rural communities in three districts and improve the national water quality control program. USAID is also funding the CARE Village-Level Water and Sanitation OPG (505-0024) to provide rural water and sanitation services to villages in two other districts in Belize. Through these combined efforts, it is expected that the benchmarks and goals listed above will be achieved.

c. Needed Policy Changes and Dialogue Strategy

~~The issues relate to the equitable sharing of installation and maintenance costs of rural water systems and sanitation. In the past, the GOB has provided free hand pumps to villages and attempted to maintain them with little community involvement.~~ The three donor-supported projects covering all six districts call for significant community participation in the selection, construction and maintenance of the appropriate system. This complex issue is being discussed at the technical level by project managers who meet regularly to coordinate activities. The technical coordinating group in turn recommends policy changes to the GOB inter-ministerial committee (composed of Permanent Secretaries) which reviews and acts on policy matters. The AID Representative will intervene at the inter-ministerial committee level if the recommendations of the technical coordinating group are not accepted and implemented.

d. Donor Coordination

Donor coordination in the above area is exemplary. As noted above, ~~a technical committee composed of representatives of the three donors meets monthly with GOB officials.~~ Consultants have been shared, educational and training resources pooled, and information widely disseminated. One specific example of donor coordination is the use of the same questionnaire for baseline surveys.

Donor coordination and, in fact, intra-regional coordination on malaria is being spurred on by the LAC Regional Technology Development and Transfer in Health Project. PAHO and AID are cooperating to ensure the full range of support required by the National Malaria Control Service.

D. Objective 2

1. Goals:

--By 1987, 1,100 participants will have been trained in management, specialized skills, and public administration to enable the country to realize its investment promotion export oriented strategy.

--By 1990, a total of approximately 200 Belizean participants will have been trained under Central American Peace Scholarships (CAPS) in one of the following areas: management, export promotion, and school administration.

a. Benchmarks

--Establishment of a permanent management and skills training center under the auspices of the Belize Chamber of Commerce and Industry responding to the training needs of the private sector.

--Private sector managers and skilled workers, as well as non-vocational teachers trained in teaching methodologies and serving as part-time instructors.

--The CAPS agreement, including the Georgetown Central American Scholarship Program (CASP), signed and short-term and long-term students selected and placed in appropriate programs.

b. AID Projects and Activities

The Training for Employment Project (505-0020) is being designed and will be submitted to AID/W for review in late June 1985. This project's purpose is to respond directly to the need for providing the management, skills and public administration training necessary to promote growth of export oriented enterprises, including tourism in Belize. The TEP will provide technical assistance and training to Belizeans and develop a financially sustainable training center which will serve the needs of the private sector. This project will also work with the GOB to provide public administration and other selected training to key offices critical to the export and tourism strategy of the country. The MOE vocational education program will be analyzed and strengthened by collaboration in this project. A skills training advisor for the training institute will work closely with the MOE in developing its vocational education program for students as a long-range goal while simultaneously creating an on-demand skills training capability for employees.

The majority of the CAPS and CASP scholarships will be used for training complimentary to USAID's goal of assisting the GOB with its efforts to increase foreign exchange earnings from new and expanded enterprises.

c. Policy Dialogue

The major issue in this sector is the apparent lack of commitment by the GOB to improving vocational education and ensuring its relevance to the needs of the labor market. Our position is that while we and the private sector are improving the skills of workers already in the labor force, the GOB should be strengthening its skills education to prepare graduates for the needs of the developing society. The unemployment rate among young Belizean men is high while immigrants are finding jobs as skilled and semi-skilled workers. AID's objective in the policy dialogue is to encourage the GOB to improve the quality of technical/vocational education. We are willing to contribute resources and agree to using ESF counterpart funds in this endeavor if the GOB takes the first step of appointing a professional to take charge of technical education and outlines the steps necessary to upgrade the salaries and status of the instructors. The MOE must also take measures to ensure the security of equipment and materials in the Technical Training Schools. The TEP advisor will assist USAID in this policy dialogue.

d. Donor Coordination

The British Volunteers Service Overseas (VSO) has discussed with us their plans to upgrade vocational education facilities at the secondary level. If USAID intervenes in this area, we will concentrate on higher education facilities and overall planning with the MOE. The Basic Human Needs Trust Fund Project, actually funded by AID and implemented by the Caribbean Development Bank is financing the expansion of a key vocational training center in Belize City. The TEP skills training will use this center for courses to the extent possible.

E. Other Health and Education Activities

There is a need to strengthen and extend the existing health services to assure affordable and effective health care for high-risk population groups (infants, children, and mothers).

The GOB has limited resources for health care. A high proportion of these funds and human talents are concentrated at the hospital level. It appears that the GOB cannot expand the

access to services and improve the quality significantly without making changes in their de facto policy of free care for all.

USAID/Belize is planning several activities to begin addressing this critical need. We plan to carry out a study in FY 86 on the GOB's pharmaceutical supply system to recommend mechanisms to involve the consumers in bearing at least a portion of the costs for drugs. This will be an introduction into the overall health system and a means to focus attention on the financing of health care issues. Through the CAPS program as well as continued involvement of a Project HOPE nurse educator and clinical laboratory trainer, we plan to train professionals to provide health care in the key areas of MCH and tropical disease care.

In family planning, we are studying the possibility of assisting through IPPF a newly formed local family planning association. Our assistance would likely be in the form of training in information and communication techniques and possibly financing start-up costs for the association.

The CAPS program will provide scholarships to the Belize College of Arts, Sciences, and Technology (BELCAST) to upgrade its faculty. This institution trains the majority of teachers in the country.

In addition, USAID will utilize CAPS resources to invite school principals and administrators to the U.S. to orient them to America's educational institutions in small communities. The goal of this training is to introduce participants to the role of principals, educational and administrative methods, and community involvement through exposure to PTA's and school boards.

The Central American Action Plan for the education sector will be prepared in Belize, June 24-July 6, 1985. Based on the recommendations of this team, AID will formulate its education strategy for Belize. Any recommended projects or AID-financed activities would exceed the 1987 AAPL and would require the allocation of additional funds. In the meantime, policy dialogue will center around improving the quality of and access to education in the rural areas of Belize. An adequately and appropriately educated populace is essential to achieving the country's goals for agricultural diversification and export promotion.



VI. STRATEGY FOR USING PVOs

The following ongoing projects are with PVOs:

1. Accelerated Cocoa Production OPG (505-0023)
2. Village Health Sanitation OPG (505-0024)
3. Breast is BEST League OPG (505-0029)
4. Special Development Activities OPG (505-0010)
5. National Development Foundation OPG (505-0011)
6. Export and Investment Promotion (BCCI) OPG (505-0025)
7. Pilot Guidance, Counseling, PLMT OPG (505-0026)
8. Housing Assistance for Home Improvement (505-0003)

These OPG's with PVOs represent 13% (\$830,000 out of \$6,400,000) of total DA Grant obligations in FY 1985.

In FY 1986 we plan obligations for the following new PVO projects, in addition to obligating for several listed above.

9. BEST OPG (505-0030)
10. Export and Investment Promotion (BCCI) (505-0027)

In FY 1986, grant obligations with PVO's will equal 21% (\$1,200,000 out of \$5,650,000) of total obligations of DA grants.

VII. STRATEGY FOR IMPLEMENTING WID

In rural as well as urban populations, many heads of households are women. In this sense, the ongoing Agricultural projects in rural roads, livestock and cocoa production benefit women directly. This observation also applies to the Agricultural Production and Diversification Project to begin in August 1985. The FY 1986 Farming Systems for Milpa Farmers Project 505-0016 will include specific activities to promote the direct participation of women in the marketing of products and access to credit.

In the Health, Education and Human Resources sectors, women will benefit directly from ongoing projects. Under the Increased Productivity Through Health Project 505-0018, the time women invest in carrying water for the family will be reduced by the sanitation and water systems component. The health of families, for which women are responsible, will be improved by activities to control malaria and dengue fever.

In training activities, USAID intends to comply with the requirement that 40% of CAPS participants be women. In implementing the Training for Employment Project 505-0020, USAID will encourage employers to provide training to women.

In several agricultural, health and education projects women are the implementers of activities directed at women. For example, the Council of Voluntary Social Services (CVSS), managed by women, provides counselling services to both sexes. The Breast is Best OPG is managed by women. As discussed under the Gray Amendment Application, two WID fellows of the South-East Consortium for International Development (SECID) worked in Belize in the livestock project.

VIII.

BELIZE LEVELS IN FY 1986 C.P. and PROPOSED FUNDING LEVELS  
FOR FY 1986 and 1987 (\$000)

		FY 86 C.P.	FY 86 Proposed	FY 87 Proposed
<u>A. DA</u>				
<u>ARDN</u>				
1.	PD+S ARDN (G)	150	150	40
2.	Livestock Production (505-0006) (G)	---	---	---
	(L)	---	---	---
3.	Rural Access Roads/ Bridges(505-0007) (G)	---	---	1,725
4.	Ag.Prod.+Diversi- cation (505-0008) (L)	2,000	2,000	-----
5.	Farming Systems for Milpa Farmers (G)	-----	-----	850
	(505-0016) (L)	1,150	1,150	---
6.	Priv.&Vol.Org. OPG 505-9999 (G)	200	---	---
7.	Ag.Credit and Marketing (G)	---	---	750
	505-0031 (L)	---	---	250
8.	Belize Enterprise for Sustained Technology OPG (G)	---	<u>200</u>	<u>185</u>
	505-0030			
	Sub-Total ARDN	3,500	3,500	3,800
	Grants	2,350	2,350	3,550
	Loans	1,150	1,150	250
<u>Population</u>				
9.	PD+S POP (G)	---	50	50
	Sub-Total POP		50	
	Grants		50	
	Loans			
<u>Health</u>				
10.	PD+S HE (G)	25	25	--
11.	Higher Produc- tivity Through Beter Health (505-0018) (G)	1,000	1,000	2,000
12.	Private and Vol- untary Org. OPG 505-9999 (G)	200	200	-----
	SUB-TOTAL Health	1,225	1,225	2,000
	Grants	1,225	1,225	2,000
	Loans	-----	-----	-----

		FY 86 C.P.	FY 86 Proposed	FY 87 Proposed
<u>Education and Human Resources</u>				
13.	PD&S EH (G)	25	25	----
14.	Training for Employment 505-0020 (G)	500	500	1,500
15.	Private & Vol. Org. OPG's 505-9999 (G)	100	-----	-----
	SUB-TOTAL Ed/HR	625	525	1,500
	Grants	625	525	1,500
	Loans	-----	-----	-----
<u>Selected Development Activities</u>				
16.	PD&S SDA (G)	100	200	100
17.	Special Develop- ment Act. Fund 505-0010 (G)	50	50	50
18.	Small Business Development 505-0019 (G)	500	500	500
19.	Export Promotion 505-0027 (G)	500	750	700
20.	Private/Vol. Org. OPG's (G)	300	---	---
	SUB-TOTAL SDA	1,450	1,500	1,350
	Grants	1,450	1,500	1,350
	Loans	---	---	---
	TOTAL DA	6,800	6,800	8,700
	Grants	5,650	5,650	8,450
	Loans	1,150	1,150	250
<u>B. ESF</u>				
21.	Small Business Development (G)	1,000	1,000	
	505-0019 (L)	1,000	1,000	2,000
22.	Energy Sector Struc. Adj. 505-0028 (L)	2,000	2,000	2,000
	TOTAL ESF	4,000	4,000	4,000
	Grants	1,000	1,000	1,000
	Loans	3,000	3,000	3,000
	TOTAL FOR DA and ESF	10,800	10,800	12,700
	Grants	7,800	7,800	19,450
	Loans	3,000	3,000	3,250

I. COMPARISON OF C.P. LEVELS TO THE MORTGAGE AND PIPELINE ISSUES

USAID's proposed program for FY 1986 equals the FY 1986 level and the proposed program for 1987 does not exceed the AAPL.

The OYB level for FY 1986 is completely mortgaged. In the DA account, it is important that all projects which began prior to FY 1986 be funded up to their FY 1986 level. \$300,000 has been shifted out of PVO OPG's (505-0999) to \$50,000 in POP PD+S and an additional \$250,000 to the FY 1986 Export Promotion Project (505-0027). It is crucial that the new DA FY 1986 projects, which represent USAID's combined agricultural production export promotion effort, receive the funding proposed in FY 1986. Those projects are: Farming Systems for Milpa Farmers (505-0016), the BEST OPG (505-0030), Small Business Development (505-0019), and Export Promotion (505-0027).

As projectized ESF will address serious problems in energy and credit. It is important that the CP level remain intact.

The only project with a significant pipeline problem is the Commercial Bank Discount Fund (505-0005). The constraints to utilization of the fund and proposed solutions are discussed in detail in USAID's semi-annual report for the period ending March 31, 1985 and the CBI/Private Sector Strategy Plan, both submitted to AID/W in May 1985.

II.

FY 1986 DOCUMENTATION/IMPLEMENTATION SCHEDULE

<u>Project</u>	<u>PID</u>	<u>PP</u>	<u>Authorization</u>
Export and Investment Promotion (BCCI/BEIPU) 505-0027	09/15/85 USAID	11/15/85 USAID	11/30/85 USAID
Farming Systems for Milpa Farmers, 505-0016	12/15/85 USAID	2/15/86 USAID	2/28/86 USAID
Energy Sector Structural Adjustment, 505-0028	12/15/85 AID/W	3/15/86	3/31/86
Small Business Development 505-0019	2/15/86 AID/W	5/15/86	5/30/86
BEST Cooperative and Association Strengthening Activity OPG 505-0030	Proposal received 6/30/85 USAID	Proposal reviewed 8/31/85 USAID	10/1/85 USAID

III. A. NEW PROJECT PRIORITY RANKING

FY 1986 and FY 1987

NEW PROJECT PRIORITY RANKING\*  
(from highest to lowest)

FY 1986

1. Export and Investment Promotion (505-0027) SDA-DA
2. BEST OPG (505-0031) ARDN-DA
3. Farming Systems for Milpa Farmers (505-0016) ARDN-DA
4. Small Business Development (505-0019) SDA DA and ES
5. Energy Sector Structural Adjustment (505-0028) ES

FY 1987

1. Agricultural Credit and Marketing (505-0030) ARDN-DA

\* - Funding levels reflected in the Belize Levels in FY 1986  
C.P. and Funding Levels table.

III. B. PROJECT DESCRIPTIONS

EXPORT AND INVESTMENT PROMOTION

505-0027

Project Funding: FY 1986 - \$0.75 million (G)  
FY 1987 - \$0.70 million (G)  
Life-of-Project Cost - \$2.0 million (G)

Appropriation Account(s): Selected Development Activities

Purpose: To promote non-traditional exports and lead to economic growth and diversification in Belize.

Background and Major Development Problems: The move toward greater economic and trade self-reliance and self-sufficiency must be accelerated since Belize must trade to survive. The production base of the economy needs to be broadened, given that traditional exports (principally sugar) can no longer buttress the economy. Markets for non-traditional exports must be found and concerted efforts made to capture them. This will augment foreign exchange earnings and improve the balance of payments position of Belize.

Additional technical assistance must be brought to bear on promoting the non-traditional sectors of Belize's economy. Limited assistance has been provided up till now through a regionally-funded Project Development Assistance Program administered by Coopers and Lybrand. This process must now be institutionalized in Belize.

Project Description: The three-year project will focus on financing searches for new markets, promoting Belizean products in the marketplace, locating joint-venture partners, and carrying out feasibility studies. The program will be housed in the Belizean Export and Investment Promotion Unit (BEIPU) of the Belizean Chamber of Commerce and Industry (BCCI). This project will precede the Small Business Development Project 505-0019, with which it will be closely coordinated. The Export and Investment Promotion Project will lay much of the groundwork for the latter project in terms of identifying and generating ventures to be financed.

Project Components: Project Components will include BEIPU administration and organization, an Export and Investment Promotion Service, (including technical assistance to



businesses), an export promotion data base, trade missions, seminars and workshops, and association-strengthening activities.

Preliminary Financial Plan: (U.S. \$000)

<u>AID Inputs</u>	
Personnel and Administration	\$300
Long-term technical assistance	\$550
Feasibility studies fund and short-term TA	\$400
Seminars and workshops	\$100
Travel and per diem	\$200
Training	\$100
Equipment and supplies	\$100
Subscriptions to publications, information networks, printing and publication costs	\$ 50
Contingencies	\$200
TOTAL	\$2000

Relationship to AID Country Strategy and NBCCA Recommendations:

The Project supports the overall AID strategy of expanding and diversifying private sector employment and income opportunities in Belize. It is consistent with the NBCCA recommendation to provide technical support for export promotion efforts as a top priority to expand trade opportunities.

Beneficiaries: While the Project will benefit private sector entrepreneurs working to expand or initiate businesses, and farmers and agroindustries involved in the agricultural diversification effort, the chief beneficiaries will be the much larger number of underemployed or unemployed who will have access to the new jobs that are created.

Approval Authority: USAID/Belize requests redelegation of PID and PP approval authority per STATE 055633, as the project is under \$2.5 million. The project is consistent with the approved FY 1986 CDSS and AID policy; USAID has in-house expertise and will arrange contract technical expertise; and the project is not controversial.

Timing: USAID plans to approve the PID prior to September 15, 1985.

BELIZE ENTERPRISE FOR SUSTAINED TECHNOLOGY (OPG)

505-0013

Project Funding: FY 1986 - \$200,000 (G)  
FY 1987 - \$185,000 (G)  
Life-of-Project Cost - \$385,000 (G)

Appropriation Account(s): ARDN

Purpose: Improve employment and income for farmers and fishermen by assisting in making Belizean agricultural and fishing cooperatives and associations viable, profitable and credit-worthy business operations.

Background and Major Development Problems: The cooperative movement plays a major role in Belizean agriculture. Most of the major commercial production, as well as basic food crops and fisheries, are organized into associations or cooperatives.

In the past, co-ops have been fairly successful in obtaining credit from both commercial banks and the government's Development Finance Corporation (DFC). Lately, however the bulk of the co-ops' loans have come from the DFC, which claims to hold U.S.\$1.5 million of loans in arrears of the total U.S.\$2 million co-op portfolio.

Reasons cited by the co-ops for this situation include a depressed economy, poor management practices, inadequate technical services and poor credit management. The DFC has stated they will continue lending only to those co-ops that are now meeting their obligations.

Project Description: BEST will concentrate on a program of integrated management, technical and training services to agricultural and fishing cooperatives and associations with a view to making them viable, profitable and credit-worthy business operations. BEST intends to use Belizean advisors in working with co-ops where possible. Expatriates will be brought in for short-term assignments, only, and may be used to train Belizean counterparts.

Project Components: Assistance to the cooperatives by BEST may consist of all or part of the following:

- Diagnostic analysis
- Business planning

Market analysis, projections and plans  
Financial packages  
Implementation assistance  
On-the-job training

Preliminary Financial Plan (U.S. \$000)

<u>AID Inputs</u>	
Salaries	\$215
Local Travel	88
Office	27
International Travel	35
Training	20
TOTAL	<u>\$385</u>

Relationship to AID Country Strategy and NBCCA Recommendations:

This project supports the overall AID strategy of economic stabilization and self-sufficiency. Also, it supports and complements the Agricultural Diversification Project since it will directly support farmers' organizations which will be direct participants in the project. This project also supports the NBCCA directive of building the capabilities of agricultural cooperatives.

Beneficiaries: The primary beneficiaries of the Project will be the members and officers of the cooperatives and associations. Secondary beneficiaries are the Belizean society as a whole by way of increased monetary efficiency, increased agricultural marketing and foreign exchange savings through export and import substitution.

Approval Authority and Timing: USAID has the authority to approve the Project. The proposal should be approved by July, 1985, with funds available in FY 1986.

FARMING SYSTEMS FOR MILPA FARMERS

505-0016

Project Funding: FY 1986 - \$1.15 million (L)  
FY 1987 - \$0.85 million (G)  
Life-of-Project Cost - \$2.0 million (G/L)

Appropriation Account(s): Agriculture, Rural Development and Nutrition.

Purpose: To assist the small milpa farmers in the transition from a shifting mixed-cropping cultivation to a commercially oriented farming system in Belize.

Background and Major Development Problems: Agricultural production in Belize has historically rested on milpa farming (slash-and-burn shifting cultivation). Increases in production are constrained by the absence of a modern farming system.

The milperos, representing some 30 percent of the population, vary in ethnic origin but are predominantly Amerindian. Culture and tradition, for the most part, bind them to their pattern of life. Availability of formal education, professional health care and potable water are limited to non-existent. Notwithstanding these constraints, in recent years there has been an increasing number of children attending public schools and gaining greater exposure to the modern world. The result is a growing dissatisfaction among the younger generation with the old way of life, a growing demand to own land, produce for the market and participate more fully in the development process.

Project Description: The Project will focus on the cultural transition from the communal lifestyle of Amerindian milpa farmers to an improved system of farming which will result in larger marketable surpluses. This program will draw heavily on mixed farming and agroforestry systems developed by the Tropical Agricultural Research and Training Center (CATIE) in Costa Rica. A farming systems department will be established within the national research and extension organization.

Project Components: This three-year project will consist of six person years of long-term technical assistance and two person years of short-term technical assistance, training for six public sector farming systems research and extension workers and 12 milpa farmers at CATIE, a small revolving credit fund and a modest commodity input.

Preliminary Financial Plan (U.S. \$000)

AID Inputs

Technical assistance - 8 p/y at \$180,000	\$1,440
Training	100
Revolving credit fund	160
Commodities	150
Contingencies and Inflation	150
TOTAL	<u>\$2,000</u>

Relationship to AID Country Strategy and NBCCA Recommendations:

This Project supports the overall AID strategy of an equitable distribution of economic assets among the population and impacts directly on the central thrust of the NBCCA recommendation to support participating countries in their effort to achieve economic stability while spreading economic benefits. As the Milpa farmers make the transition from subsistence farming to a market economy, not only will they make a direct contribution to the economy, but they will begin to share the cost of services which are currently a drain on the GOB treasury.

Beneficiaries: The primary beneficiaries of the project will be the milpa farmers who are at the lower end of Belize's economic spectrum. Secondary beneficiaries will be the Belizean society as a whole, in that surpluses generated through expanded production of this portion of the agriculture sector will contribute significantly to the economy.

Approval Authority: USAID/Belize requests redelegation of PID and PP approval authority per STATE 055633, as the project is under \$2.5 million. The project is consistent with the approved FY 1986 CDSS and AID policy; USAID has in-house expertise; and the project is not controversial.

Timing: USAID plans to review and approve the PID by December 15, 1985.



will be mobilized through the creation of the small business development company, and some AID counterpart funds will be used as well, there will be an initial need for technical assistance, staff training and equipment to get this private-sector-based institution started. Since there are no similar institutions in the country and commercial banks have not offered such services, the technical assistance and training is particularly important.

Project Components: The small business development project will provide the technical assistance, training and equipment inputs to make the company operational. As part of the demonstration phase, some direct technical assistance will also be provided to credit recipients from the International Executive Service Corps (IESC) or other sources. This will serve to demonstrate to Belizean businessmen the diversified investment potential in their country with which they may as yet be unfamiliar.

Preliminary Financial Plan (U.S. \$000)

<u>AID Inputs</u>	
Salaries	\$ 200
Long-term technical assistance	400
Short-term technical assistance	100
Training	100
Equipment	100
Contingencies	100
Total Grant Funds	\$1,000
Sub-Loan Fund	\$8,000

Relationship to AID Country Strategy and NBCCA Recommendations:

The project supports the overall AID strategy of expanding and diversifying private sector employment and income opportunities in Belize. It is consistent with the NBCCA recommendation regarding the development of programs to nurture small businesses with seed capital loan guarantees and technical assistance.

Beneficiaries: While the project will benefit private sector entrepreneurs working to expand or initiate businesses, the chief beneficiaries will be the much larger number of under-employed or unemployed who will have access to the new jobs that are created.

Approval Authority and Timing: USAID plans to submit the PID to Washington prior to February 15, 1986.

ENERGY SECTOR STRUCTURAL ADJUSTMENT

505-0028

Project Funding: FY 1986 - \$1.0 million (G)  
\$1.0 million (L).  
FY 1987 - \$1.0 million (G)  
\$1.0 million (L)  
Life-of-Project Cost - \$8.0 million (G/L)

Appropriation Account(s): Economic Support Funds

Purpose: To assist the GOB in a rational expansion of power generating capacity needed for long-term economic growth.

Background and Major Development Problems: Present electrical generation chaos has resulted in numerous breakdowns in Belize City over the past two years. Many rural areas are without electricity. An adequate energy supply is critically important for Belize's export development and increases in agricultural production and diversification in rural areas. This underlying rationale requires that the Government reorganize the Belize Electricity Board (BEB) and undertake the completion of a national energy plan to address the development of an integrated power system responsive to Belize's needs and financial resources.

The World Bank has expressed interest in undertaking a long-term program which would better integrate power lines within Belize. The timing, content and funding of the World Bank project are still uncertain. Preliminary plans indicate an investment of \$15 million, \$7 million of which are to be provided by other donors and not set firm. These amounts seem meager given the need to rationalize current power capacity, expand generating capacity, extend and integrate transmission lines, and explore hydro-electric and renewable energy alternatives. AID and World Bank projects will build upon financial and management improvements made in the BEB under the 1985 Economic Stabilization Agreement.

Project Description: The project, modest in cost and scope, will focus on the short-term and will be designed to meet the most immediate energy needs. It will be coordinated closely with World Bank plans in energy development as it will comprise the preliminary stage of Belizean energy development while the larger World Bank project will initiate a follow-on stage. AID will frequently meet with GOB counterparts and the World Bank



not only to ensure complementarity but to guarantee that AID and World Bank financed efforts are components of an integrated, well-directed energy development program.

Generally, the AID project will provide technical assistance for the completion of a National Energy Plan and some capital requirement for the orderly expansion and modernization of the power system. A program of national yearly expansion of generating capacity will be strictly adhered to. Implementing agencies will be the BEB, the Ministry of Energy, and the Ministry of Finance.

The project will begin by bringing order to the present chaotic, fragmented and poorly thought-out schemes for future energy development in Belize. A practical energy plan, appropriate for Belize's natural resources, foreign exchange situation and development needs, will be devised. Based on the plan, power expansion will be achieved in the short-term to meet immediate needs through the installation of new turbine generators. The project will fund feasibility studies to test alternatives for future energy development. AID will coordinate with the World Bank to ensure that the World Bank's follow-on project builds on the efforts of this project.

Project Components: Project components will include: (1) execution of the National Energy Plan; (2) institutional strengthening of the BEB and the Ministry of Energy; (3) establishment of a National Energy Council to coordinate and implement the National Energy Plan; (4) installation of new turbine generators; (5) establishment of a feasibility study fund for both public and private sector efforts in exploring energy alternatives (possibly including small pilot projects). All project activities will be consistent with the National Energy Plan and will be approved a priori by the National Energy Council.

Preliminary Financial Plan (U.S. \$000)

AID Inputs

Long-term technical assistance	\$ 750	(G)
Short-term technical assistance	250	(G)
Training	500	(G)
General equipment and supplies	1,000	(L)
Generators	3,000	(L)
Feasibility Study Fund	2,000	(G)
Contingencies	500	(G)
TOTAL	\$8,000	

(G/L)

Relationship to AID Country Strategy and NBCCA Recommendations

The project supports the overall USAID/Belize country strategy of expanding employment and income opportunities through stimulation of the private sector. It directly facilitates programs designed to stimulate exports, develop small enterprises and diversify agricultural production. It responds to NBCCA by addressing a major infrastructural constraint to improving investment conditions and accelerating agricultural development.

Beneficiaries: The project will benefit the Belizean economy as a whole, encouraging the generation of additional employment opportunities and foreign exchange.

Approval Authority and Timing: USAID plans to present the PID for this project to AID Washington prior to December 15, 1985.



To address marketing constraints, the project will establish assembly markets in rural areas and assist in developing linkages with more urban markets in the principal cities of Belize. Policy developed by the Ministry of Natural Resources through the USAID Livestock Project funded Policy Advisor will help to orient the market in favor of the domestic producer and encourage merchants to buy through these emerging channels rather than import.

The GOB will support this activity with the requisite legal framework for this innovative approach to agricultural production credit.

Project Components: The project will provide 6 p/y of long-term technical assistance and 18 p/y of short-term consultants. In-country/in-service training will be provided for the leaders of 10 rural production credit association leaders. Ten assembly markets will be developed in association with rural village councils. Seed capital to establish production credit associations will be made available through the project. These activities will be coordinated closely with cooperative- and association-strengthening activities to be carried out under the OPG with the Belize Enterprise for Sustained Technology.

Preliminary Financial Plan (U.S. \$000)

Long-term technicians (6 p/y at \$180,000)	\$1,080
Short-term technicians (1.5 p/y at \$180,000)	270
Credit	1,000
Commodities	150
TOTAL	<u>\$2,500</u>

Relationship to AID Country Strategy and NBCCA Recommendations:

The project will provide leverage to support policy dialogue with the GOB for the rationalization of policies governing production credit. It will also support the GOB effort to encourage the development of local marketing systems which can be reliable sources of quality produce.

As with the Farming Systems for Milpa Farmers Project, this project will help to bring one-third of Belize's rural population into the mainstream of development, a goal central to the recommendations of the NBCCA.

Beneficiaries: The primary beneficiaries of this project will be the more than 3,000 small farm families who are making the

transition from subsistence farming to small commercial farming enterprises.

Approval Authority and Timing: This 2.5 million dollar project falls within the limits of the redelegated authority of the office of the AID Representative/Belize, per STATE 055623. The PID will be reviewed by USAID.

#### IV. MISSION EVALUATION PLAN NARRATIVE

1. Home Improvement (HIG) 505-HG-001 and Housing Assistance for Home Improvement 505-0003

The last evaluation took place in November, 1984. The final evaluation is scheduled for December, 1986. This evaluation will compare the status of the project with output targets. It should be noted that if participating institutions do not take steps to raise interest rates to make the loans more profitable for themselves, USAID will consider terminating the project in December, 1985.

2. Credit Rediscount Fund 505-0005

During project formulation and documentation, Belize's four banks were enthusiastic in their support for the project, mainly because of a paucity of lending capital. However, by the time the loan funds were available for disbursement, lending capital was no longer a constraint and the bankers' interest in the fund dwindled, preferring short-term higher margin overdraft transactions to long-term higher risk development projects. As persistent efforts by USAID failed to inspire change in the bankers' attitude, in March 1984, USAID contracted with Arthur D. Little & Company for the services of two financial experts to review the situation, identify constraints, and make remedial recommendations. Presently, the liquidity situation has reversed; the banks are in a liquidity crunch and more amenable to implement measures to effectively and rapidly utilize the loan funds. Based on recommendations of an AID/W private sector officer, USAID is presently working on restructuring the terms and conditions of the program. Thus, USAID has rescheduled the first evaluation for the first quarter of FY 86 to gauge the impact of the restructuring and assess the need for extending the PACD.

3. Livestock Development 505-0006

This is a multi-faceted project covering a relatively broad spectrum of activities. The project design calls for the project to be implemented by the Extension Service, which is currently in the process of decentralization and reorganization. In addition, the project involves, among other activities, working with distinct cultural segments of the population, the introduction of domestic meat processing, the establishment of a formal policy analysis section in the Ministry of Natural Resources and the establishment of a small dairy processing facility.

This first evaluation will assess the progress to date by the Title XII institution responsible for project implementation, as well as review each facet of the project to determine the need for possible modifications or redirection of effort.

4. Rural Access Roads and Bridges 505-0007

Although the construction components of this project are relatively straight-forward and not too difficult to monitor, the social aspects are more elusive. Road selection is based on a series of complex criteria designed to give equal weight to both economic and social factors in selecting project roads and bridges.

This evaluation is set to review the first year of implementation of a three-year project. The outcome of the evaluation will determine the direction and methodology to be followed for the balance of the project. This evaluation was delayed from May 1985, due to lack of OE travel funds.

5. Agricultural Production and Diversification 505-0008

The project is designed to encourage and support agricultural diversification and reduce dependence on sugar cane, which to date has been Belize's major cash crop. With the recent history of sugar prices and its bleak future, this project is an important one in USAID's portfolio, and key to Belize's future economic security and growth.

The first year evaluation will assess progress and results of the new test crops, and progress of governmental agricultural research. The outcome will help USAID determine future project direction.

6. Farming Systems for Milpa Farmers 505-0016

Although the agricultural output of the milpa farmers will be fairly easy to quantify, the socio-economic impact of project activities on the target beneficiaries will be much more difficult to measure.

The first year evaluation is designed to provide guidelines for any needed changes in project focus, activities, or direction.

7. Training for Employment 505-0020

The project aims to develop the capabilities of the private sector to provide management and skill training in response to

TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1987 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE BELIZE

<u>Project List</u> (Project No. & Title)	<u>Last Eval Completed</u> (Mo./Yr.)	<u>FY 1986 Start To</u> (Qtr) AID/W (Qtr)	<u>FY 1987 Start To</u> (Qtr) AID/W (Qtr)	<u>Reasons/Issues</u>	<u>Funding Source (\$000)</u>	<u>USAID Person Days</u>	<u>Collateral Assistance</u>
505-HG-001 Home Improvement (HIG)  and 505-0003 Housing Assistance for Home Improvement	11/4	1	2	PACD = 09/88  Project involves a line of credit to the credit union system and to the Development Finance Corporation rather than a pre-determined site-specific approach to shelter production and improvement. Final evaluations will concentrate on the effectiveness of the process, linkages and instruments developed.	PRE/HUD 305	5	<u>AID/W TDY</u> 5 days  <u>RHUDO/TEGUCIGALPA</u>  <u>CHF/WASHINGTON</u>
505-0005 Credit Rediscount	N/A	1	2	PACD = 12/85 (To be extended)  Evaluation will look to degree of achievement of project purpose "to increase private sector productive investment in agriculture industry and tourism" through: (a) expected outputs on new investments (subprojects), establishment of the Discount Fund on a permanent basis, and the change in banking policy to include long-term credit; and (b) effects of successful sub-projects - increased agricultural areas and productivity, new industry, increased and diversified produce and products for domestic and export sale, increase in tourism, and the employment and income created by the above.			



TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1987 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE BELIZE

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1986		FY 1987		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral Assistance
		Start To (Qtr)	AID/W (Qtr)	Start To (Qtr)	AID/W (Qtr)				
505-0006 Livestock Development	N/A	2	3			PACD = 12/88  The project aims 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. Evaluation will assess the effectiveness of project activities and their socioeconomic impact on the target beneficiaries.	Project 8.0	5	AID/W TDY, LAC/DR ANI S & T/AGR 14 days
505-0007 Rural Access Roads and Bridges	N/A	1	2			PACD = 1/87  The project aims to increase the capability of the Government of Belize to build, maintain, and protect its rural access roads/bridges infrastructure through training, technical assistance, and equipment procurement. Evaluation will assess the effectiveness of project activities and their socioeconomic impact on the target beneficiaries.	OE 2.0	5	AID/W TDY, LAC/DR 7 days
505-0008 Agricultural Production and Diversification	N/A			1	2	PACD = 10/90  Evaluation will focus on success of new test crops, expansion of such new crops, extent to which crops have increased exports and import substitution - and effectiveness of technical assistance to public agencies.	Project OE 8.0	5	AID/W TDY, LAC/DR 14 days

TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1987 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE BELIZE

<u>Project List</u> (Project No. & Title)	<u>Last Eval</u> <u>Completed</u> (Mo./Yr.)	<u>FY 1986</u>		<u>FY 1987</u>		<u>Reasons/Issues</u>	<u>Funding</u> <u>Source (\$000)</u>	<u>USAID</u> <u>Person</u> <u>Days</u>	<u>Collateral</u> <u>Assistance</u>
		<u>Start</u> (Qtr)	<u>To</u> <u>AID/W</u> (Qtr)	<u>Start</u> (Qtr)	<u>To</u> <u>AID/W</u> (Qtr)				
505-0016	N/A			3	4	PACD = 9/89  Evaluations will be difficult. Evaluations will look towards the extent to which the cultural transition from the communal lifestyle of Amerindian milpa farmers to an improved system of farming that will result in larger marketable surpluses. Will concentrate on farming output and production.	Project 20.0	10	<u>CONTRACTOR</u> <u>28 days</u>
505-0020 Training for Employment	N/A			1	2	PACD = 10/89  Evaluation will focus on the extent to which the immediate management and skills training needs have been fulfilled. Will look at responsiveness of training institutions and what future training needs Belize will have.	Project 10.0	5	<u>AID/W TDY, LAC/DR</u> <u>14 days</u>
505-0027 Export and Invest- ment Promotion	N/A			3	4	PACD = To be determined  Interim Evaluation	Project 2.0	5	<u>AID/W TDY, LAC/DR</u> <u>7 days</u>

V. GRAY AMENDMENT APPLICATION

USAID gives full consideration to minority firms. For example, for the Livestock Production Project, we granted a major contract to the Southeast Consortium for Institutional Development (SECID) involving Louisiana State University and Southern University (HBCU). SECID has provided USAID with two WID fellows. Under the Rural Access Roads and Bridges Project, we awarded several commodity contracts to minority firms, and under the grant to the National Development Foundation we contracted a minority contractor to conduct a study. The PDAP Project has involved minority sub-contractors.

Currently we are about to award a major contract to an 8(a) firm for Higher Productivity Through Better Health Project. The Training for Employment Project may present a major opportunity for a minority firm.

During FY 1986 we will consider minority firms for new projects, as appropriate.

VI. MISSION MANAGEMENT: STAFFING AND OPERATING EXPENSE

BUDGET REQUIREMENTS

A. USDH positions by office (all positions apply to both FY 1986 and FY 1987 except as indicated).

OFFICE OF THE AID REPRESENTATIVE

AID Representative

AGRICULTURAL DEVELOPMENT OFFICE

Agricultural Development Officer  
International Development Intern/Assistant Agricultural  
Development Officer<sup>1/</sup>

GENERAL DEVELOPMENT OFFICE

General Development Officer

PROJECT DEVELOPMENT OFFICE

Project Development Officer  
Private Sector Officer

OFFICE OF THE CONTROLLER

Controller

B. FNDH positions by office (all positions apply to both FY 1986 and FY 1987).

OFFICE OF THE CONTROLLER

Financial Analyst  
Chief Accountant

GENERAL SERVICES OFFICE

General Services Officer

PROJECT DEVELOPMENT OFFICE

Project Development Specialist

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<sup>1/</sup> IDI counts against AID/W in FY 87. USAID will request a new position as Assistant Agricultural Development Officer after graduation.

C. U.S. and Foreign National PSC's (all positions apply to both FY 1986 and FY 1987).

OFFICE OF THE DIRECTOR

Administrative Assistant and Secretary (U.S.) - Arranges appointments and conferences with USAID and cooperating Government officials, U.S. Government officials and others; assembles background material for conference use; and follows-up to ensure that commitments made in meetings and conferences are met.

Receives, reviews and controls all incoming and outgoing correspondence and communication and distributes mail and messages within the office of assignment. Maintains controls and follows-up on action correspondence. Maintains all classified files for the office and assures that all classified material is properly stored and secured at all times.

Takes and transcribes dictation and types correspondence, telexes, cables and other communications from rough draft, on the word processing equipment.

AGRICULTURAL DEVELOPMENT OFFICE

Secretary (FN) - Does word processing of letters, cables, memoranda, project agreements, etc.; maintains ADO files and records; accepts and makes telephone calls, arranges meetings and collects data, as appropriate.

Clerk typist (FN) - Types letters, telegrams, memoranda and other official documentation. Receives official visitors, attends telephones, and performs miscellaneous functions.

GENERAL DEVELOPMENT OFFICE

Training Officer (U.S.) - Sets up training program and procedures. As training requirement identification and selection processes proceed, identifying training opportunities. As requirements are determined and potential participants are selected, preparing PIO/P' and bio-data sheets; budgeting the cost of each training program; obtaining all the necessary forms from the participants (medical clearances, and transcripts for academic participants, GRE and letters of recommendation); ensuring that appropriate funding is obligated; and coordinating funding procedures with the Controller's Office.

Secretary (FN) - Serves as Training Assistant to the Division. Prepares training documentation for participants, word processing of cables, letters, reports and other materials; maintenance of project files and documents in the Health, Education, and Housing Sectors; telephone calls, and gathering information and data, as appropriate.

Clerk Typist (FN) - Same description as under Agriculture Development Office.

Assistant Education Officer (FN) - FY 87 - Assists the General Development Officer in the analysis, planning, design, implementation, monitoring and evaluation of education programs and projects for Belize. Assists in identifying needs and priorities in the educational sector as well as participates in USAID policy formulation, resource assessment, and sector analysis and studies.

#### PROGRAM DEVELOPMENT OFFICE

Secretary (FN) - Word processing and preparation of program and development documents such as Action Plan, ABS, PIDs, PPs, and implementation letters; maintenance of project and program files and documents; arrangement of meetings and telephone calls, and gathering of programmatic data, as appropriate.

#### OFFICE OF THE CONTROLLER

Secretary (FN) - Types letters, telegrams and memoranda as well as word processing of reports; maintains files and records; accepts and makes telephone calls, arranges meetings and collects data, as appropriate.

Accountant (FN) - Maintains allotment information for all administrative and program funds, and documents with supporting MOB's for USAID operating expenses. Prepares work papers for periodic review of operating expenses and performs monthly review of unliquidated obligations for current and prior year. Maintains and controls non-expendable property ledgers.

Voucher examiner (FN) - Reviews and analyzes project vouchers, process payments, and input information into computerized accounting system. Maintains project records and ensures that implementation follows proper accounting control hierarchy from project authorization stage through final disbursement.

GENERAL SERVICES OFFICE

Procurement Specialist (FN) - Serves as assistant to the General Services Officer in providing services essential to support USAID operations which include preparation of required shipping documents for clearance through customs and arranging for pick-up of USAID commodities. Responsible for the supplies, procurement, shipment, and motor pool supervision.

Secretary (FN) - Types correspondence, telegrams, memoranda and other official documentation. Distributes documents, takes dictation, prepares vouchers and receiving reports, attends telephones, and performs miscellaneous secretarial functions.

Telephone Operator/Receptionist (U.S.) - Accepts and makes telephone calls, arranges hotel and airline reservations for USAID, and receives official visitors.

Messenger (FN) - Picks up mail and/or packages addressed to USAID; delivers mail to the Post Office; sorts out mail and delivers same to the various offices in USAID; performs errands as directed to various locations within the city, and performs other related duties as directed.

D. Operating Expense Contracts by Function Code

1. FY 1986

Function Code 302 - U.S. PSC salary/benefits

- 2 secretaries
- .8 training officer
- 1 receptionist

Function Code 304 - F.N. PSC salary/benefits

- 4 secretaries
- 1 accountant
- 2 clerk typists
- 1 voucher examiner
- 1 procurement specialist
- 1 messenger

Description of scopes of work for the above contracts provided in schedule C under Mission Management. USAID does not foresee any contracts under function Codes 301, 306, 307, 521, 522, or 523 for either FY 1986 or 1987.

2. FY 1987

Function Code 302 - U.S. PSC salary/benefits

- 2 secretaries
- .8 training officer
- 1 receptionist

Function Code 304 - F.N. PSC salary/benefits

- 1 assistant education officer
- 4 secretaries
- 1 accountant
- 2 clerk typists
- 1 voucher examiner
- 1 procurement specialist
- 1 messenger



**ACTION PLAN, FY 1986 - 87 : BELIZE**

**PD-ABA-887**

**1 OF 1 (24X)**

**BELIZE**

**1985**

**ACTION PLAN**