

**EU - BELIZE**  
**Joint Annual Report 2007**

**June 2008**

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## **1. Update on the political, economic, social and environmental situation**

### **1.1 UPDATE OF THE POLITICAL SITUATION**

#### **Status of the Belize – Guatemala Negotiations**

On 7 September 2005 Belize and Guatemala signed an “Agreement on a Framework for Negotiations and Confidence Building Measures between Belize and Guatemala”. The Agreement sets out a new framework for the negotiation of the territorial differendum. It identified that the Guatemala claim included three components: territorial, insular and maritime. Under the Framework Agreement, the OAS Secretary General is empowered to recommend that the parties submit the Differendum to an international juridical body “*if he determines that it is not possible to arrive at an agreement on some of the issues*”.

In November 2005 the Secretary General of the OAS, recommended that the maritime issues should be the start of the new round of negotiations since this is an area where a possible diplomatic agreement could be reached between the parties. Honduras was therefore invited to participate in the negotiations.

The Maritime Negotiations therefore were to be guided by the principles of International Law and the Law of the Sea, where the three countries would delimit their maritime spaces in the Gulf of Honduras. This clearly posed a great difficulty for Guatemala as it had to negotiate as if there was no differendum in existence, as maritime spaces are derived from territorial spaces. Guatemala nevertheless accepted to engage in the negotiations, although it reiterated its claim from the Sibun River to the Sarstoon, all the islands and cayes, with the exception of St. George’s Caye, and all the maritime waters of Belize

Belize, Guatemala, and Honduras began discussions in April 2006 aimed at defining their respective maritime areas in the Gulf of Honduras. During the course of 2006 and 2007, a total of eight Technical Meetings were held in Belize, Guatemala, El Salvador, Honduras and Washington, DC. The negotiations collapsed in October 2007 when Guatemala announced, just when agreement was very close, that it was not interested in a delimitation exercise any longer but only interested in an agreement establishing a *Modus Vivendi* while the dispute was elevated to an International Court.

This prompted the Secretary General to issue his recommendation on 19 November 2007 stating that both parties should seek the International Court of Justice for the resolution of the dispute. The process now has to be taken through the constitutional procedures of each country and to national consultation by means of a referendum before a decision can be taken. In the case of Belize it has to go to Cabinet, then the National Assembly, and through the Senate. Once this is approved it will be taken to a referendum for the people to make a final decision.

#### **Update on Elections**

General Election was held on 7 February 2008 were the United Democratic Party under the leadership of the Honourable Dean Barrow won over the People’s United Party. The United Democratic Party won a total of 23 out of the 29 seats contested. The change in leadership took place without any major unrest. Local Government Elections are schedule to be held early in 2009.

#### **Political Governance**

The Office of Governance came into being in September 2005 resulting from recommendations and interventions for greater proficiency in the implementation of public sector administration issues, public sector reform endeavours, and good governance initiatives.

The Government of Belize recognises that its human capital is one of its most important assets made a firm commitment to invest in the enhancement of its public sector employees. Therefore the Government of Belize is also committed to the promotion and coordination of public sector modernisation initiatives and good governance practices

that will create the enabling environment for organisational response to the challenges brought about by the impact of globalisation, the call for improved services and information and communication technology.

The following activities were carried out under the various subheads:

1. Human Capital Development
2. Human Capital Management
3. Public Sector Modernisation
4. Electronic Government

#### **Governance and Modernisation Efforts**

A Council on Good Governance and Public Sector Modernisation (CGM) was inaugurated in June 2007. The responsibilities of this body are as follows:

- Make recommendations on good governance initiatives aimed at bringing awareness to Citizens on good governance principles
- Provide guidance in the implementation of improvement initiatives in public sector administration
- Serve as a forum for the interface between Government of Belize and Social partners for the sharing of ideas and information arising from modernisation and governance endeavours
- Make recommendations on modernisation initiatives aimed at improving service delivery

### **1.2 UPDATE ON THE ECONOMIC AND FISCAL SITUATION**

The structure of the Belize economy has changed over the last twenty years, with a decline in the **primary and secondary sectors**, as well as the discovery of oil. In Belize the bulk of manufacturing arises from processing of primary products, particularly citrus, sugar and banana. In 2006 primary industries accounted for 12.5% of GDP (agriculture at 8.6% of GDP), down from 21.4% in 1986 (agriculture at 16.3% of GDP). Allowing for agricultural processing, the sector employs around 18% of the total employed.

The **tertiary industry** has emerged in this current decade as the leading sector, accounting for 60.9% of GDP and 62.3% of the employed labour force in 2006. Outside of retail and government (respectively 14.5% and 9.8% of GDP in 2006), tourism is an important sector especially considering it makes up 13% of the total workforce. The performance of this economy is therefore measured in terms of how well each of these sectors perform in volume and value of production, as well as the level of income security that each sector offers to the thousands of individuals dependent on it.

The economy of the country is heavily exposed against **hurricanes and other external shocks**.

Growth in the Belizean economy has followed a downward trend in the period 2000-2007. From a record growth performance of 13.1% in 2000 economic real GDP (expressed in constant 2000 prices) slowed to 1.6% in 2007. A persistent growing fiscal imbalance forced the Government into a more conservative expenditure and the result has been a reduction in the overall central **government deficit** from 11.1% of GDP in 2003 to 4.6% of GDP in 2007.

**Oil** was discovered in Belize in late 2005. The volume of extracted oil reached 797,000 barrels in 2006, the first year of production, and in 2007, it exceeded one million barrels (1,048,000). According to industry estimates, oil resources will be exhausted in 2019. Belize's oil is fully exported there are no local refining facilities. In 2007, Belize's oil exports amounted to US\$ 71.3 million. In the same year, Belize imported US\$ 116 million worth of gasoline and other refined products.

In the past 30 years, **Belize's reserves** have been on average equivalent to 1¼ months of imports of goods and services. Reserves remained low in the first decade after the adoption of the fixed exchange rate regime in 1976, when on average they corresponded

to around one month of imports. Thereafter, reserves increased, peaking at 3 months of imports in 1990.

The analysis of historical current account data suggests that reserves in the order of three months of imports would have been adequate to finance the current account deficit in most years, except for the 2001–05 periods. In 2007 Belize's reserves have been 2.3 months of imports of goods and services.

In 2005, policies were initiated to correct serious macroeconomic imbalances. However, the adjustment efforts were not sufficient to bring the economy back onto a sustainable path, and, therefore, Belize engaged with its external private creditors to achieve a cooperative debt restructuring.

**Debt restructuring** was completed in February 2007. Holders of eligible debt exchanged their claims for a new 22-year bond, repayable in semi-annual instalments starting in 2019. It is estimated that the restructuring will provide Belize with a 21% reduction in its debt burden in NPV terms, largely realised by 2013.

As a result of expansionary macroeconomic policies during 1999–2004, Belize's public debt increased rapidly and is currently one of the highest in the region. The current situation has evolved into one in which a high **level of taxes** (tax revenues increased of 44% from BZ\$ 367.2 million in FY 2002/2003 to BZ\$ 528.8 million in 2006/2007) since is supporting an even higher level of current expenditures (BZ\$ 589.3 million in 2006/2007), resulting in a chronic budget deficit position.

Ratio of outstanding external public sector debt to GDP (excluding guaranteed debts) climbed from 52.1% at the end of 2000 to 76.7% of GDP at the end of 2007. By the end of 2007, the disbursed outstanding external debt had reached BZ\$ 1,943.6 million while the domestic one accounted for BZ\$ 322 million.

In the past, the reform in the system of planning and budgeting has been limited to reductions in **Capital II expenditures**, i.e. capital expenditures financed from government resources, in order to achieve some reduction in the fiscal deficit.

In FY2005/06, Capital II expenditures were reduced by 24.2%, from BZ\$ 73.5 million (FY2002/03) to BZ\$ 55.7 million. This trend was reversed in FY2006/07 where the Capital II expenditures reached BZ\$ 79.9 million (+ 43%).

The sustainable solution is to link planning objectives to budget formulation and expenditure policy. Given the current complexities in the financial situation, consideration should be given to implementing a macro-economic framework that would predict future available resources and expenditure commitments. This is even more important in the light of the current emphasis being placed by the Government on substantially reducing the level of poverty in the medium term.

### **Integration to the World Economy**

Like most small open economies, the Belizean economy is very sensitive to changes in its trading position with the rest of the world. Belize's export performance in 2007 reflects the basic reality that the country's producers have little influence over the prices of their products in the international market.

In 2007, earnings from domestic exports decrease by 5.3% to BZ\$ 507.9 million. The banana and sugar industries are central to rural development in Belize. Bananas are the fourth largest agricultural export after citrus, sugar and marine products. Over the recent years the relative importance of sugar and bananas has declined while citrus has kept the increasing trend.

Banana production of approximately 82,000 tonnes recorded in 2004 was down to 59,000 tonnes in 2007. Export volumes decreased by 17% compared to 2006 and earnings decreased to BZ\$ 41.5 million (- 18%) from the previous year.

Belize produces in 2007 about 1.2 million tonnes of cane/year, of which most is exported to the EU, some to the US, and some within the Caribbean, including Jamaica. The domestic market is negligible

In 2007, citrus industry played an important role for Belize's economy. The exports accounted for about 5.5 million of gallons (- 28% compared to the previous year) and the good prices defined an exports value of BZ\$ 117.4 million (+ 7.7% from the previous year).

Marine export production decreased significantly by 51% to BZ\$ 42 million, reflecting the difficulties that the industry is facing since 2003 (where the output to be exported was of BZ\$ 110.2).

#### **EPA negotiations**

The EU and the African, Caribbean and Pacific countries (ACP) have been working to put in place new **Economic Partnership Agreements (EPAs)** by the start of 2008. The EPAs aim at progressively and asymmetrically removing barriers to trade and enhancing cooperation in all areas related to trade. They are also aimed at providing an open, transparent and predictable framework for goods and services to circulate freely, as well as to promote incoming investment, thus increasing the competitiveness of the ACP.

On 16 December 2007, the European Commission initialled a comprehensive EPA with Belize and the other CARIFORUM countries (CARICOM plus the Dominican Republic) covering all areas under negotiation.

The general approach is to build on and reinforce regional integration in the Caribbean (market building) and, in subsequent market opening, to use asymmetric flexibility for the benefit of the Caribbean in terms of product coverage and periods for tariff elimination, thereby helping to promote sustained wealth creation and development.

Belize exporters have chosen to respond to the export challenges by increasing their competitiveness. The trade support services network is also being strengthened through the EU-CABCARI (Dec 2005 - July 2006) training exercise to increase market access to the European Union. The Belize Chamber of Commerce and Industry (BCCI) is facilitating the first consultation (17-19 May 2006) aimed at forming national and regional coalitions to promote competitiveness and expand the region's exports. Finally the BCCI is also addressing the issue of accessible trade information.

Belize is committed to the multilateral process in the WTO and to the Doha Development Round. Regarding market access, Belize supports the call for the resumption of Doha but the Government is of the view that this should not be done at the cost of sacrificing the interests of small developing countries in the area of special and differential treatment.

A significant relationship that could be bridged regionally may arise with the prospect of a CARICOM-Central America Agreement — whether in the form of a free trade agreement or a partial scope trade agreement building on the CARICOM-Costa-Rica Agreement. Assuming that this is negotiated, it may further change the dynamics of trade with respect to Belize's traditional export markets. Proximity to the rest of Central America could hint at direct advantages if there is successful exploration of the potential links for investments, services and cross-border trade.

#### **The Development Finance Corporation**

The Development Finance Corporation continues its orderly liquidation. The corporation recorded gross income of BZ \$24.9 million. This value included interest income of BZ \$15.49 million. Operating expenses were contained at BZ \$4.26 million and only exceeded the budget by \$0.22 million. The corporation is forecasting a profit for 2007. DFC ended the year with assets totalling BZ \$163.9 million compared to BZ \$217.2 million in 2006 and BZ \$626.3 million in 2004. Long term debt was reduced by BZ \$53.9 million from BZ \$173.2 million to BZ \$119.3 million at December 2007 (down from BZ \$439.6 million in 2004). *Loan Portfolio Performance has been* reduced from BZ \$188.8 million to BZ \$135.3 million at December 2007 – a reduction of BZ \$53.5 million. The

number of loans was also reduced from 4,417 loans to 3,158 loans. The non-performance at December 2006 was at \$50.9 million or 32.2% of total portfolio. By December 2007, the value had reduced to BZ \$21.7 million or 16.1% of total portfolio (the non-performance in 2005 was at 48.1%). DFC attained the above without the assistance of the Government of Belize. DFC is not a drain on the public finances and continues on a timely, orderly and effective liquidation.

2008 Forecast for DFC is that it will continue to focus on loan collection to improve its non-performance ratio to below 10% of its portfolio and to maximise collection to continue with the objective of reducing its long term debt to under BZ \$100.0 million. DFC will continue to contain its expenses but still maintain a strong presence to obtain its cash collection and portfolio performance objectives. Although DFC forecast a BZ \$1.0 million operating loss, it will not seek financial assistance from GOB in 2008.

#### **Statistical Institute Of Belize**

The Statistical Institute of Belize (SIB) was established on 1 April 2007, replacing the Central Statistical Office as the national statistical agency of Belize. The Institute now has broader responsibilities than the current CSO, one of them being coordination and oversight of data collection by other public sector agencies in an effort to achieve improved quality of data.

#### **Update on Trade Situation**

Belize still does not have a presence in Geneva and its Embassy in Brussels remains accredited to the WTO. This has meant that our participation and influence in the process and progress in the multilateral negotiations have been seriously hindered. However, to the extent possible, we have been closely monitoring the developments in the trade negotiations and continue to actively support the work carried out by the small vulnerable economies working group.

#### **How has Belize progressed in international trade negotiations? (WTO, EU etc.)**

Belize continues to actively support the WTO Doha Round negotiations and firmly adheres to the belief that multilateralism can result in greater and more equitable gains than can be achieved by a route of bilateralism.

#### **Have there been any new Trade Agreements?**

Belize along with the CARIFORUM region has recently concluded the negotiations of the Economic Partnership Agreement. This has been a major shift in relations between the EU and the CARICOM region. In terms of trade, the current EPA is reciprocal in nature although Belize along with CF has been allowed liberalisation over a longer period of time. The upset has been mostly internal whereby all CARICOM member states undertook trade liberalisation whereas prior to this set of negotiations, Belize along with the OECS did not commit to market access commitments. Belize also undertook to liberalise services and again, it is the first time that the region has made such services commitments on such a scale to any negotiating partner. Needless to say, the arrangement is reciprocal so that the EU has given us similar or even better access in some instances into their market. The difficulty is that Belize is structurally constrained to benefiting from this access and it is hoped that the development dimension of the EPA will allow for relative transformation of Belize's economy to reap the gains from early trade liberalisation.

#### **What is the impact of Trade on Development?**

To a certain extent, the much touted effects of trade gains are yet to be felt and while we recognise that national policies must work in tandem with external aid, it must be pointed out that this transformation has been slow in happening. Therefore, it is difficult for one to tangibly assess the impact of trade on development. From this perspective, it is hoped that the EPA development promises will assist in making a marked difference in our economy whether it is in assisting in improving the quality of existing export products, product diversification or identification and development of niche marketing for existing and emerging products and in enhancing the overall trade infrastructure.

### **Private Sector Development**

Belize views the private sector as the engine of economic growth; it encourages its private investment by focusing on improving the enabling environment and on providing fiscal and other incentives to stimulate increased output of goods and services for domestic consumption and export.

## **1.3 UPDATE OF THE SOCIAL SITUATION**

### **Pro Poor Policies and the MDGs**

#### **The National Poverty Strategy (NPES) and Action Plan (NPEAP)**

The Government of Belize, through the Ministry of National Development (MND) undertook measures to update and strengthen its national strategy for poverty reduction. The updated strategy, known as the National Poverty Elimination Strategy and Action Plan (NPESAP) 2007-2011, is results based and contains specific poverty reduction targets for Belize that emulate the Millennium Development Goals (MDGs), to which Belize is a signatory. The primary target is to reduce the level of indigence by half by the year 2015.

The approach to the new strategy was grounded in participatory methods involving broad consultation with key public, private and civil society stakeholders, and with rural and urban communities.

#### **National Poverty Elimination Strategy (NPES) 2007-2011**

The Ministry of National Development decided, in consultation with the National Human Development Advisory Committee (NHDAC) and Inter-American Development Bank (IDB), to publish the National Poverty Elimination Strategy (NPES) 2007-2011 and the National Poverty Elimination Action Plan (NPEAP) 2007-2011 separately. Subsequently, the NPES was launched in 26 January 2007.

The results of the consultative process along with the different diagnostic, technical and institutional studies factored into the development of the National Poverty Elimination Strategy (NPES) 2007-2011. The NPES 2007-2011 was crafted around five policy pillars.

These are:

- 1) Economic Policies for Growth;
- 2) Good Governance and Sustainable Development;
- 3) Investment in Human Capital;
- 4) Infrastructure to Support Poverty Reduction; and
- 5) Strategic and Comprehensive Intervention in Special Attention Areas.

The NPES identifies short and medium-term objectives in poverty reduction and also identifies the priority targets and performance indicators derived from the national MDGs.

#### **National Poverty Elimination Action Plan (NPEAP) 2007-2011**

The National Poverty Elimination Action Plan (NPEAP) 2007-2011 was completed in April 2007. The NPEAP expands on the activities indicated under the five policy pillars of the NPES. It indicates the expected outcomes of effective implementation and incorporates specific targets to support the achievement of poverty elimination objectives during the 2007-2011 periods along with the means of verification. The activities, expected outcomes, and targets included are consistent with the comprehensive nature of the NPES, and are therefore interwoven and mutually reinforcing.

The NPES along with the relevant NPEAP 2007-2011 is a public policy initiative that defines the causes of poverty and offers a strategy for eliminating the obstacles preventing poor Belizeans from sharing in the benefits that development confers on the majority of their fellow citizens.



The NPEAP outlines more specific actions following from the strategy, and details the mechanism for implementation, monitoring and evaluation. The NPES and the NPEAP, however, are two integral documents that together form the National Poverty Elimination Strategy and Action Plan (NPESAP).

### Millennium Development Goals

Belize – MOH 2007

Indicator	2000	2004	2005	2006	2007	2015	
Impact	Prevalence of underweight children (under five years of age)	6.0*	7.3**		5.9%***	6.2%***	5.5
	Under five mortality rate	26.0	19.0	23.5	24.8	20.5%	
	Proportion of births attended by skilled health personnel	83.8	97.0	89.3	91.0	94.6	95
	Proportion of one year children immunized against measles	92.0	96.8	95.1	99.58	95.5	100
Outcomes	HIV prevalence among 15-24 years old pregnant women	n/a	1.23	1.05	0.96	0.84	

\*1989 data, National Health Planning System, 1990 – 1994

\*\* UNICEF SOWC 2005, estimated average for 1995 – 2003

\*\*\* MICS 2006. Preliminary Report

\*\*\* Estimation made from MCH record

The underweight prevalence rate among children under five years of age has an increasing trend when comparing results from population based studies done by Central Statistical Office. The last Poverty assessment showed an 18% stunting prevalence rate country wide, being most affected children under five in Toledo with 45%. In MICS report 2006 –UNICEF and CSO- the national average of stunting prevalence rate increased from 18% to 22%. Access to quality food is an issue that needs to be addressed with strong community participation to build ownership and behaviour change among those most affected.

The under-five mortality ratio (U5MR) measures the probability of survival between birth and five years of age, expressed per 1,000 live births, and is widely recognised as a critical indicator of the well-being of children. The Under-five mortality has reduced from 43 in 1991 to 17.8 in 2003, but shows a small increased over the period 2004-2006.

The highest proportion of deaths represented by the Under-five mortality rate between 1999 and 2003<sup>1</sup> was due to communicable diseases (24.3%) followed by external causes of injury, including transport accidents (11%), followed by accidental drowning (9.5%). Hospitalisation of children in this group during the 1999 – 2003 periods was primarily due to acute respiratory infections (ARI), intestinal infections, bronchitis, chronic and unspecified emphysema and asthma among others.

A skilled birth attendant is an accredited health professional –such as a midwife, doctor or nurse- who has been educated and trained to proficiency in the skills needed to manage normal (uncomplicated) pregnancies, childbirth and the immediate postnatal period, and in the identification, management and referral of complications in women and newborns.

<sup>1</sup> Rapid Assessment “ Mother and Child's Nutrition”, 2004 conducted by Dr. Hugo Amigo

In Belize the proportion of births attended by skilled birth attendants has increased from 76.9 to 94.6% in the year 2007.

The Expanded Programme on Immunization is one of the programs that had achieved and maintained high vaccine coverage following WHO recommendations. For the period 2004 to 2007, the country average for vaccines among target population was equal or greater to the minimum acceptable of 95%. At district level there are some districts with lower coverage in one or more vaccines, although only in one vaccine the coverage is almost 90%.

HIV infection among young pregnant women hasn't change much in the last three years. The HIV prevalence rate among young pregnant women with access to antenatal care ranges from 1.23 in 2004 to 0.84 in 2007. There is a trend to slowly decrease this prevalence rate. One limiting factor that is being addressed recently is the availability of contraceptive methods for infected women. The Ministry of Health has prioritised HIV infected women to have access to these commodities, to help women to have adequate pregnancy spacing and / or facilitate the access to contraceptive services for those with satisfied parity by ensuring the procurement of contraceptive methods through UNFPA procurement services.

During the year 2007, there were a total of six maternal deaths. 67% of the total maternal deaths were due to complicated HIV infected women. HIV is now becoming an important cause of maternal death, hence the urgency to resolve the unmet contraceptive need of HIV infected women.

### Education Updated

The table below presents updated figures for the years 2000 to 2005 for the following indicators: Primary Net Enrolment Rate, Primary Completion Rate, and Ratio of Girls to Boys Enrolled (Primary, Secondary, and Tertiary). The figures in the table below were obtained from statistical publications produced by the Planning and Projects Unit of the Ministry of Education.

**Table 1: Selected Education Indicators 2000-2005**

Indicator	Actual	Actual	Actual	Actual	Actual	Actual
	2001	2002	2003	2004	2005	2006
Net Enrolment rate in primary education	87.7	91.1	90.9	88.5	88.6	86.4
Primary Completion rate	38.2	38.2	39.7	37.0	44.8	41.4
Ratio of girls to boys in:						
Primary education	0.95	0.96	0.96	0.95	0.96	0.97
Secondary education	1.04	1.05	1.09	1.05	1.08	1.09
Tertiary education	1.56	1.41	1.27	1.43	1.65	1.60

Source: Planning & Projects Unit, MOE

### Education

**Table 2: Selected Education Indicators**

Indicator	2000	2005	2006*	2007*	2008*	2015*
Net Enrolment rate in primary education	97.7	88.6	89.7	90.9	92.0	100.0
Primary Completion rate	36.8	44.8	45.8	46.8	47.9	55.0
Ratio of girls to boys in:						
Primary education	0.95	0.96	0.96	0.97	0.97	1.00
Secondary education	1.09	1.08	1.07	1.06	1.06	1.00
Tertiary education	1.43	1.65	1.59	1.52	1.46	1.00

Source: Planning & Projects Unit, MOE

NOTE: Figures for 2015 represent targets. Figures for 2006-2008 are projected based on the final target.

**Achievements:**

*Primary completion rate* – According to data from the Planning & Projects Unit, the Primary School Completion Rate declined by more than three percentage points from 44.8% to 41.4% in 2006. This was the first decline recorded in this statistic during the period from 2000 to 2006. In fact, over the six-year period under review this statistic has increased considerably, by 11.7 percentage points from a low of 29.7% in 2000. This is indicative of considerable improvement in the percentage of children who progress through and complete the primary school cycle within the prescribed eight years. Nonetheless, the recent decline in the primary completion rate warrants some attention on the part of the Ministry of Education.

*Net enrolment rate* – This statistic, which measures the percentage of primary school aged children (ages 5-12) that are actually enrolled in primary schools, has tended to fluctuate around 90% over the period from 2001 to 2006. It should be noted that the population figure on which the net enrolment rate for the year 2000 was based on the 2000 Census. In all other years shown, the calculation is done using mid-year population estimates.

**Table 3: Net Enrolment Rate 2000-2005**

	2001	2002	2003	2004	2005	2006
Enrolment 5-12 year olds	48,931	52,371	53,927	54,197	56,046	56,632
Population 5-12 year olds	55,767	57,477	59,320	61,249	63,243	65,512
<b>Net Enrolment Rate</b>	<b>87.7</b>	<b>91.1</b>	<b>90.9</b>	<b>88.5</b>	<b>88.6</b>	<b>86.4</b>

Source: Planning & Projects Unit, MOE; Central Statistical Office

Net enrolment at the primary school level declined by 1.7 percentage points, from 88.1% to 86.4%, between 2005 and 2006 – the fourth consecutive year that this statistic has declined, signalling another area that calls for the attention of the MOE.

While its calculation excludes children of primary school age who are enrolled in preschools or secondary schools (a total of 681 in 2006), these children constitute only 1.1% of the total population of 5-12 year olds. Even with the addition of these 681 children, the percentage of 5-12 year olds that were enrolled in *any* educational institution was only slightly higher (87.5%). This implies that a large number of primary school aged children (approximately 8,000) are not participating in the formal education system.

*Ratio of girls to boys in the education system* – The ratio of girls to boys enrolled at the primary level remained virtually unchanged over the six years from 2000 to 2006, at approximately 0.95 to 0.97 over the entire period. It should be noted, however, that this ratio has showed a slight upward trend between 2004 and 2006, indicative of an increase in the number of girls enrolled at the primary level relative to the number of boys.

There was more variation at the secondary level, where the ratio of girls to boys ranged from 1.04 to 1.09 over the course of this six-year period. Nonetheless, there is a dramatic difference in terms of gender equity between primary and secondary education, and females enrolled at these level consistently outnumbered males throughout the period. Other secondary education indicators, including repetition and dropout rates, further emphasise this disparity.

An even greater disparity is observed at the tertiary level, where girls outnumbered boys by almost two to one with a ratio of 1.60 females per each male at this level – indicating that girls comprise approximately two-thirds of the total tertiary level enrolment.

**1.3.2: Other achievements:***Preschool education:*

- Total number of preschools increased from 142 to 152 in 2006.

- A total of 153 preschool teachers were fully paid by government (up from 140 in 2005).
- Preschool enrolment increased by 2.5% in 2006 from 4,861 to 4,983.

*Primary education:*

- Enrolment increased by 1.4% from 64,516 in 2005 to 65,430 in 2006.

*Secondary education:*

- Secondary enrolment increased by 1.5% from 16,696 in 2005 to 16,943 in 2006.

*Tertiary education:*

- Total enrolment junior colleges and universities increased by 11.5%, from 4,852 in 2005 to 5,412 in 2006

#### **1.4. UPDATE OF THE ENVIRONMENTAL SITUATION**

Goal 7 of the Millennium Development Goals (MDG) which aims to ensure environmental sustainability remains at the forefront of national policy and plans. The Government of Belize has articulated its commitment to ensure environmental sustainability at various national and international meetings and conferences. To reinforce this commitment, the Government has signed various Multilateral Environmental Agreements (MEAs) including the United Nations Framework Convention on Climate Change – UNFCCC, Convention on Biological Diversity – CBD, United Nations Convention to Combat Desertification – UNCCD, the Cartagena Convention, the Stockholm Convention on Persistent Organic Pollutants – POPs, the Basel Convention on the Trans boundary movement of Hazardous wastes, the Rotterdam Convention on Prior Informed consent – PIC and the Vienna Convention under which is the Montreal Protocol relating to the gradual phase out of ozone depleting substances – ODS. However, there remain some issues of enforcement and compliance with these various MEAs.

With the discovery of crude oil in Belize, a new area of environmental concerns has opened. This relates to the exploration, production and subsequent use of the crude on the local market. In the absence of the much needed legislative and regulatory framework to manage this fast growing industry, several crude oil processing facilities have come on stream and threaten to wreak havoc on the Belizean environment by way of emissions associated with the burning of the crude and by way of waste products produced as a result of the processing of this product.

Apart from this, Solid Waste Management remains a key national priority area for the Government of Belize especially in local municipalities where open dumps are poorly managed and have significant health and environmental impacts on nearby residents and the environment. The Government of Belize has developed a solid waste management plan and instituted a solid waste management authority with the legal mandate to address solid waste management issues nationally. Recently, the Government of Belize reaffirmed its commitment in addressing this problem and is looking at the implementation of the solid waste management plan through the construction of a central sanitary landfill.

The Government of Belize through the National Focal Point is presently in the process of preparing the Second National Communication on Climate Change. In addition, the Government of Belize through the Department of the Environment is presently developing a National Implementation Plan with regards to the Sound Management of Persistent Organic Pollutants (POPs) as required by the Stockholm Convention. Similarly, the Department of the Environment is presently developing a National Implementation Plan under the Cartagena Convention for the Land Based Sources of Marine Pollution.

There exists various legislative instruments with relevance to the environment; however, many of these are outdated and do not capture nor address present day situations. Recently, the Department of the Environment has amended the Environmental Impact Assessment Regulations under the Environmental Protection Act. Furthermore, the

Department of the Environment is in the process of developing and proposing amendments to the Environmental Protection Act and the Pollution Regulations and is also developing new Hazardous Waste Regulations to address the Petroleum sector. Other amendments are also being developed to address other issues.

## **2.0 OVERVIEW OF PAST AND ONGOING CO-OPERATION**

### **2.1 Focal sector 1: Consolidation of Infrastructure Development**

a) Results: The specific objective of this focal area is to facilitate the Government's efforts to improve the country's infrastructure in support of the productive and social sectors of the economy. Within this specific area, the European Commission (EC) is to contribute to the completion of infrastructure development already started under the previous European Development Fund (EDF), and to the improvement of the maintenance and operation of existing infrastructure. In this context, efforts were concentrated on the Road Sector.

The Hummingbird Highway is viewed as of strategic importance by the EC because it connects the capital city Belmopan with the coastal town of Dangriga, and is passing through one of the areas where the citrus industry is well developed. The highway is a significant contributor to the socio-economic development because it de-isolates, through its connection with the Southern Highway, the poor rural district of Toledo, and facilitates the transport of agricultural products towards markets.

This highway constituted also an important corridor to supplying emergency aid in the east and southern areas, when adverse natural conditions struck those parts of the country. The European Union's role focused in the past on the reconstruction of the Hummingbird Highway. The funds necessary for the rehabilitation were provided by both the United Kingdom (UK) government and the EU (under the 6th, 7th, and 8th EDF); for the upgrading of sections between Dangriga and Sibun River Bridge, and for the construction of the latter.

b) Activities:

New Bridge over the Silver Creek Bridge – B envelope - 9 ACP BEL 2 - € 1.0 million

Following the conclusion of a financing agreement in 2005, a works tender was launched in July 2005. The contract was awarded to contractor Cisco Construction Ltd in December 2005. The works started in February 2006. The project was completed within time and budget. The works were provisionally accepted in October 2006. The year 2007 covered the maintenance period. The project was finally accepted in October 2007. The final administrative steps have to be carried out (release of performance guarantee and retention monies).

c) Integration of Cross Cutting Themes: the completion of the Hummingbird Highway saw the enhancement of transport operations between Belmopan and Dangriga, in the main citrus production belt of Belize and a region with growing potential for eco-tourism development, as well as for agricultural production. For the populations living along the road, the upgrading of the Highway has improved access to health services, to centres of employment and to the administrative and social services available in Belmopan and Dangriga.

### **2.2 Focal sector 2: Development of Human and Natural Resources**

Conservation and Sustainable Use of the Barrier Reef Complex - 8 ACP BEL 005 (€ 600,000)

a) Results and Activities: The project started in September 1999 to promote the conservation and sustainable use of the Belize Barrier Reef Complex through integrated marine and coastal area management. This important ecosystem comprises the second longest barrier reef in the world, hundreds of patch reefs, three offshore atolls and over 1,000 cays. With its mangrove forests and extensive beds of sea grass, it is home to several endangered species including the West Indian manatee, the American crocodile, marine turtles and several species of birds. At that time, there were concerns regarding impacts to the coral reefs and other coastal habitats by inappropriate coastal development involving dredging or the run-off of sediment, agricultural chemicals and sewage. Furthermore, the need arose to strengthen the public's awareness to increase the understanding of coastal zone management.

The project contributed to two of the major components of the larger GEF/UNDP Project. Among its main outputs is the completion of a Coastal Zone Policy Framework, which divides the coastal regions according to categories and intensity of use. As part of this, Coastal Advisory Committees (CACs) have been established in Caye Caulker, Turneffe Islands and Placencia/Laughing Bird Caye. Members have been trained in leadership skills, planning, conflict resolution and consensus building, and are preparing detailed regional guidelines facilitated by wide community participation.

Under the EU component, several items of equipment were purchased to support the monitoring activities for water quality, flagship species and the condition of the reef. Specific attention was given to the Manatee Research Program, which continued its tagging and monitoring activities in conjunction with Wildlife Trust International. A sophisticated data centre was equipped with an up-to-date Geographical Information System. It processes and disseminates the scientific and technical data gathered from these monitoring activities, thereby greatly increasing the baseline knowledge available for decision-making.

The results of the final evaluation of the project conducted during the 4<sup>th</sup> Quarter of 2004 were presented in February 2005. The evaluation was conducted by a team of three consultants (two international, one national) in accordance with the UNDP/GEF Monitoring and Evaluation (M&E) policy at the project level. The evaluation found that many project activities could be checked off as successfully accomplished. The main conclusion was that the project has made significant progress in establishing the Network of Marine Protected Areas. These were marked with demarcation buoys and continue to be patrolled by Rangers. However, CZMAI, the national institution, is at present time floundering as a result of poor management and lack of vision and commitment for the future.

The project was implemented by the Coastal Zone Management Authority and Institute (CZMAI), and received € 537,918.88 to date from the EU. The general and individual commitments have been done in 2007.

b) Integration of Cross Cutting Themes: The CSU Barrier Reef project integrates environmental matters related to biodiversity conservation and sustainable management of coastal ecosystems, with the development of socio-economic opportunities for local communities. The CZMAI improved its policy making, planning and managerial capacity as a result of the execution of CSU Reef project.

### **2.3 Focal sector 3: Rural Development with focus on Agriculture**

#### Belize Rural Development Programme (BRDP) - 9 ACP BEL 003 (€ 7,000,000)

a) Results: The most serious threat to Belize's ambition of achieving a greater standard of living for its people continues to be the incidence of poverty, exacerbated by major resource adjustments in the export agricultural sector. The NPES indicated that incidence of poverty was more prevalent in rural (44%) than in urban (23.7%) areas of the country. For this reason, the GOB has committed itself to a broad-based approach to rural development with specific resources to address poverty reduction and to support the

efforts of marginalised populations to enter the mainstream of economic activity. As a result of the implementation of the BRDP, the percentage of rural poverty is expected to decrease by 5% in 2008.

The project's expected results are as follows (i) more efficient and competitive rural enterprises (both farming and non-farming ones established), (ii) basic services of the rural population improved and (iii) policies and institutional environment strengthened within which rural enterprises, traders, processors, local organisations and communities operate. In order to reach these results, the BRDP is intended to (i) strengthen policies, institutions and communities to ensure the sustainability of "integrated rural development" in the long-term without donor support, (ii) promote an efficient rural sector and facilitate the development of farming and non-farming activities as by stimulating the Small, Medium and micro Enterprises (SMEs) and (iii) support the development of rural infrastructure in the most disadvantaged areas in Belize.

b) Activities: The overriding objective of the BRDP is to support sustainable economic growth of Belizean rural areas. The project aims at reducing poverty in Belize and improving the standard of living of the rural population by supporting the rural sector, bearing in mind the agriculture base of the Belizean rural areas. This will be done through the participation of rural communities in the planning and implementation of this program.

The overall responsibility for the implementation of the program lies with the National Authorising Officer (NAO) for the EDF, and the Ministry of National Development, Investment and Culture that is the Contracting Authority. A Project Steering Committee (PSC) has been set up to provide guidance and policy direction to the project and is chaired by the MND. BRDP is implemented by an independent Project Coordination & Management Unit (PCMU), which assumes an administrative and financial role and coordinates the project's implementation at community, district and national level with the various line Ministries and donor agencies. The PCMU also coordinates all the activities carried out by the partner organisations, especially the District Development Committees (DDCs) and service providers.

The project inception was effective in April 2006. The inception phase lasted 6 months and was completed in November 2006. A start-up Program Estimate (PE) (Aug. 06 – Nov.06) was entirely implemented during this period. . The 2<sup>nd</sup> PE originally covering the period Nov 06 – Oct 07 and amounting to € 1,460,000 was subsequently revised to € 1,144,000 and the period of implementation was extended to 31 April, 2008. The reasons for this were (i) that funds saved could be used to partially fund a new project for hurricane Dean relief (see after) and also (ii) because of the time needed to identify and implement the 82 small-scale projects that are funded under this PE.

Because of this constraint, discussions concerning a revision of the BRDP Finance Agreement (FA) were initiated in February 2007 and on 8 October, 2007, an addendum to the FA allowing for larger projects to be implemented, for an increase in the amount that can be spent on infrastructure, and an increase in the total funds available to BRDP by an amount of € 199,000. This additional amount is reserved for the repair of the Middlesex Bridge in Stan Creek district. The above Addendum No 1 to the FA authorises larger grants that will be committed through 7 calls of proposal that have been launched in August 2007: and evaluated in December 2007. These funds will be committed during 2008 as follow:

- € 3.0 million for seven grants to non-profit organisations
- € 1.0 million for rural feeder roads
- € 990,000 for three programme estimates
- € 600,000 for hurricane Dean relief (see after)
- € 199,000 for the Middlesex Bridge repair
- € 110,000 for audits and mid-term evaluations
- € 1.30 million for the cost of the PMU (programme implementation)

A design study (funded by GoB) was commissioned to identify and prioritise the rural roads in the districts of Stan Creek, Cayo, Belize and Cayo. The next step will be the

timely preparation of the tender dossiers in order to commit the funds before the d+3-deadline. Additionally, the tender dossier for the rehabilitation of the Middlesex Bridge was prepared (funded by GoB) and presented to the Delegation for review.

During the night of 20-21 August 2007, a category 5 hurricane (named: "Dean") had made landfall at the Belizean – Mexican border and had brought severe destruction to the agricultural crops (papaya, sugar cane, trees) and to houses in villages of Corozal and Orange Walk and (partially) in Belize Districts. The EC Delegation in Jamaica had offered assistance to Belize by being prepared to re-allocate funds under the BRDP. A B\$ 1,620,000 (€ 600,000) request for a grant to support (a) the construction of new simple one room houses for families who have lost everything (b) the repair of hurricane shelters (c) for agricultural rehabilitation projects has been submitted by the Social Investment Fund (SIF) with the assistance of the PMU to NAO in the last week of November and was forwarded to the EC Delegation for consideration. These € 600,000 will be financed from the Finance Agreement (FA) cost category "Contingency" (€ 390,000) and € 210,000 would be taken from savings from PE2 and from the budget of PE3 (May 2008 to November 2009).

c) Integration of Cross Cutting Themes: The financial support, which is being given to the underprivileged groups including single women, did not have an initially high economic impact. However, these small sums : (i) helped ensuring that benefits reach a wide cross section of beneficiaries, (ii) acted as a catalyst for economic activities that are successful, and (iii) stimulated further economic activity in the medium to long term.

d) Progress in donor coordination: some Grants will be implemented by UNDP, in partnership with local organisations, through the FAFA. The BRDP is collaborating closely with the Taiwanese cooperation manages many activities in rural areas of Belize. BRDP is also involved in communication campaign with other donors and missions in Belize (in particular IDB and the British High Commission) to present and explain their action and to seek synergies with them.

## **2.4 Projects and Programmes outside Focal Sectors**

### Technical Cooperation Facility (TCF) - 9 ACP BEL 001 (€ 546,000)

a) Results: As a consequence of the closure of the EC office in Belize in 2002, the changing nature of EC rules and the expanding role of the NAO under the new EDF Regulations there was a need to reinforce the capacities of the NAO Office. For this reason a Technical Cooperation Facility (TCF) of € 546,000 was adopted in early 2004 with the objective of strengthening the capacity of the NAO Office through (i) the provision of Technical Assistance, (ii) the definition of an appropriate rural development policy, (iii) and the organisation of training and seminars for the NAO Office's staff. The implementation of the TCF became effective in 2005 and the following activities were implemented since then:

#### **b) Activities:**

1. TA NAO: (January – July 2005): The main roe of the TA was to increase the capacity of the NAO's office in (i) the design of programmes/projects in their formulation and appraisal, their implementation and monitoring (project cycle management) according to the Budget and EDF procedures and (ii) the capacity of the NAO's office to cope with the volume of financial and administrative tasks related to project implementation.

2. Programme Estimate 1 (May 2005 – December 2005): The first PE was signed in May 2005 and covers the period December 2005. The main activities carried out in this PE are: (i) Organisation of a seminar in Belize on EU - Belize partnership and (ii) sponsoring of various trainings and seminars to Belizeans Officials.

3. Baseline Study (August - November 2005): This study aimed at providing to the Government of Belize a valuable description of the rural situation for development interventions. As a result of this study (i) a detailed description of the rural situation,



according to the district is available, (ii) an overview on marketing practices and marketing possibilities, (iii) expressed needs by local population have been registered and (iv) recommendations have been made for measures to improve the rural situation.

4. Preparation of the CSP (May – June 2006): A consultancy to prepare the 2008-2013 CSP was awarded to HTSPE & completed in 2006. The focal area of the EC Support Strategy for Belize will be Poverty Reduction with institutional and capacity building, in support of a two-tiered rural development approach including: a) Local (district, community and group) level interventions to promote market-led rural enterprise development; b) Strategic infrastructure interventions to create an enabling environment for rural development.

5. Programme Estimate 2 (November 2006 – September 2007): The second and last PE was prepared and signed during this period. The preparation was delayed due to the difficulties met by the NAO in receiving contributions from other Ministries (especially the Ministry of Foreign Trade). The PE was signed in November 2006 and covers the period Nov.06-Sep.07. The main activities carried out in this PE are: (i) A Marketing Study (€ 126,400) conducted in partnership with Belize Trade and Investment Development Enterprise (BELTRAIDE); (ii) A seminar on Phyto-Sanitary Standards (€ 11,164) in association with the Belize Agricultural Health Authority (BAHA); (iii) Training for Belizeans in EU procedures (€ 6,000) and; (iv) Evaluation/Audit of the Program (€ 20,000).

6. Marketing study (March 2007 – on-going): As a result of poor marketing performance in Belize, a marketing study was launched to support sustainable economic growth in the rural areas of Belize in order to reduce rural poverty. The study identified potential markets for priority products of small producers, to analyse productive and institutional capacities and resources to access identified markets and to accordingly develop an action plan which will enable Belizean producers to access such markets.

The FDC of the TCF is March 2007. At the end of 2007, 88% of the funds (€ 446,513.81) were committed. All the remaining funds, except the contingencies, shall be committed through an audit and an evaluation.

## **2.5 Utilisation of Envelope B**

See text on activities in focal sector 1 on the New Bridge over the Silver Creek Bridge – B envelope - 9 ACP BEL 2 - € 1.0 million

## **2.6 Community Budget Lines**

### **2.6.1 Special Framework of Assistance to the Banana Industry (SFA)**

The objective of the EUBSP is to assist traditional ACP- Banana export countries to come to terms with the increased liberalisation of the banana regime by: i) improving the competitiveness of the banana industry, and; ii) supporting diversification where improvement in the competitiveness is not sustainable. The purpose is to maintain living standards of farmers, farm and port workers and their communities in the banana producing areas in the short term and to improve their living standards in the long term. Since 1999 Belize has received € 23.880.000 from the SFA programme.

a) Results: Despite the problems and delays faced before the devolution which was effective in 2005, the implementation of the program the benefits of the banana industry to Belize's economy are substantial. Improvements in industry yields, which this project supports, will translate into the safeguarding of foreign exchange earnings and employment in southern Belize. The private sector's ability to diversify in southern Belize is heavily reliant on the existence of shipping lines. The banana industry has created the only shipping link to Europe through the Big Creek Port in southern Belize. In future, this facility could also be used for trading other commodities.

Until 2005, the Program had been managed under centralised procedures following the previous Financial Regulations, with the Banana Growers Association (BGA), through a Project Management Unit (PMU), as implementing agent of the Project through Annual Work Programs (AWP). However, following the entry into force of the New Financial Regulations and as a result of a verification exercise carried out in November 2004, partial decentralisation was granted to the GOB with the Ministry of Agriculture (MOA) replacing BGA as implementing agency, effective at end 2005. Financing Proposals for SFAs 1999 and 2000 gave assistance solely for enhanced banana competitiveness. From SFA 2001 to SFA 2005 rural development was introduced representing up to 15% of the total value of the allocation. This allocation was increased up to a level of 50% under SFA 2006. SFA 2007 will be entirely dedicated towards improving the lot of banana workers and their dependents, and will further strengthen two important areas of rural development through [1] provision of additional economic infrastructure and [2] improvement in quantity and quality of education and skills development in the banana belt. It is anticipated that SFA 2008 will complement [2].

A Financing Proposal for the 2007 SFA allocation (€1.8 million) was approved at the end of 2007. In line with the strategy of Belize the funds have been allocated to the Rural Development Component. This new project seeks to improve economic opportunity and to improve access to education and training of the target group. Its main objective is to further assist workers and their families in the banana belt enter a more diversified economy. The purpose is to [1] improve small business' opportunities to offer produce to local and tourist markets and [2] to assist improvement in provision of appropriate education to workers and their families in the banana belt. The anticipated results are [1] market facilities for small business people in the banana belt enhanced, with trading space, with hygienic facilities for handling of produce and a tourist and transport transit facility provided [2] access to a technical high school education improved by increasing class-room and workshop training space for up to 400, curricula further developed for technical training courses and up to 40 teachers skills and qualifications enhanced and [3] access to adult education and skills training in facilities created under [2] for 100 provided annually.

b) Activities carried out during 2007 and results achieved:

From a contractual perspective, implementation in 2007 improved and a substantial part of the backlog in contracting was cleared. All funds subject to the D+3 rule were contracted by the end of the year (i.e. all SFA 2004 funds). More than € 4,822,804 has been contracted during 2007 reducing the RAC of all SFAs by 43% (from € 11,370,000 at the beginning of the year to € 6,547,000 at year-end).

Major results achieved are:

SFA 1999: Drainage and Irrigation Project - Phase I (€ 3,100,000) (BAN/2000/003-093): No actions were carried out in 2007 under this SFA. The balance left under this SFA is € 231,192. These remaining funds will be used to conduct marketing activities in 2008.

SFA 2000: Rehabilitation and Quality Improvement - Phase I (€ 3,100,000) (BAN/2000/004-650): As for SFA 1999, no activity was conducted in 2007 under this SFA. The balance left is € 72,083. These remaining funds will be used to purchase meristems plants and to finance an evaluation (after de-commitment of unspent funds).

SFA 2001: Drainage and Irrigation - Phase II (€ 3,450,000) (BAN/2001/004-096): The recruitment of the Project Director of the PMU was finalised in 2007 (co-financed by SFA 2002). A Grant contract was also awarded to SIF under this SFA (co-financed also through SFA 2004 and 2005) for a Banana Belt Clean Water Project in Trio, San Isidro, Bladen & San Pablo Villages, in Toledo District for a value of € 549,687.63 (EC contribution).

SFA 2002: Rehabilitation, Monitoring and Rural Development - Phase II (€ 3,500,000) (BAN/2001/003-444): The Grant contract for Toledo Teachers Credit Union was signed by the Delegation in 2007 and is due to start in 2007 for a value of € 346,650 (EC Contribution). This activity aims at setting up a micro-finance scheme in the Banana Belt

targeting the workers of the industry. A grant for rural electrification was also signed in 2007 with Belize Electricity Ltd for a value € 1,364,339 (EC Contribution) targeting also communities of the Banana Belt (co-financed through SFA 2005 and 2006). Concerning the Competitiveness component, the Agricultural Inputs Tender was finalised and the contract signed for a value of € 279,614.65 (co-financed also through 2004)

SFA 2003: Value added component, Marketing and Rural Development SFA 2003 (€ 3,200,000) (BAN/2003/006-019): This FA was signed at the end of the N+1 leaving less than 2 years for contracting. In 2005, the NAO, after the request of BGA, wanted to reconsider the activities within the SFA and planned to introduce a nematode control management component instead of the drying plant component. While this idea has been abandoned, it has led to a postponement in the implementation of the program. A Rider to SFA 2003 granting full decentralisation was signed in 2006 enabling the use of PEs. Subsequently a PE for a period of 18 months was also signed under which all the remaining funds have been committed. The marketing study and the food processing study were carried out. The Rural Development Component has been fully implemented through the PE that will expire in April 2008.

SFA 2004: Financing Proposal SFA2004 (€ 2,930,000) (BAN/2004/016-921): High priority was given in 2007 to this SFA since all the funds had to be committed by the end of the year due to the expiration of the D+3. Under the Competitiveness component, many activities were conducted including supply of 420,000 hardened meristems plants, Rehabilitation and preparation of 494 acres of land, supply and after sale of agricultural inputs for a total value of € 1,929,568. At the end 94% of the funds (€ 2,762,107.66) were committed. The balance, except the contingencies, will be contracted through an evaluation and an audit.

SFA 2005: Plant Nutrition, Environmental Monitoring and Rural Development (€ 2,490,000) (BAN/2005/017-616): The main components of this SFA are (i) Plant Nutrition Program (62%), (ii) Environmental Monitoring Program (8%) and (iii) a Rural Development Fund (15%). In 2007 only the last one was implemented (see paragraph on SFA 2001 and 2002). In 2008, it is foreseen to appoint a plant nutrition expert and purchase agricultural inputs to carry out trials to optimize the use of fertilizers in the industry. In parallel, an environmental monitoring will be designed and implemented to assess and correct the environmental impact of the industry. It is expected that by the end of 2008, all the funds under this SFA will be committed.

SFA 2006: Nematode Control Programme, Rehabilitation and Rural Development. (€2,110,000) (BAN/2006/018-439): The lack of competitiveness of the sector will be reinforced through (i) increased costs and reduced yields in the industry due to nematodes (21%), (ii) increasing farm cost due to aged and diseased plantations and the need for improved crop timing (21%), (iii) low standards of living and persistently elevated levels of poverty for communities based in the banana-producing areas (42%). This component represents 50% of the allocation of the SFA compared to 15% in the previous one. It aims at supporting economic and social activities at the community level of the Banana Belt through a Rural Development Fund. Some of these funds have been committed in 2007 (see paragraph on SFA 2002). In 2008, it is foreseen to appoint a nematode expert and purchase agricultural inputs to carry out trials to optimise the use of fertilizers in the industry.

c) Degree of Integration of Cross Cutting Themes: In terms of gender, most of the workers in the packing sheds are women. It is anticipated that as improvements in industry yields are realised additional women will be employed on the farms. Within the 2001 SFA, the PMU was to collect employment data as a part of the Social Recovery Program. With this information in hand the PMU would be able to speak more authoritatively on the employment and economic status of women in the industry. With respect to environmental impact, the BGA and the local regulatory authority have concentrated much effort on training industry players to enhance the safe use of chemicals. There is still need for a more systematic monitoring of the environment. The BGA has a Unit that is mandated to monitor baseline data that has been collected on

rivers, in the banana industry. An environmental management project forms a part of Belize's Banana Country Strategy.

## 2.6.2 Accompanying measures for sugar protocol countries (AMS)

### a) Results:

The Accompanying measures for sugar protocol countries (2006-13), financed via the commission budget, foresee annual allocation for a total of € 48 million for the period 2006-10, in support of the implementation of the national sugar adaptation strategy.

The 2006 Financing Agreement signed in February 2007, with the objective of reducing poverty and improving the living standards of the rural population in Northern Belize through support to the sugar industry and the vulnerable groups.

The Financing Proposal for the 2007 AMS allocation (€ 6 million) was approved at the end of 2007. In line with the strategy of Belize and the EC MIP, two areas of intervention have been identified: improvement of the 'Sugar Belt' Road Network' (€ 4.8 million) and policy development and capacity building (€ 1.2 million).

### b) Activities carried out during 2007 and results achieved:

#### AMS 2006: EC Support to the Belize Country Adaptation Strategy for Sugar - 2006 Allocation (Phase 1) (€ 3.030 million)

	Allocation	Contracted	Paid	RAC	RAL
AMS 2006 BZ	3,038,000	752,000	4,457,000		2,285,819
	2,886,665				

A number of key studies to prepare the ground for the more consistent interventions under AMS 2008 have been completed (e.g. a transport study, cost-benefit of the sugar cane sector, diversification study). A tender for the recruitment of a PIU was launched and the contract awarded (€ 0.8 million). The tender for the rehabilitation of rural roads is about to be launched (€ 1.45 million). The threshold to have contracted 30% of the primary commitments by August 2008 should be achieved. Following hurricane Dean the Government decided, in agreement with the Delegation, to allocate funds for the rehabilitation of the sugar cane areas; a contract of the value of € 410.000 was signed in December for the supply of agriculture inputs for farmers affected by the Hurricane Dean. Distribution of the agriculture inputs should start in spring 2008.

#### Major obstacles

The main challenge is to manage and implement such a large programme (€ 46 million) through project approach without having an EC representation office in the Country and considering the limited capacity of the NAO, Ministry of Agriculture and Ministry of Works.

The recruitment of a PIU in spring 2008 should help the Government to manage the funds foreseen for the next years and improve performance.

## 2.7 European Investment Bank

Under the various Lomé Conventions the EIB has lent € 19.8 million to projects in Belize (€ 2.5 million from own resources and € 17.3 million from risk capital resources drawn from the EDF). By the end of 2007, the outstanding portfolio was € 10.5 million of which 70% was to the citrus industry, 20% to energy and some 10% to small and medium sized enterprises through global loans established with the Development Finance Corporation (DFC).

In December 2006 the Bank signed its first operation in Belize under the Cotonou Agreement, providing a loan of USD 4.7 million (equivalent to some € 3.7 million) to Astrum Travel International Ltd. This direct investment facility operation in the private sector is in line with the Bank's mandate under Cotonou and consistent with national priorities, targeting the tourism and transport sectors that are key to the development of Belize's economy.

Also under the Cotonou Agreement, in terms of indirect financing, i.e. EIB funding channelled to projects in Belize through regional financial facilities, the EIB disbursed USD 5m under its credit line with the Caribbean Development Bank to the Water and Sewerage Authority (WASA) for the financing of the expansion and improvement of the supply of water from the water treatment plant at Double Run which serves Belize City.

During 2007, EIB approved that the remaining € 2 million available for disbursement under the EIB credit line with DFC could be transferred to the Belize Citrus sector organization as the new borrower. This will benefit the small citrus growers.

## 2.8 ECHO

In August 2007 DG ECHO deployed a humanitarian expert from DG ECHO's Caribbean office in Santo Domingo to Jamaica for an assessment mission of the impact of Hurricane Dean. A 6-month Emergency decision ECHO/-CR/EDF/2007/01000 (€ 3 million), valid from 17 August 2007, assisted 50,000 hurricane victims in Belize, Dominica, Haiti, Jamaica and Saint Lucia.

This was the operation in Belize:

Norwegian Red Cross in Belize

Type of aid: Relief items, Food, Water and Sanitation - € 526,289.13

A considerable degree of **Disaster Preparedness** and **Disaster Risk Reduction** was included in the operations e.g. in Belize there were some pre-positioned emergency kits and capacity-building of the Belize Red Cross, which have recently been used in the response to Tropical Storm Arthur. In Jamaica, the rehabilitation of Bellevue Hospital included retrofitting, in order to withstand future hurricanes, and the shelter rehabilitation operation trained local communities in hurricane-proof building techniques.

It would also be appropriate to add a reference to the **Sixth DIPECHO Action Plan in the Caribbean** (€ 4 million), which was launched in September 2007 and runs until February 2009. In Belize there is an operation under the Norwegian Red Cross (€ 306,000) entitled "Strengthening the Capacity of Communities to Prepare, Mitigate and Respond to Disasters in the Stann Creek and Toledo Districts in Belize with emphasis on Public Health". This is currently suspended due to Tropical Storm Arthur, so extra time will be granted.

## 2.9 POLICY COHERENCE FOR DEVELOPMENT (PCD)

The EU-Belize cooperation is coherent with EU policies, especially in the area of agriculture through the budget lines for bananas, sugar and the rural development programme.

## 2.10 JOINT EU STRATEGY FOR THE CARIBBEAN

The EU – Caribbean Partnership, as expressed in the EU strategy for the Caribbean, is composed of three interrelated facets, shaping political partnership, addressing socioeconomic and environmental vulnerabilities and combating poverty, inequality, HIV/AIDS and drugs.

The EU-LAC Summit is a major vehicle for political dialogue between the Caribbean and the EU. This summit is biannual and none was held in 2007. The delegation has

supported the EU-CARIFORUM EPA negotiations by facilitating meetings and participating in workshops throughout 2007. Trade related assistance is in the pipeline.

The NIP/CSP for Belize 2002-2007 has supported poverty reduction on a broad scale through the Belize Rural Development Programme but also through the Banana programme and the Accompanying Measures to the Sugar Protocol.

The 9<sup>th</sup> EDF NIP/CSP and the forthcoming 10<sup>th</sup> EDF NIP/CSP is consistent with the 2006 Communication on EU strategy for the Caribbean region, conceived as an instrument to assist countries in the region in achieving their long-term development goals in a self-sustaining manner.

## **2.11 DONOR COORDINATION AND HARMONISATION**

In terms of the Four EU commitments, the following progress in the coordination with other actors has been made in 2007:

1. Provided all capacity building assistance through coordinated programmes with a preference towards multi-donor agreements: whereas EC has not yet co-financed any such initiatives (lack of flexibility due to pre-commitment of resources in nearly all areas), the Delegation takes part in these initiatives with other donors whenever possible.

2. Channelled 50% of government-to-government assistance through the recipient country's national budget: The EC has not reached this objective for its cooperation with Belize as the macroeconomic conditions in 2007 were not conducive to budgetary support.

3. Avoided establishment of new project implementation units: This objective has been taken to heart in the programming for the CSP and sugar accompanying measures for Belize. The ongoing Rural Development Program does have a separate PMU; however this was necessary to ensure unbiased objectivity in program implementation, in particular the identification of beneficiaries and rural development opportunities to be supported.

Budget support is not possible in Belize; therefore PMUs are needed for all major interventions – Banana, BRDP and Sugar. Drawing from past experience, notably concerning bananas, emphasis is given to ensuring the appropriate institutional location, ownership, independence and integrity of the respective PMUs. Particular consideration is given, and openly discussed with Government, for the need to ensure transparency and objectivity in implementation.

4. Reduced the number of uncoordinated missions by 50%: regarding ongoing projects/programs (implementation), regular missions are separate because they concern technical exchanges on the ongoing cooperation. However, on strategic issues (programming, monitoring, etc.) the number of uncoordinated missions has been reduced. However, it should be noted that the number of active donors is limited, in particular in the specific Banana and Sugar sectors and in Belize in general. The UK (through DFID) is the only Member State with a significant development portfolio.

Dialogue with the NAO is good. The Delegation staff goes on regular missions to Belize to follow-up on cooperation. However, not having a permanent presence or representative in the country does affect the efficiency of cooperation.

## **2.12 DIALOGUE WITH THE NSAS AND LOCAL AUTHORITIES**

Due to the Delegation's limited presence in Belize, all direct dialogue is with and through the NAO's office. The projects and programmes dialogue with local partners including NSAs through the project offices.

### 3.0 CONCLUSIONS

The Government of Belize continued with its strategy to achieve medium term stability and sustainability in its fiscal and debt operations. The focus areas included the further development of Economic Infrastructure for business opportunities, Rural Development and Poverty Elimination, housing, health and education. Governance and the improvement of national security were also considered priority areas.

Multilateral agencies such as the CDB and the IDB have continued to monitor policy based loans that were provided in Year 2006 to correct fiscal and external imbalances for the restoration of macroeconomic and financial stability as well as improve investor climate confidence. The GOB commitment to implementing corrective measures, which include debt restructuring, tax reform and the control of public expenditures, is ongoing. A potential risk faced by Belize in its medium-term growth prospects is the slowdown in the global economy. The European Union has become a major development partner for Belize in the provision of grant assistance. The focus of the EU in Belize has been rural poverty reduction through a number of strategies including, improving the efficiency and competitiveness of rural industries, improving rural social infrastructure, diversification of rural enterprise and demand driven integrated rural development.

Belize has maintained investment in health and education as a critical to long term growth and development. Health and education has been linked to reduction of poverty. The focus in education is on improving the quality of education and equity of access and the focus of the health sector are on quality and equity of access. The NPESAP and the Millennium Development Goals is the framework being used to further focus on policy options based on principles of equitable governance and sound public administration that favour economic growth as a fundamental condition for poverty reduction. The National Economic Strategy is also being completed by BELTRAIDE that outlines initiatives for the development of economic conditions that would allow for the diversification of the Belize export sector and the attracting of sustainable levels of foreign investment to Belize.

The GOB has committed itself to a broad-based approach to rural development with specific resources to address poverty reduction and to support the efforts of marginalised populations to enter the mainstream of economic activity. As a result of the implementation of the EC funded BRDP, the percentage of rural poverty is expected to decrease by 5% in 2008. In fact, in terms of main events in the EC – GoB cooperation, the BRDP programme should be given specific mention as the pace of implementation has accelerated significantly during 2007.

## Annex A1 Key Macro-economic performance indicators

### Country at a glance: Key macro-economic performance indicators

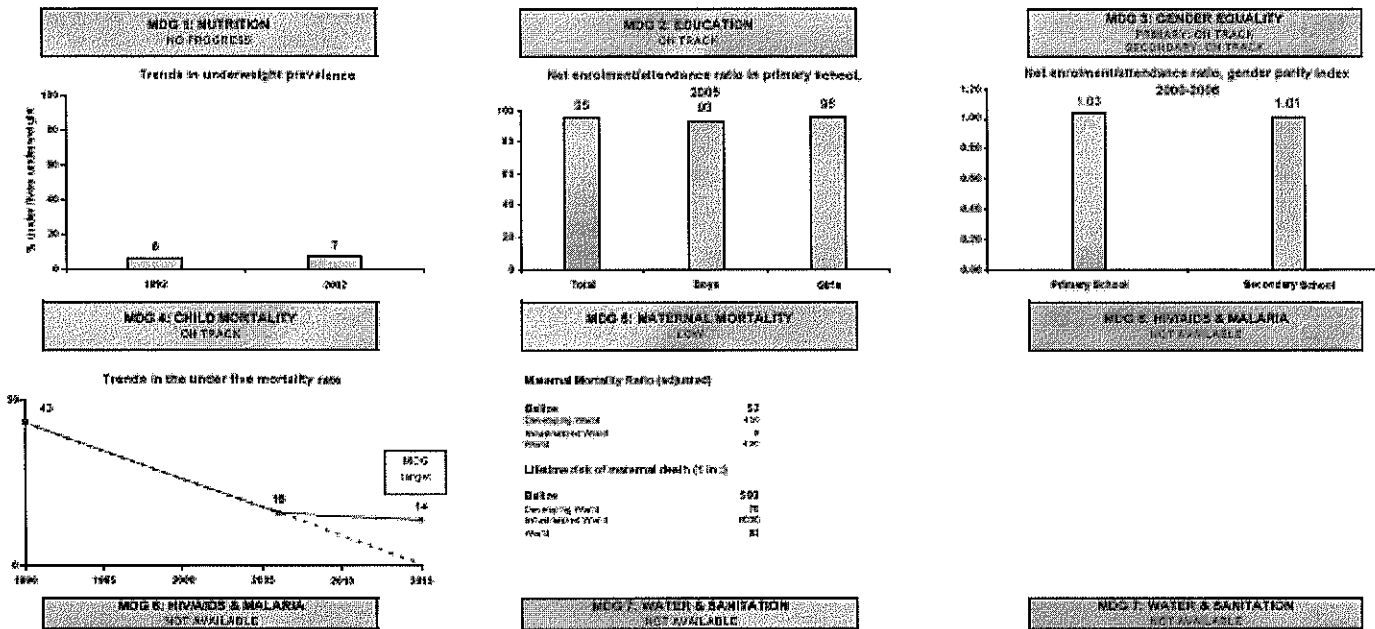
Indicators	Years				
	2004	2005	2006	2007 est.	2008 est.
<u>National accounts</u>					
Real GDP (annual growth rate)	4.6	3.5	5.8	3.5	3.3
Real GNI per capita (annual growth rate – assumed at 3.3% pa as in 2004 and 2005)	1.3	0.2	2.5	0.2	0.0
<u>Prices</u>					
Consumer Price Index (annual growth rate)	3.1	3.7	4.3	2.5	2.5
<u>Money and Monetary Policy</u>					
Real Interest rates (in %; saving-lending rate range)	8.8	8.8	8.4	8.0	8.0
<u>External Sector and Policy</u>					
External current account deficit (excl grants) (% GDP)	16.6	15.6	3.8	11.9	10.7
External current account deficit (including grants) (% GDP)	14.8	14.4	2.2	11.1	9.9
Terms of trade (- deterioration)	-2.0	-2.5	-5.9	-3.7	-1.3
Real effective exchange rate	-2.5	-2.4	-1.3	n/a	n/a
External debt (% of GDP) (public sector)	80	89	86	83	80
International Reserves (number of months imports)	1.4	1.7	2.2	1.2	1.5
<u>Fiscal policy</u>					
Government deficit (excl grants) (% GDP)	6.4	7.0	1.9	1.8	1.6
Government deficit (including grants) (% GDP)	8.1	7.8	3.2	1.0	0.8
Domestic revenue (% GDP)	21.5	23.5	24.6	26.0	26.3
Recurrent Expenditure (%GDP)	22.6	25.8	23.8	21.5	21.7
Annual debt service payments (% of current revenues)	27	29	25	21	20
Debt/GDP ratio (ps external debt plus CG domestic debt)	93	102	99	87	82

**Note:** Historic figures (to the end of calendar year 2006) are taken from the Central Bank Annual Report 2006. Projected figures are from the 2006 Article IV 'Active Scenario'. All figures are based on calendar years. The Governments budget runs on a fiscal year basis (1 April to 31 March) and therefore are not directly comparable with the fiscal year.



Annex A2 Country at a glance: Key MDG indicators

PROGRESS TOWARD THE MILLENNIUM DEVELOPMENT GOALS



PROGRESS TOWARD THE MILLENNIUM DEVELOPMENT GOALS

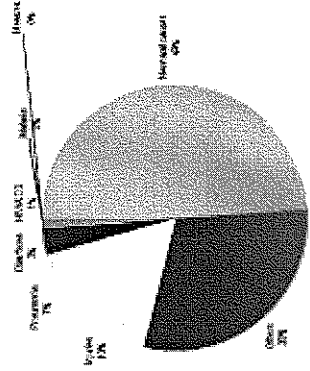
GOAL	TARGET	MILESTONES OF PROGRESS	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	STATUS	REMARKS
MDG1 ERADICATION OF POVERTY AND HUNGER	Halve the number of people who live on less than \$1 a day by 2015	% of population living on less than \$1 a day	18.0	17.0	16.0	15.0	14.0	13.0	12.0	11.0	10.0	9.0	8.0	7.0	6.0	5.0	4.0	3.0	2.0	1.0	0.0	0.0	0.0	ON TRACK	MDG1 is on track to be achieved by 2015. The number of people living on less than \$1 a day has decreased from 1.1 billion in 2000 to 0.7 billion in 2019.
		% of population living on less than \$2 a day	36.0	35.0	34.0	33.0	32.0	31.0	30.0	29.0	28.0	27.0	26.0	25.0	24.0	23.0	22.0	21.0	20.0	19.0	18.0	17.0	16.0	ON TRACK	
MDG2 UNIVERSAL EDUCATION	Ensure that all children, especially girls, have access to primary and secondary education	Net enrollment rate in primary education	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	100	100	100	ON TRACK	MDG2 is on track to be achieved by 2015. Net enrollment in primary education has increased from 83% in 2000 to 100% in 2019.
		Net enrollment rate in secondary education	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	ON TRACK	
MDG3 REDUCING CHILD MORTALITY	Reduce the under-five mortality rate to 7 per 1,000 live births by 2015	Under-five mortality rate	10.0	9.5	9.0	8.5	8.0	7.5	7.0	6.5	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	ON TRACK	MDG3 is on track to be achieved by 2015. The under-five mortality rate has decreased from 10.0 in 2000 to 0.5 in 2019.
		Infant mortality rate	12.0	11.5	11.0	10.5	10.0	9.5	9.0	8.5	8.0	7.5	7.0	6.5	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	ON TRACK	
MDG4 CHILD WORK	Eliminate the worst forms of child labor by 2015	% of children in hazardous work	100	95	90	85	80	75	70	65	60	55	50	45	40	35	30	25	20	15	10	5	0	ON TRACK	MDG4 is on track to be achieved by 2015. The percentage of children in hazardous work has decreased from 100% in 2000 to 0% in 2019.
		% of children in child labor	100	95	90	85	80	75	70	65	60	55	50	45	40	35	30	25	20	15	10	5	0	ON TRACK	
MDG5 GENDER EQUALITY AND EMPOWERMENT	Achieve gender parity in primary, secondary and tertiary education	Gender parity index in primary education	0.95	0.96	0.97	0.98	0.99	1.00	1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15	ON TRACK	MDG5 is on track to be achieved by 2015. The gender parity index in primary education has increased from 0.95 in 2000 to 1.15 in 2019.
		Gender parity index in secondary education	0.95	0.96	0.97	0.98	0.99	1.00	1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15	ON TRACK	
MDG6 CLEAN WATER AND SANITATION	Halve the number of people without access to improved drinking water and basic sanitation	% of population with access to improved drinking water	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	ON TRACK	MDG6 is on track to be achieved by 2015. The percentage of the population with access to improved drinking water has increased from 54% in 2000 to 74% in 2019.
		% of population with access to basic sanitation	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	ON TRACK	
MDG7 AFFORDABLE AND CLEAN ENERGY	Double the number of people using modern energy services	% of population using modern energy services	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	ON TRACK	MDG7 is on track to be achieved by 2015. The percentage of the population using modern energy services has increased from 10% in 2000 to 30% in 2019.
		% of population using modern energy services	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	ON TRACK	

OTHER KEY MEASURES OF CHILD WELL-BEING

MEASURE	SURVEY	KEY MESSAGE	WELL-BEING	ESTIMATE	LEADER AND COMMUNITY ESTIMATE
HEALTHY	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
WELL-BEING	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
WELL-BEING	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60
	WELFARE	WELFARE AND ECONOMIC SECURITY (WES)	WES	64	60

MEASURE	ESTIMATE	LEADER AND COMMUNITY ESTIMATE
Total population (200)	200	200
Under-five mortality rate	18	18
Total population (200)	200	200
Under-five mortality rate	18	18

LEADER AND COMMUNITY ESTIMATE



Source: UNICEF, 2008. Data courtesy of UNICEF.

**Annex A3 Updated Governance Commitments Matrix**

**LIST OF COMMITMENTS OF THE GOVERNMENT OF BELIZE**

	<b>GOVERNANCE AREA</b>	<b>UPDATED COMMITMENTS</b>
A	<p><b>Political Democratic Governance</b></p> <p>1. Human Rights 2. Fundamental Freedoms 3. Principles of Constitutional Democracy</p> <p><b>Objective</b> - to respect and adhere to the provisions of the Constitution of Belize in all its aspects</p>	<p>Belize is a democratic country, governed by a Constitution which is the supreme law of the land. The Constitution sets out the fundamental rights and freedoms of the citizens of the country and the mechanisms by which they are enforced and monitored. The Government continues to reinforce its commitment to the principles enshrined in the constitution through the maintenance of the separation of powers (legislative, executive, judicial), a functioning parliamentary system and due process of law. In 2002, the membership of the Senate was increased from 8 to 12 to ensure greater participation by non state actors such as the religious community and the trade unions, resulting in greater oversight of the legislature.</p> <p>There has been and continues to be a strong commitment to the peaceful and orderly succession of leadership through elections. This important element of political stability has been the case in Belize since independence in 1981. The most recent example of this was that of the municipal elections in March 2006, which resulted in the current opposition party winning the majority of seats in all of the city councils and town boards. The change in leadership took place without any unrest.</p>
	<p>4. The Electoral Process</p> <p><b>Objective</b> - to continue to enhance democracy through the maintenance of legitimate, impartial and valid elections</p>	<p>Government, through the Elections and Boundaries Commission, continues to place much importance on this objective. To ensure transparency, the Commission is comprised of an equal number of members from the Government and Opposition.</p> <p>In an effort to bring about more transparency in the electoral system, the Representation of the People's Act (Chapter 9 of the Laws of Belize, revised 2000) was amended to require voter re-registration every 10 years. Also, in 2005, the discrepancy in the number of voters in some constituencies was addressed by increasing the number of constituencies from 29 to 31, resulting in a more balanced distribution of voters</p>

		<p>throughout the country.</p> <p>Legislation to address Campaign Finance Reform has been prepared and is currently with the Attorney General before presentation to the Cabinet.</p>
<b>B</b>	<p><b>Political Governance - The Rule of Law</b></p> <p>1. Judicial System</p> <p><b>Objective</b> - to maintain a fair, impartial and effective legal framework that assures the independence of the judiciary and protects the human rights of the citizens.</p>	<p>The Ministry of the Attorney General continues to focus on improving the judicial system in Belize with the following short to medium term priorities:-</p> <p>i. To increase the number of judges in the Supreme Court, two by December 2006 and a full complement within the next five years.</p> <p>Three judges have been appointed since December 2006</p>
	<b>GOVERNANCE AREA</b>	<b>UPDATED COMMITMENTS</b>
	<p><b>Political Governance - The Rule of Law - cont</b></p>	<p>ii. To improve the functioning of the magistrates' court through the recruitment of additional qualified staff.</p> <p>One magistrate was appointed in January 2007.</p> <p>iii. Following the appointment of a new Director of Public Prosecutions in January 2007, focus on strengthening this Office through the evaluation of procedures, improved management and quality of A new DPP was appointed on January 1, 2007. In addition the newly created post of Deputy Director of Prosecutions has been filled.</p> <p>iv. Strengthen the Legal Aid Office by the recruitment of a second crown counsel by June 2007 and improve the delivery of legal aid generally through the introduction of legislation to regularize the service.</p> <p>A draft Legal Aid Bill is presently before the Cabinet for approval.</p> <p>v. to focus on concluding discussions to have the Court of Appeal resident in Belize for longer periods to ensure adequate management of justice. The objective is to have the Court resident in Belize for at least one month each quarter and longer within the next five years.</p> <p>Discussions are still ongoing but Court was in residence for an additional week at the time of its most recent session in February 2007 and indications are that it will consider longer stays in the country.</p>
	<p>2. Law Enforcement System</p> <p><b>Objective</b> - to ensure a safer Belize through</p>	<p>As the primary law enforcement agency in Belize, the Belize Police Department has given priority to the following initiatives:-</p> <p>i. to improve the effectiveness of preventative patrolling through redeployment of officers, encouraging</p>

<p>emphasis on the reduction of crime, maintenance of law and order and improvement in road safety, working in partnership with the community in the implementation of the Policing Plan 2006 - 2010.</p>	<p>the formation of neighbourhood watch groups and extending the programme for Special Constables and providing adequate transportation for quick response.</p> <p>ii. To improve public education with respect to road safety and traffic laws through training of police officers, the public and introduction of traffic awareness programmes in the schools.</p> <p>iii. Continue to target active drug traffickers and reduce availability of hard drugs in Belize through restructuring the Anti-Drug Unit, intensive training of police officers in areas of Money Laundering, Asset Forfeiture and Intelligence Gathering and expansion of cooperation with the Belize National Coastguard.</p> <p>iv. To improve investigative procedures through increased training and with implementation of a forensics laboratory which is expected to be operational by early 2007.</p> <p>v. to improve the moral and welfare of the members of the Police Department to enable the delivery of more efficient and professional service to the community.</p> <p>vi. To improve the professionalism and quality of service to the community through streamlining procedures and increasing public awareness activities with the assistance of the media.</p>
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	GOVERNANCE AREA	UPDATED COMMITMENTS
	<p><b>Political Governance - Rule of Law - cont.</b></p>	<p>Each district unit has submitted an action plan highlighting district priorities in support of the national Policing Plan. The Police Planning Unit is currently carrying out consultations with each district unit to ensure that the plans are understood by the communities in the districts in the context of the national plan.</p> <p>Monitoring and Evaluation of the plans as well as the national plan will be carried out twice yearly. Currently, the top three priorities of the Police Department are crime control, traffic control and community policing.</p>
<p><b>C</b></p>	<p><b>Control of Corruption</b></p> <p><b>Objective</b> - to adhere to the provisions of current legislation which address various aspects of corruption in public life in the continuing effort to ensure greater</p>	<p>i. This subject continues to be addressed within the mechanisms in existing legislation, specifically the Prevention of Corruption in Public Life Act (Chapter 12 of the Laws of Belize, revised 2000). In addition, the Finance and Audit (Reform) Act 2005 has been amended to strengthen the legal framework for the administration of public finances. The Act strengthens provisions for greater accountability and transparency and has new provisions for greater scrutiny of financial transactions. There are also new</p>

	accountability and transparency.	<p>provisions which Government has to follow when purchasing or selling public assets and to raise loans in or outside of Belize. Further amendments are being drafted currently which will seek to impose penalties for particular violations.</p> <p>The draft amendments to the Finance and Audit Act are with the Attorney General. The amendments which focus on penalties for violations, also apply to persons at the Ministerial level.</p> <p>ii. Organizational reviews of the Integrity Commission and the Offices of the Ombudsman and Contractor General are ongoing, the objective being to enhance their effectiveness as oversight agencies for transparency and accountability in the public sector.</p> <p>The Office of Governance has completed the reviews. Reports are expected by end March 2007. In advance of the reports, the main constraints identified are lack of capacity and administrative support, mainly a consequence of inadequate financial resources.</p> <p>iii. In accepting the recommendations of the Senate Select Committee Investigations of the Social Security Board, Government agreed to strengthen the SSB Act to clarify the operations of the SSB Investment Committee and the investment rules of the Board.</p> <p>Draft amendments to the SSB Act are currently being finalized following recent consultations with the non state actors. The revised legislation is expected to be considered by the National Assembly shortly.</p> <p>iii. The Commission of Enquiry into the operations of the Development Finance Corporation is ongoing. Government has given its commitment to receive and act on the Commission's report. By the end of 2006, the DFC Act will be amended to reduce the DFC to the minimum size necessary to meet its legal obligations. The Act will be repealed once any concerns about breaches of legal obligations are no longer an issue.</p>
	<b>GOVERNANCE AREA</b>	<b>UPDATED COMMITMENTS</b>
		The Public Hearings of the Commission of Enquiry were concluded in the second week of March 2007. The Commission will continue its work and focus on preparation of its report. No time frame has been given as yet for the presentation of this report to Government. In December 2006, the DFC Act was amended as stated in (iii) above.
D	<p><b>Government Effectiveness</b></p> <p>1. Institutional Capacity</p> <p><b>Objective</b> - to increase transparency,</p>	<p>i. The Office of Governance, which is responsible for the promotion and coordination of public sector modernization through Human Resource Development and Training, has the following priorities in the short term as per its Strategic Plan which ends in March 2008:-</p> <ul style="list-style-type: none"> <li>- The development and conduct of training programmes focusing on soft skills which include planning,</li> </ul>

<p>effectiveness and efficiency in public administration through the strengthening of professionalism in the public service.</p>	<p>leadership, results based performance management, policy development, analysis and customer service.</p> <ul style="list-style-type: none"> <li>- The implementation of a Performance Management and Appraisal System which was approved in June 2006 and is to be used as the basis for the granting of annual increments and merit awards. Training programmes in the areas listed in (i) above, are ongoing. An initial evaluation of the Performance Management and Appraisal System, which is now functional, will be held in April 2007.</li> <li>ii. The Strategic Plan of the Office of Governance also focuses on governance improvement as follows:- <ul style="list-style-type: none"> <li>- Promotion of transparency in government affairs - in November 2006, the Office launched the website portal of the Government of Belize which is a repository for information on the agencies of Government. The Office of Governance is currently working with Ministries to place annual reports on the website.</li> <li>- The recently appointed Council on Good Governance and Public Sector Modernization has met several times with its focus being on various aspects of public sector reform which the Office is undertaking currently.</li> <li>- In January 2007, the Office held a series of public workshops on governance awareness, the objectives being to build stakeholder capacity in the concept of good governance principles, raising awareness on the importance of broader participation and to develop a public information and communication strategy to assist in increasing participation in governance generally. The Office intends to complete the strategy by the end of April 2007.</li> <li>- A survey on the status of Non Government Organizations has been completed by the Office and is to be made available shortly. The objective is for the Office to have a data base on NGOs as a key resource in furthering their participation in governance initiatives and programmes</li> </ul> </li> </ul>
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GOVERNANCE AREA	UPDATED COMMITMENTS
<p>2. Public Finance Management <b>Objective</b> - Reduce debt and regain financial sustainability</p>	<p>Government's fiscal stabilization programme has two main objectives, namely the reduction of the overall deficit to sustainable levels and the achievement of a medium term sustainable debt profile.</p> <p>i. The debt profile has been substantially restructured with the successful take up of 98.1% of Belize's external commercial debt as a result of the launch of New Bonds in the total amount of US\$565.0m in</p>



	<p>December 2006. The Bonds are payable in twenty semi annual instalments commencing in August 2019. The first interest payment is due in August 2007. The estimate is that between 2007 and 2015, savings in Government's cash flow will equal US\$482m.</p> <p>ii. The programme of expenditure management which began in FY 2004/5, included a series of expenditure cuts and resulted in an increase of the primary surplus to 3.3 % of GDP for FY 2005/6. The projection is for the primary surplus to exceed 3.5% for FY 2006/7. The overall deficit is projected to be 2.5% of GDP for FY 2006/7 from a level of 9% in FY 2003/4.</p> <p>iii. The Government has committed to continued implementation of its fiscal stabilization programme, focusing primarily on continued expenditure control. Commitment has also been made to continue the implementation of the recommendations in IDB's Public Expenditure Review. This commitment was integral in the approval of Policy Based Loans (PBL) by the IDB and CDB in December 2006.</p>
a. Strengthen public expenditure programming and management systems	<p>One important commitment that Government made to the IDB and CDB was that of the introduction of programme budgeting. The new format will be introduced on a phased basis over the next two years. The Ministries of National Development, Health and Education have indicated their interest to participate in the first phase. The CDB has agreed to provide assistance through its PBL, the first disbursement of which will be made by June 2007.</p> <p>Institutional strengthening of the PSIP Unit in the Ministry of National Development is ongoing with the assistance of funding from the UK's Commonwealth Debt Initiative. A management information system is currently being installed in the Ministry as the database for the PSIP.</p>
b. Improving the capacity of the Budget Unit in the Ministry of Finance	<p>Institutional strengthening of the Budget Unit is ongoing.</p>
c. Introduction of Medium Term Budgeting	<p>Government has decided to prepare a long term strategic plan - Vision 2025 from which a medium term development strategy will be developed. This will guide the preparation of a performance based multi-year budgeting framework. The IDB has approved funding for Vision 2025 and the medium term strategy.</p> <p>Vision 2025 is expected to be completed by September 2007 and will have the benefit of extensive public consultations. With regard to medium term budgeting, training of professional staff in core Ministries, especially the Ministries of National Development, Education and Health, will begin shortly.</p>

GOVERNANCE AREA	UPDATED COMMITMENTS
<p><b>Government Effectiveness - cont</b>  d. Reform and modernization of the revenue system</p>	<p>Estimates are that the General Sales Tax, which was introduced in July 2006, has exceeded budget expectations for FY 2006/7 by at least 10% and the projection is for it to increase by approximately 6.7% for FY 2007/8. The replacement of the Sales Tax with the GST is one of the main elements of the Government's tax reform programme. The compliance rate is currently around 88% but the GST Department is aiming for a rate of at least 90% and is working with the business community in this regard.</p> <p>The Tax Reform Committee, which was established in 2005, will be reconvened to examine and make recommendations on the following:-</p> <ul style="list-style-type: none"> <li>- review proposals to increase the annual threshold for income tax purposes to B\$24,000 and to reintroduce tax exemptions for schools, athletic organizations and charitable contributions to registered organizations;</li> <li>- review the excise regime to remove the "perverse" incentives to engage in contraband activities.</li> <li>- review the GST with a view to recommending any areas that might need to be improved or amended.</li> </ul> <p>Modernization of the Customs Department will continue with the installation of a modern computerized system for customs control and clearance of goods (ASYCUDA World). This project will be funded by the Caribbean Development Bank under the recently approved Policy Based Loan.</p>
<p>e. Strengthen the framework for Financial Accountability and Oversight</p>	<p>The main mechanism for assuring financial accountability and oversight in the management of public finances is the Finance and Audit (Reform) Act of 2005, which is being further amended as stated in 3 (i) above.</p>
<p>f. Establishment of an autonomous Statistical Agency</p>	<p>The Statistical Institute of Belize Act, 2006 will come into force on April 1, 2007 following its approval by the National Assembly in November 2006. The mandate of this autonomous Institute will be broader than the current Central Statistical Office, one of the important responsibilities being that of coordination of data collection by other public sector agencies. Belize also now participates in the IMF's IMF's General Data Dissemination System, hence the importance of the Government's commitment to provision of more timely and transparent data which meets international standards.</p>

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	GOVERNANCE AREA	UPDATED COMMITMENTS
	<p><b>Government Effectiveness - cont</b> g. Modernization of the tax regime for the Petroleum Industry</p>	<p>The Income and Business Tax Act (Chapter 55 of the Laws of Belize, 2000) was amended in November 2006 to provide for the replacement of the payment of business tax by petroleum companies with the payment of income tax at the rate of 40% of net income.</p> <p>The process has started with regard to the Government's commitment to establish a petroleum development fund. The Ministry of Natural Resources is currently conducting a series of public consultations on the creation of a Petroleum Revenue Management Fund" during March 2007. The purpose of the consultations is to get feed back on generalized principles and design of the fund, which were prepared in February 2007 with assistance of the Commonwealth Secretariat. The first draft of the relevant legislation will be finalized by the end of March 2007 and will be followed by another series of extensive consultations.</p>
	<p><b>Taxation</b></p>	<p>The EC may help the Government of Belize move towards compliance of the recognised international principles of transparency and effective exchange of information for tax purposes which have become vital due to the Government's related commitments towards the OECD to implement them. In this context the Commission can provide technical assistance to help the Government of Belize reach the conclusion of Tax Information Exchange Agreements (TIEAs) with EU Member States. Specific technical assistance shall be based on a needs assessment in this area and shall be complementary to existing studies and initiatives of other donors in Belize</p>
E	<b>Economic Governance</b>	

<p>1. Private sector and market friendly policies</p> <p><b>Objective</b> - to continue to provide an enabling environment for private sector activity.</p>	<p>The draft National Export Strategy is expected to be completed by May 2007. The draft National Investment Manual is also being finalized as is a National Policy on Small and Medium Enterprises.</p> <p>The demise of the Development Finance Corporation has resulted in the urgent need for an appropriate institution or mechanism to provide development financing. A study will be carried out shortly, with the assistance of the CDB, to identify a suitable development lending institution</p>
<p>2. Management of Natural Resources 3. Development of a Land Use Policy Framework</p> <p><b>Objective</b> - to improve the level of service to the public through greater access to information on all aspects of land and to provide a transparent environment that will facilitate private sector activity.</p>	<p>Government's main initiative to accomplish the objective is that of the IDB funded Land Management Project which has been extended to June 2008. By this time, the Land Registration system should have covered approximately two thirds of the country. Government has committed to completion of the registration system with its own resources following completion of the IDB funded project.</p> <p>Draft bills to amend the Land Surveyors' Act as well as the new Valuation Surveyors' Bill are at the consultation stage. The draft Real Estate Bill will be placed before the National Assembly by the end of April 2007.</p> <p>The National Lands Advisory Committee was restructured in November 2006 and it is currently reviewing all land related legislation to ensure that they respond to the need for transparency.</p>

	GOVERNANCE AREA	UPDATED COMMITMENTS
F	<p><b>Internal and External Stability</b></p> <p>1. Internal Stability/Conflict</p> <p>2. External threats and Global Security</p> <p><b>Objective</b> - provision of a safe, secure and stable environment that will facilitate development and poverty reduction through working toward the reduction of internal and</p>	<p>The National Security Strategy and Action Plan are being prepared by the National Security Council. The long term plan is for the period 2007 - 2021 and will emphasize coherence between the policies of not only the various security agencies but also other agencies whose activities could have an impact on Belize's national security.</p> <p>Amendments to the Money Laundering (Prevention) Act (Chapter 104 of the Laws of Belize, revised 2003) are still under review.</p>

	external threats.	
G	<p><b>Social Governance</b></p> <p>1. Village and Community Level</p> <p><b>Objectives</b></p> <p>- to ensure that adequate mechanisms exist for rural communities to manage their affairs effectively;</p> <p>- to continue the practice of consultation with non state actors to ensure that decisions made be government, take into account the needs and priorities of the Belizean people.</p>	<p>Permanent headquarters for the National Association of Village Councils (NAVCO) will be constructed in 2007 with the assistance of the CDB. Also, with the support of the UNDP, district village council association offices have been opened thus providing improved mechanisms for rural communities to ensure that their priorities are addressed.</p> <p>Proposed amendments to the Village Council Act (Chapter 88 of the Laws of Belize, 2000) are presently being considered for presentation to the National Assembly. These amendments will give village councils greater autonomy including the collection and management of revenue from trade licenses and land tax on village lots. The amendments will also allow NAVCO to have more oversight of the district associations and local councils.</p> <p>Institutional strengthening of village councils and water boards as well as NAVCO is ongoing with the assistance of the UK Commonwealth Debt Relief Initiative.</p> <p>Government is currently giving much importance to its commitment to consultation with non state actors in advance of final approval of various draft legislation such as that for the establishment of the Petroleum Revenue Management Fund.</p> <p>The Poverty Elimination Strategy (2007 - 2011) was launched in early 2007 following extensive consultation with the non state actors and the accompanying Action Plan is now being finalized, also with the benefit of their input.</p> <p>The National Human Development Advisory (NHDAC) is an integral mechanism for consultation on issues which affect the human development of the citizens of Belize. Both the NHDAC and NAVCO will have key roles in the monitoring of the Poverty Strategy and Action Plan.</p>

	GOVERNANCE AREA	UPDATED COMMITMENTS
H	<p><b>International and Regional Context</b></p> <p>1. Regional Integration</p> <p>2. Involvement in Regional Peer Review such as the APRM</p>	<p>CARICOM - Belize continues with its commitments under the Caricom Single Market and Economy. The Free Trade Agreement between Caricom and the Dominican Republic has been signed. One area, that of services, remains to be finalized.</p> <p>CARICOM, through the actions and decisions of its functioning Ministerial Committees, acts as the region's peer review mechanism. Belize participates in the various Ministerial and related technical</p>

	<p>3. Migration</p>	<p>committees. Government continues its commitment to an open policy on migration, including regional migration in the context of the CSME. Migration from Central America is also encouraged by the relaxing of conditions for certain professions. The focus, however, continues to be on the prevention of illegal immigration combined with illegal settlements along the western border with Guatemala and the illegal entry of nationals of other countries who wish to use Belize as a transit point for eventual entry into the USA. Training of immigration staff in the identification of false entry documents is ongoing.</p>
I	<p><b>Quality of Partnership</b>  1. Political Dialogue  2. Programming Dialogue  3. Non State Actors</p> <p><b>Objectives:-</b></p> <ul style="list-style-type: none"> <li>- to work with the EU in achieving Belize's development priorities through initiatives that focus on poverty reduction and on rural communities becoming productive on a sustainable basis.</li> <li>- to ensure that there is continuous and effective dialogue with the EU and with Non State Actors in Belize on EU-Belize cooperation through implementation of the Country Support Strategy.</li> <li>- To strengthen the Office of the National Authorizing Officer to improve Belize's capacity to maximize cooperation with the EU</li> </ul>	<p>i. The Belize Rural Development Project, which is under implementation currently, focuses directly on initiatives that will help to reduce poverty in rural communities. Government regards complementarity between the project's activities and those of the Social Investment Fund, the SFA and the Sugar Adaptation Programme as critical in ensuring that the priorities and needs of targeted rural communities are adequately met.</p> <p>ii. Government's recent request to the European Commission to consider the reopening of the EU office in Belize is an important one at this time. This is in view of the increased level of resources that will be made available to Belize over the next seven years and the need to ensure efficient implementation of projects and programmes with a view to maximizing the use of all available funds. The NAO's Office continues to be strengthened with additional staff but Government considers that an increased presence of the EU in Belize will be a critical element in the successful management of the programme in Belize.</p>

Annex B1 9<sup>th</sup> EDF and any previous EDFs as per closure of the financial year 2007

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0	TITLE GLOBAL COMMITMENT	END date of implementat°	GLOBAL COMMIT.	INDIV. COMMIT	RAC
		N° INDIV COMMIT.	TITLE INDIVIDUAL COMMITMENT		AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP
<b>TOTAL ON ONGOING GLOBAL COMMITMENTS</b>					<b>9,045,000</b>	<b>4,531,781</b>	<b>4,513,219</b>
<b>TOTAL ON ONGOING INDIVIDUAL COMMITMENTS</b>					<b>4,130,510</b>	<b>2,106,244</b>	<b>2,024,267</b>
1998	8ACP BEL2	0	INTEGRATED DRUG DEMAND REDUCTION PROGRAMME	20020330	300,000	146,919	153,081
2004	9ACP BEL1	0	TECHNICAL COOPERATION FACILITY (TCF)	20101031	546,000	446,514	99,486
2004	9ACP BEL1	2	PROGRAMME ESTIMATE NO. 1 (MAY 25, 2005 - DEC 31, 2005).	20051231	13,967	13,967	0
2004	9ACP BEL1	5	FPIR & PCM/(ECOFIN) WORKSHOP. DNAO'S LETTER DD 05062006.	20060709	6,100	0	6,100
2004	9ACP BEL1	6	DNAO'S LETTER DD 18102006 ON PE NO. 2.	20070930	56,100	45,181	10,919
2004	9ACP BEL1	7	FWC - RURAL DEVELOPMENT AND FOOD SECURITY	20070625	115,995	69,597	46,398
2005	9ACP BEL2	0	DISASTER PREVENTION AND PREPAREDNESS MECHANISMS: NEW BRIDGE	20100630	1,000,000	834,000	166,000
2005	9ACP BEL2	1	NEW BRIDGE OVER SILVER CREEK, HUMMINGBIRD HIGHWAY	20070831	834,000	579,378	254,622

2005	9ACP BEL3	0	RURAL DEVELOPMENT PROGRAMME	20121231	7,199,000	3,104,348	4,094,652
2005	9ACP BEL3	1	PROJECT CO-ORD & MGMNT UNIT/BRDP -(BDG HD1. ASPCM)	20100201	1,299,998	583,301	716,697
2005	9ACP BEL3	2	START-UP PROGRAMME ESTIMATE AUG 1 - OCT 31, 2006	20061031	36,300	34,953	1,347
2005	9ACP BEL3	3	PROGRAMME ESTIMATE #2. DNAO'S LTR DD 07112006.	20080430	1,144,000	779,867	364,133
2005	9ACP BEL3	5	2AC AUDIT - BRDP PROG ESTIMATE NO 1& 2(PARTIAL)	20071123	24,050	0	24,050
2005	9ACP BEL3	8	CREATION OF REHABILITATION FUND AFTER HURRICANE DEAN	20081231	600,000	0	600,000



**Annex B2    Financial situation for Regional Projects as per closure of the financial year 2007**

**n/a**

Annex B3 Financial situation for EIB as per closure of the financial year 2007

Region / Country	Project Name	Type	Contract	Date	Amount (Million EUR)		Contract Value (Million EUR)	Contract Value (Million EUR)	Contract Value (Million EUR)	Contract Value (Million EUR)	Contract Value (Million EUR)
					Disbursed	Undisbursed					
Antigua and Barbuda	EIR ANTELIAS TIER 2 SYSTEM	Disbursed	Loma - 3	2078	3,554,000.00	18,001,188	3,554,000.00	18,001,188	3,554,000.00	18,001,188	3,554,000.00
		Undisbursed	Loma - 4	71616	3,454,000.00	107,011,995	3,454,000.00	107,011,995	3,454,000.00	107,011,995	3,454,000.00
		Disbursed	Loma - 4	71616	3,454,000.00	107,011,995	3,454,000.00	107,011,995	3,454,000.00	107,011,995	3,454,000.00
		Disbursed	Loma - 4	16398	3,500,000.00	181,271,995	3,500,000.00	181,271,995	3,500,000.00	181,271,995	3,500,000.00
		Disbursed	Loma - 4	16398	14,000,000.00	20,000,000.00	14,000,000.00	20,000,000.00	14,000,000.00	20,000,000.00	14,000,000.00
Barbados	SOUTH COAST SEWERAGE	Disbursed	Loma - 3	7075	1,000,000.00	2,000,000.00	1,000,000.00	2,000,000.00	1,000,000.00	2,000,000.00	1,000,000.00
		Disbursed	Loma - 4	16531	10,000,000.00	30,000,000.00	10,000,000.00	30,000,000.00	10,000,000.00	30,000,000.00	10,000,000.00
		Disbursed	Loma - 4	19301	20,000,000.00	60,000,000.00	20,000,000.00	60,000,000.00	20,000,000.00	60,000,000.00	20,000,000.00
		Disbursed	Loma - 4	24016	30,000,000.00	90,000,000.00	30,000,000.00	90,000,000.00	30,000,000.00	90,000,000.00	30,000,000.00
		Disbursed	Loma - 4	25035	9,150,000.00	27,450,000.00	9,150,000.00	27,450,000.00	9,150,000.00	27,450,000.00	9,150,000.00
Bolivia	DFO ELIZABETA P.G.	Disbursed	Loma - 2	70035	800,000.00	1,600,000.00	800,000.00	1,600,000.00	800,000.00	1,600,000.00	800,000.00
		Disbursed	Loma - 3	70641	500,000.00	1,000,000.00	500,000.00	1,000,000.00	500,000.00	1,000,000.00	500,000.00
		Disbursed	Loma - 3	70971	200,000.00	400,000.00	200,000.00	400,000.00	200,000.00	400,000.00	200,000.00
		Disbursed	Loma - 4	70972	3,500,000.00	7,000,000.00	3,500,000.00	7,000,000.00	3,500,000.00	7,000,000.00	3,500,000.00
Belize	Belize Electric Company	Disbursed	Loma - 4	18099	1,000,000.00	2,000,000.00	1,000,000.00	2,000,000.00	1,000,000.00	2,000,000.00	1,000,000.00
		Disbursed	Loma - 4	20778	10,000,000.00	20,000,000.00	10,000,000.00	20,000,000.00	10,000,000.00	20,000,000.00	10,000,000.00
		Disbursed	Loma - 4	20779	15,000,000.00	30,000,000.00	15,000,000.00	30,000,000.00	15,000,000.00	30,000,000.00	15,000,000.00
		Disbursed	Loma - 4	20780	2,000,000.00	4,000,000.00	2,000,000.00	4,000,000.00	2,000,000.00	4,000,000.00	2,000,000.00
Belize	Belize Electric Company	Disbursed	Loma - 4	70978	3,000,000.00	6,000,000.00	3,000,000.00	6,000,000.00	3,000,000.00	6,000,000.00	3,000,000.00
		Disbursed	Loma - 4	71115	3,000,000.00	6,000,000.00	3,000,000.00	6,000,000.00	3,000,000.00	6,000,000.00	3,000,000.00
		Disbursed	Loma - 4	70998	15,000,000.00	30,000,000.00	15,000,000.00	30,000,000.00	15,000,000.00	30,000,000.00	15,000,000.00
		Disbursed	Loma - 4	71220	8,000,000.00	16,000,000.00	8,000,000.00	16,000,000.00	8,000,000.00	16,000,000.00	8,000,000.00
Belize	Belize Electric Company	Disbursed	Loma - 4	71355	3,000,000.00	6,000,000.00	3,000,000.00	6,000,000.00	3,000,000.00	6,000,000.00	3,000,000.00
		Disbursed	Loma - 4	20916	3,000,000.00	6,000,000.00	3,000,000.00	6,000,000.00	3,000,000.00	6,000,000.00	3,000,000.00
		Disbursed	Loma - 4	21028	10,000,000.00	20,000,000.00	10,000,000.00	20,000,000.00	10,000,000.00	20,000,000.00	10,000,000.00
		Disbursed	Loma - 4	21899	40,000,000.00	80,000,000.00	40,000,000.00	80,000,000.00	40,000,000.00	80,000,000.00	40,000,000.00
Belize	Belize Electric Company	Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
Belize	Belize Electric Company	Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
Belize	Belize Electric Company	Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
Belize	Belize Electric Company	Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
Belize	Belize Electric Company	Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00
		Disbursed	Loma - 4	22837	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00	40,000,000.00	20,000,000.00

EIB, rue de la Loi 200, 1049 Brussels, Belgium

Region	Entity	Project	Stage	Term	Rate	Amount	Start	End	Balance	Interest	Principal	Total	YTD
Jamaica	Jamaica	WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
Regional - Caribbean	Regional - Caribbean	WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00
		WINDFARM	Disbursed	7/1/88	10.00%	1,000,000.00	7/1/88	6/30/98	1,000,000.00	0	0	1,000,000.00	1,000,000.00

EBR Active Portfolios  
Date as of 6/30/2008

Trinket and Tobacco	76604	360,528.00	20121199	215,038.15	260,920.19
TRINCO MTBE	76605	2,500,000.00	07041184	652,544.88	2,600,000.00
SELLV	76606	4,000,000.00	02021184	478,324.06	3,000,000.00
NATIONAL EAR COMPANY	76607	74,843.12	02021184	53,057.60	1,000,000.00
SELLV	17575	48,800,000.00	11171189	4,172,482.41	5,112,200.00
SELLV	17585	3,800,000.00	21041188	2,975,824.46	3,800,000.00
SELLV	71121	2,000,000.00	21041188	2,000,000.00	3,000,000.00
SELLV	21650	6,000,000.00	11071189	3,772,247.16	6,000,000.00
SELLV	23326	20,000,000.00	81111204	9,400,856.78	20,000,000.00
DEVELOPMENT FINANCE LIMITED IK	24317	10,000,000.00	21122003	5,627,517.76	10,000,000.00
GLOBAL GLOBAL		10,000,000.00	21122007		10,000,000.00
Total		42,715,669.34		22,221,118.34	
Total		441,050,000.00		118,421,613.40	168,733,868.40

Annex B4 Financial situation for Budget Lines as per closure of the financial year 2007

Forecast start semester	2007 S1
Forecast end semester	2007 S2

Domain	SUCRE
Délegation in charge	JM (Belize)
Budget line	ALL

Belize

Situation before forecast						2007 S1			2007 S2			Situation after			
Budget line	Domain	Contract nr	Status	Contracted	Paid	Forecast Contracted	Realised %	Forecast Paid	Realised %	Forecast Contracted	Realised %	Forecast Paid	Realised %	Forecast RAL	Realised RAL
21.060300	Sugar	SUCRE/2007/138-541	Ongoing	132,545	79,527	0	132,545	N/A	0	79,527	0%	0	0	0	53,018
21.360300	Sugar	SUCRE/2007/142-640	Ongoing	119,600	71,808	0	0	N/A	0	0	N/A	119,680	71,808	0	47,872
21.360300	Sugar	SUCRE/2007/145-909	Commit	0	0	0	0	N/A	0	0	N/A	0	0	0	0
21.360300	Sugar	SUCRE/2007/146-777	Ongoing	209,964	245,976	0	0	N/A	0	0	N/A	409,964	245,976	0	409,964
<b>TOTAL</b>				<b>362,109</b>	<b>307,311</b>		<b>132,545</b>		<b>79,527</b>			<b>529,644</b>	<b>71,808</b>		

Forecast start/semester	2007 S1
Forecast end/semester	2007 S2

Domain	BAN
Delegation in charge	JIM (Country Belize)
Budget line	ALL

**Belize (BANANAS)**

Situation/period forecast	Budget line	Domain	Decision nr	Stamps	Allocation	2007 S1			2007 S2		
						Forecast	Realized	%	Forecast	Realized	%
		BANANAS	BAN2007002-053	BANANAS	3,100,000.00	2,833,029.93	-	67,100.00	0%	52,260.00	0%
		BANANAS	BAN2007002-050	BANANAS	3,100,000.00	3,102,857.03	-	222,145.00	0%	133,267.00	0%
		BANANAS	BAN2007001-007	BANANAS	7,265,658.45	6,512,519.84	1%	830,000.00	7%	627,000.00	28%
		BANANAS	BAN2002008-044	BANANAS	5,500,000.00	5,500,000.00	0%	265,555.00	103%	333,366.00	43%
		BANANAS	BAN2004004-014	BANANAS	5,101,426.00	4,753,413.19	3%	-	-	1,138,914.28	600,700.00
		BANANAS	BAN2006001-016	BANANAS	2,300,000.00	2,762,107.66	78%	1,884,186.00	101%	1,348,092.60	401,200.57
		BANANAS	BAN2006001-010	BANANAS	2,450,000.00	1,635,814.03	0%	637,500.00	63%	509,500.00	0%
		BANANAS	BAN2005001-049	BANANAS	2,170,000.00	814,000.00	0%	100,000.00	0%	80,000.00	59,183.20
		BANANAS	BAN2005001-045	BANANAS	2,180,000.00	2,404,143.11	14%	4,248,466	65%	4,265,130	1,703,461
		TOTAL			23,180,000.00	21,572,515.57		10,000,000.00	85%	7,741,528	4,265,130

**Annex B5 Sector concentration of 9<sup>th</sup> EDF engagements**

<b>STRATEGY FOR AFRICA</b>	<b>EUROPEAN CONSENSUS</b>	<b>SUB SECTOR AND PART SBS</b>	<b>in euro x 1000 total cumulative commitments 31.12.07</b>
<b>Human rights and governance</b>	<b>governance, human rights and support to economic and institutional reforms</b>	<b>governance</b>	
		<b>economic and institutional reforms</b>	
		<b>Non State Actors</b>	
<b>Peace and security</b>	<b>conflict prevention and fragile states</b>	<b>conflict prevention and fragile states</b>	
<b>Economic growth, regional integration and trade</b>	<b>trade and regional integration</b>	<b>European Partnership Agreements</b>	
		<b>regional economic integration</b>	
		<b>private sector development</b>	
	<b>infrastructure, communication and transport</b>	<b>infrastructure, communication and transport</b>	1,000,000.00
	<b>water and energy</b>	<b>water</b>	

		energy	
		unspecified	
investing in people	social cohesion and employment	social cohesion and employment	
	environment and sustainable management of natural resources	environment and sustainable management of natural resources	
	rural development, territorial planning, agriculture and food security	rural development and territorial planning	7,199,000.00
		agriculture	
		food security	
	human development	health	
		primary education	
		education unspecified	
	other	TCF	TCF
support to NAO		support to NAO	



	unspecified	unspecified	
<b>Budget Support</b>	<b>GBS</b>	<b>General Budget Support</b>	
<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	8,745,000.00
<b>Level of sector concentration</b>	<b>percentage of 9th EDF expenditure covered by largest sectors of concentration plus GBS</b>	<b>largest sector + GBS</b>	7,199,000.00
		<b>Two largest sectors + GBS</b>	8,199,000.00
		<b>Three largest sectors + GBS</b>	8,745,000.00
		<b>Four largest sectors + GBS</b>	
		<b>Five largest sectors + GBS</b>	
		<b>nr of sectors + GBS to reach 85% of NIP</b>	1
		<b>sectors (NSA and GBS excluded)</b>	3

**Annex C Indicative timetable for disbursements of 9th EDF and any previous EDFs**

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0	TITLE GLOBAL COMMITMENT	END date of implementat°	GLOBAL COMMIT.	2008		2009	
		N° INDIV COMMIT.	TITLE INDIVIDUAL COMMITMENT		AMOUNT ONGOING INDIV. COMMIT.	1 <sup>st</sup> SEMESTER	2 <sup>nd</sup> SEMESTER	1 <sup>st</sup> SEMESTER	2 <sup>nd</sup> SEMESTER
<b>TOTAL ON ONGOING GLOBAL COMMITMENTS</b>					<b>8,199,000</b>				
<b>TOTAL ON ONGOING INDIVIDUAL COMMITMENTS</b>					<b>4,110,443</b>	<b>741,798</b>	<b>129,700</b>	<b>205,000</b>	<b>85,000</b>
1998	8ACP BEL2	0	INTEGRATED DRUG DEMAND REDUCTION PROGRAMME	20020330	300,000				
2004	9ACP BEL1	0	TECHNICAL COOPERATION FACILITY (TCF)	20101031	546,000				
2004	9ACP BEL1	2	PROGRAMME ESTIMATE NO. 1 (MAY 25, 2005 - DEC 31, 2005).	20051231	13,967				
2004	9ACP BEL1	5	FPIR & PCM/(ECOFIN) WORKSHOP. DNAO'S LETTER DD 05062006.	20060709	6,100				
2004	9ACP BEL1	6	DNAO'S LETTER DD 18102006 ON PE NO. 2.	20070930	56,100				
2004	9ACP BEL1	7	FWC - RURAL DEVELOPMENT AND FOOD SECURITY	20070625	115,995	46,398			
2005	9ACP BEL2	0	DISASTER PREVENTION AND	20100630	1,000,000				

			PREPAREDNESS MECHANISMS: NEW BRIDGE						
2005	9ACP BEL2	1	NEW BRIDGE OVER SILVER CREEK, HUMMINGBIRD HIGHWAY	20070831	834,000	55,000			
2005	9ACP BEL3	0	RURAL DEVELOPMENT PROGRAMME	20121231	7,199,000				
2005	9ACP BEL3	1	PROJECT CO-ORD & MGMNT UNIT/BRDP -(BDG HD1. ASPCM)	20100201	1,299,998	141,400	124,650	85,000	85,000
2005	9ACP BEL3	2	START-UP PROGRAMME ESTIMATE AUG 1 - OCT 31, 2006	20061031	36,300				
2005	9ACP BEL3	3	PROGRAMME ESTIMATE #2. DNAO'S LTR DD 07112006.	20080430	1,144,000				
2005	9ACP BEL3	5	2AC AUDIT - BRDP PROG ESTIMATE NO 1& 2(PARTIAL)	20071123	24,050	19,000	5,050		
2005	9ACP BEL3	8	CREATION OF REHABILITATION FUND AFTER HURRICANE DEAN	20081231	600,000	480,000		120,000	

Annex D1 Questions on the EU Aid Effectiveness targets – Belize

<b>EU Target 1:</b> Channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or SWAP arrangements.		
OECD ref: Q <sup>d</sup> 2	(i) How much ODA did you disburse at country-level for the government sector in FY 2007 (EUR)? <sup>2</sup>	BEL: 886,370
Q <sup>d</sup> 5	(ii) How much ODA disbursed for the government sector in FY 2007 used national budget execution procedures (EUR)?	BEL: 0
Q <sup>d</sup> 6	(iii) How much ODA disbursed for the government sector in FY 2007 used national financial reporting procedures (EUR)?	0
Q <sup>d</sup> 7	(iv) How much ODA disbursed for the government sector in FY 2007 used national auditing procedures (EUR)?	0
Q <sup>d</sup> 9	(v) How much ODA disbursed for the government sector in FY 2007 used national procurement procedures (EUR)?	0
Definition of the indicator: $[(Qd5+Qd6+Qd7+Qd9)/4] / Qd2$		%
Are there any significant initiatives to promote the use of country systems in your country? If so, please provide a short description. If not, highlight key constraints (use additional page if needed)		
<p><b>Belize:</b> No formalised instruments or mechanisms are in place for government –donor harmonisation and alignment. This is in large due to the limited number of international organisations with development portfolios in these countries.</p>		
<b>EU target 2:</b> Provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements <sup>3</sup>		
OECD ref: Q <sup>d</sup> 3	How much technical cooperation did you provide in FY 2007 (Total TC in EUR)?	BEL: 1,105,031 BHS: 0
Q <sup>d</sup> 4	How much technical cooperation did you provide through co-ordinated programmes in support of capacity development in FY 2007 (EUR)? (Please use definitions given in OECD guidance)	0
Definition of the indicator: $Q^d4 / Q^d3$		%
Are there any significant initiatives to promote the use of coordinated programmes for technical cooperation in your country? If so, please provide a short description. If not, highlight key constraints.		

<sup>2</sup> In practise this will cover all disbursements to the government sector for which the Delegation is the sub-delegated authorising officer.

<sup>3</sup> Despite the different wording the target is interpreted to correspond to Paris Declaration indicator 4. Please pay particular attention to the definition for the question Q<sup>d</sup>4.

EU target 3: Avoid establishment of new project implementation units (PIUs).		
OECD ref: Q <sup>d</sup> 10	How many parallel project implementation units were funded by EC in FY 2007?	BEL: 2
	How many integrated project implementation units were funded by EC in FY 2007?	BEL:0
	How many <u>new</u> parallel project implementation units were started with EC support in FY 2007?	BEL: 1
	How many <u>new</u> integrated project implementation units were started with EC support in FY 2007?	0
Definition of the indicator: Were new parallel PIUs started with the support of the EC?		No
Are there any significant initiatives to decrease the number of parallel PIUs in your country? If so, please provide a short description. If not, highlight key constraints.		
<ul style="list-style-type: none"> <li>In Belize, the ongoing Rural Development Programme has a separate PMU, however this was necessary to ensure un-biased objectivity in programme implementation, in particular the identification of beneficiaries and rural development opportunities to be supported. Because budget support is not possible in Belize, Project Management Units (PMUs) are needed for all major interventions – Banana, BRDP and Sugar. Drawing from past experience, notably with banana, emphasis is given to ensuring the appropriate institutional location, ownership, independence and integrity of the respective PMUs. Particular consideration is given, and openly discussed with Government, of the need to ensure transparency and objectivity in implementation because Belize is a small country and political influences can be strong.</li> <li>In 2007 the sugar programme in Belize has a new PMU funded by the EC.</li> </ul>		

<b>EU target 4: Reduce the number of uncoordinated missions by 50%.</b>		
OECD ref: Q <sup>d</sup> 15	How many missions to the field were undertaken in FY 2007? <sup>4</sup>	10
Q <sup>d</sup> 16	How many of these were coordinated?	1
Please provide a breakdown of missions the Commission and its services have undertaken to your country (the delegation) in FY 2007 in the table below:		
Missions by:	Coordinated	Uncoordinated
Members of Commission		
AIDCO	1	
DEV	1	1
RELEX		1
TRADE		2
ECHO		1
FISH		
OTHER DGs		
ROM missions		
Other consultants contracted by EC		4
Total	1	9
Definition of the indicator: (Q <sup>d</sup> 15 - Q <sup>d</sup> 16). This will become the baseline for subsequent reduction by 50%		%
Are there any significant initiatives to decrease the number of uncoordinated missions in your country? If so, please provide a short description. If not, highlight key constraints.		
<ul style="list-style-type: none"> <li>Regarding ongoing projects/programmes (implementation), regular missions are separate because they concern technical exchanges on the ongoing cooperation. However, on strategic issues (programming, monitoring, etc.) missions have been coordinated between DG DEV and AIDCO.</li> <li>In the case of Belize, it should be noted that the number of active donors is limited, in particular in the specific Banana and Sugar sectors.</li> <li>The delegation does not have representation in Belize. As such the delegation staff goes on regular missions to Belize instead.</li> </ul>		

<sup>4</sup> This question applies to the missions from the HQ

**Annex D2 Donor Matrices - financial support and donor roles**

**To be provided by NAO**

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2  
3  
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