

**EU – BELIZE**

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Annual Operational Review 2009

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## Executive Summary

The most serious threat to Belize's ambition of achieving a better standard of living for its people continues to be the incidence of poverty, exacerbated by major resource adjustments in the export agricultural sector. For this reason, the Government of Belize has committed itself to a broad-based approach to rural development with specific resources to address poverty reduction and support the efforts of marginalised populations to enter the mainstream of economic activity. Belize does not qualify for budget support programmes under the EC eligibility criteria, therefore all the cooperation is implemented via projects.

The Belize Rural Development Programme (BRDP) funded by the 9th European Development Fund is proving to be a very effective project for improving the living conditions of the rural population of Belize. The Mid-term evaluation carried out in September 2008 has confirmed this encouraging result in terms of likely impact and sustainability of the interventions financed under the BRDP.

Building on this positive experience, the focal area of the EC Support Strategy for Belize for the 10th EDF will be poverty reduction with institution and capacity building, in support of a two-tiered rural development approach including: (a) Local (district, community and group) level measures to promote market-led rural enterprise development; and (b) Strategic infrastructure measures to create an enabling environment for rural development.

The Accompanying Measures for Sugar dependent Countries (AMS) are the major source of EC development funds to Belize. In coherence with the 10th EDF strategy, the AMS 2007 funds have been earmarked for projects aimed at reducing poverty and improve 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 2008 AMS allocation includes three areas of intervention: improving the physical access, communication and transportation efficiency through the rehabilitation of the Sugar Belt road network; strengthening the competitiveness and economic sustainability of the Belize sugar industry; supporting an enabling environment for rural recovery and economic diversification in sugar dependant areas of Belize.

The main challenge in delivering EC development support to Belize is to manage and implement relatively large programmes through the 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.

# **1. Country Performance**

## **1.1 Update on the political situation and political governance**

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

On the 19<sup>th</sup> November, 2007 H.E. Jose Miguel Insulza, Secretary General (SG) of the Organization of American States (OAS) recommended to both Belize and Guatemala that they consider submitting their dispute to the International Court of Justice (ICJ) for final settlement. This was done in accordance with Article five (5) of the “Agreement on a Framework for Negotiations and Confidence Building Measures between Belize and Guatemala”, which provides for the Secretary General to make such a recommendation if the prospects for a negotiated settlement do not improve.

In May 2008, both the Government of Belize and the Government of Guatemala wrote to the Secretary General indicating their acceptance of his recommendation, subject to the approval of their citizens in national referenda. Both Governments also agreed to start negotiations for a Special Agreement, under the auspices of the SG of the OAS that would set out the parameters and conditions under which the issue would be referred to the ICJ.

On 8<sup>th</sup> December 2008, at a ceremony at the Headquarters of the OAS in Washington DC the Special Agreement between Belize and Guatemala to Submit Guatemala’s Territorial, Insular and Maritime Claim to the International Court of Justice” was signed by the Foreign Ministers of Belize and Guatemala, as well as by the SG of the OAS as Witness of Honor. The Special Agreement contains the question to be submitted to the ICJ for ruling, and the basis under which the Court will be asked to consider the case, under the strict parameters of the principles of international law as earmarked under Article 38(1) of the Statute of the Court. Also contained in the Special Agreement is the question to be asked of the citizens in both countries in referenda to be held simultaneously in both seeking their approval to submit the case to the jurisdiction of the ICJ.

In order to provide all Belizeans with information on the matter, the Government of Belize with the support of the Advisory Council on the Guatemalan Claim (ACGC), began preparing a comprehensive public education campaign in 2008. The Campaign is being conducted in an objective manner to assist the Belizean people in making an informed decision on whether or not the issue should be referred to the ICJ for a final decision.

### **Update on Elections**

General Elections were held on February 7<sup>th</sup>, 2008. The United Democratic Party under the leadership of the Honorable Dean Barrow won a total of 25 from a total of 31 seats contested. The change in leadership took place without any major unrest.

### **Development Finance Corporation (DFC)**

With the change in government in February 2008, the new administration revisited the decision to liquidate the Development Finance Corporation (DFC). This was premised on the reality that the cessation of lending operations by the DFC had created a gap in the supply of developmental

credit, for Small and Medium Enterprises (SME), low-income housing development, educational loans and micro-financing. It was felt that, given the proper governance structure, the DFC could once again play a significant role in satisfying the development finance needs of Belize.

After consultations with stakeholders, the Inter-American Development Bank (IADB) and the World Bank (WB), the Government of Belize (GOB) decided to reconstitute the DFC. To facilitate the process, GOB approached the CDB for a line of credit of US\$10 million to fund eligible DFC lending programmes. The CDB was concerned that lending by DFC would not be accompanied by appropriate governance and institutional measures to ensure that past mistakes would not be repeated. Therefore, the CDB engaged the services of a consultant to assist in the restructuring process while DFC's Board of Directors established a Steering Committee to provide the necessary oversight.

### **Strategic Development Framework**

Belize has never prepared a national development plan that extended beyond 5 years. Most, were not plans in the truest sense of the word, as previous initiatives lacked cohesiveness between documents, and did not contain focused, prioritized and sequenced activities geared towards achieving strategic development objectives. The Ministry of Economic Development, Commerce, Industry and Consumer Protection (MED) embarked on the development of a long-term strategic development framework (SDF), to place the nation's development agenda in a sound and rational operation context. The four main components of the SDF include:

1. A long-term development vision: Horizon 2030 which will document the clear and measurable long-term development goals to be achieved by 2030.
2. Sector Strategies- Focus will be on conducting situational analyses, developing strategies to deal with the issues, needs, roles and functions of stakeholders in each sector.
3. Prioritization Process- After development the sector strategies which are identified as the most important will be supported by government.
4. Medium Term Development Strategy- the MTDS will encapsulate government's policies, programmes, and projects to be undertaken between periods of 3-5 years.

Under the Horizon 2030 Initiative, the official agreement was signed in January of 2007, which allowed for the engagement of a consultant to work on an initiative to strengthen results based management in the public sector. The project remained dormant for a period of 7 months (December 2007-July 2008) and re-commenced in August of 2008 with the hiring of a new consultant to act as project coordinator.

### **Strategic Plan for Good Governance and Public Sector Modernization**

The Office of Governance was established in September 2005 when the Governance Unit in the Ministry of National Development was subliminated under the new Ministry of Public Service. In 2008, the Office of Governance was renamed as the Governance Improvement Unit (GIU), yet its main objectives of promoting the improvement of the Public Service, influencing the development of structures and capacities of government agencies, bringing awareness to the democratic process and supporting policies formulated for the common good remained the same. In light of this the GIU developed its Strategic Plan for Good Governance and Public Sector

Modernization. The major goals and some performance indicators achieved during 2008 are listed below:

Promoted greater transparency in government affairs and provide support to the Advisory Council on Good Governance- Government's records and information management system was reviewed and updated.

Reviewed, improved and implemented a communication strategy framework- Government's Central Information Technology Office (CITO) was implemented to increase efficiency in accessing government information. The Ministry of Health also launched the Belize Health Information System (BHIS).

Provided support to the Advisory Council on Public Sector Modernization (PSM)- The Council on Good Governance was assigned to provide leadership on PSM activities on an ongoing basis effective April 2008.

### **Review of Security-Related Developments at National and Regional Levels**

In 1998, the Ministry of Home Affairs and the Ministry of Housing which included the portfolio for Defense (Belize Defense Force, Coast Guard, Prison, and the National Security Council Secretariat), was amalgamated as a part of the Security Sector Reform (SSR) process. The new administration, kept the amalgamated departments (Home Affairs and Defense) which was renamed as the Ministry of National Development in 2008.

During 2008 the Ministry of National Security participated in several national and regional initiatives. One initiative required the Organization of American States (OAS) in its role as intermediary, to facilitate confidence building measures between the Belize and Guatemalan militaries to foster understanding and negate any tensions that may have been created by the long-standing territorial dispute. Belize also participated in high-level group on border security (GANSES) meetings with Mexico to foster cooperation whilst simultaneously acquiring technical skills for Belize's military personnel.

## **Impact of Tropical Storm Arthur**

The weakened Tropical Storm Alma made land fall along Nicaragua's Pacific Coast on Thursday 28 May 2008 drifting into the Gulf of Honduras and then Northwestern Belize. Favourable conditions over Belize fueled the re-strengthening and transformation of Tropical Storm Alma to tropical storm Arthur. Although Arthur moved across Belize at 7 miles per hour (with maximum sustained winds of only 40 miles per hour) it brought torrential rains that caused severe flooding. Communities hardest hit were those coastal communities in the Southern Belize and the North Stann Creek District including, Mullins River, Gales Point Manatee, Hope Creek, Sittie River and Hopkins.

The Stann Creek District suffered the most devastation as all six (6) deaths were reported in this area. The damages/losses to various sectors and sub-sectors were considerable as nine (9) houses were completely destroyed and an additional 400 were affected by floods in Corozal and Orange Walk.

Additional impact on community infrastructure included damage to water systems, schools (with some reports of destruction of school supplies), health and community centers. Total damages to the country's infrastructure was estimated at BZ\$18 million, including the complete destruction of 3 culverts on the Hummingbird Highway. The Kendall Bridge on the Southern Highway and the Mullins River Bridge on the Manatee Road was completely washed away.

Total economic loss to the agriculture sector was estimated at BZ\$25 million. This included direct losses to the farmers (damage assessment), estimated at BZ\$11.7 million. Sixty-five percent (65%) of the citrus farms between North and South Stann Creek were inundated. Aerial reconnaissance of the affected area suggested five percent (5%) destruction of the total citrus acreage (1500 acres). Approximately 459,000 boxes of citrus valued at BZ\$8.2 million, were also lost in the fields.

Destruction of rice crop included some 914 acres at Blue Creek in the Orange Walk District, and 460 acres at Big Falls Ranch in the Belize District, all of which were ready for harvesting. The loss to the rice sector was approximately BZ\$1.7 million. Losses to sugar cane crop included 1800 acres burnt and awaiting harvesting, as well as 1600 tons held on trucks en route to factories. Estimated losses of sugar cane crop due to Tropical Storm Arthur was to the tune of BZ\$1.6 million.

## **1.2 Update on the economic situation and economic governance**

### **Macro-Economic Outlook<sup>1</sup>**

Belize suffered considerable damage from two tropical systems during the 2008 hurricane season. Tropical Storm Arthur in late May 2008 and heavy rains from a Tropical Depression number sixteen in late October resulted in massive flooding across Belize with loss of lives and property. Damages to housing and infrastructure together with losses of export earnings and increases in imports were estimated at 4.8 % of GDP.

The reconstruction effort, which involves a reallocation in public sector investment, was supported by external assistance. The government sought loans from the Caribbean

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<sup>1</sup> International Monetary Fund Country Report No. 09/69

Development Bank (US\$10 million) and the Interamerican Development Bank (US\$5 million) in support of infrastructure rehabilitation projects and reassigned budgetary funds for this purpose.

The authorities made a request for purchase under the IMF Fund's policy on Emergency Assistance for Natural Disasters (ENDA) equivalent to 25 % of quota (SDR 4.7 million). Fund financing is expected to partly offset the balance of payments impact from both floods, estimated at US\$46 million, at a time when Belize's official reserves were relatively low (2 months of imports).

The last IMF Article IV consultation was concluded on February 22, 2008. At that time IMF welcomed the improvement in Belize's near-term macroeconomic prospects, supported by oil discoveries, progress in structural reforms, and the debt restructuring agreement completed in February 2007. IMF noted, however, that continued consolidation of public sector finances was needed to address risks to Belize's growth and financial stability.

In recent years, economic growth has been sustained largely by rising oil production, while inflation has remained under control. Despite rising oil production, economic growth was low in 2007 (1.2%), in part because of the impact of Hurricane Dean. In 2008, growth was estimated to have remained low (2.5%), reflecting the impact of floods on economic activity. Rising food and fuel prices pushed 12-month inflation to 9.5% last summer, but it declined to 4.5% by November 2008.

Boosted by external grants, the primary surplus of the central government was projected to increase from 3.75% of GDP in 2007/08 to 4.75% in FY2008/09. With nominal stocks broadly unchanged, total public debt declined to about 80% of GDP by end-2008. However, the underlying fiscal position was weaker as recurrent expenditure has been growing rapidly, at a time of rising dependence on volatile revenue sources, such as petroleum and grants.

The external current account deficit widened sharply to 13 % of GDP in 2008, largely reflecting a surge in FDI-related imports. These increases in private inflows and associated imports are not expected to be sustained, in particular in the context of the global slowdown. The gross international reserves of the Central Bank of Belize (CBB) reached US\$166 million (2 months of imports) by end-2008. Some of this increase, however, reflected external disbursements deposited by the government with the CBB, which will be spent during 2009 as agreed to with donors.

The impact of the global slowdown on Belize appears to have been limited thus far. The authorities are confident that the banking system is stable and adequately capitalised, and largely insulated from international market turmoil. The first amortisation payment on the private debt restructured in early 2007 will fall due only in 2019. However, external reserves at the CBB remain low and the economy is expected to be adversely affected by the impact of the global slowdown on tourism, FDI, and remittances, as well as by the lasting effect of the recent floods. Belize's commodity exports (mainly crude oil, citrus, fisheries, banana, sugar) will be affected by lower international prices and tourist arrivals will decline reflecting income and wealth effects of the global slowdown impacting Belize's main partner countries.

Progress in the structural reform agenda continued, but significant challenges persist. In the area of tax administration, domestic revenue collection is being computerised and the ASYCUDA system, is expected to strengthen the customs department and enhance audit procedures. A review of public expenditure and financial accountability (PEFA) supported by



the European Commission has been finalised in January 2008, and a reform agenda is currently being set out. The authorities are aware of the pressing need to strengthen the financial position of key public sector programmes, in particular with regard to the Social Security Board and the pension plan for civil servants, in order to ensure the long term viability of public finances.

The authorities remain committed to fiscal structural reforms to boost revenues and strengthen the viability of public finances. Further improvements in tax administration, including more transparency and regular audits of oil taxation, are key priorities. The authorities recognize the need to develop a strategy for contingent public liabilities. The pension plan for civil servants will require additional annual budget contributions for the next decade and the Social Security Board needs to be reformed to regain a sound financial footing. Benefits coverage and participant contributions under both plans may need to be adjusted to restore financial viability. The roll-out of the National Health Insurance is being delayed pending agreement on how to achieve sustainable funding.

IMF expects that Belize will be able to discharge its obligations in a timely manner. Belize's public sector and external debt was on a declining trajectory before the tropical systems of 2008, largely reflecting improvements in the fiscal primary balance since 2005. Belize is also benefiting from a significant cash-flow relief obtained in the cooperative debt restructuring agreement concluded with external private creditors in 2007 (this agreement resulted in a 21 % NPV reduction in the external debt owed to private creditors.).

Belize's public debt is expected to remain on a declining path, but debt-related risks have increased in the deteriorating global environment. Belize remains vulnerable to exogenous shocks, as its public debt burden is high and external debt service obligations are set to increase in two steps in 2010 and 2012, when the coupon rate on the private restructured debt reaches 8.5 %, up from 4.5 % currently. In addition, external reserves would remain low under unchanged policies (the authorities' commitment to increase them is reassuring in this regard). This will overlap with the period of repurchases under the ENDA falling due in 2012–14. However, in the IMF's view the risks to the Fund are mitigated by the authorities' commitment to prudent fiscal and monetary policies and to maintaining macroeconomic stability.

### **Economic Impact in the Productive Sector**

According to the Statistical Institute of Belize, the domestic price level (as measured by the average annual increase in the Consumer Price Index) increased by 2.3 % during 2007, while inflation for food and beverage increased by 5.3%. Price increases on imported food staples and fuel raised the Consumer Price index to 4.7% in February of 2008. The GOB acknowledged the upward trend in inflation along with the various challenges that it has presented to both consumers and producers.

While exports, in the first quarter of 2008, were down by 1.1%, imports grew by 19.5% which were attributed to the increase in Commercial Free Zone activities and increased expenditure on a range of items including fuel, telecommunication equipment, construction materials, vehicles and electricity. This was exacerbated by a substantial outward movement of funds in the form of repatriation of profits by the Belize Bank of almost BZ\$60 million. For this reason, the current account of the balance of payments shifted from a surplus of \$40.5 million in 2007 to a deficit of \$64.6 million in 2008.

Further, the devastation of the 2007 hurricane season had severely impacted Belize's agricultural industry as production in several of Belize's main agricultural commodities decreased dramatically. Both the quantity and quality of sugarcane declined in the 2008 crop year as the delivery of cane to the factory decreased by 12%, and sugar production decreased by 14%. Belize's Papaya production during the first quarter of 2008 was 16.5 million pounds which was 50% lower than that of the same period in 2007. Similarly, citrus deliveries for April of the 2007/2008 crop year declined by a total of 7%, with orange deliveries decreasing by 8% and grapefruit deliveries decreasing by 4.5%. The shrinkage in the amount of citrus deliveries ultimately led to a decline of 6% in juice production.

On the other hand, banana producers increased both production and exports. Banana export volume rose by 74% to 27,194 metric tons while earnings were up by 92.2% to BZ\$23.5 million in the first four months of 2008 as compared with the same period in 2007. Petroleum exports also increased by 11 % leading to an increase of earning by 108%, unfortunately the increases in bananas and petroleum did not compensate for decreases in other agricultural exports as the trade deficit grew by 62.8% or \$89.2 million, relative to the same period in 2007.

### **Actions to Alleviate Effects of Rising Prices**

The Government of Belize instituted several measures to provide relief to those affected by the sharp rise in food commodities and fuel prices. Three of the major initiatives include:

1. Removal of the General Sales Tax (GST) on over-the-counter and prescription medicines and medical supplies.
2. Exemption of medical, dental, hospital, optical and paramedical services from consumption tax.
3. Removal of consumption tax from a number of basic food items.

### **2008 Public Expenditure and Financial Accountability Assessment**

The Public Expenditure and Financial Accountability (PEFA) assessment was undertaken as a joint exercise by the Government (Ministry of Economic Development, Ministry of Finance) and sponsored by the European Commission. The major objective of the Public Financial Management Performance Report (PFM-PR) was to assess the current status of the Belize Public Financial Management (PFM) system in order to set a baseline that can assist the government in designing PFM reform plans and set a common platform for dialogue between the government and donors.

The PEFA PFM Performance Measurement Framework identified five critical dimensions/ indicators of performance of an open and orderly PFM system. The five core dimensions measured and their major findings were:

1. Credibility of the budget- For the most part, the budget appeared to be realistic and implemented as intended, during the past three fiscal years (FY), but important factors such as large changes in original composition, large tax arrears, lack of complete data, all undermined the budget credibility.
2. Comprehensiveness and transparency-Budget and fiscal risk oversight were found to be lacking. Fiscal and budget information is not provided on a timely basis or none-at-all to the public.
3. Policy-based budgeting- The budget was not prepared with due regard to government policy.
4. Predictability and control in budget execution-The budget was not implemented in a predictable fashion and there were no adequate arrangements for the exercise of control and stewardship in the use of public funds.

5. Accounting, recording and reporting external scrutiny and audit-Fairly adequate records are maintained, but data or reports are not produced and disseminated on a regular timely basis to meet decision-making control, management and reporting purposes.

It was found that Belize benefits from a high level of aid from external funding agencies and donors. However, the donor practices do not support the operational performance of the PFM system in Belize. For example, the European Union (EU), Inter-American Development Bank (IADB), and Caribbean Development Bank (CDB) provide disbursement estimates on an annual basis instead of a FY basis, with no indication of the month or quarter in which the donor expects the disbursement to take place.

### **Extractive Industry Transparency Initiative (EITI)**

As of 2008, Belize did not have a well established Extractive Industry Transparency Initiative (EITI). However, with the discovery of oil; the Government enacted the Petroleum Revenue Management Fund Act in 2007. The Act provides for the establishment, maintenance and operation of the Petroleum Revenue Management Fund, being a fund into which moneys related to the exploitation of the petroleum resources of Belize are to be paid and those moneys kept, managed and disbursed to ensure that Belize's petroleum wealth fosters sustainable social and economic development in Belize and equitably benefits current and future generations of Belizeans.

### **Economic Partnership Agreement (EPA) Implementation**

Belize signed the CARIFORUM-EU Economic Partnership Agreement on October 15, 2008 and undertook the measures necessary to apply provisional application shortly thereafter. Provisional Application for all CARIFORUM States took effect on December 29, 2008. Belize has and continues putting in place the mechanism necessary to support EPA implementation. It has been recognized that the scope of the Agreement is so far reaching that it will require a transformation of the trading system within which Belize operates. There is a need to review legislation, policy and procedures for updating and fulfilment of the Agreement's provisions. It is envisioned that the EPA will assist in transforming the economy to meet new global realities, but that this will require significant resources beyond what has been traditionally sought. The Belize Agriculture and Health Authority (BAHA) applied and successfully attained assistance from the EU for building institutional support. Similar requests are planned for the Bureau of Standards and for the development of the services industry in Belize. The EPA is the first such reciprocal trading agreement which Belize has engaged in, and will guide future negotiations with other major trading partners. It is paramount then that Belize takes full advantage of the opportunity the EPA presents to develop the economy.

## ***1.3 Update on the poverty and social situation***

### **Millennium Development Goals (MDGs)**

#### **MDG Indicators for Education- Primary School Net Enrolment Rate**

Unlike the current five year trend in pre-school net enrolment, that reflected a gradual increase over time, the net enrolment data for primary school present a picture that is the contrary trend, indicating a downward spiral. The information presented on Table 1 show that the baseline year of 2003 had a net primary school enrolment rate of 90.3% and that this

figure continued to decline for both males and females over the years to a net enrolment rate of 84.6% in 2007, a decline of 5.7% over the four year period. The data also revealed that the net enrolment rates for males tended to be consistently lower than that for females

There is a critical need to address the factors, whether on the demand-side or supply-side which limit access to education, especially for males. The urgency is not only because this downward spiralling indicates the non-achievement of the MDGs by 2015 but more so because of the adverse social effects this has on Belize in terms of the increases in crime statistics and the decreases in the health indicators.

**Table 1: Primary school net enrolment 5-12yrs**

|               | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------|------|------|------|------|------|
| <b>Female</b> | 91.2 | 89.0 | 88.5 | 87.5 | 85.3 |
| <b>Male</b>   | 89.4 | 87.1 | 87.8 | 85.5 | 83.9 |
| <b>Total</b>  | 90.3 | 88.0 | 88.1 | 86.4 | 84.6 |

**Completion Rate**

The MDG as it relates to completion rate states that all students should complete a full course of primary schooling and Belize is pushing to include a complete course of secondary school as well. As indicated in Table 2, over the five-year period (2003-2007), the total primary school completion rate has steadily increased, except for a minor decrease in 2006. However, as of 2007 the completion rate as it relates to the MDG 2 is far from being achieved by 2015. It must be noted, however, that the completion rate for females at the primary level has exceeded that of males for the five-year observation period.

**Table 2: Completion rate primary school**

|               | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------|------|------|------|------|------|
| <b>Male</b>   | 34.1 | 35.8 | 38.6 | 38.6 | 45.7 |
| <b>Female</b> | 43.4 | 44.5 | 46.2 | 50.7 | 51.1 |
| <b>Total</b>  | 40.4 | 42.6 | 44.8 | 44.1 | 48.3 |

As is the case with the primary school completion rate, the MDG of 100% completion rate by 2015 is also far from being achieved. Similarly, more females than males have been completing their secondary education.

**Table 3: Completion rate secondary school**

|               | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------|------|------|------|------|------|
| <b>Male</b>   | 48.4 | 45.0 | 53.9 | 56.5 | 54.7 |
| <b>Female</b> | 56.2 | 53.6 | 65.6 | 71.2 | 64.8 |
| <b>Total</b>  | 51.3 | 49.1 | 59.7 | 63.9 | 59.8 |

**Ratio of Girls to Boys in School**

“Eliminating gender disparities in primary and secondary education, preferably by 2005 and at all levels by 2015” is Target 4 of the MDG. The EFA Global Monitoring Report (2009) states that this target poses major challenges to both developing and developed countries as global inequities such as income, ethnicity, and location create disparities and can block educational and other attainment.

While the EFA goal in relation to gender equity and equality focuses on ensuring girl’s full access to, and achievement in basic education, the trend is for a reversal of the female vulnerability scenario in Belize and other Caribbean countries; where the issue of boys’ education access is a major focus. This section of the report will therefore consider the issue of *Gender Equity* by making a comparison of the indicators by gender.

**Table 4: Ratio of Girls to Boys in Primary and Secondary School**

|                  | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------|------|------|------|------|------|
| <b>Primary</b>   | .96  | .95  | .96  | .96  | .95  |
| <b>Secondary</b> | 1.10 | 1.05 | 1.09 | 1.10 | 1.10 |

As the table above indicates, at the primary level, the ratio of girls to boys in school slightly favours the boys, but the difference is close enough to be considered parity. However, the data for secondary school implies that boys are not transitioning into higher levels of education at the same rates of girls.

### **MDG Indicators for Health**

Below are two matrices that provide a brief snapshot of the status of Goals Four and Five for Belize, and the likelihood of achieving the targets by 2015. The skewed levels within the data, in part, can be attributed to a very small population; with nearly 7000 live births per year, one death can shift the data significantly for any given year. The Ministry of Health in 2009 will embark on a multi-sectoral programme to tackle the problem of chronic child malnutrition in Belize, which if successful will be reflected in the data within the next few years. Though financial and human resources are available for start-up, such an undertaking will require more funding and human capital as time progress to ensure sustainability.

**Table 5: MDG 4 – Reduce Child Mortality**

|   | 2004 | 2005 | 2006 | 2007 | 2008              | Target Adopted | (Achieved / Not Achieved) | Methods / Major Interventions / Timelines/ Success factors  | Funding /Financing   | Challenges   |
|---|------|------|------|------|-------------------|----------------|---------------------------|---|--|--|
| <b>Target 4a: Reduce by two thirds the mortality rate among children under five</b> |      |      |      |      |                   |                |                           |   |  |  |
| 4.1. Under-five mortality rate  | 19.8 | 23.5 | 24.8 | 20.5 | 18.2 <sup>2</sup> | 5.5            | Not achieved              | Clinical Records and Certificates Integrated management of Childhood Illnesses Mother-Baby Friendly Initiative Public/Private sector collaboration Mobile clinics / Home visits | GOB UNICEF UNFPA PAHO Vitamin Angels International Hospital for Children | Human resources in Primary Health Care and midwifery services Cultural beliefs Poverty |
| 4.2. Infant mortality rate  | 14.7 | 18.4 | 19.7 | 17.2 | 13.2 <sup>1</sup> | 3.5            | Not achieved              |   |  |  |
| 4.3. Proportion of 1 year-old children immunised against measles                    | 97   | 95   | 100  | 96   | 95 <sup>1</sup>   | 100            | Achieved                  | Child Health Registers Vaccination cards, population based studies Availability of supplies Private/public Mobile clinics / home visits PAHO Vaccine Revolving Fund             | GOB PAHO UNICEF  |  |

**Table 6: MDG 5 - Improve Maternal Health**

<sup>2</sup> Ministry of Health Preliminary Report 2008.

|  | 2004  | 2005  | 2006 | 2007 | 2008              | Target Adopted   | (Achieved / Not Achieved) | Methods / Major Interventions / Timelines/ Success factors  | Funding /Financing            | Challenges   |
|--|-------|-------|------|------|-------------------|------------------|---------------------------|---|-------------------------------|--|
| <b>Target 5a: Reduce by three quarters the maternal mortality ratio</b>      |       |       |      |      |                   |                  |                           |   |                               |  |
| 5.1. Maternal mortality ratio  | 63.86 | 134.1 | 69.7 | 85.3 | 55.6 <sup>1</sup> | 75               | Achieved                  | Clinical Records and Death Certificate Safe motherhood Initiative Services provided at health facilities and mobile clinics Services available within public/private sector Existence of protocols Micronutrients supplementation Community Health Workers in communities Active surveillance system Monthly clinical audits Follow up of complicated cases through Home visits | GOB PAHO UNFPA UNICEF         | Cultural beliefs Humans resources Capacity Building Early antenatal care |
| 5.2. Proportion of births attended by skilled health personnel               |       |       |      |      | 97 <sup>1</sup>   | 100              | Not achieved              | Clinical records and hospital birth registrar book Promotion of institutional delivery Health education Community Health Workers providing follow up to clients In service training session Existence of protocols Coordination Primary and secondary care level  | GOB PAHO UNFPA UNICEF         | Community empowerment Human resources Cultural beliefs                   |
| <b>Target 5b: Achieve, by 2015, universal access to reproductive health.</b> |       |       |      |      |                   |                  |                           |   |                               |  |
| 5.3. Contraceptive prevalence rate   |       |       |      |      | 52.4 <sup>3</sup> | n.a <sup>4</sup> | n/a                       | Population based survey Services available within private sector and NGO's  | GOB UNFPA BFLA Private sector | Insufficient amount available through public sector facilities           |

<sup>3</sup> MICS Report 2006. UNICEF

<sup>4</sup> Belize First MDG Report

|   | 2004 | 2005 | 2006 | 2007 | 2008              | Target Adopted    | (Achieved / Not Achieved) | Methods / Major Interventions / Timelines/ Success factors  | Funding /Financing             | Challenges   |
|---|------|------|------|------|-------------------|-------------------|---------------------------|---|--------------------------------|--|
|   |      |      |      |      |                   |                   |                           | Existence of Belize Family Life Association providing SRH services in all districts<br>Variety of methods   |                                | Cultural beliefs<br>Gender issues<br>Health promotion  |
| <b>5.4. Adolescent birth rate</b>   |      |      |      |      | 79.1 <sup>1</sup> | n.a. <sup>3</sup> | n/a                       | Existence of Belize Family Life Association and other NGO targeting adolescents in and out of school<br>Professionals providing counselling services<br>Health and Family life Education curricula includes SRH issues<br>Approved SRH policy | GOB<br>UNICEF<br>UNFPA<br>PAHO | Fully integrate SRH within the health system<br>Adolescents require parental consent to access SRH services<br>Capacity building<br>Health education<br>Protocols<br>Youth friendly services |
| <b>5.5. Antenatal care coverage (at least one visit and at least four visits)</b> | 96   | 93.1 | 96.1 | 82.1 | 97.8 <sup>1</sup> | n.a. <sup>3</sup> | n/a                       | Clinical records<br>Private and public sector collaboration<br>Services provided during mobile clinics<br>Micronutrients supplementation<br>Existence of protocols<br>Health education  | GOB<br>UNFPA<br>PAHO<br>UNICEF | Early antenatal care<br>Home visits<br>Community empowerment<br>Gender issues<br>Cultural beliefs  |
| <b>5.6. Unmet need for family planning</b>  |      |      |      |      | 31.2 <sup>2</sup> | n.a. <sup>3</sup> | n/a                       | Population based survey   |                                | Limited resources (human and financial)  |

Goals Four and Five are inextricably linked, which is why programmes targeting mothers are important for the achievement of both. The indicators under Goal 5 are just starting to be reported on, but with limited capacity and the wide distribution of the population, it is sometime difficult to produce timely data.

### **Efforts for Coordinating Multi-Sectoral Activities for MDG Achievement**

The Ministry of Economic Development, Commerce, Industry and Consumer Protection is responsible for coordinating the efforts of the various development stakeholders in Belize, towards achieving the Millennium Development Goals (MDGs) by 2015. In 2004, the National Human Development Advisory Committee (NHDAC)<sup>5</sup> contracted a consultant to

<sup>5</sup> The NHDAC has a mandate of providing “informed advice to the Government of Belize and the general public on socio-economic development, with a special emphasis on sustainable human development and the elimination of poverty, and to monitor and assess the effectiveness of these”.

develop a two year MDG Plan of Action, which would serve as the launch-pad for Belize's long-term national MDG commitments. The consultancy was to ensure that Belize achieved sustained human development by fostering a supportive environment for the attainment of the MDGs; it focused on four programmatic areas- Public Awareness and Advocacy, Integrated MDG Coordination and Planning, MDG Monitoring and Evaluation, and Resource Mobilisation. The NDHAC after receipt of the project document requested that the then Ministry of National Development take the Plan of Action and create more detailed activities under the four thematic areas and a project manager would be hired to take the plan through to execution. This task was completed and the document was re-presented to the NHDAC.

*“While the NHDAC is overall responsible, this project will be managed by a Sub-committee of the NHDAC. This sub-committee will draw on additional resources outside the NHDAC, as necessary, to function as an inclusive and participatory Project Steering Committee. This sub-committee will closely monitor the implementation of the project and report to the wider NHDAC on a regular basis. The chair of the NHDAC will also chair this Sub-committee. Additionally, the NHDAC will hire a project manager whose primary responsibility will be the management and coordination of this project. This Project Manager will be situated in, and supervised by, the Ministry of National Development where he/she will receive institutional support to carry out his/her duties. It is envisioned that this Project Manager will complete some of the activities included in the project and, along with the NHDAC MDG Sub-committee, hire consultants as needed, to implement major components of the project.”<sup>6</sup>*

The above is an excerpt from the project document for the MDG Plan of Action, in which it mapped out the parties responsible for project execution. The structure as it was envisioned had inherent constraints as the NHDAC membership comprises people with full time responsibilities outside of the Committee itself and it was unrealistic to expect them to commit to a full time, two-year project. Whereas a project manager might have identified an alternate project team that had dedicated time for the project activities, a project manager did not materialise because of budgetary constraints. While the MDG Plan of Action has stalled, this is not say that there has not been work done towards the achievement of the MDGs. Rather, activities have been piecemeal and disconnected across various development sectors and agencies rather than a large coordinated ‘big push’.

In 2008 a project to do a limited needs assessment and costing exercise for the MDGs began. The project funded in part by the UNDP with in kind contributions from GOB and the University of Belize seeks to create a background and scorecard reports that reflects the position of the country with respect to all the MDGs. From this report, the project will work on creating a needs assessment for all the resources, whether human, financial, infrastructural, technological etc. that will be needed to achieve three targets for three MDG- namely Goals Three, Four and Seven. At present this is all that can be afforded in terms of financing and human capacity. The project is expected to reach completion in 2010; work outstanding of course would be for a completed needs assessment and costing prognosis that is multiyear in nature to form a template for any potential exercise the government may undertake for programme budgeting. Work will also be done to customize the DevInfo software to have a skin that creates a database to store all the MDG targets and indicators to use as a national monitoring tool. As a co-exercise the Ministry has also began to coordinate activities across government and the various

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<sup>6</sup> The Millennium Development Goals: Accelerating Progress in Belize- Project Document and Plan of Action 2004-2006, Page 15



development stakeholders to draft Belize's National Targets and Indicator matrix that will provide the nationalized indicators for the country to report on.

## **Poverty Update**

### **The National Poverty Elimination Strategy and Action Plan (NPESAP)**

In light of the change of government and the need for an updated poverty reduction strategy and action plan, the Ministry of Economic Development took the decision to review the National Poverty Elimination Strategy and Action Plan (NPESAP) 2007-2011. The revision was based on the priorities of the new government as outlined in their manifesto and builds on the initial NPESAP. The updated version will recommend a monitoring and evaluation (M&E) framework for the strategy and action plan.

The draft updated NPESAP was presented by the Consultant at the March 24, 2009 NHDAC meeting. This updated NPESAP will be for the years 2008-2011 and is expected to be completed by May 2009.

### **Country Poverty Assessment (CPA) 2009**

The Government of Belize (GOB), through the Ministry of Economic Development, Commerce and Industry, and Consumer Protection and with financial assistance of the Caribbean Development Bank (CDB), has embarked on a project to update the 2002 Country Poverty Assessment (CPA). The CPA will involve national living conditions/household budget surveys, institutional analyses, macro social and economic reviews and participatory poverty assessments. The process will be implemented under the National Assessment Team (NAT), a technical/working committee mandated by the National Human Development Advisory Committee (NHDAC) to provide overall coordination and oversight of the CPA.

The overall objective of the CPA is to assess the current conditions affecting the welfare of people, identify policies, strategies, action programmes and projects that would reduce the extent and severity of poverty in Belize. It is intended to be used by GOB and development organisations to enhance social development and improve overall quality of life for all social groups.

This CPA adopts a similar methodology to that used for the 2002 CPA. There are three principal components.

- A Living Standard Measurement Survey (LSMS) designed to provide quantitative information.
- A series of Participatory Poverty Assessments (PPA) which provide qualitative information.
- An Institutional Analysis (IA) to identify existing government and non-government programs related directly or indirectly to poverty reduction.

Together these will be used to formulate a Programme of Action containing recommendations for policy interventions covering all aspects of poverty reduction

The CPA project was launched on December 4, 2008. The project has four (4) phases and will be executed in a time frame of fifteen (15) months, from October 2008 to December 2009. Phase I is the preparation phase from October 2008 to January 2009. Phase II is the data collection phase from February to July 2009. Analysis and synthesis including preparation of draft CPA is on Phase III from July to September 2009. Finally, Phase IV is the finalization including presentation of Final CPA locally and regionally from October to December 2009.

## **Food Security Position**

The Government of Prime Minister Dean Barrow took office in February 2008 during the peak period of recent worldwide food price increases. Since Belize is a net food exporter by a modest margin, but with the clear potential to enhance that position significantly, the Government has set forth its intention to seize upon the opportunity to bolster the broad-based competitiveness of agricultural producers. In this context, the Government requested assistance from the IDB and in July 2008 an agricultural and trade sector mission came to Belize to assist the Ministry of Agriculture and Fisheries (MAF). That mission recommended and the MAF concurred that it would be highly useful to receive short-term technical assistance to guide the MAF in articulating its strategic approach.

The scale of the proposed agricultural services investment operation will be constrained by the existing “fiscal space” as it has to take on debt. MAF and MED have both confirmed that the Ministry of Finance has tentatively reserved a space for an operation up to US\$5 million. IDB will secure funding and proceed with the agricultural support analysis within the 1<sup>st</sup> quarter of 2009; after the completion of the technical work, IDB approval of the project is scheduled to be before the end of the third quarter 2009.

#### **1.4 Update on the environmental situation**

Goal 7 of the Millennium Development Goals (MDG) which aims to ensure environmental sustainability remains at the forefront of national policies 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). Added to these, in 2008, the Government signed and ratified two protocols under the Cartagena Convention, the Land Based Sources of Marine Pollution Protocol (LBS) and the Special Protected Areas and Wildlife Protocol (SPAW). Notwithstanding, there remain some issues of enforcement and compliance with these various MEAs.

With the discovery of crude oil in Belize, new environmental concerns have arisen. These relate 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 reek havoc on the Belizean environment by way of emissions associated with the burning of the crude and waste products produced as a result of the processing of this product.

Apart from this, solid waste management remains the number one issue of environmental concern and 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 surrounding environment. The Government has developed a National Solid Waste Management Plan and established a Solid Waste Management Authority with the legal mandate to address solid waste management issues nationally. Recently, the GOB reaffirmed its commitment in addressing this problem

by strengthening the Solid Waste Management Authority and securing funding to implement the Western Corridor Component of the National Solid Waste Management Plan.

The government, through the National Focal Point for Climate Change, is presently in the process of finalising Belize’s Second National Communication (SNC) on Climate Change. Vulnerability and Impact Assessments in key economic sectors were conducted for the SNC, including Agriculture, Tourism, Health Fisheries and Aquaculture, and Coastal Zone. A technical review to identify climate change issues and threats facing the water sector was also carried out. In addition, the Government, through the Department of the Environment, has finalised a National Implementation Plan with regards to the Sound Management of Persistent Organic Pollutants (POPs) as required by the Stockholm Convention. The Department has also embarked on a Strategic Approach to International Chemicals Management (SAICM) project for the mainstreaming of Sound Management of National Chemicals Priorities into National Development Plans. In addition, the Department is also 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 amended the Environmental Impact Assessment Regulations under the Environmental Protection Act and is in the process of amending the Environmental Protection Act and the Pollution Regulations; as well as developing new Hazardous Waste Regulations to address the Petroleum sector. Other legislative amendments are also being developed by other key public agencies to address other pressing environmental issues.

**2. Overview of past and ongoing cooperation**

**2.1 Reporting on financial performance of EDF resources (max 1 page)**

10<sup>th</sup> EDF

The NIP for Belize was signed in February 2009. The focus of the 10<sup>th</sup> EDF intervention in the country continues to be on Rural Development. Work is currently underway for the approval of the Belize Rural Development Programme II and the Technical Cooperation Facility, therefore no commitment nor payment has been possible under the 10<sup>th</sup> EDF so far.

**The overall EDF RAC/RAL picture** at the end of 2008 is as follows:

|                                       | RAC / RAL end 2007         | RAC / RAL end 2008       | RAC / RAL % 2007/2008 |
|---------------------------------------|----------------------------|--------------------------|-----------------------|
| 8 <sup>th</sup> & 9 <sup>th</sup> EDF | 4513219/6537486            | 308,221/3,572,339        | -93% / -45%           |
| 10 <sup>th</sup> EDF                  | NA                         | NA                       | NA                    |
| <b>TOTAL</b>                          | <b>4,513,219/6,537,486</b> | <b>308,221/3,572,339</b> | <b>-93% / -45%</b>    |

All remaining funds under the BRDP (including the infrastructural components) were committed before the d+3-deadline.

## **2.2 Reporting on General and Sector Budget Support (max 1 page)**

The findings of the recently concluded PEFA Assessment sponsored by the EC confirmed that the country does not meet the minimum eligibility criteria for budget support.

## **2.3 Projects and programmes in the focal and non focal areas**

### **2.3.1 Focal Areas**

The infrastructural components of the BRDP are: the rehabilitation of Valley of Peace-road (Cayo-district) and the rehabilitation of the Middlesex-bridge. Both sub-projects were contracted in 2008, before the d+3-deadline of September 2008. The implementation suffered some delays pending resolving issues related to contractual compliance.

#### 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 marginalized 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 organizations 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 Authorizing 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 co-ordinates 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 organizations, especially the District Development Committees (DDCs) and service providers.

#### Major Achievements to date and examples of impact achieved

As today, the funds of BRDP have now all been committed (a balance of € 22,587.91 is left for a final audit):

- € 2.8 million for seven grants to non-profit organizations
  1. Call 1: Micro Grants (BEST, €172,363.64);
  2. Call 2: IT Centers (University of Belize, €300,000);
  3. Call 3: Stann Creek RD (Citrus Growers Association, €250,000);
  4. Call 4: Toledo RD (PLENTY Belize, €198,610);
  5. Call 5: Women and Youths (YWCA, €299,990);
  6. Call 6: Water Supply Crooked Tree (Social Investment Fund, €301,000);
  7. Call 7: Agri-Enterprises Development (Ministry of Agriculture/UNDP, €1,299,976);
- € 460,000 for Valley of peace road (Norman Reimer);
- € 27,701.12 for PE1 (ICON Institute);
- € 767,410.54 for PE2 (ICON Institute);
- € 127,000.00 for PE3 (ICON Institute);
- € 600,000 for hurricane Dean relief (Social Investment Fund)
- a. € 986,682.91 for the Middlesex Bridge repair (CISCO);
- € 83,267.20 for audits and mid-term evaluations. Status: Audit 2007 completed (2AC). Audit 2008 completed (2AC) and mid-term evaluation completed (Ecorys). Provisions for Audit 2009 made (€22,587.91)
- a. € 1,299,998 for the cost of the PMU (programme implementation). Status: Awarded and signed (ICON Institute).

BRDP is proving to be a very effective project for improving the living conditions of the rural population of Belize. To date, BRDP has invested in projects affecting the livelihoods of some 974 rural families. In the next two years, this figure will increase to at least 3,000 families. Such investments will go a long way to improve the infrastructure, entrepreneurship and technologies of rural communities and families, all with the goal of increasing the income, gainful employment and livelihoods of poor rural families in Belize. The Mid-term evaluation carried out in September 2008 has confirmed this encouraging result in terms of likely impact and sustainability of the interventions financed under the BRDP. According to the evaluators, over 80% of the projects (micro- small grants) visited by the evaluator have *good to very good* growth potential, and about 65% of the projects visited are *good to likely good* income generators for the rural beneficiaries. Regarding the sustainability of the grant projects, 80% of the projects visited have *good to very good* sustainability.

### 2.3.2 Non Focal Areas

9<sup>th</sup> EDF

#### 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 organization 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 role 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 training and seminars for Belize 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 of 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 EUR) conducted in partnership with Belize Trade and Investment Development Enterprise (BELTRAIDE); (ii) A seminar on Phyto-Sanitary Standards (11,164 EUR) in association with the Belize Agricultural Health Authority (BAHA); (iii) Training for Belizeans in EU procedures (6,000 EUR) and; (iv) Evaluation/Audit of the Program (20,000 EUR).

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 analyze 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.

## **2.4 Other Cooperation (max 2 pages)**

### **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 Euro 27 million from the SFA programme.

a) Results: Despite the problems and delays faced before the devolution which was effective in 2005, 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.

A Financing Proposal for the 2008 SFA allocation (€2.039 million) was approved at the end of 2008. 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 assist improvement in provision of appropriate education to workers and their families in the banana belt. The anticipated results are [1] Improved access to technical high school education [2]: Improved access to adult skills training [3]: Teacher training [4]: Improved access to tertiary education in the Banana Belt [5]: Institutional support and capacity building

b) Activities carried out during 2008 and results achieved:

| Decision | Allocation | Contracted   | Paid         | RAC       | RAL       |
|----------|------------|--------------|--------------|-----------|-----------|
| SFA 1999 | 3,100,000  | 3,100,000.00 | 3,100,000.00 | 0         | 0         |
| SFA 2000 | 3,100,000  | 3,100,000.00 | 2,805,771.85 | 0         | 294,228   |
| SFA 2001 | 3,450,000  | 3,078,548.50 | 2,930,489.12 | 371,452   | 519,511   |
| SFA 2002 | 3,500,000  | 2,911,241.82 | 2,068,472.17 | 588,758   | 1,431,528 |
| SFA 2003 | 3,200,000  | 3,144,045.43 | 1,539,991.87 | 55,955    | 1,660,008 |
| SFA 2004 | 2,930,000  | 2,748,631.44 | 2,347,632.41 | 181,369   | 582,368   |
| SFA 2005 | 2,490,000  | 2,421,237.35 | 536,728.69   | 68,763    | 1,953,271 |
| SFA 2006 | 2,110,000  | 1,235,711.00 | 216,940.20   | 874,289   | 1,893,060 |
| SFA2007  | 1,800,000  | 0.00         | -            | 1,800,000 | 1,800,000 |

From a contractual perspective, implementation in 2008 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 200 funds).

### **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 of a total of 48 M euro for the period 2006-10, in support of the implementation of the national sugar adaptation strategy.

The 2007 Financing Agreement was signed in March 2008, 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 2008 AMS allocation (€6 million) was approved at the end of 2008. In line with the strategy of Belize and the EC MIP, three areas of intervention have been identified: improving the physical access, communication and transportation efficiency through the rehabilitation of the Sugar Belt road network; strengthening the competitiveness and economic sustainability of the Belize sugar industry; supporting an enabling environment for rural recovery and economic diversification in sugar dependant areas of Belize

b) Activities carried out during 2008 and results achieved:

|             | Allocation | Contracted   | Paid         | RAC        | RAL          |
|-------------|------------|--------------|--------------|------------|--------------|
| AMS 2006 BZ | 3,038,000  | 2,669,331.48 | 1,046,734.14 | 368,668.52 | 1,991,265.86 |

AMS 2007 BZ 6,000,000      2,111,948.86    216,898.20    3,888,051.14    5,783,101.80

The majority of the 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). The PIU started its activities in Summer, supported by an additional engineer. Contracts for the rehabilitation of rural roads were signed. The threshold to have contracted 30% of the primary commitments before September was achieved.

c) Major obstacles

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

The lack of agreement among stakeholders and Government in the sugar sector has delayed the start of activities under the competitiveness pillar of the programme.

### **2.4.1 EIB**

Under Lomé and Cotonou conventions the Bank has lent in Belize EUR 25 million of which EUR 7 million from own resources and EUR 18 million from risk capital. This financing was channelled to the electricity, citrus, tourism and financial sectors.

The Development Finance Corporation (DFC), a financial institution fully owned by the government, has been the main conduit for the support to medium and small scale companies. Outstanding stands at EUR 10.4 million.

During 2009 the Bank will follow developments in the Belizean economy, in particular in the sugar and citrus sector, with the aim to identify projects eligible for financing.

## **2.5 Policy Coherence for Development (max 1 page)**

The EC cooperation is doing particularly well in Belize in the area of poverty reduction as evidenced by the numbers of poor families benefiting from the Belize Rural Development Programme as well as by the findings of the mid-term evaluation and the audit mission. This is undoubtedly a model programme.

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

## **2.6 Dialogue in Country with national parliaments, local authorities and NSAs (max 1 page)**

The relationship with the NAO's office is good. However, 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.



## **2.7 Aid Effectiveness (max 1 page)**

The number of active donors is limited, in particular in the banana and sugar sectors. Also the EC has no permanent representative in the country. The EU sponsored a PEFA Assessment of Belize that was conducted between September 08 and January 09 has heavily involved all the IDPs active in the country, and especially the IDB and World Bank. Both of them have designed specific projects to assist the Government of Belize on PFM reforms, drawing from the conclusions of the PEFA Assessment. Other IDPs including the Caribbean Development Bank (CDB) and the International Monetary Fund have conducted public finance assessments of Belize.

Also, the Delegation is in frequent contact with the CDB to exchange information on each other's activities and (where possible) ensure donor coordination. The British High Commission is the only member state with representation in Belize. When there is a mission to Belize the EC meets with the BHC.

## 3. Annexes to the JAR

### 3.1 Country at a glance

| TABLE OF MACRO-ECONOMIC INDICATORS |   |         |         |         |         |         |         |         |         |   |
|------------------------------------|---|---------|---------|---------|---------|---------|---------|---------|---------|---|
| EU Joint Annual Report             |   | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    |   |
| <b>Basic data</b>                  |   |         |         |         |         |         |         |         |         |   |
| 1                                  | Population (in '000)  | 271.1   | 281,1   | 289,9   | 299,8   | 309,8   | 322,1   | n.a.    | n.a.    | CBB table I.1 / SIB                             |
|                                    | - annual change in %  |         | 3,69%   | 3,13%   | 3,41%   | 3,34%   | 3,97%   | n.a.    | n.a.    |   |
| 2a                                 | Nominal GDP (in millions \$BZ)  | 1 975,2 | 2 112,0 | 2 230,0 | 2 426,2 | 2 553,6 | 2 819,6 | 2 873,0 | 3 013,2 | IMF table 1 & 8 / Budget Presentation 2009/2010 |
| 2b                                 | Nominal GDP per capita (in \$BZ)  | 7 285,9 | 7 513,3 | 7 692,3 | 8 092,7 | 8 242,7 | 8 753,8 | n.a.    | n.a.    |   |
| 2c                                 | - annual change in %  |         | 3,12%   | 2,38%   | 5,21%   | 1,85%   | 6,20%   | n.a.    | n.a.    |   |
| 3                                  | Real GDP (annual change in %)   |         | 4,6     | 3,9     | 5,6     | 1,2     | 3,8     | 2,0     | 2,3     | IMF table 7b / Budget Presentation 2009/2010    |
| 4                                  | Gross fixed capital formation (in % of GDP)                                       |         | 17,67%  | 18,50%  | 18,58%  | 19,29%  | n.a.    | n.a.    | n.a.    | SIB   |
| <b>International transaction</b>   |   |         |         |         |         |         |         |         |         |   |
|                                    | Exports of goods and services (in millions \$BZ)                                  |         | 1 088,0 | 1 254,0 | 1 580,0 | 1 647,4 | 1 703,0 | 1 745,4 | 1 933,8 | IMF table 1 & 8                                 |
| 5                                  | Exports of goods and services (in % of GDP)                                       |         | 51,52%  | 56,23%  | 65,12%  | 64,51%  | 60,40%  | 60,75%  | 64,18%  |   |
|                                    | - of which the most important: OIL (in % of GDP)                                  |         | 0,00%   | 0,00%   | 3,21%   | 5,01%   | 7,16%   | 4,87%   | 5,04%   | IMF table 4                                     |
|                                    | Trade balance (in millions \$BZ)  |         | -346,6  | -462    | -369,6  | -432    | -652,4  | -490    | -538    | CBB table I.1/ IMF table 4                      |
| 6                                  | Trade balance (in % of GDP)   |         | -16,41% | -20,72% | -15,23% | -16,92% | -23,14% | -17,06% | -17,85% |   |
|                                    | Current account balance (in millions \$BZ)  |         | -311,8  | -302,4  | -50,8   | -98,4   | -306,6  | -190,0  | -154,0  | CBB table I.1/ IMF table 4                      |
| 7                                  | Current account balance (in % of GDP)   |         | -14,76% | -13,56% | -2,09%  | -3,85%  | -10,87% | -6,61%  | -5,11%  |   |
|                                    | Net inflows of FDI (in millions \$BZ)   |         | 222,9   | 251,8   | 206,6   | 222,7   | n.a.    | n.a.    | n.a.    | CBB table 14                                    |
| 8                                  | Net inflows of FDI (in % of GDP)  |         | 10,55%  | 11,29%  | 8,52%   | 8,72%   | n.a.    | n.a.    | n.a.    |   |
| 9                                  | External debt (in % of GDP)   |         | 91,1    | 90,9    | 83,9    | 79,5    | 71,9    | 69,8    | 68,8    | IMF table 5 and 7a                              |
| 10                                 | Service of External debt (in % of exports of goods and non-factor services)       |         | 177,0   | 161,6   | 128,8   | 123,3   | 116,0   | 119,0   | 111,1   | IMF table 5 & 7b                                |
| 11                                 | Foreign exchange reserves (in months of imports of goods and non-factor services) |         | 0,9     | 1,2     | 1,6     | 1,6     | 2,0     | 2,0     | 1,9     | IMF table 5 & 6                                 |

|            |  |  |        |        |       |       |      |       |       |  |
|------------|--|--|--------|--------|-------|-------|------|-------|-------|--|
|            | <b>Government</b>  |  |        |        |       |       |      |       |       |  |
| <b>12</b>  | Revenues (in % of GDP)   |  | 22,8   | 23,4   | 25,3  | 27,4  | 29,4 | 27,7  | 26,7  | IMF table 7a   |
|            | - of which grants (in % of GDP)                                |  | 1,5    | 0,6    | 1,4   | 1,1   | 3,0  | 1,8   | n.a.  | IMF table 1  |
| <b>13</b>  | Expenditures (in % of GDP)                                     |  | 29,1   | 28,8   | 27,3  | 28,5  | 29,1 | 28,9  | 28,9  | IMF table 1 & 6  |
|            | - of which capital expenditures (in % of GDP)                  |  | 6,5    | 4,1    | 4,4   | 5,1   | 5,7  | 5,9   | n.a.  | IMF table 1  |
|            | Deficit (in millions \$BZ) including grants                    |  | -133,6 | -156,3 | -47,3 | -29,3 | n.a. | n.a.  | n.a.  | CBB table I.1 & V.1  |
| <b>14a</b> | Deficit (in % of GDP) including grants                         |  | -6,3%  | -7,0%  | -1,9% | -1,1% | 0,3% | -1,1% | -2,3% | IMF table 6  |
| <b>14b</b> | Deficit (in % of GDP) excluding grants                         |  | -8,0%  | -7,6%  | -3,0% | -4,6% | n.a. | n.a.  | n.a.  |  |
| <b>15</b>  | <b>Debt (in % of GDP)</b>                                      |  | 100,1  | 98,4   | 92,2  | 88,6  | 79,6 | 77,3  | 76,0  | IMF table 1 & 6  |
|            | - of which external (in % of total public debt)                |  | 91,0   | 92,4   | 91,0  | 89,7  | 90,3 | 90,3  | 90,5  | IMF table 1 & 6  |
|            |  |  |        |        |       |       |      |       |       |  |
|            | <b>Other</b>   |  |        |        |       |       |      |       |       |  |
| <b>16</b>  | CPI (annual average change in %)                               |  | 3,1    | 3,7    | 4,2   | 2,3   | 6,4  | 2,5   | 2,5   | CBB table I.1 and Dec 2008 Monthly Economic Report/ IMF table 7a     |
| <b>17</b>  | Interest rate (for money, annual rate in %)                    |  |        |        |       |       |      |       |       |  |
|            | <i>weighted average lending rate</i>                           |  | 14,0%  | 14,3%  | 14,2% | 14,3% | 14,1 | n.a.  | n.a.  | CBB Statistical Digest 2007 table 22 / Budget Presentation 2009/2010 |
|            | <i>weighted average deposit rate</i>                           |  | 5,2%   | 5,5%   | 5,8%  | 6,0%  | 6,4  | n.a.  | n.a.  | CBB Statistical Digest 2007 table 22 / Budget Presentation 2009/2010 |
|            | <i>weighted average spread</i>                                 |  | 8,8%   | 8,8%   | 8,4%  | 8,3%  | 7,8  | n.a.  | n.a.  | CBB Statistical Digest 2007 table 22 / Budget Presentation 2009/2010 |
| <b>18</b>  | Exchange rate (annual average of national currency per 1 US\$) |  | 2      | 2      | 2     | 2     | 2    | 2     | 2     |  |
| <b>19</b>  | Unemployment (in % of labour force, ILO definition)            |  | 11,6%  | 11,0%  | 9,4%  | 8,5%  | 8,1% | n.a.  | n.a.  | CBB table I.1 / Budget Presentation 2009/2010                        |
| <b>20</b>  | Employment in Agriculture (in % of total employment)           |  | 18,9%  | 18,9%  | 18,0% | 19,8% | n.a. | n.a.  | n.a.  | CBB table III.6  |
|            |  |  |        |        |       |       |      |       |       |  |
|            |  |  |        |        |       |       |      |       |       |  |
|            | <b>NOTES</b>   |  |        |        |       |       |      |       |       |  |
|            | <i>n.a.: data Not Available</i>                                |  |        |        |       |       |      |       |       |  |
|            | <i>IMF Country Report n. 09/69 - February 2009</i>             |  |        |        |       |       |      |       |       |  |

**TABLE OF MACRO-ECONOMIC INDICATORS**

| Key indicators   | 1990 | 2005  | 2006  | 2007  | 2008 | Interim Targets | 2015 Goal             | Source   |
|--|------|-------|-------|-------|------|-----------------|-----------------------|--|
| 1. Proportion of Population below \$1/day in PPP                                 | n.a. | 33.5  | n.a.  | n.a.  | n.a. |                 | 50% 1990 value        |  |
| 2. Prevalence of underweight children  | n.a. | 7.3   | 5.9   | 6.2   |      |                 | 50% 1990 value        |  |
| Under 5 Mortality  | n.a. | 23,5  | 24,8  | 20,5  | 18,2 |                 | 1/3 1990 value ( 5.5) | Maternal and Child Health Unit, Ministry of Health |
| 3. HIV prevalence rate of women aged 15-24                                       | n.a. | 75    | 20    | 50    | n.a. |                 | Halt/ Reverse rate    |  |
| 4. Proportion of births attended by skilled health personel                      | n.a. | n.a.  | n.a.  | n.a.  | 97   |                 | 100%                  | Maternal and Child Health Unit, Ministry of Health |
| 6. Proportion of 1year old children immunised against measles                    | n.a. | 95    | 100   | 96    | 95   |                 | 100%                  | Maternal and Child Health Unit, Ministry of Health |
| 7. Net enrollement ratio in primary education*                                   | n.a. | 88.1  | 86.4  | 84.6  | n.a. |                 | 100%                  | Policy & Planning Unit, Ministry of Education      |
| 8. Ratio of girls to boys in primary and secondary education*                    | n.a. | .96   | .96   | .95   | n.a. |                 | 1:1                   | Policy & Planning Unit, Ministry of Education      |
|  | n.a. | 1.09  | 1.10  | 1.10  | n.a. |                 |                       |  |
| 9. Primary school completion rate*   | n.a. | 44.8  | 44.1  | 48.3  | n.a. |                 | 50% 1990 value        | Policy & Planning Unit, Ministry of Education      |
| 10. Proportion of population with sustainable access to an improved water source | n.a. | 94.6  | 96.1  | 95.9  | n.a. |                 |                       | Statistical Insitute of Belize                     |
| 11. Fixed telephone lines and mobile telephone per 100                           | n.a. | 12.52 | 12.48 | 11.78 | n.a. |                 |                       | International Telecommunication Union              |

|  |      |            |            |             |            |  |  |  |
|--|------|------------|------------|-------------|------------|--|--|--|
| inhabitants  | n.a. | 44.32      | 44.05      | 41.12       | n.a.       |  |  | International Telecommunication Union  |
| 12. Formal costs required for business startup (%GNI per capita) | n.a. | n.a        | n.a        | 57.5        | 53.1       |  |  | www.doingbusiness.org- <b>Doing Business 2009 Country Profile for Belize</b> |
| 13. Timed required for business startup (days)                   | n.a. | n.a        | n.a        | 45          | 44         |  |  | www.doingbusiness.org- <b>Doing Business 2009 Country Profile for Belize</b> |
| 14. Real GDP per captia and annual changes                       | n.a. | \$7,692.30 | \$8,092.70 | \$8,2427.70 | \$8,532.10 |  |  | International Monetary Fund  |
|  | n.a. | 2.38%      | 5.21%      | 1.85%       | 3.51%      |  |  | International Monetary Fund  |
| 15. Access of rural population to an all season road             | n.a. | n.a.       | n.a.       | n.a.        | n.a.       |  |  |  |
| 16. Household eletrification rate                                | n.a. | 88.6       | 91.1       | 88.8        | n.a.       |  |  | Statistical Insitute of Belize   |

\* Years for data reflect a school year, i.e. 2005 is school year 2005/06 etc.

### 3.2 Progress on Governance Action Plan

|   | Governance Area   | Commitments   | Progress Achieved |
|---|---|---|-------------------|
| 1 | <b>Political Democratic Governance</b>  |   |                   |
|   | - Human Rights<br>- Fundamental Freedoms<br>- Principles of Constitutional Democracy  | To respect and adhere to the provisions of the Constitution of Belize in all its aspects.   |                   |
|   | - the Electoral Process   | to continue to enhance democracy through the maintenance of legitimate, impartial and valid elections.  |                   |
| 2 | <b>Political Governance - Rule of Law</b>   |   |                   |
|   | Judicial and Law Enforcement Systems  | - to improve the functioning of the magistrates' court through the recruitment of additional qualified staff.   |                   |
|   | Objective - to maintain a fair, impartial and effective legal framework that assures the independence of the judiciary and protects the human rights of the citizens  | - to increase the number of judges in the Supreme Court - two by December 2006 and full complement within the next five years.  |                   |
|   |   | - to focus on the concluding discussions to have the Court of Appeal resident in Belize for longer periods to ensure adequate management of justice. The Court is resident in Belize for two weeks in every quarter and the intention is to have residency for at least one month each quarter in the short term and longer in the next five years. |                   |
|   |   | - following the appointment of a new Director of Public Prosecutions in January 2007, focus on strengthening this Office through evaluation of procedures, improved management and quality of staff   |                   |
|   |   | - 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.  |                   |
|   | Objective - to ensure a safer Belize through emphasis on the reduction of crime, maintenance of order and improvement in road safety, working in partnership with the community in the implementation of the Policing Plan 2006 - 2010. | - to improve the effectiveness of preventative patrolling through redeployment of officers, encouraging the formation of neighbourhood watch groups and extending the programme for Special Constables and providing adequate transportation for quick response.  |                   |
|   |   | - to improve public education with respect to road safety and traffic laws through training of police officers, the public and introduction of a traffic awareness programme in the schools.  |                   |
|   |   | - continue to target active drug traffickers and reduce the availability of hard drugs in Belize through restructuring of 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  |  |
|          |   | - to improve investigative procedures through increased training and with implementation of an operational forensics laboratory which is expected to be in operation by early 2007   |  |
|          |   | - to improve the moral and welfare of the members of the Police Department to enable the delivery of more of more efficient and professional service to the community.   |  |
|          |   | - 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.  |  |
| <b>3</b> | <b>Control of Corruption</b>  |  |  |
|          | Objective - to adhere to the provisions of current legislation which address various aspects of corruption in public life in the continuing effort to ensure greater accountability and transparency. | - This subject continues to be addressed within mechanisms in existing legislation, specifically the Prevention of Corruption in Public Life Act. In addition, and very important, the Finance and Audit Act has been amended to strengthen the legal framework for the administration of the public finances. Government has committed to the strict implementation of this Act and will continue to do so in the future. Further amendments are being drafted currently which will seek to impose penalties for particular violations. |  |
|          |   | - 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.   |  |
|          |   | - In accepting the recommendations in the Report of the Senate Select Committee Investigations of the Social Security Board, Government agreed, among other things, to strengthen the SSB Act to clarify the operations of the SSB Investment Committee and the investment rules of the Board. The revised legislation will be placed before the National Assembly by December 2006.   |  |
|          |   | - 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.  |  |
|          | Objective - to increase transparency effectiveness and efficiency in public administration through the strengthening of professionalism in the public service.  | - The development of soft skills such as planning, leadership, results based performance management, evidence based policy development and analysis and professional writing for the sustainable development of the public service. The first evaluation of these programmes will take place in the first quarter of 2007.   |  |

|          |   |  |  |
|----------|---|--|--|
|          |   | - Implementation of a Performance Management and Appraisal System which was approved in June 2006. The system is designed to encourage the public officer to aspire to his highest level of performance, based on job knowledge, experience, academic training and skills. The system allows for the acknowledgement of high level performance as well as corrective measures for mediocre or unsatisfactory performance. Training in the use of the system is ongoing and monitoring will begin in the first quarter of 2007. One important commitment is that all Ministries of Government and Statutory Bodies must prepare annual reports on their activities for submission to Cabinet and the National Assembly. |  |
| <b>4</b> | <b>Government Effectiveness</b>   |  |  |
|          | - Public Finance Management   |  |  |
|          | Objective - Reduce debt and regain financial sustainability. Strengthening public expenditure programming and management systems. Improving the capacity of the Budget Unit in the Ministry of Finance. Introduction of Medium Term Budgeting | Government has committed to the development of a debt management strategy to ensure long term sustainability of Belize's debt.   |  |
|          |   | The budget format continues to be streamlined to bring it in line with international standards of financial classification   |  |
|          |   | Improve transparency in public expenditure and the accountability of Ministries  |  |
|          |   | The preparation of the capital budget will be linked to priorities stated in the Public Sector investment Programme (PSIP). This will be guided by an evaluation of gaps in physical infrastructure and the social sectors, together with a long term strategy for capital investment.   |  |
|          |   | Development of a medium term macro-economic and fiscal framework and also to the institutional changes that will be required   |  |
|          |   | Government is presently considering the proposal to present a Budget Policy Statement midway in the financial year which would set out the macroeconomic and fiscal framework in the medium term and options for financing.  |  |
|          | Reform and Modernization of the Revenue System  | Procedures in the Customs Administration will be modernized to bring about increased revenue collection and the production of timely and accurate trade data. A computerized system for customs control and clearance will be introduced and is expected to result in the reduction in the cost of doing business in Belize and in increased revenue to government.  |  |
|          | Strengthen the Framework for Financial Accountability and   | Strengthen the legal framework within which public finances are administered   |  |



|   |   |   |  |
|---|---|---|--|
|   | Oversight   |   |  |
|   | Establishment of an autonomous Statistical Agency   | Central Statistical Office functional   |  |
|   | Modernization of the tax regime for the Petroleum Industry  | The Income and Business Tax Act amended to take account of the petroleum industry and to bring it in line with international practices  |  |
|   |   | Establishment of a Petroleum Fund, the proceeds of which will be available for social investments benefiting present and future generations of Belizeans.   |  |
|   | Tax regime and transparency   | As a participating partner in the OECD Global Forum on Taxation, Belize will continue to improve cooperation with international partners on matters of transparency and exchange of information.  |  |
|   |   | Further, Belize will consider how the tax systems supporting the international business and financial services sector could be reviewed where necessary to maintain Belize's competitiveness in this area while paying due regard to concerns about inappropriate use by its taxpayers and those of other countries and any vulnerability of its system to abuse. |  |
| 5 | <b>Economic Governance</b>  |   |  |
|   | Private Sector and Market Friendly Policies.  | Technical and financial assistance is available for small and medium enterprises with the goal of increasing production for the local market  |  |
|   | Objective - to continue to provide an enabling environment for private sector activity.   | Preparation of a national export strategy which is  |  |
|   |   | Preparation of a long term policy for tourism, agriculture and aquaculture, complemented by medium term sector strategies for these pillars of the economy  |  |
|   | Management of Natural Resources   |   |  |
|   | Objective - 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. | Proper recording and sharing of all information about land including ownership, value, location   |  |
|   |   | To develop a computerized Land Information System which will be available to users in the private sector including the local lending institutions.  |  |
|   |   | - to provide an improved regulatory environment that will enhance management and the business process through amendments to the National Land Act and the Land Surveyors' Act and the introduction of legislation to regulate the activities of Valuation Surveyors and the Real estate sector.   |  |
|   | Development of Land Use Policy  | Drafting of National Land Use Planning  |  |

|   |  |   |  |
|---|--|---|--|
|   | Framework  |   |  |
| 6 | <b>Internal and External Security</b>  |   |  |
|   | Internal Stability/Conflict  |   |  |
|   | External Threats and Global Security   |   |  |
|   | Objective - provision of a safe, secure and stable environment that will facilitate development and poverty reduction through working toward the reduction of internal and external threats.   | Continued commitment on the part of the various law enforcement agencies, the Crime Control Council and the National Security Council to focus on areas which continue to threaten internal security such as violent and drug related crime, the activities of criminal gangs, the illegal importation of firearms and money laundering. Belize's Security Services, comprised of the Police, Belize Defense Force, Immigration, Customs and Forestry Departments and the National Coastguard all work closely together and also with regional and international partners in addressing problems. |  |
|   |  | Addressing the problems of illegal immigration, human smuggling, cross border criminal activity and environmental destruction   |  |
|   |  | Review of Money Laundering (Prevention) Amendment) Act  |  |
| 7 | <b>Social Governance</b>   |   |  |
|   | Village and Community Level  | Government continues its commitment to have consultation at the community level when policies are being developed at the national level that could have an impact on the communities such as the preparation of a Land Use Plan.  |  |
|   | Objective - to ensure that adequate mechanisms exist for rural communities to manage their affairs effectively. To continue the practice of consultation with non state actors to ensure that decisions made by government, take into account the needs and priorities of the Belizean people. |   |  |
| 8 | <b>International and Regional Context</b>  |   |  |
|   | Regional Integration   |   |  |
|   | Objective - to continue working toward effective integration within the Caribbean (CARICOM) and the Central American (SICA) regions.   | CARICOM - Belize is on stream with its commitments under the Caricom Single Market and Economy (CSME) and will continue in this way.  |  |
|   | Involvement in Regional Peer Review Mechanisms such as the APRM.   | CARICOM, as a Community (of which Belize is a member) acts as a regional review mechanism through the actions and decisions of its functioning Ministerial Committees, such as those of Foreign and Community Relations, Trade and Economic Development, Social   |  |

|   |   |   |  |
|---|---|---|--|
|   |   | Development and Finance and Planning. These committees meet throughout the year as needed.  |  |
|   | Migration   | Government remains committed to an open policy on migration, especially regional migration in the context of the CSME   |  |
|   |   | Prevention of illegal immigration   |  |
| 9 | <b>Quality of Partnership</b>   |   |  |
|   | Political Dialogue<br>Programming Dialogue  |   |  |
|   | Non State Actors  |   |  |
|   | Objectives - 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.      | - its decision to make rural development the focal sector in the Country Assistance Strategies for the 9 <sup>th</sup> and 10th EDF. The focus of the Belize Rural Development Programme will be a multifaceted one, addressing areas such as improvements in production processes, rural infrastructure and training in small enterprise development.  |  |
|   | To ensure that there is continuous and effective dialogue with the EU and with Non State Actors in Belize on EU-Belize cooperation programmes through the implementation of the Country Support Strategies. | - the CSP was prepared on the basis of extensive consultation within the public sector and also with a broad cross-section of non state actors in Belize. The intention is to ensure that the consultation process continues during the programme's implementation. The government has also undertaken to work with NSAs in encouraging their participation in project activities where possible. |  |
|   | To strengthen the Office of the National Authorizing Officer to improve Belize's capacity to maximize cooperation with the EU.  |   |  |

### **3.3 Annual Report on Budget Support**

(N/A)

### 3.4 Aid Effectiveness

#### Donor Matrix

| Donor Disbursements in Belize as per 31/12/08 (Grant Receipts and Loan Disbursements) (BZD) |                 |                 |                     |                |              |                 |                   |              |                |                   |                |                |                       |                   |
|---|-----------------|-----------------|---------------------|----------------|--------------|-----------------|-------------------|--------------|----------------|-------------------|----------------|----------------|-----------------------|-------------------|
| DONOR   | Housing         | Infrastructure  | Poverty Alleviation | Infrastructure | Multi-sector | Agriculture     | Budgetary Support | Donation     | Regional Trade | National Security | Education      | Health         | Public Administration | Human Development |
| Bolivarian Republic of Venezuela  | \$20 000 000,00 |                 |                     |                |              |                 |                   |              |                |                   |                |                |                       |                   |
| CARICOM   |                 |                 |                     |                |              |                 |                   |              |                |                   |                |                |                       |                   |
| Caribbean Development Bank  |                 | \$3 702 735,36  | \$4 901 572,67      | \$56 400,00    |              |                 |                   |              |                |                   | \$2 964 866,26 | \$1 673 983,36 | \$3 010 317,54        |                   |
| Commonwealth Debt Initiative  |                 |                 |                     |                |              |                 |                   |              |                |                   |                |                |                       |                   |
| European Union  |                 | \$4 070 433,00  | \$4 070 433,00      |                |              | \$10 789 094,89 |                   |              |                |                   |                |                |                       |                   |
| Republic of China   |                 |                 |                     |                | \$831 417,30 |                 | \$50 000 000,00   | \$199 370,00 | \$831 417,30   |                   |                |                |                       |                   |
| Donation  |                 | \$199 370,00    |                     |                |              |                 |                   |              |                |                   |                |                |                       |                   |
| United Nations Agencies   |                 |                 |                     |                |              |                 |                   | \$215 499,00 |                |                   |                |                |                       |                   |
| Inter-American Development Bank   |                 |                 |                     |                |              |                 |                   |              |                |                   |                | \$2 740 265,72 | \$2 622 315,47        |                   |
| OPEC  |                 | \$4 558 050,11  | \$4 616 626,08      |                |              |                 |                   |              |                |                   |                |                |                       |                   |
| Petrocaribe   |                 |                 |                     |                |              |                 |                   |              |                |                   |                |                |                       | \$930 000,00      |
| USA   |                 |                 |                     |                |              |                 |                   |              |                | \$500 000,00      |                |                |                       |                   |
| Republic of China   |                 | \$9 000 000,00  |                     |                |              |                 |                   |              |                |                   |                |                |                       |                   |
| Total all donors  | \$20 000 000,00 | \$87 221 533,66 | \$13 588 631,75     | \$56 400,00    | \$831 417,30 | \$10 789 094,89 | \$50 000 000,00   | \$414 869,00 | \$831 417,30   | \$500 000,00      | \$2 964 866,26 | \$4 414 249,08 | \$5 632 633,01        | \$930 000,00      |

^ Figures for 2008 represent disbursements for the calendar year as provided by the Central IT Office (CITO), Ministry of Finance, except where otherwise indicated.

\* The 2009 amounts were extracted from the 2009/2010 Estimates of Income and Expenditure (Cap. III) as provided by the Ministry of Finance.

| Planned Donor Disbursements in Belize for 2009 (Grant Receipts and Loan Disbursements) (BZD) |                 |                     |                 |                 |                   |                   |                |                       |                   |                 |                 |                |                |                |
|--|-----------------|---------------------|-----------------|-----------------|-------------------|-------------------|----------------|-----------------------|-------------------|-----------------|-----------------|----------------|----------------|----------------|
| DONOR  | Infrastructure  | Poverty Alleviation | Multi-sector    | Agriculture     | Budgetary Support | National Security | Health         | Public Administration | Human Development | Disaster Relief | Foreign Affairs | Social Sector  | Environment    | Tourism        |
| Bolivarian Republic of Venezuela   | \$15 000 000,00 |                     |                 |                 |                   |                   |                |                       |                   |                 |                 |                |                |                |
| CARICOM  |                 |                     |                 |                 |                   |                   |                |                       |                   |                 |                 |                |                |                |
| Caribbean Development Bank   | \$10 584 600,00 | \$8 269 720,00      |                 |                 |                   |                   | \$2 000 000,00 | \$1 500 000,00        |                   | \$1 000 000,00  |                 |                |                |                |
| Commonwealth Debt Initiative   |                 |                     | \$3 354 568,00  |                 |                   |                   |                |                       |                   |                 |                 |                |                |                |
| European Union   | \$3 648 920,00  |                     | \$14 400 000,00 |                 |                   |                   |                |                       |                   |                 |                 |                |                |                |
| Republic of China  |                 |                     |                 |                 |                   |                   |                |                       |                   |                 | \$1 800 000,00  |                |                |                |
| United Nations Agencies  |                 |                     |                 |                 |                   |                   |                |                       | \$604 808,00      |                 |                 |                |                |                |
| Inter-American Development Bank  | \$7 000 000,00  |                     |                 |                 |                   |                   | \$1 000 000,00 | \$839 000,00          |                   |                 |                 | \$7 500 000,00 | \$7 500 000,00 | \$5 000 000,00 |
| OPEC   | \$6 600 000,00  | \$3 200 000,00      |                 |                 |                   |                   |                |                       | \$1 880 000,00    |                 |                 |                | \$2 400 000,00 |                |
| Petrocaribe  |                 |                     |                 |                 |                   |                   |                |                       |                   |                 |                 |                |                |                |
| USA  |                 |                     |                 |                 |                   | \$1 500 000,00    |                |                       |                   |                 |                 |                |                |                |
| IFAD/CABEI   |                 |                     |                 | \$1 500 000,00  |                   |                   |                |                       |                   |                 |                 |                |                |                |
| Republic of China  |                 |                     |                 |                 | \$20 000 000,00   |                   |                |                       |                   |                 |                 |                |                |                |
| Total all donors   | \$42 833 520,00 | \$11 469 720,00     | \$3 354 568,00  | \$15 900 000,00 | \$20 000 000,00   | \$1 500 000,00    | \$3 000 000,00 | \$2 339 000,00        | \$2 484 808,00    | \$1 000 000,00  | \$1 800 000,00  | \$7 500 000,00 | \$9 900 000,00 | \$5 000 000,00 |

Notes

^ Figures for 2008 represent disbursements for the calendar year as provided by the Central IT Office (CITO), Ministry of Finance, except where otherwise indicated.

\* The 2009 amounts were extracted from the 2009/2010 Estimates of Income and Expenditure as provided by the Ministry of Finance.

\*\*The \$20 mn listed under the ROC was mentioned in the Prime Minister's 2009/2010 Budget Presentation available at <www.belize.gov.bz>

## Aid Effectiveness Questionnaire

| <b>1. EU Target No 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   |                          |                     |
| <b>2. Introduction</b>  |                          |                     |
| The aim is to collect information that allows us to measure this target. The information that is needed is both the total amount of ODA provided, as well as the extent to which country systems are used in providing this ODA. For these purposes the country systems are defined as covering four main areas: (i) national budget execution procedures; (ii) national financial reporting procedures; (iii) national auditing procedures; and (iv) national procurement systems. By treating each of these four areas as having a 25% weight and dividing by the total amount of ODA provided the information required can be calculated (hence the division by four – see part 4 below). In all cases the necessary information can be collected using the same definitions as those in the OECD/DAC "Definitions and Guidance" (see attached page which includes an extract of definitions relevant to this indicator) |                          |                     |
| <b>3. Questions and definitions</b>   |                          |                     |
| Question  | Definition –<br>OECD Ref | Response<br>EUR     |
| How much ODA did you disburse at country level for the government sector in FY 2008 (EUR)?  | Qd2                      | 9,291,131.96 EUR    |
| How much ODA disbursed for the government sector in FY 2008 used national budget execution procedures (EUR)?  | Qd5                      | 0                   |
| How much ODA disbursed for the government sector in FY 2008 used national financial reporting procedures (EUR)?   | Qd6                      | 0                   |
| How much ODA disbursed for the government sector in FY 2008 used national auditing procedures (EUR)?  | Qd7                      | 0                   |
| How much ODA disbursed for the government sector in FY 2008 used national procurement procedures (EUR)?   | Qd9                      | 0                   |
| <b>4. Definition of Indicator</b>   |                          |                     |
| [[Qd5 + Qd6 + Qd7 + Qd9] ÷ 4] ÷ [Qd2] (please calculate and enter as response %)  |                          | Response %<br><br>0 |
| <b>5. Additional information</b>  |                          |                     |
| Are there any significant initiatives in your country to promote the use of country systems? If so provide a list and a short description. If not, highlight the constraints to use of country systems (use additional space as needed)   |                          |                     |
| Belize does not meet the legal requirement on the PFM eligibility criterion to support budget support as indicated in Article 61(2) of the Cotonou Agreement, Article 25(1)(b) of DCI, and Article 15(2)(e) of ENPI. Thus, Belize is not eligible for budget support because it does not meet the PFM eligibility criterion.  |                          |                     |
| The PEFA-based PFM Assessment undertaken in October 2008 with EC financing and  |                          |                     |

finalized in January 2009 concluded that the Belize PFM operational system is performing below an average standard and in some areas performance is well below the standard, which is the case of public procurement. In addition, the legal and institutional framework is weak and does not support an efficient PFM system. The deficiencies and weaknesses in the six core dimensions of the Belize PFM system have a negative impact on aggregate fiscal discipline, strategic allocation of resources, and efficient service delivery. Furthermore, a credible and relevant programme to improve PFM is not in place or under implementation in Belize.

## Definitions from "Definitions and Guidance" OECD/DAC

[www.oecd.org/dataoecd/13/29/36306366.doc](http://www.oecd.org/dataoecd/13/29/36306366.doc)

|   |   |
|---|---|
| ODA   | <p>Official Development Assistance (ODA) includes all transactions as defined in OECD-DAC Statistical Directives para. 32 (see appendix), including official transactions that:</p> <ul style="list-style-type: none"> <li>▪ Are administered with the promotion of the economic development and welfare of developing countries as its main objective; and</li> <li>▪ are concessional in character and convey a grant element of at least 25%.</li> </ul>   |
| Disbursements   | <p>A disbursement is the placement of resources at the disposal of a recipient country or agency (see OECD-DAC Statistical Directives para. 15-18). Resources provided in kind should only be included when the value of the resources have been monetised in an agreement or in a document communicated to government. In order to avoid double counting in cases where one donor disburses ODA funds on behalf of another, it is the donor who makes the final disbursement to the government who should report on these funds.</p>   |
| Government sector   | <p>Administrations (ministries, departments, agencies or municipalities) authorised to receive revenue or undertake expenditures on behalf of central government.</p>   |
| Disbursements for the government sector                           | <p>This category includes the disbursement of ODA in the context of an agreement with the government sector (see definition above), including works, goods or services delegated or subcontracted by government to other entities (e.g. NGOs, private companies).</p>   |
| Use of national budget execution procedures (Q <sup>d5</sup> )    | <p>Donors use national budget execution procedures when the funds they provide are managed according to the national budgeting procedures as they were established in the general legislation and implemented by government. This means that programmes supported by donors are subject to normal country budgetary execution procedures namely procedures for authorisation, approval and payment.</p>   |
| Use of national financial reporting procedures (Q <sup>d6</sup> ) | <p>Legislative frameworks normally provide for specific types of financial reports to be produced as well as for the periodicity of such reporting. The use of national financial reporting means that donors do not make additional requirements on governments for financial reporting. In particular they do <b>NOT</b> require:</p> <ul style="list-style-type: none"> <li>▪ The production of additional financial reports.</li> <li>▪ Periodicities for reporting that are different from government's normal reporting cycle.</li> <li>▪ Formats for reporting that do not use government's existing chart of accounts.</li> </ul>                             |
| Use of national auditing procedures (Q <sup>d7</sup> )            | <p>Donors rely on the audit opinions, issued by the country's supreme audit institution, on the government's normal financial reports/statements as defined above. The use of national auditing procedures means that donors do not make additional requirements on governments for auditing.</p>   |
| Use of national procurement procedures                            | <p>Donors use national procurement procedures when the funds they provide for the implementation of projects and programmes are managed according to the national procurement procedures as they were established in the general legislation and implemented by government. The use of national procurement procedures means that donors do not make additional, or special, requirements on governments for the procurement of works, goods and services. (Where weaknesses in national procurement systems have been identified, donors may work with partner countries in order to improve the efficiency, economy, and transparency of their implementation).</p> |

| <b>1. EU Target No 4</b>   |   |                 |
|--|---|-----------------|
| Reduce the number of uncoordinated missions by 50%.  |   |                 |
| <b>2. Introduction</b>   |   |                 |
| <p>The aim is to collect data on the number of uncoordinated EC Missions to your country. The information needed is (a) the total number of EC Missions to your country and (b) how many of these were coordinated.</p> <p>The Paris Declaration <b>objectives</b> underlying the related indicator of progress for coordinated missions are: "In planning their missions to the field<sup>7</sup> it is important that donors: Conduct <b>fewer missions, coordinate timing of missions</b> with partner authorities and, where necessary, with other donors, <i>conduct more joint missions, avoid conducting missions during "mission free periods"</i><sup>8</sup>.</p> <p>Coordinated mission <b>is a mission undertaken by 2 or more donors jointly, or by one donor on behalf of another.</b> In practice, the following 3 questions help to clarify what is meant by a mission:</p> <ol style="list-style-type: none"> <li>1. Does the mission involve international travel to a beneficiary country? i.e. <b>this concerns only missions from HQ, not missions undertaken within the country by the Delegation.</b></li> <li>2. Does the mission involve a request to meet with government officials, including local government?</li> <li>3. Is this mission undertaken by 2 or more donors jointly? Or is it done by an HQ service also on behalf of another donor?</li> </ol> <p>The Definitions and Guidance of the OECD (<a href="http://www.oecd.org/dataoecd/13/29/36306366.doc">www.oecd.org/dataoecd/13/29/36306366.doc</a>) requires that missions undertaken by consultants contracted by AIDCO (or other DGs), if they meet the 3 above questions, must also be included.</p> |   |                 |
| <b>3. Questions and definitions</b>  |   |                 |
| OECD<br>ref: Q <sup>d</sup> 15   | How many <b>HQ missions</b> to the field were undertaken in FY 2008? <sup>9</sup> | 14              |
| 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 in FY 2008 in the table below:  |   |                 |
| Missions by:   | Coordinated   | Uncoordinated   |
| Members of Commission  |   |                 |
| AIDCO  |   | 1               |
| DEV  |   | 1               |
| RELEX  |   |                 |
| TRADE  |   |                 |
| ECHO   |   |                 |
| FISH   |   |                 |
| OTHER DGs  |   | 1 (Del. Guyana) |
| Consultants contracted by the Commission   | 1   | 11              |
| <b>Total</b>   | <b>1</b>  | <b>14</b>       |

<sup>7</sup> 'Field' refers to the country in general including missions to the capital only.

<sup>8</sup> The target set for 2010 for indicator 10 a) is to have 40% if donor missions to the field as joint.

<sup>9</sup> This question applies to the missions from the HQ

| 4. Definition of Indicator   |      |      |
|--|------|------|
| <b>Q<sup>d</sup>16 / Q<sup>d</sup>15</b>   | 2007 | 2008 |
| Please calculate and enter in the column for 2008 and also include the figure for this indicator for 2007; | N/A  | 7%   |

**5. Additional Information**

Delegations are invited to list the dates for main HQ missions already planned for March 2009 to August 2009, indicating whether they are, or not, to be coordinated with other donors;

| HQ DG         | Date planned | Purpose/Sector             | Coordinated (Yes/No) |
|---------------|--------------|----------------------------|----------------------|
| AIDCO+DEV tbc |              | General programmes' update | No                   |

Delegations are suggested to indicate higher priority requests for HQ missions needed from September 2009 to February 2010, but not yet agreed with HQs, that the Delegation estimates serve better the coordination arrangements at local level and can yield more added value for the policy dialogue.

| HQ DG          | Date planned | Purpose/Sector | Donor(s) involved |
|----------------|--------------|----------------|-------------------|
| _Not Available |              |                |                   |

Delegations are asked to briefly inform if there are significant initiatives to decrease the number of uncoordinated missions in your country? If so, please provide a short description. If not, highlight key constraints.

The number of active donors is limited, in particular in the banana and sugar sectors. Also the EC has no permanent representative in the country. The EU sponsored a PEFA Assessment of Belize that was conducted between September 08 and January 09 has heavily involved all the IDPs active in the country, and especially the IDB and World Bank.

Finally, Delegations are asked to assess the likelihood of meeting, by 2010, the twin targets for missions, i.e. the OECD target of 40% and the EU target of halving the number of un-coordinated missions.

- OECD target of 40% likely to be met: No
- EU target of halving the number of un-coordinated missions: No

Delegations are asked to briefly indicate what additional steps HQ should be prepared to consider to help in achieving those targets at the level of the beneficiary country concerned:

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### 3.5 Financial Annexes

#### 9th EDF and any previous EDFs as per closure of the financial year 2008

| 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>8,745,000</b>              | <b>8,436,779</b>                   | <b>308,221</b>   |
| <b>TOTAL ON ONGOING INDIVIDUAL COMMITMENTS</b> |                                     |                  |   |                          | <b>8,049,369</b>              | <b>4,785,251</b>                   | <b>3,264,118</b> |
| 2004   | 9ACP BEL1                           | 0                | TECHNICAL COOPERATION FACILITY (TCF)                          | 2010103                  | 546,000                       | 416,367                            | 129,633          |
| 2004   | 9ACP BEL1                           | 2                | PROGRAMME ESTIMATE NO. 1 (MAY 25, 2005 - DEC 31, 2005).       | 20051231                 | 13,967                        | 10,771                             | 3,196            |
| 2004   | 9ACP BEL1                           | 6                | DNAO'S LETTER DD 18102006 ON PE NO. 2.                        | 20070930                 | 56,100                        | 45,080                             | 11,020           |
| 2004   | 9ACP BEL1                           | 8                | 2AC - TCF (PE 1 & 2)  | 20080711                 | 9,910                         | 8,469                              | 1,441            |
| 2005   | 9ACP BEL2                           | 0                | DISASTER PREVENTION AND PREPAREDNESS MECHANISMS: NEW BRIDGE   | 20100630                 | 1,000,000                     | 844,000                            | 156,000          |
| 2005   | 9ACP BEL2                           | 1                | NEW BRIDGE OVER SILVER CREEK, HUMMINGBIRD HIGHWAY             | 20070831                 | 834,000                       | 634,919                            | 199,081          |
| 2005   | 9ACP BEL2                           | 2                | 2AC - AUDIT OF SILVER CREEK                                   | 20080912                 | 10,000                        | 9,089                              | 911              |
| 2005   | 9ACP BEL3                           | 0                | RURAL DEVELOPMENT PROGRAMME                                   | 20121231                 | 7,199,000                     | 7,176,412                          | 22,588           |
| 2005   | 9ACP BEL3                           | 1                | PROJECT CO-ORD & MGMNT UNIT/BRDP -(BDG HD1. ASPCM)            | 20100201                 | 1,299,998                     | 893,144                            | 406,854          |
| 2005   | 9ACP BEL3                           | 3                | PROGRAMME ESTIMATE #2. DNAO'S LTR DD 07112006.                | 20080430                 | 780,506                       | 767,411                            | 13,095           |
| 2005   | 9ACP BEL3                           | 8                | CREATION OF REHABILITATION FUND AFTER HURRICANE DEAN          | 20081231                 | 600,000                       | 480,000                            | 120,000          |
| 2005   | 9ACP BEL3                           | 9                | BRDP/TTCU GRANT NO 9366/BEL RE RURAL DEV TOLEDO DISTRICT      | 20100220                 | 198,610                       | 158,888                            | 39,722           |
| 2005   | 9ACP BEL3                           | 11               | BEST - MICRO-ENTERPRISES FOR POOR FAMILIES PROGRAMME          | 20100302                 | 172,364                       | 137,891                            | 34,473           |
| 2005   | 9ACP BEL3                           | 12               | BRDP GRANT - AGRI ENTERPRISE DEV FOR RURAL BELIZE -9366/BEL   | 20100302                 | 1,299,976                     | 652,023                            | 647,953          |
| 2005   | 9ACP BEL3                           | 13               | YWCA BELIZE - WOMEN & YOUTH PROJECT                           | 20100317                 | 299,990                       | 239,992                            | 59,998           |
| 2005   | 9ACP BEL3                           | 14               | UNIV OF BELIZE - CAPACITY BUILDING RE FARM/NON FARM ACTIVITY  | 20100201                 | 300,000                       | 240,000                            | 60,000           |
| 2005   | 9ACP BEL3                           | 15               | 2AC AUDIT - BRDP (PE 2)                                       | 20080716                 | 15,890                        | 14,945                             | 945              |
| 2005   | 9ACP BEL3                           | 16               | TO IMPLEMENT A WATER SUPPLY SYSTEM FOR CROOKED TREE VILLAGE   | 20090601                 | 301,000                       | 240,800                            | 60,200           |
| 2005   | 9ACP BEL3                           | 17               | RURAL DEVELOPMENT - STANN CREEK DISTRICT OF BELIZE            | 20091201                 | 250,000                       | 159,620                            | 90,380           |
| 2005   | 9ACP BEL3                           | 18               | FRAMEWORK CONTRACT- MID TERM EVALUATION OF A&N CONSTRUCTION - | 20081130                 | 44,058                        | 26,435                             | 17,623           |
| 2005   | 9ACP BEL3                           | 19               | VALLEY OF PEACE FEEDER ROADS - CAYO DIST. BRDP PROGRAMME      | 20100930                 | 460,000                       | 0                                  | 460,000          |
| 2005   | 9ACP BEL3                           | 20               | ESTIMATE 3 - ICON INSTITUTE GMBH                              | 20100228                 | 127,000                       | 65,774                             | 61,226           |
| 2005   | 9ACP BEL3                           | 21               | BRDP - REHAB MIDDLESEX BRIDGE -BELIZE; NAO LTR DD 08/092008   | 20101031                 | 976,000                       | 0                                  | 976,000          |

# Financial situation for Budget Lines as per closure of the financial year 2008

Belize

| Decision | Decision n°     | D+3      | end of operation | FDI      | Situation 01/01/2008 |               |               |           | 2008 S1    |              |              | 2008 S2      |              |          | revised Forecasts |              |              | 31/12/2008   |             |              |               |
|----------|-----------------|----------|------------------|----------|----------------------|---------------|---------------|-----------|------------|--------------|--------------|--------------|--------------|----------|-------------------|--------------|--------------|--------------|-------------|--------------|---------------|
|          |                 |          |                  |          | Allocation           | Contracted    | Paid          | RAC       | RAL        | Contracts    | Realised     | Payments     | Forecasts    | Realised | Decommit          | Contracts    | Realised     | Payments     | Realised    | Decommitted  | RAC           |
| SFA 1999 | BAN2000/003-463 | 31/12/08 | 31/12/08         | 31/12/08 | 3,100,000            | 3,100,000.00  | 2,868,807.04  | 0         | 231,193    | 231,193.00   | -            | 103,875.78   | 0.00         | 0        | 0.00              | 231,192.96   | 127,317.23   | 231,192.96   | -231,192.96 | 0            | 0             |
| SFA 2000 | BAN2000/004-850 | 31/12/08 | 31/12/08         | 31/12/08 | 3,100,000            | 3,027,917.00  | 2,805,771.85  | 72,083    | 294,228    | 294,228.00   | -            | 294,228.00   | 0.00         | 0        | 0.00              | 72,083.00    | 0.00         | -            | -           | 0            | 294,228       |
| SFA 2001 | BAN2001/003-507 | 31/12/08 | 31/12/08         | 31/12/08 | 3,450,000            | 1,766,684.45  | 1,612,939.66  | 1,693,316 | 1,837,060  | 750,347.09   | 1,312,807.59 | 491,910.62   | 545,141.33   | 0        | 0.00              | 10,026.94    | 364,538.34   | 772,407.93   | -770.48     | 371,452      | 519,511       |
| SFA 2002 | BAN2002/003-444 | 30/09/09 | 30/09/09         | 30/09/09 | 3,500,000            | 2,205,312.17  | 1,706,029.00  | 1,294,688 | 1,793,971  | 1,040,155.41 | -            | 435,828.52   | 107,462.17   | 0        | 0.00              | 705,929.65   | 793,946.47   | 254,981.00   | -           | 588,759      | 1,431,528     |
| SFA 2003 | BAN2003/005-019 | 23/10/06 | 31/12/08         | 31/12/10 | 3,200,000            | 3,161,429.00  | 1,456,851.87  | 38,571    | 1,743,148  | 0.00         | 0.00         | 54,826.00    | 0.00         | 0        | 0.00              | 83,140.00    | 28,314.00    | -17,383.57   | -           | 1,660,008    | 0             |
| SFA 2004 | BAN2004/016-921 | 28/12/07 | 31/12/09         | 31/12/11 | 2,930,000            | 2,762,107.66  | 706,774.14    | 167,892   | 2,223,226  | 30,250.00    | -            | 1,065,485.77 | 1,653,076.07 | 0        | 0.00              | 0.00         | 0.00         | 77,782.20    | -33,476.22  | 181,869      | 892,368       |
| SFA 2005 | BAN2005/017-816 | 28/12/08 | 31/12/10         | 31/12/12 | 2,490,000            | 375,000.00    | -             | 2,115,000 | 2,490,000  | 279,750.00   | 38,325.00    | 63,750.00    | 22,995.00    | 0        | 1,198,780.00      | 2,007,512.35 | 87,205.96    | 513,735.89   | -           | 88,763       | 1,955,271     |
| SFA 2006 | BAN2006/018-439 | 26/12/09 | 31/12/11         | 31/12/13 | 2,110,000            | 94,060.00     | 58,183.20     | 1,165,940 | 2,051,877  | 440,950.00   | -            | 0.00         | 0.00         | 0        | 0.00              | 291,651.00   | 0.00         | 188,757.00   | -           | 874,289      | 1,893,060     |
| SFA 2007 | BAN2007/019-245 | 12/17/10 | 31/12/12         | 31/12/14 | 1,800,000            | 0.00          | -             | 1,800,000 | 1,800,000  | 0.00         | -            | 0.00         | 0.00         | 0        | 0.00              | 0.00         | 0.00         | -            | -           | 1,800,000    | 1,800,000     |
|          |                 |          |                  |          | 25,680,000.00        | 17,332,510.28 | 11,215,356.96 | 8,347,490 | 14,464,643 | 3,066,873.50 | 1,350,932.59 | 2,455,076.69 | 2,293,500.57 | 0.00     | 1,315,506.42      | 3,318,795.90 | 1,468,147.99 | 2,037,168.78 | -262,823.23 | 3,940,584.46 | 10,133,973.69 |

| 2008 S1+S2   |              |              |
|--------------|--------------|--------------|
| Contracts    | Realised     | Payments     |
| 4,382,379.92 | 4,689,729.49 | 3,913,226.68 |
|              |              | 4,330,669.35 |

| Decision  | Decision n°       | D+3        | end of operation | FDI        | Situation 01/01/2008 |            |         |           | 2008 S1   |              |            | 2008 S2    |           |            | revised Forecasts |            |            | 31/12/2008 |              |              |
|-----------|-------------------|------------|------------------|------------|----------------------|------------|---------|-----------|-----------|--------------|------------|------------|-----------|------------|-------------------|------------|------------|------------|--------------|--------------|
|           |                   |            |                  |            | Allocation           | Contracted | Paid    | RAC       | RAL       | Contracts    | Realised   | Payments   | Forecasts | Realised   | Decommit          | Contracts  | Realised   | Payments   | Realised     | Decommitted  |
| AMIS 2006 | SUCRE2006/018-466 | 31/12/2009 | 31/06/2012       | 31/12/2014 | 3,038,000            | 335,037    | 151,375 | 2,702,963 | 2,886,625 | 1,979,864.00 | 518,600.00 | 463,959.00 | 0         | 210,000.00 | 1,815,684.09      | 619,006.00 | 431,439.54 | 0          | 688,669      | 1,991,227    |
| AMIS 2007 | SUCRE2007/019-275 | 31/12/2010 | 31/06/2013       | 31/12/2014 | 6,000,000            | 0          | 0       | 6,000,000 | 6,000,000 | 530,000.00   | 0.00       | 48,000.00  | 0.00      | 0.00       | 2,111,948.88      | 77,000.00  | 219,888.20 | 0          | 3,889,051    | 5,783,102    |
|           |                   |            |                  |            | 9,038,000            | 335,037    | 151,375 | 8,702,963 | 8,886,625 | 2,509,864.00 | 518,600.00 | 463,959.00 | 0.00      | 210,000.00 | 3,927,642.95      | 696,006.00 | 648,337.74 | 0.00       | 4,256,719.66 | 7,774,328.69 |

| 2008 S1+S2   |              |              |
|--------------|--------------|--------------|
| Contracts    | Realised     | Payments     |
| 2,719,864.00 | 4,446,242.95 | 1,220,846.00 |
|              |              | 1,112,286.74 |