



Project Completion Report

PCR

Project Name: Sustainable Tourism Program

Country: Belize

Sector/Subsector: Sustainable Tourism

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Project Number: BL-L1003

Loan Number (s), TC(s): 2060/OC-BL

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PCR Team: Principal Author and Members: Sybille Nuenninghoff (RND/CBL) with input of final evaluation, carried out by Robert Travers, consultant



Acronyms and Abbreviations

BTB	Belize Tourism Board
BTIA	Belize Tourism Industry Association
DMP	Destination Management Plan
EIA	Environmental Impact Assessment
ESMR	Environmental and Social Management Report
ESS	Environmental and Social Strategy
GOB	Government of Belize
IA	Institute of Archeology
IDB	Inter-American Development Bank
MTCA	Ministry of Tourism and Civil Aviation
MTC	Ministry of Tourism and Culture
NICH	National Institute of Culture and History
NSTMP	National Sustainable Tourism Master Plan
OPC	Operations Policy Committee
PACT	Protected Areas Conservation Trust
PCU	Project Coordination Unit
POD	Proposal for Operation Development
POM	Program Operating Manual
SSF	Safeguard and Screening Form for Screening and Classification of Projects
STP	Sustainable Tourism Program
VEMS	Visitor Expenditures and Motivation Survey



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I. Basic Information

BASIC DATA (AMOUNTS IN US\$)	
PROJECT NO: BL-L1003	TITLE: Sustainable Tourism Program
Borrower:	Date of Board Approval: November 25, 2008
Executing Agency (EA):	Date of Loan Contract Effectiveness: April 27, 2009
	Date of Eligibility for First Disbursement: August 24, 2009
Loan(s): 2060/OC-BL	
Sector:	Months in Execution
	* from Approval: 61 months
Lending Instrument: Investment	* from Contract Effectiveness: 56 months
	Disbursement Periods
	Original Date of Final Disbursement: June 27, 2013
	Current Date of Final Disbursement: December 27, 2013
	Cumulative Extension (Months): 6 months
	Special Extensions (Months): 3 months
	Loan Amount(s)
	* Original Amount: US\$ 13,322,000
	* Current Amount: US\$ 13,322,000
	* Pari Passu (if applicable): 91%
Poverty Targeted Investment (PTI): Yes/No	Disbursements
Social Equity (SEQ): Yes/No	* Amount to date: 100 (%)
Environmental Classification: A, B, or C	Total Project Cost (Original Estimate): US\$ 14.682.000
	Redirectioning
	Has this Project?
	Received funds from another Project : NO
	Sent funds to another Project NO
	On Alert Status
	Is project currently designated "on alert" by PAIS: N/A
	If yes then why is the project on alert (DO , IP Ratings and/or relevant PAIS indicators):
	Comments on relevance of "on alert" status for this project (if applicable): N/A

Summary Performance Classifications				
DO	<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)
IP	<input checked="" type="checkbox"/> Highly Satisfactory (HS)	<input type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (US)	<input type="checkbox"/> Very Unsatisfactory (VU)
SU	<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)

II. The Project

a. Project Context

Sector Performance: During project design stage in 2008 tourism was already one of the main engines of growth in the Belizean economy and the principal source of foreign exchange. The sector generated US\$290 million in visitor expenditures in 2007, thus accounting for 71% of total services exports and corresponding to approximately 22.4% of total GDP (total tourism sector contribution, including indirect and induced

effects). In addition, over 25% of the employed labor force was estimated to be related to or driven by the sector. This is a significant contribution that places tourism at the forefront of the country's economy.

Belize had experienced steady growth in the tourism sector. The average growth per year of the sector from 1975 to 2007 had been 5.4%. The total annual number of tourists increased from 47,200 overnight visitors in 1975 to 251,000 in 2007. With the appropriate enabling environment, the World Travel and Tourism Council estimated that travel and tourism in Belize would grow by 4.7% per annum in real terms between 2009 and 2018.

Belize's tourism product is highly dependent on the country's natural and cultural heritage. In addition to many archaeological sites, Belize encompasses a network of both terrestrial and marine protected areas offering opportunities for diving, wildlife observation and bird-watching, hiking and other recreational activities. With convenient access to the world's second largest barrier reef and tropical forest reserves, Belize displays several competitive advantages in the sector relative to Central American and Caribbean countries. These include a largely English-speaking population and diverse culture, proximity to the United States and a relatively stable political situation.

Belize's tourism sector caters to two distinct market segments: (i) overnight or 'stay-over' visitors; and (ii) cruise ship passengers. A total of 251,000 overnight visitors were recorded in 2007, approximately 29% of all arrivals. The United States and Canada accounted for 60.6% and 6.6% of overnights in 2007 while Europeans represented 13.6% of the market share. Approximately 60% of all overnight visitors stayed in Belize District with the balance staying in South Stann Creek (i.e., Placencia) and Cayo Districts. The overnight segment was served by approximately 591 hotel and resort facilities offering a total of 6,075 rooms. Of this total number of hotels, only 51 had more than 20 rooms. Occupancy rates in 2007 were in the order of 43%. The highest occupancy rates occur from January to April while the lowest rates coincide with the peak of the hurricane season in September and October.

Cruise tourism has been the fastest growing segment of the Belize tourism industry. Cruise passenger arrivals grew from 14,183 in 1998 to 624,000 in 2007 or approximately 71% of all tourist arrivals. After a marked peak in growth in 2004, the cruise ship segment was showing signs of leveling off with a total of 278 ship calls in 2007, a 25% decline in calls relative to 2005.

There are important differences between cruise and overnight visitors that have to be taken into account in planning for the sector. Despite their relatively small numbers, overnight visitors contributed 88% of total direct tourist expenditures in 2007 compared to 12% by cruise ship visitors. In addition, the overnight segment has proven less volatile, rising steadily since the late 1990s, while the cruise segment has grown faster but has been more susceptible to external events such as natural disasters.

While the tourism sector's performance improved significantly in the decade prior to 2007, growth remained modest in international terms. Belize's market share of international tourist arrivals in the Caribbean region grew from 2.8% in 2001 to 4.2% in 2005. However, Belize's market share for tourism in Central America had declined from 4.5% in 2001 to 3.4% in 2007. Overnight visitors as a percentage of overall arrivals in Belize were among the lowest in the region and, as a consequence, tourism expenditures per capita in Belize were considered low, with significant room for growth in the overnight segment.

In addition, the tendency of visitors to converge to a few popular sites during the short high season had led to concerns about the capacity of existing destinations for accommodating demand without damaging the quality of the visitor experience and the associated natural and cultural resources. Coastal areas and the offshore Cayes were particularly vulnerable to problems such as coral reef degradation and beach erosion. In addition, congestion at sites visited by cruise ship passengers threatened the branding of the country as an environmentally sustainable destination.

During the project design stage in 2008 the Government confirmed the central position of the tourism sector in its economic development strategy and reiterated the core message of its 2005 Policy, promoting a product focusing on the natural and cultural heritage of the country, an equitable distribution of benefits through the promotion of the overnight segment and the delivery of a world class visitor experience. The Ministry of Tourism and Civil Aviation (MTCA) had proposed a new Tourism Development Strategy promoting the creation of tourism zones and fully incorporated the proposed Program. The Government also considered financing a Solid Waste Management Program (BL-L1006) to reduce environmental pollution and

enhance key tourism destinations along the Western Corridor such as Belize City, San Ignacio and islands such as San Pedro and Caye Caulker.

In this context and with the aim to address challenges related to (a) resource degradation affecting the visitor experience at popular overnight destinations; (b) insufficient product diversification and (c) weaknesses in institutional capacity and coordination, the Sustainable Tourism Program (BL1003) was approved in November 2008.

b. Project Description

i. Development Objective(s)

The Program's goal was to increase the contribution of tourism to national economic growth in a manner that was environmentally and socially responsible. Its purpose was to support the consolidation of the overnight tourism market in light of its potential to optimize the sector's contribution to the Belizean economy. Its objectives were to: (a) support the improvement, restoration and diversification of overnight destinations and their products; and (b) strengthen national and local capacity for sector policy, destination planning and management.

ii. Components

Component 1 focused on investments in overnight tourism destinations. This component financed studies, final designs and investments in civil works and equipment aimed at improving the quality of natural and cultural tourism products at consolidated destinations in line with Destination Management Plans (DMPs) developed during program preparation. Four key tourism destinations were selected, together accounting for three quarters of overnight tourism in Belize: (a) San Ignacio and surroundings (Cayo District); (b) Ambergris Caye; (c) Belize City and (d) Placencia peninsula (Stann Creek District). Each DMP encompassed a package of coordinated initiatives selected on the basis of an analysis of sector specific, social, economic and environmental factors, including vulnerability to natural disasters. Each DMP was also developed in close collaboration with key destination stakeholders.

Component 2 related to institutional strengthening and capacity building for policy, destination planning and management. The Program proposed to finance the following institutional strengthening activities: (a) the preparation of a National Tourism Master Plan for the entire sector that would provide for the zoning approach proposed by GOB and translate sustainability objectives into actions, an assessment of options for implementing the new Tourism Development Strategy and a Responsible Tourism Policy; (b) technical assistance on the economic aspects of tourism, with particular emphasis on the development of policy options for increasing fees and taxes, and the design of revenue sharing mechanisms administered by the government agencies responsible for the management of the tourism attractions and the national treasury; (c) establishment of a Tourism Satellite Account in collaboration with the Statistics Institute of Belize to monitor the total value of the sector to the national economy; (d) the development of an updated country branding strategy, including assistance in customer research and competitor analysis; and (e) training and development of tools for physical planning, environmental and visitor management. Capacity building activities included: (a) support to communities in promoting tourist access to the Maya and Garifuna cultures in the emerging destinations of Punta Gorda and Dangriga/Hopkins; (b) a matching grant facility for micro- and small businesses to help strengthen value chains for tourism and offset the costs of complying with existing industry standards, including sustainable tourism criteria.

c. Quality -At- Entry Review (if applicable)

Quality -At- Entry Review			
<input type="checkbox"/> Highly Satisfactory (HS) -1	<input type="checkbox"/> Fully Satisfactory (FS) -2	<input type="checkbox"/> Less than Satisfactory (LS) - 3	<input type="checkbox"/> Unsatisfactory (U) - 4

III. Results

a. Outcomes¹

ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO)				
Development Objective(s) (Purpose)	Key Outcome Indicators			
Increase in overnight tourists				
1. Bed nights in project locations	Key performance indicator 2008 (baseline)	Key performance indicator midterm (2011)	Estimated / Suggested Performance indicator (ex – post evaluation)	Latest data (Sept 2013) Final evaluation
Number of hotel beds– Belize City	1,647	1,468	Recovery of growth ACHIEVED	1,813
Number of hotel beds– Ambergris Caye	2,701	3,364	Increase Not achieved yet	3,228
Number of hotel beds– Cayo	1,766	1,908	Increase ACHIEVED	1,970
Number of hotel beds- Placencia	1,160	1,131	Increase ACHIEVED	1,210
Hotel room occupancy – Belize City	43.2%	39.6%	Recovery ACHIEVED	43.2% (2012)
Hotel room occupancy – Ambergris Caye	44.3%	43.7%	Recovery ACHIEVED	47.7% (2012)
Hotel room occupancy - Cayo	39.4%	38.2%	Recovery ACHIEVED	40.2% (2012)
Hotel room occupancy - Placencia	32.2%	38.5%	Increase Not achieved yet	33.0% (2012)
Average daily room rate (ADRR) – Belize city	US\$ 78.21	US\$ 79.93	Increase ACHIEVED	US \$85.76 (2012)

¹ The rating of achievement of the key outcome is based on the data availability as of September 2013 (date of the final evaluation report). Therefore, in the case of outcomes for which the estimated / suggested performance is classified as “not achieved yet” relates to the fact that the data for 2013 aren’t available yet (BTB Digest 2013 will only be published by June, 2014).

ADRR- Ambergris Caye	US\$ 169.24	US\$ 179.17	Increase ACHIEVED	US \$200.66 (2012)
ADRR - Cayo	US\$ 96.65	US\$ 99.13	Increase ACHIEVED	US \$117.39 (2012)
ADRR - Placencia	US\$ 150.53	US\$ 131.14	RECOVERY ACHIEVED	US \$137.16 (2012)
2. Visits to specific supported sites	Key performance indicator 2008 (baseline)	Key performance indicator (midterm evaluation 2011)	Estimated Performance (ex – post evaluation)	Latest data (Sept 2013) Final evaluation
Cahal Pech	14,103	16,706	Increase ACHIEVED	23,875 (2012)
Xunantunich	48,079	51,087	Increase ACHIEVED	73,932 (2012)
Actun Tunichil Muknal (ATM)	N/A objective is not to increase visitation			
Overnight visitors (hotels) Belize District ²	186,756	162,694	Reverse trend Not achieved yet	179,188
Overnight visitors (hotels) Ambergris Caye	302,499	475,197	Increase trend ACHIEVED	437,936
Overnight visitors (hotels) Cayo	226,415	244,951	Increase trend ACHIEVED	310,325
Overnight visitors (hotels) Placencia	132,762	162,110	Increase trend ACHIEVED	145,504

² Room capacity (number of rooms x365 days) x average room occupancy x assumed average number of people per room (1.2 Belize District, 1.6 elsewhere)

Development Objective:	Key outcome indicators: Indicator: National tourism statistics			
Contribution to national economic growth	Key performance indicator 2008 (baseline)	Key performance indicator (midterm evaluation 2011)	Estimated Performance (ex – post evaluation)	Latest data (Sept 2013) Final evaluation
Overnight tourists – overall	245,007	250,263	Increased growth trend ACHIEVED	277,135 (2012), 294,177 (2013)
Overnight tourist expenditure (US\$ million)	US\$185.9	US\$207.6 (2010)	Increased growth trend ACHIEVED	US\$319.6 (2012) US\$191.9 (Jan–Jun 2013)
Average daily expenditure – Belize District		US\$ 123.46	Increase above inflation ACHIEVED	US\$152.92 (2012)
Average daily expenditure – Ambergris Caye		US\$ 135.63	Increase above inflation ACHIEVED	US\$162.30 (2012)
Average daily expenditure – San Ignacio		US\$ 107.87	Increase above inflation ACHIEVED	US\$136.41 (2012)
Average daily expenditure – Placencia		US\$ 117.21	Increase above inflation ACHIEVED	US\$138.21 (2012)
Numbers employed in overnight accommodation (hotels) – Belize City		1,199	Increase ACHIEVED	2,007 (2012)
Numbers employed in overnight accommodation (hotels) – Ambergris	1,887	1,438	Increase ACHIEVED	2,049 (2012)
Numbers employed in overnight accommodation (hotels) – Cayo	1,375	1,174	Increase trend ACHIEVED	1,334 (2012)
Numbers employed in overnight accommodation (hotels) - Placencia	434	445	Increase ACHIEVED	509 (2012)
Number of registered tour guides – Belize City	299	315	Increase ACHIEVED	362 (2012)
Number of registered tour guides –	141	188	Increase	252 (2012)

Ambergris Caye			ACHIEVED	
Number of registered tour guides – Cayo	197	215	Increase ACHIEVED	288 (2012)
Number of registered tour guides – Placencia	75	67	Increase ACHIEVED	69 (2012)

Reformulation. N/A

PPMR Retrofitting. Indicate if and when the PPMR was retrofitted and explain any changes resulting from this exercise.

In 2010 the results matrix / PPMR was retrofitted (mutual agreement between the Bank and the executing agency) to make the indicators more SMART and related (more objectively) verifiable indicators. The identified indicators were adapted with the midterm evaluation and reviewed during the final evaluation.

Summary Development Objective(s) Classification (DO):

[] Highly Probable (HP)

[**P**] Probable (P)

[] Low Probability (LP)

[] Improbable (I)

Briefly justify DO classification, based on degree to which planned targets were met, explaining the differences between planned and achieved outcomes as well as any other relevant factors. Include references to evidence that can support these results.

The final evaluation indicates *"that the program has significantly assisted in the improvement and restoration of overnight destinations, and in helping to consolidate their tourism product offer. It has worked well to strengthen national capacity for sector policy, destination planning and management. Early results in Cayo (Welcome Center) indicate a good impact on overnight tourism: At other destinations it is too early to judge impact on visitor overnights but it is likely to be positive"*.

- The existing products in Ambergris Caye, Belize City, Cayo and Placencia has been protected and strengthened through a better environment;
- Townscape and landscape features in these four tourism areas are being improved. The overall planning context has also been strengthened through the NSTMP.
- The vision and direction of the tourism industry has been examined, consolidated and road-mapped through the NSTMP.
- Management and interpretation of heritage sites has been improved and training in cultural heritage management provided.
- Traffic circulation and pedestrian linkages have been improved, and will be improved in future through better planning.
- The renewal of existing urban buildings has been improved, and will be improved through the NSTMP.
- The overall visitor experience is being improved through better interpretation and raising quality standards.
- Dialogue and consultation between residents and tourism interests has been facilitated.
- Economic, social and community benefits are evident, providing a stimulus to local people's employment, entrepreneurial activities and investment opportunities.
- Capacities and systems within BTB have been improved and project management skills have been strengthened.
- Revenue streams have been created for local authorities and strengthened for BTB and Government.
- Training and development support for some micro-enterprises has been provided and the legalisation of informal small traders facilitated.

Country Strategy. Given the results described above, briefly discuss how the project contributed to the Bank's strategy in the country.

The STP program contributed significantly to the IDB Strategic Objective of the Country Strategy (2008 – 2012) to strengthen capacity for sector planning and reduced infrastructure bottlenecks. In this context the Bank agreed with the Government of Belize in 2008 to partner in the tourism sector toward the following development objectives: (i) restoring economic growth and job creation by promoting an enabling environment for the private sector; and (ii) recognizing the dependence of Belize on natural resources for economic development environmental management as government priority.

Taking into account the general tourism recovery and growth in Belize in 2013, not all above indicated achieved results, such as i) increased number of hotel beds and hotel room occupancy ii) increased overnight tourist expenditure, iii) increased employment (including increased # registered tour guides) can be attributed to the STP program. Nevertheless it is very likely that the project interventions undertaken in the 4 destinations will support this positive trend towards economic growth and job creation. In the case of Cayo, with the conclusion of the Welcome Center, a positive additional tourism development / private investment has been observed in the municipality San Ignacio / Santa Elena and in the region, which – very likely – has been stimulated through this investment.

Furthermore, based on the positive development results achieved through the STP, the Government of Belize confirmed to the Bank its interest to continue the successful partnership in the tourism sector during the Country Strategy (2013 – 2017).

b. Externalities

In Belize City the experience of cruise passengers will probably be improved, although this was not a stated project objective.

Extensive consultations and local stakeholder participation during elaboration of the development proposals helped to increase public awareness about tourism development. It could be observed an increasing empowerment of local communities, which can be considered as a key part of responsible tourism, which calls for critical tourists and critical locals, aware of the “disbenefits” as well as the benefits which tourism might bring. In addition, civic pride in Cayo and Placencia has been boosted.

The tourism taxation study made an authoritative and important contribution to the national debate on tax and trade policy reform.

c. Outputs

IMPLEMENTATION PROGRESS (IP)	
Components (Outputs):	
1. Component I: Investments in overnight tourism destinations Total cost of Component I: US\$ 11,733,381 Counterpart: US\$ 478,318 IDB: US\$ 11,255,063 IDB Disbursement: 96 % <u>Classification:</u> HS, S, U, VU	
Key Output Indicators:	
<u>Planned Outputs</u> 1.1 Visitors' welcome facilities in Placencia improved 1.2 Visitors' welcome facilities in Cayo District improved 1.3 Visitor facilities in archaeological sites of Xunantunich, ATM and Cahal Pech improved 1.4 Visitors' welcome facilities in San Pedro town improved (Sunset Boardwalk and Water Taxi Terminal) 1.5 Visitors' welcome facilities in the Bacalar Chico National Park / Marine Reserve improved 1.6 Visitors' welcome facilities in Belize City improved (Fort Point Pedestrian Walk)	<u>Outputs Achieved</u> 1.1 achieved (inaugurated September, 2013) 1.2 achieved (inaugurated March, 2012) 1.3 achieved (different sites inaugurated between August 2012 and February, 2014) 1.4 achieved (inaugurated February, 2014) 1.5 achieved (inaugurated February, 2014) 1.6 achieved (inaugurated August, 2013)

Implementation rating of Outputs "Component I" (s. final evaluation report):

	<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
1.1 Placencia	X				
2.2 Cayo Welcome Center	X				
2.3 Archeological Sites		X			
2.4 San Pedro		X			
2.5 Bacalar Chico		X			
2.6 Belize City		X			

Briefly explain differences between planned and actual outputs (if applicable). [] N/A

Restructuring. Indicate if this component was restructured (date of approval by Manager). Briefly discuss the consequences of these changes.

N/A

2. Component II: Institutional strengthening and capacity building for policy, destination planning and management

Total cost of Component II: US\$ 1,258,801

Counterpart: US\$ 78,954

IDB: US\$ 1,179,847

IDB Disbursement: 94%

Classification: HS, S, U, VU

Key Output Indicators:

<u>Planned Outputs</u>	<u>Outputs Achieved</u>
2.1 National Tourism Master Plan completed (NSTMP)	2.1 Plan completed (September, 2011) and endorsed by GOB in October, 2012
2.2 Destination Branding Strategy completed	2.2 Strategy completed (November, 2011)
2.3 Tourism Sector Taxation Review Study completed	2.3 Study completed in 2012, but not endorsed yet
2.4 Tourism Database Management System designed and installed	2.4 Data Management System completed in 2012
2.5 Hotel Standards Framework and Hotel Classification System designed and endorsed by Ministry of Tourism and BTB	2.5 Hotel Classification System designed and tested in 2013, but not endorsed yet
2.6 Micro and small business co-financed with match grant (at least 3 small businesses co-financed)	2.6 21 micro and small business co-financed and operating in September 2013
2.7 Land Use Development Plan for Ambergris Caye (San Pedro)	2.7 Land Use Development Plan for Ambergris Caye elaborated and endorsed by municipality in September 2013

Implementation rating of Outputs "Component II" (s. final evaluation report):

<i>Outputs</i>	<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
2.1 NSTMP	X				
2.2 Branding		X			
2.3 Taxation study			X (not endorsed yet)		
2.4 Tourism database		X			
2.5 Hotel standards			X (not endorsed yet)		
2.6 Small grants	X				
2.7 Land Use development Plan Ambergris Caye	X				

Briefly explain differences between planned and actual outputs (if applicable). The classification "neutral" of the outputs 2.3 and 2.5 of component II relates to the sustainability / adoption of the study recommendations. Although the studies have been delivered in a satisfactory manner, the current classification "neutral" takes in consideration the pending endorsement by GOG. Nevertheless, it is highly probable that the tourism sector taxation study findings and the Hotel Standards Framework and Hotel Classification System will be endorsed and adopted once the respective consultations are concluded.

Restructuring. Indicate if this component was restructured (date of approval by Manager). Briefly discuss the consequences of these changes. N/A

Summary Implementation Progress Classification:

☐ Highly Satisfactory (HS) ☒ **Satisfactory (S)** ☐ Unsatisfactory(U) ☐ Very Unsatisfactory (VU)

d. Project Costs

Total Project Cost – Planned (US\$) and Actual (US\$)					
Category	Description	Planned (IDB)	Planned (local)	Total	%
1	Administration and Supervision	735,000	298,000	1,033,000	7
2.01	Component I	10,317,000	800,000	11,117,000	76
2.02	Component II	2,141,000	262,000	2,403,000	16
3	Audit / Evaluation	129,000	-	129,000	1
	Total	13,322,000	1,360,000	14,682,000	100

Category	Description	Actual (IDB)	Actual (local)	Total	%	Diff (%)
1	Administration and Supervision	762,813	802,728	1,565,541	11	+4
2.01	Component I	11,255,063	478,318	11,733,381	80	+4
2.02	Component II	1,179,847	78,954	1,258,801	9	-8
3	Audit / Evaluation	124,277	-	124,277	1	0
	Total	13,322,000	1,360,000	14,682,000	100	

Briefly explain any differences:

1.00 Administration and Supervision: The increase counterpart contribution is due to increased salaries, granted by the MOTCC during project execution. In addition, the five months extension of the original execution period has generated more administration and supervision costs.

2.02 Component II: The final costs of the NSTMP and other studies were significantly lower than initial planned and were reinvested administration and supervision as well as in component I.

It is very likely that the total project costs are significantly higher as the planned total project costs (between 25 to 50% higher as actually reported counterpart). This is namely due to the fact that co-agencies such as BTB and NICH supported the project with important in-kind contributions that have not been presented and "monetarized" and therefore are not reflected in the financial statements.

IV. Project Implementation

a. Analysis of Critical Factors

Major risks during project implementation were the difficulty of acquiring land, obtaining consensus on development proposals, extended consultations processes, elaboration of feasibility studies and staff rotation in the STP team. These factors caused initial project delays but the process was well managed eventually and much of the lost time was made up by more accelerated implementation in the final years of the project.

b. Borrower/Executing Agency Performance (s. Borrower Evaluation)

Borrower/Executing Agency			
<input checked="" type="checkbox"/> [HS] Highly Satisfactory (HS)	<input type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (U)	<input type="checkbox"/> Very Unsatisfactory (VU)

c. Bank Performance (s. Borrower Evaluation)

Bank Performance			
<input checked="" type="checkbox"/> [HS] Highly Satisfactory (HS)	<input type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (U)	<input type="checkbox"/> Very Unsatisfactory (VU)

V. Sustainability

The final evaluation report states: *"The program is found to have been efficiently executed and generally effective, and is likely to be sustainable. The program partners have, with some minor delays, worked well together and can be proud of a well-executed program. The small team at*

the PCU has been efficient in managing contracts and consultancies, and has generally delivered very useful work to further sustainable tourism development in Belize.”

Nine (9) out of eleven (11) outputs achieved through the Sustainable Tourism Program (STP) have been rated as “clearly sustainable” or “probably sustainable”.³ . Nevertheless, it is highly probable that the tourism sector taxation study findings and the Hotel Standards Framework and Hotel Classification System will be endorsed and adopted once the respective consultations are concluded. The final evaluation report also suggests “*continuing empowerment and strengthening of the delegated management authorities, including shared responsibility with the private sector*”.

Component I – Sustainability rating (s. final evaluation report)

	Clearly sustainable	Probably sustainable	Neutral	Some concerns regarding sustainability	Not sustainable
San Pedro		X			
Bacalar Chico		X			
Belize City			X ⁴		
Cayo Center	X				
Placencia		X			
Overall		X			

Component II – Sustainability rating (s. final evaluation report)

	Clearly sustainable	Probably sustainable	Neutral	Some concerns regarding sustainability	Not sustainable
NSTMP		X			
Branding	X				
Taxation study				X ⁵	
Tourism database	X				
Hotel standards	X				
Small grants		X			
Overall	X				

a. Analysis of Critical Factors

Critical factors affecting sustainability are

- The ability of funded projects to raise sufficient income
- The extent of shared responsibility in destination planning and management between national and local government and effective enforcement of the municipalities.

b. Potential Risks

Notwithstanding the contractual maintenance clause handover and management agreements (infrastructure investments) are not fully respected, in order to ensure proper operational and

³ Final Evaluation Report (2013)

⁴ Hand over and Management agreements are not finalized yet.

⁵ Endorsement and implementation of recommendations are still outstanding.

financial management of the transferred infrastructures due to the lack of organizational and financial capacity of the respective village councils.

Other potential risks are related to climate change, such as sea level rise and related increase of natural disasters (e.g. flooding). Sea level rise is of major concern for coastal communities. These physical changes will affect the tourism industry through increased infrastructure damage, additional emergency preparedness requirements, higher operating expenses (e.g. insurance, backup water and power systems, and evacuations), and business interruptions. In addition, impacts of climate change and adaption options of ecosystems affect tourism products such as the barrier reef.

Finally, the perception of potential tourists and industry participants (such as travel agents) that Belize is a safe and secure environment for tourism is almost a precondition for a sustainable growth of the tourism industry. Safety and security is clearly linked to inbound tourism well-being just to “stay in the game”. While safety and security were not issues in the first two decades of the tourism industry’s growth and development in Belize, rising crime rates mean that crime and insecurity can become in future a challenge for the tourism industry.

c. Institutional Capacity

During project implementation the STP team was guided and supported by a “Project Steering Committee” (PSC), composed by the main stakeholders of the tourism sector (public and private sector). This positive experience of the PSC will guide the definition of the mandate of the Tourism Ministerial Council to be implemented, as suggested by the NSTMP (This activity will be supported by BL-T1054 recently approved).

Sustainability Classification SU:

<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> P Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)
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VI. Monitoring and Evaluation

a. Information on Results

More resources should be allocated for M&E during project design.

b. Future Monitoring and Ex-Post Evaluation

It is recommended that future projects should develop a Project Monitoring Manual at the start of operations and put in place monitoring officers with responsibility to gather pre-defined data (see also lessons learned).

An ex-post evaluation is recommended. This ex-post evaluation should not only include the infrastructure component I (such as the recently completed project sites San Pedro y Bacalar Chico), but also review program outcomes / impacts of component II “Institutional Strengthening” as it relates to the “matching grant facility and other outcome indicators.

VII. Lessons Learned

(i) Preliminary design phase

- The program is seen as a good model of public consultation. The extent to which local peoples' wishes were taken on board as project design evolved is a positive lesson for the future.
- A clear Monitoring and Evaluation Procedures Manual needs to be developed at the start of a program, specific to its desired outputs and outcomes.
- It would be useful in design to require architects to benchmark projects against international best practice in sustainable tourism (and in particular international best practices on mitigating of environmental impacts, climate change resilience) as well as include green technology, award winning urban design and low carbon solutions.
- The financial commitment of partners to carry projects forward as sustainable initiatives needs to be assessed prior to offers, and to be built into formal partnership agreements.
- It is critical during the design stage to obtain full information from GOG in advance on current land ownership for sites proposed for public tourism facilities. In the case where land is not yet in public domain, a more in-depth investigation (and concrete plans how to acquire the necessary land) has to be undertaken prior project approval in order to avoid delays in execution.

(ii) Implementation phase

a. Procurement

- Ensure procurement limits the project's responsibilities for changes and cost overruns: partnership agreements should share risks when extras arise.

b. Financial management

- Ensure partnership agreements regarding hand-over are worked out in detail in advance, specifying how individual projects would be managed according to the complexities of the investments and the differing capacities of the municipalities.
- Partnership agreements should include commitments from utility companies to upgrade facilities, such as BWS and BTL.

c. Stakeholder coordination

- Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. More time should be allowed for stakeholder coordination: It has proved very valuable in this program. During project implementation the STP team was guided and supported by a "Project Steering Committee" (PSC), which ensured participation of the main key stakeholders of the tourism sector (public and private sector).
- The matching grant facility increased social inclusion in the tourism value chain. Regional prioritization of tourism development reached poorer ethnic groups, such as Maya and Garifuna in the Toledo and Stann Creek Districts. New income opportunities and employment, closely link to the country's cultural heritage, has been created for the ethnic groups. New enterprises headed by both men (e.g. drumming) and women (e.g. hand craft) proved important in project process.

d. Supervision and management

- Ensure that a structured and appropriately staffed monitoring and evaluation (M&E) function is in place throughout program implementation.
- Greater time needs to be allowed for archaeological interpretations (archaeological visitor centres) at project sites in a country as archaeologically rich as Belize.
- Difficulties may arise in terms of continuity and institutional memory when changes take place in local government due to elections. This emphasises the need for more robust, detailed and legally binding partnership agreements with local authorities, together with on-going working groups involving non-elected local authority executives (such as civil society and NGO's).
- The appointment of facilitators at an early stage (e.g. six to eight months prior to completion) to assist the future management organisations of funded projects has proved very helpful. Future projects should provide for these either through direct funding, or as part of partners'/local authorities' guaranteed contributions in future project agreements.

(iii) Handover phase

- Put significant effort and resources into establishing and strengthening management of facilities being constructed, in addition to managing construction contracts.
- Establish a communications budget and strategy to promote program objectives and communicate results.
- Well planned and well-funded events programmes are vital for enhancing the economic and tourism potential of public space, such as the urban enhancement projects supported by STP. Events programmes are also important for maximising the economic and social potential of visitor attractions.

RECOMMENDATIONS FOR FUTURE PROJECT DESIGN

i) Strategic recommendations

- Under transportation there is also an obvious need to comprehensively signpost both towns and tourist attractions in accordance with international standards as recommended in the Master Plan.
- There should be continued strong emphasis to the interpretation and conservation of both natural and cultural heritage (for example projects that maintain or re-establish natural features that are important for ensuring the flow of tourists, for example coral reefs, or through the development of a flagship National Museum).
- M&E needs to be planned for at the commencement of programs based on the specific details of the interventions being planned.
- A continuation of support to improve hotel standards through certification, benchmarking and training will help to improve Belize's competitiveness and hence to attract more overnight visitors.

- Greater emphasis needs to be given in follow-on support programs to funding 'soft' elements in addition to physical development. For example the need to develop new curricula and tourism training facilities is urgent and should be prioritized as outlined in the NSTMP. There is also a need for BTB to undertake a strategic review to make tourism enterprise development and training more effective. Gender issues should be considered (as support for female entrepreneurs has proved being productive under STP).
- Investment in continuing to enhance the governance and institutional capacity of the industry (MOTC, BTB, etc.) should be considered.
- There is scope to expand the kinds of cultural tourism training and matching grants piloted in this project, possibly through establishing a revolving fund.
- A revolving fund might also support innovation and new product area development, for example with growing residential tourism. Making tourism growth sustainable will require a reduction of risk by expanding the number of markets on which Belize relies. A future program might support new market development.
- There is a significant opportunity to increase support for both private sector and state investments in renewable energies for tourism, energy efficiency, recycling, clean energy technologies, carbon finance, biodiversity and conservation. This should include both training and support for clustered physical development.
- While partnerships PPPs can play a larger role in funding tourism infrastructure development, an appropriate framework has to be elaborated.
- Developing a network of high standard branded tourist information centres should be considered (perhaps adapting the Cayo Welcome Center as a flagship under BTB) and upgrading Belize Tourism Industry Association (BTIA) and other operations to meet these standards.
- In some cases there is an opportunity to increase social inclusion through regional prioritisation of tourism development, focusing on developing products which can engage poorer segments of the population (crafts, chocolate, coffee, voluntourism, etc.). There is also an opportunity to work more with private sector ground handlers to target these segments.

ii) Operational recommendations

- There is a significant need for post project follow up by MOCT & BTB to ensure the sustainability of both large and small scale projects supported by STP.
- Sub-regional plans developed under STP need to be embedded in local authorities and agencies. These will require follow up.
- As recommended in the Midterm Evaluation, it is clear that an ex-post evaluation will be needed to better estimate impacts from projects recently completed (such as San Pedro and Bacalar Chico).

- Cost recovery opportunities need to be identified to fund depreciation and replacement: An example is the chain ferry which is presently a free service for ticket holders to the IA site.

Summary of Final Evaluation Report

The final evaluation indicates that the program has effectively assisted in the improvement and restoration of overnight destinations, helping to consolidate their tourism product offer. It has less focused on diversification but it has worked well to strengthen national capacity for sector policy, destination planning and management primarily with Belize Tourism Board (BTB) itself.

The project has focused attention on the delivery of significant physical improvements and redevelopments in Ambergris Caye, Belize City, Cayo, and Placencia: all important tourist accommodation hubs. A significant output has been the National Sustainable Tourism Master Plan (NSTMP) and destination sub-plans: These are planning-driven and (if adopted and implemented by GOB) will make a major contribution to ensuring the future sustainable development of Belize tourism.

Other important studies have been produced, including one on taxation and one on hotel classification and standards: As with the NSTMP, if their recommendations are adopted they will facilitate a big step forward. Strengthening of the Belize Tourism Board (BTB) has been facilitated significantly through strengthening Information Management. Trainings for cultural tourism have been given to small enterprises, backed up by small grants for 21 interesting cultural tourism projects. While this support was small scale it is important to highlight that it was targeting minority communities (Garifuna, Maya) and helps to preserve the unique cultural richness of the country's product offer.

The program is found to have been very efficiently and effectively executed, and is likely to be sustainable. The program partners have, with some minor delays, worked well together and can be proud of a well-executed program. The small team at the PCU has been efficient in managing contracts and consultancies, and has delivered very important outputs to further sustainable tourism development in Belize.



Inter-American Development Bank
Project Completion Report –2006 PCR
Borrower Evaluation

Project Name: Sustainable Tourism Program (BL-L1003)	
Executing Agency(ies): Ministry of Tourism and Civil Aviation (MTCA) and Belize Tourism Board (BTB)	
Borrower: Government of Belize	
Date of Project Approval: November 25th, 2008	Date of Contract Effectiveness: April 27th, 2009
Date of Borrower Evaluation: December 27 th , 2013	Date of Exit Workshop: December 10 th , 2013

Borrower Project Performance Ratings

Probability on Achieving its Development Objective(s):

☐ Highly Probable (HP) ☒ **Probable (P)** ☐ Low Probability (LP) ☐ Improbable (I)

Project Implementation:

☒ **Highly Satisfactory (HS)** ☐ Satisfactory (S) ☐ Unsatisfactory (US) ☐ Very Unsatisfactory (VU)

Sustainability of Project Results:

☐ Highly Probable (HP) ☒ **Probable(P)** ☐ Low Probability (LP) ☐ Improbable (I)

Comments:

Development Objective (DO): The Sustainable Tourism Program's goal was to increase the contribution of tourism to national economic growth in a manner that is environmentally and socially responsible. Its purpose was to support the consolidation of overnight tourism in the light of its potential to optimize the sector's contribution to the Belizean economy. Its objectives are as follows:

- to support the improvement, restoration and diversification of overnight destinations and their products; and
- to strengthen national capacity for sector policy, destination planning and management.

The final evaluation indicates *"that the program has significantly assisted in the improvement and restoration of overnight destinations, and in helping to consolidate their tourism product offer. It has worked well to strengthen national capacity for sector policy, destination planning and management. Early results in Cayo (Welcome Center) indicate a good impact on overnight tourism: At other destinations it is too early to judge impact on visitor overnights but it is likely to be positive"*.

Project Implementation (IP): The final evaluation report indicates *"The program is found to have been efficiently executed and effective. Program outputs have been delivered demonstrating related economic, social and community benefits within the project timescale and within the overall budget. Positive outcomes are evident, although overall outcomes will take time to become more apparent."*

Project Sustainability (SU): Nine (9) out of eleven (11) outputs achieved through the Sustainable Tourism Program (STP) have been rated in the final evaluation as "clearly sustainable" or "probably sustainable". The report also states – related to the infrastructure projects, financed through component I - that *"the borrower has the capacity to step in to ensure sustainability, however it is suggested to continue empowerment and strengthening of the delegated management authorities, including shared responsibility with the private sector"*.

Borrower Performance During Project Preparation

Please rate your own performance during Project Preparation:

☒ **Highly Satisfactory (HS)** ☐ Satisfactory(S) ☐ Unsatisfactory (US) ☐ Very Unsatisfactory (VU)

Comments:

The Ministry of Tourism, Culture and Civil Aviation (former MTCA) and the BTB as well as other key public agencies (such as NICH and MFED) participated actively in the project design, since the initial design stage in 2006. The conceptualization of the project (design stage) has been evaluated as a highly participatory process at national and local level (participating communities), which was fully supported and facilitated through the Ministry. The Ministry submitted all relevant information and data as requested by the Bank team in a timely manner and participated actively in the review of the project documentation (such as result matrix and final project document) prior submission for Bank approval.

Please rate your own performance during Project Execution:

☒ **Highly Satisfactory (HS)** ☐ Satisfactory(S) ☐ Unsatisfactory (US) ☐ Very Unsatisfactory (VU)

Comments:

It is recognized that the Ministry of Tourism, Culture and Civil Aviation (former MTCA) and the Belize Tourism Board (BTB) as co-executing agency, as well as all other partner agencies involved in the project implementation provided an invaluable support to the project execution unit (STP team) which allowed a successful implementation of the Sustainable Tourism Program (STP). The STP Program was executed within the 4 year loan agreement with only 6 months extension and it had a dedicated team to carry out its execution.

The STP is acknowledged as one of the best examples of project execution seen by the Government of Belize and as a good example of collaboration between the public and private sectors with the latter's involvement being key to ensuring a greater contribution of tourism to Belize's GDP. Because of all the variables and factors involved during project execution, adaptability and learning can be seen as key success factors.

The final evaluation report, carried out by an independent consultant in October 2013, states: *"The program is found to have been efficiently and effectively executed. The Ministry (former MTCA) is very closely involved in the project following some changes in senior staff. The Ministry is clearly offering a guiding hand to the program and helpful to it in addition to providing support with legislative and policy issues. BTB has been closely involved in project direction...and a liaison officer was appointed to the program. The Program partners have, with some minor delays, worked well together and can be proud of a well-executed program."*

Bank Performance During Project Preparation

Please rate the Bank's performance during project preparation. Factors to be considered include the extent to which the Bank facilitated a participatory project design, proposed adequate technical solutions to the problems identified, and responded to the needs of the Borrower (timeliness, selection of instrument type).

☒ **Highly Satisfactory (HS)** ☐ Satisfactory(S) ☐ Unsatisfactory (US) ☐ Very Unsatisfactory (VU)

Comments:

The conceptualization of the project (design stage) can be seen as a highly participatory process, which started already in 2006, but delivered eventually a solid plan. In general, the program can be seen as a good model of public consultation and the extent to which governmental concepts and "wishes" were taken on board as project design evolved. Additional time allowed for stakeholder coordination has proved very valuable.

Some recommendations for future project design, identified during exit workshop and final evaluation could be the following:

- Pre-feasibility studies should benefit from greater clarification regarding land ownership issues. Risks not sufficiently identified during project preparation were the difficulty of acquiring land and obtaining consensus on development proposals. These factors caused initial project delay, although this process was well managed eventually.
- Project design should take into account greater private sector engagement. There is an opportunity to explore more formalised public-private partnership (PPP) approaches to future development
- Draw-down of IDB funding should be phased realistically over the life of a project (realistic disbursement projections).

Bank Performance During Project Supervision

Please rate the Bank's overall performance during project supervision. Factors to be considered include technical assistance (including informal and formal training) to Executing Agency, timeliness of Bank response and the Bank's flexibility to respond to emergency situations during project implementation.

☒ **Highly Satisfactory (HS)** ☐ Satisfactory(S) ☐ Unsatisfactory (US) ☐ Very Unsatisfactory (VU)

Comments:

Although during the project implementation stage the Sustainable Tourism Program was supervised by three (3) different team leaders, the technical assistance provided by the Bank team can be considered as continued and adequate. Formal Bank response was received in a very timely manner. Additionally, the Bank's office in Belize offered periodically procurement, financial and project management training courses, which allowed the STP team to administrate and to invest Bank and Counterpart resources in a very responsible manner, while fully respecting the established Bank policy guidelines. The Bank also demonstrated sufficient and adequate flexibility in order resolve implementation issues.

The final evaluation report states: *"The effectiveness of the internal and the Bank's monitoring and supervision system is evident in this program. There has been close supervision despite changes in staff at the Bank. Regular monitoring reports are being logged and there is regular follow up. The drafting of the loan contract was broad enough to allow for flexibility in the design. IDB was accommodating of project design change throughout execution based on changing contexts and realities."*

Additional Suggestions for Improving Bank Performance

Additional comments/suggestions for improving Bank performance in the future.

Belize
Sustainable Tourism Program (STP)
(2060/OC-BL)

Minutes of Exit Workshop
Caracol Conference Room of the Radisson Fort George Hotel, Belize City
December 10, 2013

I. Agenda

See attached Agenda - Annex 1

Participants: See attached Registration Form - Annex 2

II. Opening session and Welcome Remarks

The STP Exit Workshop was convened at 9:15 a.m. Introductions were made by each of the participants, briefly indicating their expectations of the workshop. These expectations primarily included discussions on next steps and the future of tourism development. On next steps, the comment was made that there is the critical need for all stakeholders to be organized and united going forward. Generally, the project's success, challenges, opportunities and sustainability considerations were highlighted as topics for discussion at the exit workshop.

The Project Team Leader provided a brief overview of what the objectives of an Exit Workshop were and indicated that active participation and dialogue would be essential in order to capture the lessons learned in regard to project design and project implementation process.

The CEO of the Ministry of Tourism & Culture, Mrs. Tracy Taegar-Panton, gave a brief welcome to the participants and expressed the Ministry's appreciation for the invaluable support provided by all partner agencies to the Project Execution Unit and co-executing agencies in successfully implementing the project. The CEO continued by providing a brief background on the conceptualization of the project in 2006 and of the 3 year process undertaken to design a solid plan. The STP was acknowledged as one of the best examples of project execution seen by the Government of Belize and as a good example of collaboration between the public and private sectors with the latter's involvement being key to ensuring a greater contribution of tourism to Belize's GDP. Because of all the variables and factors involved, adaptability and learning was highlighted as being key success factors.

The CEO of the MTC noted that the STP has been also highly recognized by Bank Representatives and is seen as a success story around the region. She then invited all the participants to actively participate in the discussions and asked that they offer comments or suggestions to be considered for future projects. It was highlighted that the project's success is a solid example of inter-ministerial collaboration and interaction and that the BTB is integral to meaningful growth in the industry. There is the need to see continuity and a greater contribution by tourism to sustainable human development in order to continue the objectives of this project.

III. IDB Representative's Remarks

Protocol having been established, the Acting Country Representative/Fiduciary Financial Management Senior Specialist, Mrs. Paula Louis-Grant, welcomed all participants to the Exit Workshop. She expressed her satisfaction to see the loan fully disbursed within the given timeline, and gave recognition to the co-executing agencies, partner agencies and all stakeholders for their active roles during execution of the project. She also congratulated the STP team for a job well done, specifically acknowledging the Project Director for her leadership and skillful project management.

The Acting Representative stated that the main objectives of the session is to capture the lessons learned, recognize the challenges and identify solutions for pending actions. She further stated that there needs to be an agreed-upon action plan to move forward after the project completion.

She also stressed the importance to the IDB of an Exit Workshop and also inferred that the workshop should not necessarily be seen as finality but rather, an opportunity for continuity and sustainability. Reaching consensus on actions needed to achieve long term objectives was highlighted as critical and all participants were encouraged to engage in the discussions.

IV. Presentations

➤ Pending Closing Activities

Teresa Wright, Tourism and Environmental Project Specialist for STP provided a brief overview of the status of remaining activities:

San Pedro site is 90% complete with finishing details to be completed before the end of the year. Bacalar finishes are underway. Apart from these construction activities, the following items are pending:

- Finalize all outstanding payments
- Final justification of revolving fund
- Final financial Audit
- Handover of investment process. Pending for San Pedro and Bacalar

It was noted that most of the financial resources went into the four infrastructural projects and archaeological heritage sites. Need to have a discussion on how the smaller projects such as the Cultural Matching Grant can be further supported. The suggestion was made that BTB's Destination Planning Unit could together with NICH to include new entrepreneurs and small businesses into on-going activities that create meaningful and significant positive impact with small amounts of grant funding.

Concerns were raised on the upkeep of the aesthetics at the Memorial Park. It was noted that some of the bollards were destroyed and one of the walls had been defaced. The Belize City site remains a concern as co-management arrangements is presently uncertain. What role BTB will play, if any, remains to be negotiated with the Belize City Council.

A lesson learned across the Project is that it is easier to implement infrastructure projects rather than soft components projects. It was also noted that the cost of public lighting is costly to the government

and as such some requests for additional support made by the STP project has been denied. This applied to all project and municipalities make such request. On the STP project in general, it was noted that the investments entailed a large public lighting component for all locations. This is important to underline since the approval from national government for the installation and addition of public lighting is critical as it is the government that pays the electricity bill for this.

Engagement process between government/municipalities and agencies/project needs to happen earlier. The transition of investment to the various municipalities was never considered in great details. Partners and relevant stakeholders need to be engaged at start of project so ownership can be taken. This will foster better communication and understanding of the management responsibilities.

Additionally, regarding the studies done within the STP such as: the taxation study, hotel classification activities, branding and the Tourism Destination Management System, it is important to prepare and coordinate next steps and an action plan for moving forward on these studies.

➤ Final Evaluation Report

The Project Director gave a brief overview based on the summary of the final evaluation prepared and completed by the consultant Mr. Robert Travers. The outputs and benefits of the project were listed and the weaknesses and challenges involving sustainability and management were highlighted. The critical point of the municipalities needing to be prepared for their respective monetary obligations was also pointed out. It is recognized, however, that there are opportunities for revenue generation that municipalities need to recognize and maximize.

➤ Presentation of the Project Completion Report (PCR)

The Project Team Leader delivered a presentation on the Project Completion Report (PCR) and why the input of all stakeholders is needed. It was noted that lessons learned can be positive and negative. Externalities can also be positive and negative. It was noted that the PCR is a very critical component at project closure. Overall performance parameters, related to development objectives (DO), project implementation process (IP) and sustainability (SU) were discussed, with the following conclusions:

Summary Performance Classifications				
DO	<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)
IP	<input checked="" type="checkbox"/> Highly Satisfactory (HS)	<input type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (US)	<input type="checkbox"/> Very Unsatisfactory (VU)
SU	<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)

Borrower/Executing Agency			
<input checked="" type="checkbox"/> Highly Satisfactory (HS)	<input type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (U)	<input type="checkbox"/> Very Unsatisfactory (VU)
Bank Performance			
<input checked="" type="checkbox"/> Highly Satisfactory (HS)	<input type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (U)	<input type="checkbox"/> Very Unsatisfactory (VU)

➤ **The Cayo Welcome Center Experience**

A presentation was made by San Ignacio/Santa Elena Mayor John August on the Cayo Welcome Center experience. Generally, it was felt that the STP has had a transformative effect on the community and has significantly improved the experience of visitors to the Cayo District. Other effects of the project include:

- Tourism product diversification
- Engagement of new stakeholders – House of Culture, NICH and the private sector.
- Constant innovation – e.g. the introduction of free Wi-Fi, and new types of services and events.
- Development of the San Ignacio Market to compliment the Welcome Center
- Employ knowledgeable and passionate persons to work
- 12 full-time workers and business for a total 30 gainful employment
- Alternative means to generate income – weekly entertainment, parking lot fees, restroom, etc.
- Cooperate sponsorship of events
- Maintenance and security in place
- Civic pride played a major role in project success
- Overall project has been beneficial to the residence of both San Ignacio/Santa Elena
- Suggestion to incorporate an Events Calendar
- Organization of stakeholders – committee to be formed
- Level of commitment and ownership from neighboring community is evident
- Cost to maintain investment has challenges

➤ **Cultural Grant Program – Successes, Challenges and Lessons Learned**

Dennis Jones, Executive Director of BEST, gave a presentation on the cultural component of the STP which was the Small Business Cultural Matching Grants. It was noted that with a relatively small amount of funding (US\$300,000), much was accomplished in the area of capacity-building for small business development. It was highlighted that over US\$51,000 was mobilized in co-financing and that this was predominantly in cash form. Salient points related to this included:

- Generally, the outcomes of the projects were successful
- Quantification of in-kind and cash contribution of the project was needed.
- Opportunity for recipients to think outside the box when it comes to revenue generation
- Proof that entrepreneurial spirit does exist in the country
- Culture change takes a long time

Mr. Dennis Jones and BEST were commended on a job well done. It was noted that having an experienced and professional organization like BEST to administer the small grants projects is of critical importance.

It was also suggested that a case study should be done on San Ignacio experience in tourism development with reference to the development of social capital, building civic pride, building participation, and engagement of the private sector through public sector investment.

➤ **Future Following-up Activities**

NSTMP	Institutional strengthening of the MoTC to facilitate the coordination of the NSTMP Establishment of Ministerial council to guide and prioritize Awareness and communications at all levels is required to mainstream plan and engage all stakeholders/implementers
TDMS	Ongoing development of internal database structures and addition of external components
Cultural Tourism Business Development	Networking, marketing and support of the BTB through the guidance and leadership of the Destination Planning Dept. Ongoing Impact monitoring and assessment of beneficiaries

Output	Follow-Up
Hotel and Tour Operator Standards Framework and classification system	Ongoing inspection and follow-up awareness activities Legal revision Marketing efforts incorporating minimum standards and future development of voluntary labels and quality mark. Classification and audit of Tour Operator sector
Improved Private Sector Partnerships	Communication plan needed for awareness of the NSTMP and engagement of partners
Land Use for Ambergris Caye	Handover of all data and digital files to San Pedro Town Council Technical assistance guiding the establishment of a local planning office (LPO) within the municipality

➤ **Priorities for future Interventions (to be considered for future project design)**

Institutional strengthening of the MoTC to include the establishment of a Policy Planning and Development Unit for ongoing coordination of the NSTMP
Public-private partnership, particularly for urban redevelopment and access/transport
Education, training and standards- specifically a hospitality polytechnic type development
Pursuit and promotion of “green” tourism standards

Nature and culture based tourism development (i.e. National Museum, projects within/buffering protected areas, continuation of matching grant type program, heritage conservation)
Monitoring and evaluation of sustainable tourism indicators and assessment of potential for TSA development in Belize
Tourism Information Centers and Welcome Center type developments

V. Further Discussion Points related to Project Implementation

Management costs – reinstituting a whole new team for each project is expensive for Belize. There has to be a more sustainable mechanism for all projects. A clarification by the Project Team Leader was made that the establishment of a project execution unit is not a requirement of the Bank, but it the need of such a unit depends on the institutional capacity of the executing agency and the associated risks. It was agreed that the discussion for building management capacity within the ministries should be flagged for meaningful discussion.

A communications plan would have been helpful for the STP in terms of understanding and planning what level of engagement was needed and when to execute. It was noted that some of the agencies and ministry departments do not have the necessary capacity in-house to be fully dedicated to execution of loan funded projects.

Government is contractual obligated to fulfill the requirements of the loan funded institutions and project implementation has to be seen as an institutional priority. The STP Project was executed within the 4 year loan agreement with only 6 months extension and it should be noted that it had a dedicated team to carry out its execution.

It was also recognized that the political environment plays a major role in these types of projects. The country has a lot of potential and capacity that needs to be explored. “How do we improve on what we do”.

VI. Lessons Learned

Main lessons learned can be summarized as following:

PRELIMINARY DESIGN PHASE

- The program is seen as a good model of public consultation.
- A clear Monitoring and Evaluation Procedures Manual needs to be developed at the start of a future program.
- Project management should allocate resources for continuous monitoring and evaluation & provision for a Monitoring Executive.
- Requirement for architects to benchmark international best practice.
- Explore more formalised PPP approaches to development.

- Assess and build into formal partnership agreements financial commitments from partners.
- Pre-feasibility studies need to have greater clarity regarding land ownership issues.

IMPLEMENTATION STAGE

Procurement:

- Ensure procurement limits the project's responsibilities for changes and cost overruns: partnership agreements should share risks when extras arise.

Financial management:

- Ensure partnership agreements regarding hand-over detail how individual projects will be managed prior to construction
- Partnership agreements should include commitments from utility companies to upgrade facilities

Stakeholder coordination:

- More time allowed for stakeholder coordination: It has proved very valuable in this program.
- Supporting enterprises from both men and women proved important in project success: stakeholders from both genders should be ensured.

PROJECT SUSTAINABILITY

- Put significant effort and resources into establishing and strengthening management of facilities being constructed, in addition to managing construction contracts.
- Establish a communications budget and strategy to promote program objectives and communicate results.
- Well planned and well-funded events programmes are vital for enhancing the economic and tourism potential of public space. Events programmes are also important for maximising the economic and social potential of visitor attractions.

Additional lessons learned as per interactive workshop discussion:

- Can't build a tourism community based on exclusive tourism product- first and foremost it should be for the locals.
- Important that a local person is hired for management, passion for locality, and existing relationships very important to the success
- Communications plan would have been helpful in understanding and planning the level of engagement required and when communications efforts needed to take place.
- Need to engage partners earlier in the timeline of the project. A Public PR officer assigned to the project would have been useful to engage relevant stakeholders to take ownership
- Site selection and location was key to the success of this project
- Partnership and dialogue are key. Involving the community is a positive lesson learned.
- How the product and the people of a destination interplay and the importance of local marketing to drive demand has been illustrated by this project.

- Recognition of the importance of public space, and Cayo is a perfect example of what public space can do for community cohesion, cultural appreciation and pride.
- Need to incorporate more public art in public spaces. Important for growing ownership
- In future all projects should take into consideration the less able- handicapped
- There are too much expectations from Central Government, these projects have shown that private sector is key
- The taxation study has shown that taxation assessment needs to be more comprehensive to engage all sectors within the wider picture
- The matching grants have shown that it is clear that co-financing requirements build commitment. If this should be applied to the individuals then it should also be applied to the municipalities.
- Challenge for the TDMS was that although the selection was obviously a thorough one with a competent and capable consultant selected, the issue was with the location of the firm- problems with communications due to time difference as well as sheer physical distance. This consideration should be taken into account at procurement stage taking into consideration the needs and context of the consultancy
- How do we validate the achievements of this project- M and E
- Investment in people needs to be given more attention that just investing in cement and infrastructure- look at future projects with the objective of social capital and local enterprise development
- Design is a very important element but flexibility and openness to change is as if not more important when implementing a project. There should be no fear to say “lets change this”, and there should be the capacity to allow for change, the stakeholders should all be given the opportunity and have the courage to say “no- let’s do it this way as it will be better for us.”
- By housing the PCU within the agencies this would be more beneficial in terms of allowing for cross-learning and for the institutions own capacity building. In future internal marketing of the projects across all levels of the institutions would be beneficial and assist in open communication
- Documentation is critical- this is a lesson learnt from Belize City in terms of discussions and negotiations.
- The positive lesson has been the clearly articulated vision for this project which was informed by community leaders and stakeholders who understood the issues on the ground.
- Positive strengths have been the management structure for the project implementation and also the competency of the team in coordination, collaboration and building partnerships based on mutual respect.

VII. Closing Remarks



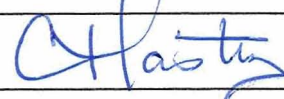
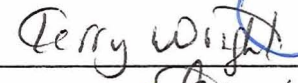




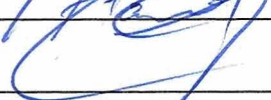
The Director of the Belize Tourism Board thanked all participants for attending and expressed her gratitude to all for the time spent. The Director expressed that the project outcomes and successes are of equal importance for all in attendance and that the success story of the Cayo Welcome Center has indeed changed the public opinion.

The Project Team Leader stated that the day's session was an important reflection on what accomplishments of the project are and what can be done better in future projects. The Project Team Leader ended by thanking all the participants for attending and for the invaluable contribution.

VIII. Video Documentary

A video documentary was aired showcasing all aspects of the STP project including interviews with stakeholders and footage of completed sites.

The workshop was concluded at 5:15PM

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Belize Tourism Board
Sustainable Tourism Program
(2060/OC-BL)

FINAL EVALUATION



Robert Travers

27 December 2013

DOCUMENT CONTROL

Document Name	Final Evaluation : Belize Sustainable Tourism Program
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14 January 2013	Robert Travers	1.1	With further minor amendment

The consultant wishes to thank staff of the Sustainable Tourism Program for their assistance during the evaluation field trip and in subsequent follow-up. He also wishes to thank Mr Michael Arana of the Belize Tourism Board for his assistance in compiling statistical data.

The views expressed in this document are those of the consultant and do not necessarily reflect the views of the Government of Belize, the Belize Tourism Board or the Inter-American Development Bank.

Acronyms

ADRR	Average daily room rate		History
ATM	ActunTunichilMuknal	NSTMP	National Sustainable Tourism Master Plan
BCCI	Belize Chamber of Commerce and Industry	OECD	Organisation for Economic Cooperation and Development
BEST	Belize Enterprise for Sustainable Technology	OVI	Objectively verifiable indicator
BHA	Belize Hotel Association	OVI	Objectively verifiable indicator
BOO	Build-operate-own	PACT	Protected Areas Conservation Trust
BOT	Build-operate-transfer	PCU	Program Coordination Unit
BTB	Belize Tourism Board	PGIA	Philip S.W. Goldson International Airport
BTIA	Belize Tourism Industry Association	PGIA	Philip S.W. Goldson International Airport
DAC	Development Assistance Committee	PPP	Public-private partnership
DMO	Destination management organization	PSC	Programme Steering Committee
DMP	Destination management plan	PSP	Private sector participation
EMG	Emerging Markets Group	STP	Sustainable Tourism Program
IA	Institute of Archaeology	TIC	Tourist information center
ICDF	International Cooperation Development Fund	TSA	Tourism satellite accounts
IDB	Inter-American Development Bank		
KPI	Key performance indicator		
M&E	Monitoring and evaluation		
MOTC	Ministry of Tourism and Culture		
NGO	Non-government organization		
NICH	National Institute for Culture and History		
NICH	National Institute for Culture and		

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ABSTRACT

The Sustainable Tourism Program's goal was to increase the contribution of tourism to national economic growth in a manner that is environmentally and socially responsible. Its purpose was to support the consolidation of overnight tourism in the light of its potential to optimise the sector's contribution to the Belizean economy. Its objectives are as follows:

- to support the improvement, restoration and diversification of overnight destinations and their products; and
- to strengthen national capacity for sector policy, destination planning and management.

The evaluation indicates that the program, while not yet fully completed, has significantly assisted in the improvement and restoration of overnight destinations, and in helping to consolidate their tourism product offer. It has worked well to strengthen national capacity for sector policy, destination planning and management.

The project has focussed attention on the delivery of significant physical improvements and redevelopments in Ambergris Caye, Belize City, Cayo, and Placencia: all important tourist accommodation hubs. A significant output has been a new National Sustainable Tourism Master Plan and destination sub-plans: These are planning-driven and will make a major contribution to ensuring the future sustainable development of Belize tourism. Other useful studies have also been produced and, as their recommendations are adopted, they will facilitate improved standards and regulation.

The program was mostly driven towards public sector entities and exclusive to publicly owned land: The Belize Tourism Board has been a significant benefactor of the program and in particular the organisation has been facilitated through strengthening Information Management, facilitating branding, strengthening hotel inspection systems and putting national and regional plans in place. These have also significantly assisted the Ministry of Tourism. The Institute of Archaeology was also assisted at selected sites. Activity planned with the Statistics Institute of Belize did not progress. Three municipalities and a village council have been supported, and Fisheries and Forestry Departments in one case. On the private sector side in addition to visible and well planned knock-on benefits from public sector interventions (such as the facilitation of small rental units), trainings for cultural tourism have been given to small enterprises, backed up by some small grants for some interesting cultural tourism projects. While this support was small scale it is important in that it was targeting minority communities and helps to preserve the unique cultural richness of the country's product offer. There is potential to develop a more structured and long term approach to training and private sector support, as per IDB's guidelines.

The program is found to have been efficiently executed and effective. Program outputs have been delivered demonstrating related economic, social and community benefits within the project timescale and within the overall budget. Positive outcomes are evident, although overall outcomes will take time to become more apparent particularly as some major capital projects are still nearing completion or full operation. Positive outcomes are however becoming apparent in the following areas:

Economic

- Improving the overall visitor experience.
- Improving product quality, particularly in grant aided facilities and micro-enterprises, and through new hotel standards.
- Providing a stimulus to entrepreneurial activities and investment opportunities around development projects and in target areas.
- Providing new income opportunities for local authorities and enhancing BTB's economic efficiency.

Environmental

- Strengthening the existing product through a better environment where new infrastructure has been put in place.
- Protecting the environment through sustainable planning guidelines at national and regional levels.
- Improving townscape and landscape features in tourism areas.
- Encouraging the renewal of existing urban buildings.

Social

- Demonstrating related social and community benefits at project sites.
- Improving traffic circulation and pedestrian linkages.
- Furthering a responsible tourism approach including enhanced local consultation processes.
- Contributing to the economic value of local culture and heritage and hence supporting its survival.

The program partners have, with some delays, worked well together and can be proud of a well-executed program. The small team at the Program Coordinating Unit has been efficient in managing contracts and consultancies, and has delivered very useful work to further sustainable tourism development in Belize. Putting management arrangements in place for component 1 outputs has in some cases been challenging and this is a sustainability concern, as is the possible relocation of cruise passenger embarkation away from the Fort George area in Belize City.

LESSONS LEARNED*(i) Preliminary design phase*

- The program is seen as a good model of public consultation and the extent to which local peoples' wishes were taken on board as project design evolved is a positive lesson for the future.
- A clear Monitoring and Evaluation Procedures Manual needs to be developed at the start of a program, specific to its desired outputs and outcomes.
- Project management should ring fence resources for continuous monitoring and evaluation and make provision for a Monitoring Executive in program management from the outset.
- It would be useful in design to require architects to benchmark projects against international best practice in sustainable tourism, including green technology, award winning urban design and low carbon solutions.
- There is an opportunity to explore more formalised PPP approaches to development projects, to reduce dependence on state borrowing.
- The financial commitments of partners to carry projects forward as sustainable initiatives needs to be assessed prior to offers, and to be built into formal grant/loan and partnership agreements.
- Project design should take into account IDB's emerging guidelines for greater private sector engagement: Future projects might not be entirely dependent on the use of state land, for example. Pre-feasibility studies need to have greater clarity regarding land ownership issues.
- Draw-down of IDB funding should be phased realistically over the life of a project to avoid unnecessary interest payments.
- Project design should anticipate the need to develop and strengthen management arrangements post hand-over, not just studies regarding designs, investments in civil works and equipment.

*(ii) Implementation phase**a) Procurement*

- Ensure procurement limits the project's responsibilities for changes and cost overruns: partnership agreements should share risks when extras arise.

- Give greater attention to green technology and international best practice in evaluating tenders.

b) Financial management

- Ensure partnership agreements regarding hand-over are worked out in detail in advance, specifying how individual projects would be managed according to the complexities of the investments and the differing capacities of the municipalities.
- Partnership agreements should include commitments from utility companies to upgrade facilities: Directly subsidising third party company costs outside of tendered contracts might not be considered eligible expenditure.

c) Stakeholder coordination

- More time should be allowed for stakeholder coordination. It has proved very valuable in this program.
- More time should be allowed for establishing stakeholder consortiums to take over and manage projects: Insufficient time to do this became a sustainability concern as this program neared completion.
- Supporting enterprises from both men and women proved important in project success: stakeholders from both genders should continue to be ensured: A high degree of gender inclusiveness is indicated in the program and attention to minority groups. These aspects of the program have scope for expansion in future.

d) Supervision and management

- The thorough approach to architectural planning and the commissioning of technical reports adopted in this program is an excellent model to follow.
- The consultative approaches adopted in this program are also good models to follow: They may need to be formalised in future management structures to ensure the continuation of consultation and consensus-building regarding tourism.
- The delegation of administrative tasks on small grants management to a professional firm is also a good model to follow.
- Greater time needs to be allowed for archaeological explorations at project sites in a country as archaeologically rich as Belize.
- In future IDB should ensure that a structured and appropriately staffed monitoring and evaluation (M&E) function is in place throughout programs.
- Difficulties may arise in terms of continuity and institutional memory when changes take place in local government due to elections. This emphasises the need for more robust, detailed and legally binding partnership agreements with local authorities, together with empowered working groups involving non-elected local authority executives and the tourism industry itself where there is generally more continuity.

(iii) Handover phase

- Put significant effort and resources into establishing and strengthening management of facilities being constructed, in addition to managing construction contracts.
- The appointment of operations facilitators at an early stage (e.g. six to eight months prior to completion) to assist the future management organisations of funded projects has proved very helpful. Future

projects should provide for these either through direct funding, or as part of partners'/local authorities' guaranteed contributions in future project agreements.

- Establish a communications budget and strategy to promote program objectives and communicate results.
- Well planned and well funded events programmes are vital for enhancing the economic and tourism potential of public space, such as the urban enhancement projects supported by STP. Events programmes are also important for maximising the economic and social potential of visitor attractions. This is a lesson learned in this project as there are greatly contrasting early results visible between projects with a creative events program (Cayo) and those without.

RECOMMENDATIONS

i) Strategic recommendations

- Future interventions should focus on product themes highlighted as part of Belize's new tourism brand values. Researching these was supported by STP.
- The NSTMP outlined suggested improvements in transportation which will help link attractions and rural populations to markets: It also suggests regional priorities for urban and rural regeneration. Developing water-based transport options bringing Belize's canals and waterfronts into greater tourism use can also help develop competitive advantage in the region.
- Under transportation there is also an obvious need to comprehensively signpost both towns and tourist attractions in accordance with international standards as recommended in the Master Plan.
- There should be continued strong emphasis to the interpretation and conservation of both natural and cultural heritage (for example projects that maintain or re-establish a natural features that are important for ensuring the flow of tourists, for example coral reefs, or through the development of a flagship National Museum).
- Monitoring and evaluation needs to be planned for at the commencement of programs based on the specific details of the interventions being planned.
- Greater emphasis needs to be given in follow-on support programs to funding 'soft' elements in addition to physical development.
- To reduce risk and improve the chances of sustainability, full business plans robustly and realistically estimating income, expenditure and cash flow based on market research (rather than indicative scoping studies estimating possible sources of hoped for income) should be required to secure and release future program support.
- A continuation of support to improve hotel standards through certification, benchmarking and training will help to improve Belize's competitiveness and hence to attract more overnight visitors.
- The need to develop new curricula and tourism training facilities is urgent and should be prioritized as outlined in the Master Plan.
- SME development support for private sector tourism enterprises in particular appears to lack strategic direction and formal support structures. There may be a need for the Ministry to undertake a strategic review to make tourism enterprise development and tourism training more effective.

- Investment in continuing to enhance the governance and institutional capacity of the industry (MOTC, BTB, etc.) and of non-governmental organisations should continue to be supported.
- There is scope to expand the kinds of cultural tourism training and matching grants piloted in this project, possibly through establishing a revolving loan fund.
- A revolving fund might also support innovation and new product area development, for example with growing residential tourism, demand opportunities in medical tourism are likely to arise. A revolving fund of soft loans rather than grants should be considered, particularly for M-SMEs. Enterprises should be encouraged to borrow commercially rather than being offered grants.
- There is a significant opportunity to increase support for both private sector and state investments in renewable energies for tourism, energy efficiency, recycling, clean energy technologies, carbon finance, biodiversity and conservation. This should include both training and support for clustered physical development.
- PPP could play a larger role in funding tourism infrastructure development, reducing the state's need to borrow. Cost recovery opportunities need to be identified to fund depreciation and replacement: An example is the chain ferry which is presently a free service for ticket holders to a Maya site.
- Making tourism growth sustainable will require a reduction of risk by expanding the number of markets which Belize relies on. A future program should support new market development.
- Developing a network of high standard branded tourist information centres should be considered (perhaps adapting the Cayo Welcome Center as a flagship under BTB) and upgrading Belize Tourism Industry Association (BTIA) and other operations to meet these standards.
- In some cases there is an opportunity to increase social inclusion through regional prioritisation of tourism development, focusing on developing products which can engage poorer segments of the population (crafts, chocolate, coffee, voluntourism, etc.). There is also an opportunity to work more with private sector ground handlers to target these segments.
- The issue of tourism Satellite accounts (TSA) should be revisited. The reasoning is:
 - Belize has an outstanding mix of tourism attractions (beaches, sea, culture, eco-tourism etc.) and has strong growth potential;
 - In moving forward there will be a need for many different types of economic analyses to decide the best way in which to allocate resources, and there will be an increasing need for sophisticated economic analyses to back-up decision-making; and
 - Belize already has outstanding tourism statistics (arrivals, visitor survey, hotel utilisation etc.) and as such this offers a good platform for integrating all the statistics into the context of the National Accounts.

ii) Operational recommendations

- There is a significant need for post project follow up by MOCT & BTB to ensure the sustainability of both large and small scale projects supported by STP.
- Sub-regional plans developed under STP need to be embedded in local authorities and agencies. This will also require follow up by BTB and MoTC: For example at the time of the Final Evaluation, sub-regional

plans had been shared in Belize City and Placencia but have not been adopted. The STP sub-regional plan is being taken into account in San Pedro as part of Land Use Planning, and if followed up there is the possibility of adoption soon in Cayo through a municipal planning project.

- As recommended in the Midterm Evaluation, it is clear that an ex-post evaluation will be needed to better estimate impacts from projects still under construction and/or yet to be handed over to future management. This might help towards designing future interventions.
- Accounting to IDB should be required on an accruals rather than a cash flow basis (at present IDB requires cash flow accounting, which does not reflect actual commitments and liabilities pending).

1 INTRODUCTION

1.1 Background

The overall objective of the final evaluation of the Sustainable Tourism Program (STP) in Belize is to reliably and representatively evaluate the project outcomes, outputs and impacts through an independent and comprehensive presentation and analysis of the project and its overall performance and execution. The terms of reference for the final evaluation are attached at annex 1.

The major stakeholders in the intervention are as follows:

- The Inter-American Development Bank (IDB), which has loaned US \$ 13,322,000 to make the project happen.
- The Government of Belize, which through BTB is investing US\$ 1,360,000 in the program.
- The Ministry of Tourism and Culture (MOTC) and the Belize Tourism Board (BTB), which are co-administrators of the program.
- The wider tourism industry in Belize.
- The populations of the various target destinations (Placencia, San Ignacio, San Pedro, Belize City and others).

1.2 Project description

The total cost of the program is US\$ 14,682,000 according to the Loan Agreement signed on 27th April 2009.

The programme involves two components, the largest of which (US\$ 11,117,000, Component 1) was aimed at improving the quality of the natural and cultural tourism product within four key tourism destinations in Belize in order to increase tourist overnights. With an original budget of US\$ 2,403,000 Component 2 relates to technical assistance, specialized studies, training and other capacity building activities, including the development of a National Sustainable Tourism Master Plan (NSTMP) integrating a physical planning and strategic planning approach, and detailed destination-specific master plans for the key areas receiving investment under Component 1.

The loan defines the following project purposes:

COMPONENT 1: INVESTMENTS IN OVERNIGHT DESTINATIONS

This component will finance studies, final designs and investments in civil works and equipment aimed at improving the quality of the tourism natural and cultural products at consolidated destinations in line with Destination Management Plans. The programs resources will be directed at the following destinations

Ambergris Caye:

The activities and investments to be financed include:

- (a) the development of a Physical Tourism Development Plan for Ambergris Caye (to be formulated as part of the Belize Tourism Master Plan process)*
- (b) waterfront improvements in San Pedro and*
- (c) support for Park management activities and visitor facilities for the Bacalar Chico National Park/Marine Reserve.*

Belize City

The Investments to be financed by the Program include:

- (a) a waterfront development strategy;*
- (b) the physical improvement of the Fort Street pedestrian link between the Tourism Village and the town center as a catalyst for tourism-related urban regeneration.*

San Ignacio and Surrounds

The activities and investments to be financed include:

- (a) the establishment of a regional welcome center to provide information on tourism services, activities and attractions in Cayo District enabling visitors and local residents to better understand the area heritage;*
- (b) improvement of road access and visitor facilities at the Cahal Pech Heritage and Nature Park;*
- (c) the development of the San Ignacio Town Center Urban Design Strategy;*
- (d) improvements in visitor facilities at Actun Tunichil Mukmal.*

Placencia Peninsula and village

The investments to be financed by the Program cover development of a small pier and plaza to consolidate public maritime services in a single location. The proposal also includes technical assistance for:

- (a) a pilot program for gaining “Blue Flag” eco-labeling status in water quality, environmental education and information for the adherence to international safety standards; and*
- (b) development of a disaster risk management plan for the peninsula with a view to avoiding damages associated with flooding and breaching of access routes.*

COMPONENT 2: INSTITUTIONAL STRENGTHENING

The Program will finance the following institutional strengthening activities:

- (a) the preparation of a National Tourism Master Plan for the entire sector that will provide for the zoning approach proposed by Government and translate sustainability objectives into actions, an assessment of options for implementing the new Tourism Development Strategy and Responsible Tourism Policy;*
- (b) technical assistance on the economic aspects of tourism, with particular emphasis on the development of policy options for increasing fees and taxes, and the design of revenue sharing mechanisms administered by the government agencies responsible for the management of tourism attractions and the national treasury;*
- (c) establishment of tourism satellite accounts*
- (d) training and the development of tools (manuals, monitoring procedures, information systems) for physical planning, environmental management and visitor management.*

Capacity building activities include:

- a) support to communities in promoting tourist access to the Maya and Garifuna cultures in the emerging destinations of Punta Gorda and Dangriga/Hopkins) and*
- b) a matching grant facility for micro and small businesses aimed at helping the private sector strengthen value chains for tourism, and offsetting the costs of complying with existing industry standards including sustainable tourism criteria.*

Source: IDB (2008) Annex to loan contract No. 2060/OC-BL between Belize and the Inter-American Development Bank. Sustainable Tourism Program LEG/SGO/CID/IDBDOCS#1711379

Most eligible activities were actioned with the exception of

- Belize City waterfront development strategy (a Taiwanese project is addressing this)
- pilot program for gaining “Blue Flag” eco-labeling status (a large rather than a small pier was constructed and the village’s footpath ‘street’ was upgraded);
- revenue sharing system for tourist attractions; and
- tourism satellite accounts (replaced by BTB database system).

The loan contract between the IDB and the Government of Belize was signed on 27 April 2009 (IDB ref. 2060/OC-BL). Project operations commenced on 2 May 2009 when a Project Director was hired. The first IDB disbursement took place on 24 August 2009. The program was scheduled to run for four years to 27 April 2013 and finish on 27 June 2013, but a six month extension has been agreed to 27 December 2013.

Project financing is as outlined in table 1. At the time of the Final Evaluation 89.7% of the available funding (including counterpart contributions) had been spent. Table 2 shows total budget and expenditure to 30 September 2013.

TABLE 1: Sustainable Tourism Program financing

Category	IDB contribution US\$	Local contribution US\$	Total (US\$)
Administration and supervision	735,000	298,000	1,033,000
Direct costs			
- Component 1	10,317,000	800,000	11,117,000
- Component 2	2,141,000	262,000	2,403,000
Audit and evaluations	129,000		129,000
TOTAL	13,322,000	1,360,000	14,682,000
% contribution	90%	10%	100%

Source: IDB Loan Agreement (2008)

TABLE 2: Sustainable Tourism Program budget and expenditure to September 30, 2013

Activity	IDB contribution to September 2012 US\$	Government contribution to September 2013 US\$	Total US\$
PCU administration and supervision	715,422		
Project start-up costs		32,134	
Administration		475,855	
Other operational		115,752	1,339,193
Direct costs			
- Component 1	10,100,269	442,969	10,543,238
- Component 2	1,126,285	75,612	1,201,897
Audit and evaluations	89,614		89,614
Total	12,031,590	1,142,352	13,173, 942
% contribution	91.3%	8.7%	100%

Source: Program Coordinating Unit (PCU)

1.3 Evaluation methodology

1.3.1 Approach

The evaluation methodology proposal was presented to the PCU in outline in August 2013. A final elaborated work plan was agreed in September 2013. Annex 2 outlines the evaluation mission schedule. The evaluation approach was based on integrating secondary and primary research, together with observational research of the relevant stakeholders and of the wider context in which the IDB loan is embedded. This methodology was informed, directed and shaped by the terms of reference and IDB guidelines. It seeks to

- Describe the purpose of the evaluation and append the terms of reference
- Answer the questions posed in the terms of reference
- Describe the methodology used to collect and analyse the data
- Indicate any limitations of the evaluation or its methodology
- Indicate the reliability and validity of the data used
- Describe any samples drawn by method of sampling, number of targeted and available elements
- Include the major data, suitably analyzed, on which the conclusions are based.

As per the terms of reference, the evaluation focussed primarily on the following issues:

- i. Degree of attainment of Program Objectives in relation to plans and reasons for any variances
- ii. Effectiveness of the organization and arrangements established for program execution
- iii. Sustainability of the activities funded under the program
- iv. Lessons learned that could be applied to further projects in this sector.

An extensive programme of consultation was undertaken (annex 3). Fieldwork and site visits to relevant program-funded infrastructure and beneficiaries including potential grant recipients were agreed the PCU and undertaken (annex 4). Site visits to completed and near-completed projects and individuals concerned in the delivery and implementation process took place.

In order to more fully and critically evaluate the key issues relating to efficiency, effectiveness, sustainability etc. as a result of the program, a thorough analysis by the means outlined above has been undertaken. Actual outcomes, global and specific, in the form of key performance indicators (KPIs) have been considered in relation to revised results matrices drawn up during the independent midterm evaluation. The roles of the Ministry, steering committee, BTB and PCU, and of partner organizations, and the extent of common coherence and cooperation was reviewed. National statistical verification was sought to provide necessary objectivity, where available. The extent to which there are commitments to continue initiatives commenced under the program with government, municipalities or other funding sources was also assessed, as this is a key issue for sustainability.

The analysis focused on key activities stated in the loan agreement, the annual Operating Plans, implementation plans and the various contracts signed. Changes to the program and additional interventions added to the program were also identified and examined.

1.3.2 Sources of data

The consultant gathered all the relevant documentation through MOTC, BTB and PCU including the following:

- national strategy documents;
- loan agreement;
- baseline reports;
- program operational manual;
- annual operational plans;
- progress reports;
- project output reports;
- IDB reviews; and
- research and relevant statistics.

Chapter 7 lists all documents referred to.

1.3.3 Instruments

The main research instruments used were site visits, semi-structured questionnaires for both stakeholders and visitors (tourists), as outlined at annex 5, and desk research including the review of PCU files and other records.

In addition the evaluator undertook participant observation at sites which are complete or still under construction.

1.3.4 Evaluator

The evaluator selected for the final evaluation is Mr Robert Travers, M.A., M.Sc.. Mr Travers is a graduate of the International Centre for Responsible Tourism at Leeds Metropolitan University (UK) and has 17 years' international tourism experience, specialising in sustainable tourism development. He has experience of project evaluations for IDB, the Asian Development Bank, the European Union (EU), United Nations agencies and non-governmental organisations. He evaluated the STP at midterm stage, so is very familiar with its challenges and progression.

1.3.5 Limitations

Two main outputs are not yet complete (San Pedro, Bacalar Chico) and the Belize City and Placencia projects are only beginning to be used, so the overall impacts of the project will only be truly measurable well after the project ends.¹

The evaluation of impacts (immediate and future) is constrained by limited of benchmark data on economic, social and environmental issues at the start of the program, and a limited ongoing and structured monitoring data on impacts during program implementation.

An evaluation is not an audit: Financial records and compliance with IDB tendering, recruitment and sub-contracting procedures have not been examined based on statistical sampling and materiality, however it is clear from the consultant's review of minutes and PCU files that strong efforts to achieve compliance were made throughout the program to date. The evaluator examined all external auditors' reports which indicate strong compliance with IDB regulations and accountancy norms.

The Joint Programme is a complex and extensive undertaking, and while most outputs have been examined, not every output could be visited or reviewed. None-the-less the consultant is satisfied that the final evaluation is representative and fair.

1.4 Organization of report

The structure of the report follows the guidelines of the IDB's Office of Evaluation and Insight², adapted to meet the specifics of the Terms of Reference. There are four main sections focussing on the following:

- Achievement of project objectives (efficiency and effectiveness)
- Sustainability
- Institutional performance
- Conclusions and lessons learned

Possible areas for future support are also suggested.

¹ . These developments should be monitored over time by recording

- The number of overnight visitors in nearby accommodation (or in Bacalar Chico's case, within the development itself).
- The profits made at these developments (excess of income over operating expenditures) by their designated operators.
- The numbers of people employed in the enterprises established at these specific locations.
- The number of additional enterprises and their employment numbers surrounding each location.
- Compliance with environmental regulations in ongoing operations.
- Other social indicators in the immediate area (census data).

² <<http://www.iadb.org/ove/EngBook/evav.htm>>

2 ATTAINMENT OF PROJECT OBJECTIVES

2.1 Overall objectives

The program's goal was to increase the contribution of tourism to national economic growth in a manner that is environmentally and socially responsible. Its purpose was to support the consolidation of overnight tourism in the light of its potential to optimise the sector's contribution to the Belizean economy. Its objectives are to:

- Support the improvement, restoration and diversification of overnight destinations and their products; and
- Strengthen national capacity for sector policy, destination planning and management.
(IDB and Government of Belize, 2008)

Emerging Markets Group(EMG) was appointed by IDB to develop the STP concept based on a detailed Terms of Reference. Their resulting report (EMG, 2008) chose four priority overnight tourism destinations, following scoring with MOTC and overseas tour operator consultations: Ambergris Caye, San Pedro, San Ignacio and Placencia. For each of the four target areas agreed, destination management plans (DMPs) were seen as the first step, so as to ensure a coordinated and comprehensive approach. The overall objective of the suggested program was articulated as follows:

To revitalise economies of tourism areas in rural and coastal towns, contribute to the protection and development of conservation and heritage sites (EMG 2008:96).

The DMP process was to focus on the following:

- protecting and strengthening the existing product through a better environment;
- improving townscape and landscape features in tourism areas;
- improving traffic circulation and pedestrian linkages;
- encouraging the renewal of existing urban buildings;
- improving the overall visitor experience through better interpretation; and
- demonstrating related economic, social and community benefits, and providing a stimulus to local people's employment, entrepreneurial activities and investment opportunities.

These goals were translated into the objectives the loan contract, outlined in the annex to the loan agreement.

2.2 IDB loan contract

2.2.1 Component 1

2.2.1.1 Ambergris Caye

The activities to be funded were defined as:

- The development of a physical tourism development plan for the island;
- Waterfront improvements; and
- Support for park management and facilities at Bacalar Chico National Park/Marine Reserve.

2.2.1.2 Belize City

The activities approved for Belize City in the loan contract involved two elements:

- The Belize City Waterfront Development Strategy; and
- Improvements to the Fort George area and a pedestrian link from the Tourism Village to the town centre as a catalyst for urban regeneration.

EMG had seen the success of this project as being dependent on the Government providing the necessary development package, infrastructure improvements and good urban design. The Fort Street

Pedestrian Link was identified as a key intervention to link the Tourism Village (cruise liner boarding area) with the old city beyond the Swing Bridge. Significant redevelopment opportunities were foreseen on this corridor which would also link the Heritage Quarter (Fort George area) with Albert Street, resulting in its further regeneration.

2.2.1.3 *Placencia*

In Placencia the DMP and physical intervention were designed to focus on three areas:

- A small pier and plaza to consolidate marine services in one area;
- A pilot program for 'Blue Flag' eco-labelling regarding water quality, information and environmental education.status
- A disaster preparedness plan for the peninsula.

2.2.1.4 *San Ignacio and surroundings*

The projects approved for San Ignacio were as follows:

- the development of a regional welcome centre to provide information on services, activities and attractions to enable a better understanding of heritage.³
- the improvement of facilities and road access to the Cahal Pech Heritage and Nature Park;
- a San Ignacio town centre urban design strategy; and
- improving facilities at Actun Tunichil Mukmal (ATM).

2.2.2 Component 2

Component 2 defined the following as eligible activities:

- A National Sustainable Tourism Master Plan including an assessment of Responsible Tourism and Tourism Development policies.
- Technical assistance on economic aspects of tourism including policy options for increasing fees and taxes, and revenue sharing mechanisms for government agencies managing tourism attractions.
- Establishment of Tourism Satellite Accounts with the Statistics Institute of Belize.
- Development of an updated country branding strategy.
- Training and development of tools for physical planning, environmental and visitor management.
- Capacity building, including
 - Support to communities promoting tourism access to Maya and Garifuna cultures in Punta Gorda and Dangriga/Hopkins; and
 - Matching grant facility for micro and small businesses to help strengthen the tourism value chain and offset the cost of compliance with existing industry standards including sustainability criteria.

An overall budget was approved for each component and administration (as outlined in table 1). It is noteworthy that the IDB loan contract does not specify indicative amounts for the various individual activities under the two components, giving STP management considerable flexibility. This flexibility, proved to be helpful for successful program execution and ability to react to changing contexts. This flexibility is illustrated in the extensive change orders which were agreed to, outlined at annex 6.

2.3 Key progress areas for IDB

IDB's Progress Monitoring Reports highlight visitor expenditure at supported destinations as a key outcome indicator, together with the list of project outputs. Outputs are outlined at chapter 3.11. These indicators are seen as leading to "overnight tourism market increased". However as the program did not support marketing beyond some branding research and NSTMP guidance, there is a potential gap between improving the product

³ In San Ignacio EMG assumed that it would be possible to acquire land near the river. It is understood that these proposals were dropped as an option prior to the loan proposal and an alternative site, Coronation Park, was identified.

and increasing the size of the market (i.e. demand). BTB is however helping the marketing the new facilities as they come on stream.

Key progress areas identified in the loan contract are more specific and as follows:

- *The contribution of tourism to national economic growth*

The program has made a significant contribution to economic growth potential principally through the development of the NSTMP and the delivery of effective urban regeneration projects. This is illustrated by the number of new business opportunities directly created, and regeneration around project sites, principally in San Ignacio.

In terms of new business space in San Ignacio, the development has directly created six businesses (a Belizean food vendor, pizza vendor, Mexican food vendor, seafood bar and 2 anchor tenants- high- end cuisine and old fashioned candy shop) which are currently operating. All these with the exception of Yolis Pizza are new. There is also a business space within the information center itself for craft vendors to be operated on a rotational basis, although this is not operating fully yet. The municipality also now employs an additional 14 persons to operate the Cayo Welcome Center Development so job creation has been a direct economic impact.

In Belize City an additional 18 spaces for businesses within the park have been created and the new craft area providing lease space to 34 members of the Handicraft and Vendors Association. These are not new businesses although they are now paying trade licenses and rental whereas in the past they have operated “informally”. This ‘legalisation’ process is part of economic growth.

In Placencia four rental spaces are provided (leases under negotiation), and in San Pedro four lease spaces will be provided in addition to a duty free sales area.

Table 3 summarises new revenue streams directly provided. There has been an emphasis on providing new revenue streams to local government, which is understandable given that the project was largely focussed on public sector operations and publicly owned land. A future program might give greater emphasis to more direct private sector SME support, innovation and new product development. The program did support twenty micro enterprises (plus micro enterprises in Belize City) to legalize and become part of the cultural tourism offer. While this is a small net contributor to growth, it is substantially enhancing the product offer and the approach could be expanded significantly in future.

In overall terms there is however a continuing need to objectively verify the contribution of tourism to national economic growth. It was originally planned to commission TSA under this program but this was dropped. It is recognised that the improvements made instead to BTB’s management information systems are very useful to the organisation, but the development of TSA reporting would help to evidence and illustrate more accurately the importance of tourism to the Belize economy.

TABLE 3: New revenue streams created

Destination	New Revenue Streams	Currently Operating (Y/N)	Expected revenues 2014 as per Ops Manual (US\$)
Cayo Welcome Center	<ul style="list-style-type: none"> Lease rental space (2 anchor tenants, 4 kiosks) 	Y (all leases signed)	
	<ul style="list-style-type: none"> Bathroom Facility 	Y	
	<ul style="list-style-type: none"> Bus Drop Off fee 	Y	
	<ul style="list-style-type: none"> Public Parking 	Y	
	<ul style="list-style-type: none"> Conference facility rental 	Y	
	<ul style="list-style-type: none"> Events venue fee 	Y	
	Net projected income		381,390
Belize City Pedestrian Walk	<ul style="list-style-type: none"> Lease rental space 	N	
	<ul style="list-style-type: none"> Events venue fees 	Y	
	<ul style="list-style-type: none"> Bathroom facility 	Y	
	Projected net revenue		256,980
Placencia Municipal Pier and Plaza	<ul style="list-style-type: none"> Lease rental space 	N	
	<ul style="list-style-type: none"> Wharfage fees 	N	
	<ul style="list-style-type: none"> Docking fees 	N	
	<ul style="list-style-type: none"> Events venue fees 	N	
	<ul style="list-style-type: none"> Service/facility fee 	N	
	Projected net revenue		47,561
San Pedro Sunset Boardwalk and Water taxi terminal	<ul style="list-style-type: none"> Lease rental space 	N	
	<ul style="list-style-type: none"> Wharfage fee 	N	
	<ul style="list-style-type: none"> Head tax 	N	
	<ul style="list-style-type: none"> Public parking 	N	
	<ul style="list-style-type: none"> Events venue 	N	
	<ul style="list-style-type: none"> Annual Pier leases 	N	
	Projected net revenue		758,398
Bacalar Chico lodge and educational center	<ul style="list-style-type: none"> Accommodations 	N	
	<ul style="list-style-type: none"> Tour packages 	N	
	<ul style="list-style-type: none"> Mooring Buoy system 	N	
	<ul style="list-style-type: none"> Park daily visit fees 	N	
	<ul style="list-style-type: none"> Increase in sport fishing license 	N	
	Total net revenue as per proforma: park fee increases and accommodations		24,483

Note: Projected revenues should be treated with caution as some assumptions in business plans appear optimistic: An ex-post evaluation would be needed to examine whether these impacts will be achieved. In addition for San Pedro, Belize City, Cayo and Placencia there may well be an increase in Trade License revenue from stimulation of new businesses within the areas supported. This would also require an ex-post evaluation to quantify.

- *Extent of responsible tourism in the program*

The program had a strong element of responsibility in its approach (projects which benefit locals as well as tourists) and its execution (extensive consultation).

Responsible tourism advocates a “triple bottom line” to development, seeking to manage social and environmental impacts as well as economic ones. In the social area the program has had significant positive effects, particularly in San Ignacio and Placencia where clear benefits to local populations are evident. Environmental improvements are also demonstrated in San Ignacio and other projects, including the smaller community-based ones under Component 2 which clearly enhance livelihoods, albeit on a small scale.

Responsible tourism also fundamentally involves the development and establishment of shared responsibility systems for the management of tourism destinations: In this regard the project is heavily reliant on BTB and municipal governments to take its projects forward: No new organisations giving the private or community sectors shared responsibility for tourism management have been created, although regional tourism organisations are recommended in the Master Plan and in Placencia a local village council is managing the assets created. There are opportunities to take responsible tourism further forward in future projects through enhancing social issues (such as access for the disabled, as was planned for in most STP sites); and in environmental agendas such as green buildings (which were not a priority issues in STP other than at Bacalar Chico).

- *Effects on overnight tourism*

Overnight tourism has increased during the period of the program, however only in Cayo where a project’s intervention has been operative longest can a positive impact be clearly demonstrated: Overnight tourists staying in the Cayo region increased by 24.6% between 2011 and 2012: The national rate of increase was 10.7%. The development of an active events program at the Cayo Welcome Center is also likely to have a positive effect on overnight tourism. A lesson learned here is the importance of the events program in helping to stimulate economic impact.

The Belize City project is more focussed on improving cruise tourists’ experiences and flow and stimulating growth of tourism-related business in the area rather than overnight tourism *per se*: the claim that urban improvements will encourage more overnight tourism ultimately through reducing negative feedback is difficult to prove so far. All the major STP projects based on enhancing public sector facilities require effective, committed management and events programs if they are to help deliver more overnight tourism.

- *Visitor satisfaction*

82.5% of visitors surveyed by BTB in 2012 said they will return to Belize: In 2011 the corresponding figure was 82%. In 2012 86.9% of visitors surveyed said they would recommend Belize: In 2011 the corresponding figure was 89%. These figures imply that the project overall is not yet having an impact on visitor satisfaction at a national level. With the implementation of recommendations of the NSTMP, BTB Quality Assurance systems, and future legislation of hotel standards and classification however improvements are highly probable in the medium to long term as a result of STP.

Interviews with a small sample tourists were undertaken during the final evaluation (annex 4), some of whom were repeat visitors. This showed high levels of satisfaction with developments at Cayo and Placencia.

Reaction was less positive in Belize City, possibly because the Park was not being used at the time of the interviews.

- *Destination management plans*

The overall master plan and three pilot destination management plans have been produced and, anecdotally, are being used so having a positive effect. The overall Master Plan was endorsed by the Government in October 2012 but none of the sub-regional plans has been officially adopted as yet. Plans have been shared in Belize City and Placencia-but have not been adopted.. The STP sub-regional plan is taken into account in San Pedro as part of Land Use Planning and there is the possibility of adoption in Cayo through a municipal planning project.

The Government has not yet put in place a multi-ministry task force to implement the Master Plan although it has been endorsed by the Cabinet.

- *Gender and ethnic participation*

A high degree of gender inclusiveness is indicated in the program. Most retail units established in Cayo for example are operated by women, but not exclusively so. Trainings in cultural tourism had a high degree of female participation. The majority of small businesses supported by component 2 are operated by women and the overall support component (although quite small in scale) was focussed on minority groups. These aspects of the program have scope for expansion in future.

2.4 Midterm evaluation

At midterm stage, the operational arrangements to manage the new facilities were still being firmed up (although initial operational plans had been written which include suggestions for preferred management options). The midterm evaluation highlighted the need to re-examine who was best placed to manage new facilities, the resources available for start-up and in particular to develop stronger detailed business plans for the facilities which are focussed on improving tourist experiences and attracting growth. This was felt to need particular focus as the program neared completion. The midterm evaluation suggested the following as key success factors to be achieved before or shortly after program end. STP is still very much focussed on completing physical interventions and putting in place management arrangements. It is certain that STP interventions will require vigorous post-project support and follow-up by MoTC, BTB and partner agencies.

- The adoption of the NSTMP into legislation.
 - Achieved: The NSTMP was endorsed by cabinet in 2012
- The adoption of destination sub-plans into local development strategies.
 - There has been good progress in San Pedro and Cayo but progress in adopting destination sub-plans in Placencia and Belize City has been slower.
- The stimulation of additional hotel rooms and other tourism enterprises in Belize City, particularly on the reclaimed land bank and in the Albert Street area (locations linked by the new Fort Street Promenade), as well as near Memorial Park.
 - This remains a challenging and long term process probably requiring further incentives to spur investment by the private sector. There is some evidence of stimulation of other tourism enterprises though, for example Spoonaz cafe on North Front Street. Further investment in infrastructure is taking place through the Taiwanese International Cooperation Development Fund (ICDF) project for Albert Street and the recently completed City Council investment Battlefield Park.

- Increases in visitors to sites served by the Cayo Welcome Center, and increases in room supply in Cayo.
 - Achieved
- The successful operation to a high standard of the Cayo Welcome Center
 - Achieved
- The transfer of water-taxi services to the new arrivals area being constructed by the project at San Pedro and the removal or creative reuse (new tourism product) of their current piers.
 - Not achieved yet. This process is underway through the efforts of the Start-Up Coordinator contracted under the STP. It may however require legislation to be enforced.
- The successful operation of the new terminal to a high standard.
 - Not achieved yet although an agreement regarding management arrangements is being actively pursued with the Belize Management Authority.
- The development of attractive events programs focused on tourism at the four STP-developed municipal sites.
 - Achieved in Cayo, under preparation in Placencia through newly established Placencia Pier Management Committee but not yet in Belize City or San Pedro.
- The emergence of new/stronger cultural tourism product, featured in tour operator brochures.
 - Stronger web presence through new individual business websites has been observed.

In overall terms we can see that there has been steady progress in most areas since the Midterm Evaluation.

3 EFFICIENCY AND EFFECTIVENESS

3.1 Introduction

Efficiency relates to how well inputs have been converted into activities, in terms of quality, quantity and time, and the quality of the results achieved. This is a subjective assessment based on the evaluators' independent assessment of outputs and an objective assessment of inputs from tourism statistics, other consultees and stakeholders.

Effectiveness is an assessment of the contribution made by the results to the achievement of the project purpose, and also examines how assumptions have affected project achievements.

3.2 Program management

BTB is the Executing Agency for the project with MOTC. BTB is responsible for project execution, financial administration, procurement, partnership, etc. The PCU was initially established with as having a Program Director, a Tourism/Environmental Specialist, a Physical Planning Specialist, a Financial/Procurement Specialist and an Administrator. No provision was made for monitoring and evaluation (M&E) other than midterm and final evaluations and no communications budget was allocated. The Project Director resigned in May 2011 and was replaced by the current Director who has seen the project to completion. At this time additional adjustments were made to the roles and responsibilities of all PCU team members within new contracts given the stage of execution to address the needs of the Program and a liaison officer was appointed from within MOTC with a percentage of his time funded by STP. Apart from this the project had a remarkably low staff turnover. The program opted to engage a third party company by contract to administer its small grant program and charged the cost to the component rather than to staffing. This proved to be an effective way of managing small grants.

A Program Steering Committee (PSC) was established comprising of representation from MOTC, the Ministry of Economic Development, Ministry of Finance, Department of Environment and National Institute for Culture and History (NICH); the Chief Engineer from the Ministry of Works, Protected Areas Conservation Trust (PACT), as well as the President of the BTIA together with the Director of Tourism. The PSC met bi-monthly initially and later quarterly. The evaluator met with the PSC during the final evaluation to discuss project efficiency and effectiveness and these were considered good. Minutes of this evaluation meeting are at annex 7. Some consultees noted that the lack of formalised steering groups at local level may have undermined project effectiveness: These comments relate to Belize City in particular. It is understood that local steering groups are now envisaged regarding taking over the management of projects and this is well advanced in Cayo. However it does appear evident insufficient engagement with the Belize City Council may be resulting in reluctance to buy-in regarding taking over the project now that it is complete.

M&E was not budgeted for by the program: Similarly a communications plan and budget were not provided for. Given that the IDB loan agreement did not specify specific project amounts, failing to plan for these activities in project activity early on appears to have been a project management weakness.

3.3 Costs and cost control

3.3.1 Management costs

EMG estimated that PCU costs should amount to US\$1,162,000 and this figure, amounting to approximately eight percent of total project costs, was written in to the IDB loan agreement. This is a reasonable percentage: Slightly more than most European Union projects (seven percent), but significant less than many United Nations administered projects.

Actual committed PCU costs to date amount to \$1,339,193 meaning that management costs exceeded the original estimate by over 15%, however it should also be noted that the project is being extended by six months and that counterpart contributions account for 46% of management costs to date.

3.3.2 Costs of other inputs

Project costs for some activities are more than EMG had estimated, and for other activities significantly less. These were examined in detail in the Midterm Evaluation. The largest increases relate to the major capital projects in Belize City and San Ignacio, however there is a slight saving in San Pedro. Of more importance

however is control of contract costs between tender acceptance and project completion. Table 4 illustrates the overall figures.

TABLE 4: Estimated project costs *versus* actual

Activity	Actual contract price US\$	Variations and estimated future variations to complete US\$		Percentage physical completion as at September 2013	Final actual (a) or estimated actual (e) cost US\$
		IDB	BTB		
Component 1					
San Pedro	\$ 3,121,807.00	\$ 181,167.75	\$ 80,075.51	93%	3,493,775.20 (e)
Bacalar Chico Construction	\$ 629,198.60	\$ -	\$ 52,681.00	38%	681,879.60 (e)
Bacalar Chico management support	\$ 101,165.00	0	\$ 350.00	88%	101,515.00 (e)
Fort Point Pedestrian Link	\$ 2,997,626.68	\$ 390,603.17	\$ 96,344.65	99%	3,484,574.50 (e)
Placencia Pier and Plaza	\$ 1,480,824.92	\$ 15,612.83	\$ 19,892.50	98%	1,531,217.43 (e)
Cayo Welcome Center	\$ 1,566,347.50	\$ 160,259.53	\$ 236,910.36	100%	1,956,017.39 (a)
Archaeological Sites:					615,870.66 (e)
CahalPech&Xunantunich	\$ 252,298.37	\$ 20,594.31	\$ 2,587.50	100%	275,480.18 (a)
ATM	\$ 88,750.00	\$ 4,995.00	\$ 16,980.00	100%	110,725.00 (e)
Supervision	\$ 33,000.00		\$ -	96%	33,000.00 (a)
Feasibility	\$ 59,850.00	\$ -	\$ -	100%	59,850.00 (a)
Xunantunich Ferry	\$ 71,065.08	\$ -	\$ 5,761.34	100%	76,826.42 (a)
Xunantunich Interiors	\$ 59,979.06	\$ -		77%	59,979.06 (e)

Activity	Actual contract price US\$	Variations and estimated future variations to complete US\$		Percentage physical completion as at September 2013	Final actual (a) or estimated actual (e) cost US\$
		IDB	BTB		
Component 2					
National Tourism Master Plan	\$ 411,350.00	\$ -	\$ 13,320.06	100%	424,670.06 (a)
Updating brand strategy	\$ 20,000.00	\$ -	\$ 5,000.00	100%	25,000.00 (a)
Training and tools, heritage hotel classification	\$ 109,000.00 \$ 89,000.00	\$ - \$ -	\$ 27,250.00 \$ 22,250.00	100% 100%	136,250.00 (a) 111,250.00 (a)
land use plans	\$ 50,000.00	\$ -	\$ 14,500.00	93%	64,500.00 (e)
Small business scheme:					
Grant Disbursement	\$ 244,996.00		\$ -	100%	244,996.00 (a)
Mentors	\$ 16,200.00	\$ -	\$ 3,104.00	99%	19,304.00 (a)
Grant Administrator	\$ 29,000.00	\$ -	\$ -	100%	29,000.00 (a)
Tourism information/TSA (changed to BTB database)	\$ 146,218.00	\$ -	\$ 1,375.00	100%	147,591.00
Taxation Review	\$ 50,000.00	\$ -	\$ -	100%	50,000.00

Source: PCU

- The original EMG project for San Pedro (Seaward side of the island) was costed at US\$ 4.2 million. The substantially amended project (Leeward side) was tendered at \$3.1 million however the final completed cost is estimated to be around \$3.5 million. Annex 6 lists all contract variations.
- It is estimated that the final Bacalar Chico product will cost \$682,000, 8% more than the tendered price.⁴
- The Fort George project (Memorial Park plus pedestrian link) had a tender price of just under \$3 million. The final price is \$3.48 million. Substantial drainage and other infrastructure works were agreed as extras to the tender improving functionality and aesthetics a cost increase of 15% (see annex 6).
- Placencia Pier was tendered at \$1.48 million. The actual completed price is \$1.53 million (+3%).
- The Cayo project was tendered at \$1.3 million but eventually cost almost \$2 million (+32.5%). The addition of a pedestrianized street and other changes to project scope and design during project development account for this substantial variation and are significant positive improvements.

⁴ The original EMG project for Bacalar Chico was projected to cost \$850,000 but significant changes were made, including the allocation of \$101,000 for management support

- Archaeological site improvements suggested by EMG were costed at \$567,000, \$492,000 of which related to Cahal Pech Heritage Park. Changes were made to EMG's proposals based in IA's priorities. \$615,000 was spent on archaeological site improvements ultimately.

Change orders were either as a result of unknown issues (soil conditions, drainage, etc.) or recommendations on the advice of engineers regarding material upgrades, etc.; or to accommodate the utility provisions or to mitigate social impacts, such as the connections to properties in Belize City. Annex 6 lists change orders.

In overall terms Component 1 has concentrated most resources on urban infrastructure and improvement projects rather than the more directly tourism product-related aspects emphasised by EMG (beach improvement at San Pedro, investing more in the Bacalar Chico marine reserve, and improving tourist experiences at archaeological sites).

Under Component 2 there is a major saving on the estimated cost of the Master Plan, and modest expenditures for most other areas.

- The master plan was estimated by EMG at almost \$1 million. The project was secured by tender at more than half this amount and provided excellent value exceeding expectations.
- Only \$25,000 was spent on branding whereas EMG had recommended \$180,000 for more comprehensive research. BTB took this forward internally.
- EMG recommended a budget of over \$300,000 on heritage and training, but this was cut back by more than 50% to \$109,000 and also covered physical planning. Given the importance of Belize's cultural heritage and its very real training needs, it is difficult to justify this reduction in resource allocation especially as it is highlighted in the grant contract, however the projects funded were useful, and the under-emphasis on training may reflect BTB's uncertain role in this area *vis-à-vis* other agencies.
- The small matching grant programme budget of \$288,000 for minority group enterprise was reduced slightly to \$245,000. Mentoring and grand administration made up the balance and were well justified.
- The proposed TSA study was replaced by a tourist database system for BTB. The development of TSA has proved difficult in the past⁵, not because of a lack of data but because of the difficulties of engaging with the Statistics Institute of Belize.

Component 2 delivered well and costs were more tightly managed. There were however opportunities to spend more under this component on cultural heritage and training (as recommended in some of the project's consultancy reports), however these variations were not actioned in contrast to component 1 where many additions and enhancements were facilitated. This appears to show a preference by the PSC for 'hard' infrastructure rather than 'soft' cultural and training outputs when it came to deciding where to reallocate budgets. Both hard and soft investment is however essential if infrastructure is to be brought to life as a tourism product. It is understood that the coordination of training for tourism amongst various agencies in Belize may be an issue, with possibly much duplication of effort.

3.4 Standards and quality control

The consultant is impressed by the fairly consistently high quality of commissioned studies. They give evidence of a rigorous tendering process to ensure selection of competent practitioners. The PCU has taken care to ensure that physical interventions meet required building codes and environmental requirements, including the requirements of IDB. It is clear that most structures are sturdy enough to meet defined hurricane situations.

⁵ The evaluator has reviewed an earlier UNWTO assignment on TSA in Belize.

The various consultancy reports and especially the Master Plan are both comprehensive and thorough. The Midterm Evaluation noted that indicative business plans were in some cases weak⁶ and would require strengthening as the projects come on stream. The PCU admits that these were not intended to be comprehensive business plans and this is a project weakness, affecting risk and sustainability. These issues remain a concern particularly in Belize City, at San Pedro and at Bacalar Chico where the existing business plan may need revision. Reaching the optimum staffing and management has been a gradual process due to lack of start-up financial capital, particularly in Placencia: This is an issue for future program design.

Concentrated work is needed to check finishes and snag lists for Ambergris Caye projects. Maintenance of the completed Belize City project also needs attention and hand over of four of the five main projects needed to be completed on October 2013 while the final evaluation was underway. The Cayo Welcome Center project had however already been successfully handed over to the Town Council.

3.5 Reporting

Reporting appears regular and thorough, and in accordance with IDB guidelines. Chapter 7 lists the reporting and other documents referred to during the evaluation. An improvement recommended in the midterm evaluation but not yet implemented was to improve the library section of the project website <www.sustainabletourismbelize.org> by restructuring it and uploading more project outputs and reports: The program has a great deal of good material which should be communicated as widely as possible.⁷ In addition a project final report might have been published, illustrating through photographs progress achieved in both components. There is a very positive story to be told.

3.6 Project finances

The program is responsible for preparation and fair presentation of financial records in accordance with International Public Sector Accounting Standards. Audits have been regularly undertaken in accordance with these standards and the specific requirements of IDB. The audit procedure included obtaining statistically valid evidence supporting the amounts and disclosures in the program's accounts, and obtaining reasonable assurance that the accounts are free from material error.

The auditors have given an unqualified opinion as to the fairness of the program's cash flow and cumulative investments, and have confirmed that as of March 2012 that the program has complied with the regulations and provisions contained in the program's Operating Manual. The auditors have also commended the programme for its positive efforts to abide by the loan guidelines. Their latest management letter to the program only makes minor recommendations for system improvements. They note that BTB was not topping up the project account in advance, and it is understood that this has been rectified. The auditors also note that the program's accounts are prepared on a cash-flow basis (as is normal in IDB projects), so do not record obligations entered into but not paid for: Preparing accounts on an accruals basis rather than a cash-flow basis would be a more useful monitoring tool and should be considered by IDB for future programs.

3.7 Input scheduling and delivery

3.7.1 Scheduling

The program has adopted a cautious approach to input scheduling. In particular a long period was spent going through the feasibility study process for each intervention: This is commendable and has resulted in real consensus-building and interventions which are very sensitive to the needs of local people, and which have considered environmental issues in detail (*i.e.* responsible tourism). This has however ultimately resulted in an extension of the timeline by six months. There is a danger that the finalisation of projects will be rushed. The Institute of Archaeology (IA) for example has admitted its review process for the Bacalar Chico project has been hurried, despite the chosen location being located within a recorded Maya archaeological site in a UNESCO World Heritage zone⁸.

⁶ It is understood from the PCU/BTB that these were not intended to be comprehensive business plans: This is a sustainability concern.

⁷ A good example of communication is the Asian Development Bank's sustainable tourism development program in the Lao Peoples Democratic Republic: <www.stdp Laos.org>.

⁸ Ancient Mayan and other archaeological sites are specifically highlighted for protection within the Barrier Reef World Heritage Site designation

The two largest projects were subject to delays (San Pedro and Belize City) due to consultative processes, contract negotiations, and changes in the scope of work. San Pedro was significantly delayed. Indeed only one major contract had been signed by December 2011 and this was a source of concern to IDB. It also was an expense to Government in that the entire loan had been drawn down in one tranche at the start of the project. Table 6 illustrated the degree of completeness of each intervention as at September 2013. As all of the project's outputs are not yet complete, it has been noted that the outcomes of the project will only be fully measurable well after the project ends.

3.7.2 Input delivery

While some major inputs are still underway in Ambergris Caye, the quality of inputs from STP staff and its contractors on completed projects appears high. Attention now needs to be paid to effective supervision of these two ongoing projects (San Pedro and Bacalar Chico). Interpretation design for visitor centres in the various Cayo attractions and interpretative fit out for the provision of tourist information at the four Component 1 sites still needs attention, as does landscape maintenance and supervision of litter collection at Memorial Park in Belize City.

3.8 Problems in project implementation

The main problems in project implementation identified are as follows:

- Preliminary project planning recommendations within the project scoping study failed to consider land ownership. This resulted in a need for changes when the PCU carried out due diligence.
- Significant delays owing to the (justifiable) need to obtain public consensus.
- A concentration on physical project delivery with more attention needing to be given to future operations and management training, including a need to rigorously follow up feasibility assumptions.
- Limited provision of training, and not taking forward recommendations from training consultants on further training activity needed.
- Changes in municipal government causing delay. For example in three of the four main municipal projects key elected officials changed, including three changes of village councils in Placencia where there is no non-elected executive to carry projects forward.
- Failure to promptly address economic benchmarking of the program and to deliver on-going monitoring mechanisms.
- A need to quickly establish and empower project management organisations to take projects developed forward.
- A need to expedite hand-over.
- A need to communicate the program's achievements.

3.9 Planned outputs, effects and contribution to project purpose: Component 1

3.9.1 Ambergris Caye

3.9.1.1 *Saca Chispas sunset boardwalk and water taxi terminal*

Following a very lengthy period of public consultation and many design variations, work began for this \$3 million project in June 2012 with the signing of contract documents. Tourism facilities will include the following:

- A large platform and twin ark-shaped buildings, to function as the new water-taxi terminal for current operators, who will be instructed to relocate from the seaward side of the island. It will include vending units and covered customs, immigration and ticketing areas for the international traffic which prior to the project was landing in the project area. This facility will provide a modern, streamlined arrival experience for visitors landing from Mexico, Belize City and other cayes.
- Refurbishing the existing sports field, introducing a perimeter wall, new seating, vending areas, toilets, a security station and picnic facilities. The field is fenced to allow control when using it for events, including cultural events and festivals, as well as providing an emergency area for storing boats during hurricanes.
- The development also includes leasable piers and other structure for existing users; three public boat slips, an offloading pier, sealed road access, a fish and fruit market stand, leasable

structures and fish-cleaning stands and sealing downtown San Pedro's last sand-surfaced street with concrete.

Although the development is significantly different from the seaward beach improvement project originally proposed in studies prior to loan contract, and goes further than activities outlined in the loan agreement, it will

- protect and strengthen the existing product through a better environment;
- improve townscape and landscape features in tourism areas;
- improving traffic circulation and pedestrian linkages;
- encouraging the renewal of existing urban buildings;
- improving the overall visitor experience through better interpretation; and
- demonstrate related economic, social and community benefits, and providing a stimulus to local people's employment, entrepreneurial activities and investment opportunities.

Because construction works are on-going, positive impacts on overnight tourism cannot be attributed to the project yet, but they are likely. Negative impacts in terms of flooding and local disturbance ("we want out football field back"!) were noted during consultations. Once complete and operating effectively the development will change visitor flows in San Pedro, probably raising investor interest in the leeward side of the town. A detailed events plan for the use of the sports field has not been developed. Following extensive consultation by the Start-Up Coordinator contracted under the project to facilitate management arrangements and operations upon completion, a decision has been made for a two-pronged approach to management: The Marine Terminal facility will operate and be managed under the Border Management Agency which is legally responsible for border entry points throughout the country; and San Pedro Town Council will be responsible for management and operations of the other components of the project (boardwalk, finger piers, field and plaza).

3.9.1.2 *Bacalar Chico*

The Bacalar Chico project was given high priority by EMG as it would deliver a new tourism product based on Belize's rich maritime heritage and which would also help to preserve it. Progress in delivering the project was extensively delayed owing to the challenge of locating a suitable site which would not impact on pristine undeveloped ecosystems within the National Park which is a UNESCO world heritage site. Obtaining agreement from Government stakeholders (principally the Ministries of Fisheries and Forestry) proved difficult. Despite this the specific site eventually chosen is not ideal from a sustainable tourism point of view, as it is within a partially excavated known Maya site (San Juan). However it is understood that the site chosen was previously occupied by a private landholder and hence was previously built on and disturbed. The evaluator has noted that all required permissions regarding permission to build had been obtained by STP, and that IA was called in by the PCU following disturbance of possible archaeological remains by the contractor.

The final product is not the luxury eco-lodge envisaged originally, but it will be an attractive eco-friendly building providing hostel accommodation. Improving interpretation at the existing visitor centre is no longer part of the project, although some trails and landing facilities will be developed. It incorporates some green technology (the only STP project to take up this theme). The project will

- protect and strengthen the existing product through a better environment;
- improving the overall visitor experience through better interpretation; and
- demonstrate related economic, social and community benefits, and providing a stimulus to local people's employment, entrepreneurial activities and investment opportunities.

As in other STP projects, decisions about who will operate the facility had not been firmed up at the time of the Final Evaluation, a sustainability concern; and this is an overall weakness in the program. Whether a private sector operator (such as a specialist tour operator), or a Government entity, or a trust takes on the running of the centre are key issues still to be resolved. The outline business plan assumes that the Government run it, but the evaluator has difficulty following the consultants' logic in this regard.

At the time of the evaluator's visit, ground works were underway and initial construction had commenced. It will be challenging to complete the project fully by December 2013. Because construction has only just commenced, positive impacts on overnight tourism cannot be attributed to this project, but (*if successfully managed and marketed*) they would seem likely. Depending on who operates the centre and how well they market it, this product could be a very interesting and successful addition to Belize's tourism portfolio.

3.9.2 Belize City

The Fort George intervention was based on sustainable urban tourism principles which sought to balance current benefits to tourism with future opportunities for the local community. The recommended approach sought strong emphasis to governance processes involving multi-stakeholder approaches and robust private-public partnership. The project sought to deliver a 'special visitor district' at the Fort George peninsula which historically guarded the entrance to the Belize River and the old city on the opposite bank. The concept was to have

An urban locale that enables visitors to move easily from one attraction to another and encourages visitation due to the existing critical mass of attractions in a relatively small urban area. Projected success is premised on the beliefs that the area can attract significant numbers of foreign and domestic tourists, provide better amenities for local residents and be a catalyst for facilitating the renewal of Belize City. *GOP Oficina de Proyectos SA & Belicana Consulting and Development Ltd. (2011: 4)*

The STP intervention has focussed on delivering physical improvements in the Fort George area as follows:

- The Fort Point Pedestrian Walk, involving urban improvements south-eastwards of Queen Street. A paved footpath, expanding to a bricked roadway, runs from the marine water-taxi terminal and Swing Bridge to the Tourism Village cruise liner terminal and through the Memorial Park, with some improvements to other urban areas within the zone (including the improvement of roads and footpaths in a socially deprived street). Gate structures were erected at the main vehicle access points to the area.
- The extensive reconstruction and re-landscaping of the Memorial Park (World War I memorial), to enhance it as an events venue and flexible facility for better managing large volumes of cruise passengers (the project seeks to re-route tour busses picking up and dropping off from the Tourist Village by encouraging them to park further away and drop off/pick up via the Park). The project includes an event area, the re-designed war memorial with restored obelisk, a new band stand, and extensive vendor facilities.

These have all been achieved to robust standards as per the technical specifications.

The project will

- protect and strengthen the existing product through a better environment;
- improve townscape and landscape features in tourism areas;
- improve traffic circulation and pedestrian linkages;
- encourage the renewal of existing urban buildings;
- improve the overall visitor experience through better interpretation; and
- demonstrate related economic, social and community benefits, and providing a stimulus to local people's employment, entrepreneurial activities and investment opportunities.

Objectively verifiable indicators (OVIs) for this specific intervention mostly show positive signs, as in table 5:

TABLE 5: Objectively verifiable indicators: Belize City

OVI – Belize City	2008	2013	Comment
Increase in the number of overnight visitors to hotels ⁹	186,756	179,188 (2012) (decrease)	While the number of overnight visitors to the City and district recovered from a significant drop in 2010-11, it has not yet recovered to the 2008 level
Average daily expenditure by tourists	US\$ 123.46 (2011)	US\$ 152.92 (2012)	.
Numbers employed in overnight accommodation (hotels)	1199 (2011)	2007 (2012)	
Number of registered tour guides	229	362 (2012)	Because Belize City is a cruise liner destination, this figure should be treated with caution in assessing overnight tourism
Number of hotel beds	1,647	1,813	Increase not in the Fort George area
Room occupancy	43.2%	43.2%	
Average achieved daily room rate	US\$ 78.21	US\$ 85.76	While the number of rooms overall in the wider area has expanded in spite of a slightly reduced number of overnight visitors to Belize City compared to 2008, occupancy and hotel revenue returns have held up.

Source: BTB

Some caution needs to be exercised in drawing conclusions from these indicators. This is because Memorial Park operation is not yet finalised, nor is there an active events programme in place.

Despite the significant efforts of the PCU and BTB this investment is felt to be under-performing at present, largely due to unresolved responsibility for future management. Consultation with nearby tourism businesses described it as follows.

“greatly improved, but not being used to anything like its potential”.

“It looks much better but is still a dead space with little life in it by day or by night.”

Official handover to the eventual managing agency has not yet taken place, so it is not surprising that the Park is not being used to its full potential. The operation of the Park as a tourism facility seems at present to be in limbo with future responsibility possibly falling to BTB. (The Tourist Board already has human resources on the ground managing the tourism aspects on cruise days and currently makes significant investments in terms of management of the area on an annual basis.) A handover agreement with the Municipality (the site’s owner) had not been agreed at the time of the evaluation visit. The park has been used for occasional events, principally annual Independence Day celebrations although it is understood that these may move to another restored park next year.

The vision for the area was to see shared responsibilities between MOTC, Belize City Council, BTB, BTIA, Belize Chamber of Commerce and Industry (BCCI), the Fort George Home Owners’ Association and the Tourism Police Unit, operating through a management committee, the development of which was to be facilitated by the program. This has not been achieved. Consultations with City Councillors suggested that

“co-management (between the City Council and BTB) would be the best way to go”.

It is recommended that STP continue focus attention on establishing a broadly based management committee to ensure a wide sense of ownership, in particular including municipal ownership. While BTB has a

⁹Room capacity (number of rooms x365 days) x average room occupancy x assumed average number of people per room (1.2 Belize District, 1.6 elsewhere)

role in helping to manage cruise tourists in this area, encouraging overnight tourism will require greater attention to facilitating events in the Park and making it a more attractive place to relax in when cruise visitors are not present. Consultations with City Council members indicate a desire to “take back” the area for local people:¹⁰ It is understood that repeated efforts are being made to engage the City Council and discuss implementation or changes to the management arrangements proposed in the initial vision for the Park.

Very positively, the IDB project may have inspired similar upgrading of other municipal park areas. Two city park areas are seeing substantial upgrade at present, one of which (BTL Park, smaller than Memorial Park) will see an investment of US\$ 505,000 by the municipality involving a complete re-build.

An international cost comparison is the award-winning restoration of Forodhani Park in Zanzibar. This is part of a comprehensive programme for urban rehabilitation in Stone Town, a world heritage site. The restoration was undertaken by the Aga Khan Trust for Culture in cooperation with the Revolutionary Government of Zanzibar and pays particular attention to the restoration of historic park features and to the creation of pro-poor business opportunities through facilitating daytime craft sales and night markets. The objective of the project was to restore and secure the city’s major urban open space while improving the quality of civic life for Zanzibaris. The project components included:

- Restoration of the walkways, infrastructure and landscape of the Park;
- Improvement of infrastructure, including lighting, sewerage and drainage;
- Upgrading of civic amenities;
- Restoration of the seawall in front of the Park;
- Stimulation of economic activities and small enterprise, with improvements for vendors; and,
- Promotion of related socio-economic development.

The project cost was \$2.5 million with greater attention to restoration of historic features in the case of the Aga Khan Trust. While Forodhani Park is larger and gave more emphasis to mature trees and historic features, the cost and objectives are comparable with the STP project indicating value for money. Future project design proposals in Belize could make greater use of examining international best practice examples such as this, in particular the emphasis on facilitating integration with community use, rather than creating a visibly ‘gated’ tourism zone.

3.9.3 Cayo

3.9.3.1 Cayo Welcome Center

This project is felt to be the most significant success of STP to date. It involved the reconstruction of Coronation Park in the centre of San Ignacio to provide a large circular Welcome Center, a small new bus station with toilets and an events stage, four vendor kiosks and two anchor tenant shops, and the re-landscaping of the remaining park area including sculpture, a water feature and seating. In addition Burns Avenue was excavated yielding some interesting Maya artefacts (now displayed in the Welcome Center) and pedestrianized. Site drainage and liquid waste management have also been improved. STP funds were allocated towards the hiring of an Executive Director whose priority was to develop the business plan and take the lead in putting the “soft” elements into the center as a collaborative effort with other agencies and STP. The PCU took the lead in this initiative by drafting of the terms of reference, selection criteria and also assisted recruitment in partnership with the Council, BTB and MOTC.

The overall development has been very successful with clear evidence of attention to detail in management, strong engagement from the Town Council and visible signs of regeneration as a result of the development. The Municipality has for example contributed \$15,000 towards additional landscaping. Property and rental values in the immediate location are rising fast, according to the Mayor. The project has been fully completed although not all letting arrangements have been finalised, including the final extent of BTB’s engagement with the Welcome Center. A website had yet to be developed at the time of the evaluation. One issue for follow up is the Welcome Center itself, where information about other attractions in the centre is however described by consultees as “minimal” and “poor” at present: The evaluator agrees that there is a lack of high visibility information maps in the main hall directing visitors to Cahal Pech and other important sites as

¹⁰Councillors consulted also suggested that Memorial Park design should be revised at an early stage to include much more landscaping and green space, and a children’s playground.

was the building's original intention, however BTB is currently in the process of establishing TIC services and facilities within the Center including branding. The overall impact of the redevelopment is however undoubtedly very positive, as summed up by the Mayor:

"It has given everyone a new sense of pride in the destination".

The development may also have helped stimulate private sector interest in major investment nearby, including a tourist accommodation element.

The project is clearly

- protecting and strengthening the existing product through a better environment;
- improving townscape and landscape features in tourism areas;
- improving traffic circulation and pedestrian linkages;
- encouraging the renewal of existing urban buildings;
- improving the overall visitor experience through better interpretation; and
- demonstrating related economic, social and community benefits, and providing a stimulus to local people's employment, entrepreneurial activities and investment opportunities.

3.9.3.2 Maya sites

The improvement of visitor interpretation and facilities at two very significant Maya sites has been supported. A new visitor centre and WC facilities for groups have been built at Xunantunich (the centre was awaiting supply of interpretation at the time of the evaluation) and a new chain ferry has been supplied giving increased access to the site. An interpretation plan has been developed for Cahal Pech. At ATM new toilets were built and improved site access has been developed.

Objectively verifiable indicators (OVIs) for Cayo interventions, some of the only major interventions in tourism in the district during the project timescale, are positive as illustrated in table 6:

TABLE 6: Objectively verifiable indicators: Cayo

OVIs – Cayo	2008	2013	Comment
Increase in the number of overnight visitors to hotels	226,415	310,325 (2012)	
Average daily expenditure by tourists	US\$ 107.87	US\$136.41 (2012)	
Registered tour guides	197	288	
Numbers employed in overnight accommodation (hotels)	1,375	1,334 (2012)	
Number of hotel beds	2,710	3,228	Expanding hotel supply also having a positive effect on overnight tourism. Further hotel expansion underway
Room occupancy	39.4%	40.2% (2012)	
Average achieved daily room rate	US\$ 96.65	US \$117.39 (2012)	
CahalPech visitor numbers	14,103	23,875 (2012)	
Xunantunich visitor numbers	48,079	73,912 (2012)	Increase cannot wholly be attributed to larger ferry improving access, because it did not start operating until 1 November 2012

Source: BTB

The Cayo projects will

- protect and strengthen the existing product through a better environment;

- improve landscape features in tourism areas;
- improve traffic circulation and pedestrian linkages;
- improve the overall visitor experience through better interpretation; and
- demonstrate related economic, social and community benefits, and providing a stimulus to local people's employment, entrepreneurial activities and investment opportunities.

3.9.4 Placencia

At Placencia a very attractive new municipal pier has been constructed, designed to withstand category 4 hurricanes and providing an attractive new public area, as well as accommodating traditional fisheries use. It forms the terminus of Placencia's famous 'sidewalk' which has also been resurfaced, widened and provided with improved 'heritage' lighting. A waterfront plaza was originally envisaged beside the pier, but land ownership difficulties resulted in this being scaled down. The development will be managed by the Village Council and formal handover is pending.

Objectively verifiable indicators (OVIs) for this intervention are positive as illustrated below (these should be treated with caution as the project was only completed in 2013):

TABLE 7: Objectively verifiable indicators: Placencia

OVIs – Placencia	2008	2013	Comment
Increase in the number of overnight visitors to hotels	132,762	145,504 (2012)	
Average daily expenditure by tourists	US\$ 117.21	US\$138.21 (2012)	
Number of registered tour guides	75	67	
Numbers employed in overnight accommodation (hotels)	434	509 (2012)	
Number of hotel beds	1,160	1,210	Expanding hotel supply is also having a positive effect on tourism performance
Room occupancy (hotels)	32.3%	33%	
Average achieved daily room rate	US\$ 150.53	US \$137.16 (2012)	

Source: BTB

The project will

- protect and strengthen the existing product through a better environment;
- improve townscape and landscape features in tourism areas;
- improve traffic circulation and pedestrian linkages;
- encourage the renewal of existing urban buildings;
- improve the overall visitor experience through better interpretation; and
- demonstrate related economic, social and community benefits, and providing a stimulus to local people's employment, entrepreneurial activities and investment opportunities.

3.10 Planned outputs, effects and contribution to project purpose: Component 2

The following Component 2 outputs have been completed:

- The National Tourism Master Plan was completed to a high standard and endorsed by the Government in October 2012, however ensuring its implementation requires a multi-ministry approach ideally chaired by the Prime Minister's department: An implementation body has not yet been put in place.

- The training program for cultural tourism business development (feedback is that this was delivered very successfully).
- The taxation review.¹¹
- BTB Database project.
- BTB branding review.
- Small grants programme.

The small grants programme in particular has produced and improved significantly Belize's cultural tourism product offer, mostly in rural areas. Table 8 outlines these.

TABLE 8: Cultural tourism projects supported

Approved Projects	IDB Grant BZ\$	Counterpart		Total costs BZ\$	Project Objective
		Cash BZ\$	In-Kind BZ\$		
Mayan World	23,492.00	1,468.00	4,405.00	29,365.00	Business expansion project improving the workshop space to facilitate improved interactive tourism experience of authentic Belize woodcarving, and increased marketing activities
Giddyup Cultural and Historical Carriage Tours	26,608.00	1,663.00	4,989.00	33,260.00	To enhance the authentic Kriol horse and carriage cultural tours fostering a heightened awareness of the values and heritage of Belize City through improved standards of all aspects of the tour: to include animal husbandry, carriage outfitting, tour guiding etc
WarasaGarifuna Drum and Dance School	20,755.00	3,200.00	3,700.00	27,655.00	Enhance and expand the cultural experience offered through the provision of a spacious traditional thatch construction that will allow for interactive lessons in Garifuna singing, dancing and drumming.
The Living Maya Experience	22,294.00	2,348.00	3,225.00	27,867.00	Foster entrepreneurship of new business venture, improve structures and facilities to a market ready standard, and promotion activities of a unique Maya experiential attraction that aim to attract 800 visitors during the first year of operations.
Golden Gifts	15,454.00	1,243.00	2,850.00	19,547.00	Expansion and renovation project to increase the variety of cultural arts and improve the presentation and display, including videostream interpretation of the products which tell the story of the art and artisans.
Maya Center Mayan Museum Expansion and Enhancement	23,989.00	1,515.00	5,999.00	31,503.00	Enhancement project improving displays, interpretation and aesthetics, increasing Maya Museums capacity to allow for demonstrations such as the new Cacao hands-on experience and also cultural dance activities.

¹¹ The Government has decided not to move forward with proposals recommended in this report at this point in time as wider tax reform is being assessed.

Approved Projects	IDB Grant BZ\$	Counterpart		Total costs BZ\$	Project Objective
		Cash BZ\$	In-Kind BZ\$		
Vern's Garifuna Kitchen	32,000.00	4,000.00	4,000.00	40,000.00	As the first local cultural tourism business within the village- an expansion and improvement project "RisitiWarassa" to promote and preserve the Garifuna Culture and attract more tourists to Seine Bight. Includes infrastructure upgrade and improved amenities, also allowing for cultural display and performance.
Uwarani Dance Group	12,080.00	755.00	2,265.00	15,100.00	New equipment and new performance facility in addition to increased recruitment and training activities to develop more professional performers within the group and ensure continued growth of the dance group as well as authentic translation of the Garifuna dance.
Outta Griga Dang Productions	16,008.00	1,000.00	3,000.00	20,010.00	Goal to improve the quality and standards of local cultural presentation by improving the professionalism of all aspects of stage management, product promotion, advertising, script writing and events planning
Maroon Creole Drum School	21,918.00	1,980.00	3,550.00	27,448.00	Relocation project to include infrastructure and landscaping improvements to expand visitor capacity, and increased marketing and cultural enhancement activities to increase visitation and enhance the Kriol cultural experience in PG
Cyrla's Chocolate	22,777.00	1,426.00	4,279.00	28,482.00	Expansion and improvement project for family run Maya Cacao attraction and accommodations upgrading facilities to improve opportunity for experiential learning and increased cultural interpretation. Includes business support and promotion activities.
Aguacate Homestay	23,998.00	1,500.00	4,500.00	29,998.00	Improve the facilities of the homestay experience to include accommodation and bathroom upgrades, and a new facility for demonstrations and hands-on experiential activities.
San Miguel TEA Guesthouse	17,393.00	1,087.00	3,261.00	21,741.00	Infrastructure improvement project to improve quality and standards of guesthouse accommodations in addition to cultural revival of the Maya harp music through skill transfer from national cultural icon to the local youth to be developed as a cultural tourism product unique to the village.
WE Art Gallery Museum	33,325.00	4,240.00	7,810.00	45,375.00	Improvement and expansion project of town cultural attraction (Art Gallery and tea room) including training in various cultural art-forms to market upcoming artists, and develop new cultural products
Palmento Grove Lodge	22,400.00	1,400.00	4,200.00	28,000.00	Improvement of infrastructure and product enhancement, marketing and delivery of a traditional Garifuna cultural experience to incorporate active guest interaction.

Approved Projects	IDB Grant BZ\$	Counterpart		Total costs BZ\$	Project Objective
		Cash BZ\$	In-Kind BZ\$		
Lebeha Drumming Center	22,562.00	1,410.10	4,230.30	28,202.00	Improvement and expansion project to allow for better organized and marketed drumming lessons and performances as well as increased training of drummers, and add-on hospitality beverage services to improve the overall experience.
Blossoming Gifts	11,576.00	723.50	2,170.50	14,470.00	Business facility upgrade and expansion from a vending facility to an all-weather permanent gift store, allowing for increased stock, improved display, increased visitor interaction to become market ready.
Pen Cayetano Studio Gallery	28,851.00	3,606.00	3,606.00	36,063.00	Improved product development and marketing to create a leading cultural tourism attraction and the stage upon which to deliver an increased range of authentic cultural tourism products.
Austin Rodriguez Drum Shop	16,340.00	1,022.00	3,063.00	20,425.00	Expansion of drum-making business anticipating an increase in 100% production over the next 2 years through improved marketing, increased tools and improved marketing and networking activities.
Mercy SabalGarifuna Cultural Treasures	22,336.00	1,396.00	4,188.00	27,920.00	Increase production and maintain a minimum supply of diverse cultural dolls and wall hangings, allowing for translation of an authentic unique story to be told through each piece. Include home visits as part of a tour circuit.
Belize Arts and Craft makers and vendors union *to be confirmed	50,000*	5,000*	5,000*	60,000*	Support will be given to a project to develop and strengthen the union, stimulate small business capacity, market and impact all vendors positively

Source: PCU

The following matching grant beneficiaries were directly related to increasing tourism overnights in that they included an accommodation component:

- Palmento Grove Resort
- Lebeha Drumming School
- TEA Guesthouse – San Miguel Village
- Aguacate homestay
- Cyrilas Chocolate(Now Ixcacao)

Direct investments to the accommodation component were made to all of the above, except Lebeha Drumming School which was focused more on improvements to the drumming facility.

Most projects were completed in June 2013 (with the exception of Aguacate which was completed in March 2013) so effects are only beginning to be seen. Completion reports submitted in May and June do

indicate some increase in the number of tourists as outlined below, however the project's lack of systems for M&E is also apparent in the widely varying way in which results are being reported:

- Cyrilas Chocolate- increase in 10% (does not specify breakdown of day tours or overnights)
- Lebeha- 200 students were fed and entertained for which they did not have capacity to accommodate previously (no indications as to whether they stayed overnight though)
- Palmento Grove Resort- no increase in visitor bookings but a 25% increase in inquiries.

As noted above, a formal M&E system needs to be put in place at the start of future tourism projects, and provision made for ongoing M&E expertise on project teams. The grant scheme administrators, Belize Enterprise for Sustainable Technology (BEST) have highlighted this, and the need for an ex-post evaluation:

“the real impact of this support program is not yet clear”.

It is clear however that in general Component 2 outputs will

- protect and strengthen the existing product through a better environment;
- improve townscape and landscape features in tourism areas;
- improve traffic circulation and pedestrian linkages through better planning;
- encourage the renewal of existing urban buildings through the NSTMP;
- improve the overall visitor experience through better interpretation and raising quality standards; and
- demonstrate related economic, social and community benefits, and providing a stimulus to local people's employment, entrepreneurial activities and investment opportunities.

3.11 Impact indicators

3.11.1 Background context

In 2007 and 2008 when the STP was being designed, Belize was affected by a hurricane, tropical storms and a tropical depression leading to floods in some parts of the country which destroyed crops, and postponed construction projects. The economy was also depressed: Growth fell sharply in 2007, as government spending was cut back and the external commercial debt was substantially restructured. The economy picked up in the first half of 2008 but the global financial crises led to reduced foreign investment in Belize, lower growth in foreign remittances, and lower domestic consumption. At the same time, grant inflows were down sharply on the previous year. The result was a slight decline in real GDP in 2009 when STP commenced. The need for the program has been summarised by the Belize Hotel Association (BHA) as

“so much needed at the time and absolutely necessary”.

The year 2010 began with Belize's economy in recession and external debt exceeding US\$ 500 million. Renewed growth of about 2.7% did however take place in 2010. The tourism economy remained affected through the reduction in inflows of foreign direct investment, slower growth in foreign remittances, and a decline in overnight tourism.

Economic growth dropped back to 2.5% in 2011, partly due to a drop in the price of oil. In tourism the following initiatives took place, in addition to the commencement of STP projects on the ground:

- Upgrading of local airstrips including Placencia.
- The introduction of targeted online marketing by BTB.
- Greater emphasis on culture through an expanded network of Houses of Culture.
- Continued problems of crime with large drugs seizures in 2011, and the withdrawal of Carnival Cruise visits in January 2011 following a dispute with tender operators (an estimated loss of 10,000 day visitors).

2011 also saw the completion of the NSTMP, an important milestone resulting from the STP.

In 2012 the Government of Belize endorsed the NSTMP and there was also some economic and tourism recovery and this has continued through 2013, although due to a large public debt burden, fiscal spending is likely to remain tight. Air and land arrivals increased by 10.7% overall between 2011 and 2012: Air access is a key issue determining overnight visitor growth or decline, because the vast majority (76.4%) of tourist visitor traffic comes through the Philip Goldson International Airport (PGIA)¹². Cruise tourism however declined by 12% in the same period, but there is currently (2013) strong reported interest in developing new off-shore cruise terminals *cum* resorts off Belize City and off Placencia in the south.

Table 9 illustrates changes in overnight visitor numbers during the period 2008-2012. These show very strong recovery from Belize's primary North American markets in 2012 as well as growth from the Middle East, Australia and Asia from a very small base. Latin American overnight visitors continue to decline. Europe (also in recession) has remained static at levels below 2008.

TABLE 9: Belize overnight visitors 2008-2012

Market	2008	2009	2010	2011	2012
Africa	512	668	577	472	453
Middle East	588	400	863	628	1,324
Caribbean	2,307	2,388	2,505	2,049	2,288
Oceania	2,460	2,514	3,133	2,741	3,490
Asia	2,774	2,459	2,937	2,995	3,443
Belizeans living abroad	8,779	8,365	8,817	10,157	12,102
Canadian	17,695	17,211	18,246	20,093	24,223
Latin America	27,000	29,080	28,944	24,692	23,809
European	34,269	29,603	30,025	30,142	29,362
American	148,624	139,561	145,872	156,293	176,642
TOTAL	245,007	232,249	241,919	250,263	277,135
Annual growth		-5.2%	+4.2%	+3.4%	+10.7%

Source: BTB

BTB reports continuing growth in overnight visitors for the first eight months of 2013. This growth and BTB's marketing has been assisted by initiatives such as Delta Airlines special offers for longer stays in Belize, extensive BBC Travel features on the many attractions of the country and excellent reviews for some resorts on social and other websites. In addition the end of the Maya calendar in 2012 was highlighted as a tourism promotion. Belize also received considerable international media attention in 2013 as a result of the McAfee affair.

These factors indicate an improving tourism economy as the background to STP, increasing its chances of achieving sustainability.

3.11.2 Impact indicators agreed for program

Overall impact indicators agreed for the project initially and in the Midterm Evaluation are as shown in table 10:

¹²The second largest port of entry in terms of tourist visitor traffic is the Belize Northern border station. Many tourists from Europe come through this port while visiting Guatemala and Belize and pass through San Pedro.

TABLE 10: Overall project indicators

Result area	Key performance indicator 2008 (baseline)	Key performance indicator midterm (2011)	Suggested success indicator, post project	Latest data (Sept 2013)
<i>Contribution to national economic growth</i>				
Overnight tourists - overall	245,007	250,263	Increased growth trend ACHIEVED	277,135 (2012), 166,305 (Jan – Jun 2013)
Overnight tourist expenditure	US\$185.9 million	US\$207.6 (2010)	Increased growth trend ACHIEVED	US\$319.6 (2012) US\$191.9 (Jan–Jun 2013)
Average daily expenditure – Belize District		US\$ 123.46	Increase above inflation ACHIEVED	US\$152.92 (2012)
Average daily expenditure – Ambergris Caye		US\$ 135.63	Increase above inflation ACHIEVED	US\$162.30 (2012)
Average daily expenditure – San Ignacio		US\$ 107.87	Increase above inflation ACHIEVED	US\$136.41 (2012)
Average daily expenditure – Placencia		US\$ 117.21	Increase above inflation ACHIEVED	US\$138.21 (2012)
Numbers employed in overnight accommodation (hotels) – Belize City		1,199	Increase ACHIEVED	2,007 (2012)
Numbers employed in overnight accommodation (hotels) – Ambergris	1,887	1,438	Increase ACHIEVED	2,049 (2012)

Result area	Key performance indicator 2008 (baseline)	Key performance indicator midterm (2011)	Suggested success indicator, post project	Latest data (Sept 2013)
Numbers employed in overnight accommodation (hotels) – Cayo	1,375	1,174	Increase Not achieved	1,334 (2012)
Numbers employed in overnight accommodation (hotels) - Placencia	434	445	Increase ACHIEVED	509 (2012)
Number of registered tour guides – Belize City	299	315	Increase ACHIEVED	362 (2012)
Number of registered tour guides – Ambergris Caye	141	188	Increase ACHIEVED	252 (2012)
Number of registered tour guides – Cayo	197	215	Increase ACHIEVED	288 (2012)
Number of registered tour guides – Placencia	75	67	Increase ACHIEVED (minor)	69 (2012)
<i>Effects on overnight tourism</i>				
Number of hotel beds– Belize City	1,647	1,468	Recovery of growth ACHIEVED	1,813
Number of hotel beds– Ambergris Caye	2,701	3,364	Increase Not achieved	3,228
Number of hotel beds– Cayo	1,766	1,908	Increase ACHIEVED	1,970
Number of hotel beds- Placencia	1,160	1,131	Increase ACHIEVED	1,210

Result area	Key performance indicator 2008 (baseline)	Key performance indicator midterm (2011)	Suggested success indicator, post project	Latest data (Sept 2013)
Hotel room occupancy – Belize City	43.2%	39.6%	Recovery ACHIEVED (minor)	43.2% (2012)
Hotel room occupancy – Ambergris Caye	44.3%	43.7%	Recovery ACHIEVED	47.7% (2012)
Hotel room occupancy - Cayo	39.4%	38.2%	Recovery ACHIEVED	40.2% (2012)
Hotel room occupancy - Placencia	32.2%	38.5%	Increase Not achieved	33.0% (2012)
Average daily room rate (ADRR) – Belize city	US\$ 78.21	US\$ 79.93	Increase ACHIEVED	US \$85.76 (2012)
ADRR- Ambergris Caye	US\$ 169.24	US\$ 179.17	Increase ACHIEVED	US \$200.66 (2012)
ADRR - Cayo	US\$ 96.65	US\$ 99.13	Increase ACHIEVED	US \$117.39 (2012)
ADRR - Placencia	US\$ 150.53	US\$ 131.14	Recovery Not achieved	US \$137.16 (2012)
<i>Visits to specific supported sites</i>				
CahalPech	14,103	16,706	Increase ACHIEVED	23,875 (2012)
Xunantunich	48,079	51,087	Increase ACHIEVED	73,932 (2012)
ATM	N/A objective is not to increase visitation			

Result area	Key performance indicator 2008 (baseline)	Key performance indicator midterm (2011)	Suggested success indicator, post project	Latest data (Sept 2013)
Bacalar Chico	n/a	n/a	Numbers recorded Not achieved	
Overnight visitors (hotels) Belize District ¹³	186,756	162,694	Reverse trend Not achieved	179,188
Overnight visitors (hotels) Ambergris Caye	302,499	475,197	Increase trend Achieved automatically (no project intervention completed yet))	437,936
Overnight visitors (hotels) Cayo	226,415	244,951	Increase trend ACHIEVED	310,325
Overnight visitors (hotels) Placencia	132,762	162,110	Increase trend Achieved automatically	145,504

Source: Consultant based on BTB published statistics

3.12 Outputs

The program has delivered an impressive number of outputs all of which contribute to project objectives. These include under component 1 detailed and comprehensive studies leading to the improvement of visitor facilities in four target destinations including visitor facilities and improvements to archaeological sites. While not all studies commissioned could be reviewed in the timescale of the evaluation, most were referred to and these are outlined at chapter 7. Similarly under component 2 the delivery of outputs has been very thorough. IDB's Progress Monitoring Reports have tracked the progress of the delivery of these outputs.

The final evaluation notes that most outputs defined in the loan contract have been delivered, and delivered to a high standard.

3.13 Outcomes

The outcomes of STP can be summarised as follows:

¹³Room capacity (number of rooms x365 days) x average room occupancy x assumed average number of people per room (1.2 Belize District, 1.6 elsewhere)

- The existing product in Ambergris Caye, Belize City, Cayo and Placencia has been (or in the case of Ambergris, is being) protected and strengthened through a better environment;
- Townscape and landscape features in these four tourism areas are being improved. The overall planning context has also been strengthened through the NSTMP.
- The vision and direction of the tourism industry has been examined, consolidated and road-mapped through the NSTMP.
- Management and interpretation of heritage sites has been improved and training in cultural heritage management provided.
- Traffic circulation and pedestrian linkages have been improved, and will be improved in future through better planning.
- The renewal of existing urban buildings has been improved, and will be improved through the NSTMP.
- The overall visitor experience is being improved through better interpretation and raising quality standards.
- Dialogue and consultation between residents and tourism interests has been facilitated.
- Economic, social and community benefits are evident, providing a stimulus to local people's employment, entrepreneurial activities and investment opportunities.
- Capacities and systems within BTB have been improved and project management skills have been strengthened.
- Revenue streams have been created for local authorities and strengthened for BTB and Government.
- Training and development support for some micro-enterprises has been provided and the legalisation of informal small traders facilitated.

3.14 Unplanned effects

In Belize City the experience of cruise passengers will probably be improved, although this was not a stated project objective.

It is also noted that the program may have helped to galvanise public concern about tourism development, particularly in Placencia regarding cruise tourism: It is being held up as a good example of how public consultation should take place. This empowerment of local communities is a good thing and a key part of responsible tourism, which calls for critical tourists and critical locals, aware of the disbenefits as well as the benefits which tourism might bring.

There have been some negative impacts in San Pedro due to unexpected flooding, but these are being attended to.

4 SUSTAINABILITY

4.1 Financial sustainability

The extent to which there are commitments to continue initiatives commenced under the program with Government, municipalities or other funding sources is a key issue for sustainability. General agreements were signed with municipal land owners at the start of project works. Handover agreements have also been drafted, and in one case, signed. BTB retains a strong interest in all projects, and in Belize City and Cayo is taking a particularly active role. The IA has a statutory duty to continue to protect and manage archaeological sites. Formal commitments regarding ongoing shortfall funding (should losses occur) and future investment to cover depreciation seem to be lacking however, highlighting the need for stronger business plans and partnership agreements in future. There is however no reason to think that projects funded will be abandoned should losses occur.

Because Component 1 is mostly funding long term physical interventions at municipal level, its effects will be financially sustainable if sufficient resources are generated or available to maintain developments to a good standard, market them and ensure the facilities are regularly used for local and touristic purposes. Component 2 relates to activities which benefit BTB, the industry as a whole, and small businesses. Considerable care was taken to assist the selected small businesses towards financial sustainability through mentoring support. A continuation of this enterprise development support for tourism businesses (including larger tourism businesses) would be desirable as specific tourism-related SME development support is not currently available in Belize resulting in sustainability concerns.

Each major STP-funded project included the development of operational manuals which explored financial issues regarding projected income. These were not conventional business plans and did not explore such issues as the need to provide for depreciation of assets being constructed or repay the value of the intervention. They did however identify possible income streams, some of which are being realised. In the case of San Ignacio financial sustainability looks good as most income streams are being realised: The Mayor advises that the cost of running the development is being met from its revenues. In other cases however (Belize City, Placencia), income streams may have been optimistic, for example 'gazebo rental income' of \$12,000 was suggested for the bandstand in Memorial Park. The Fort Street operations manual sees the operation of Memorial Park as a revenue generating exercise: In reality the operation of public space in urban settings generally require subsidy through landscape contracts, events support and security, as part of the municipal services. It is however noted that some income assumptions here have actually been exceeded, for example the rental income on stalls in Memorial Park (assuming that tenants agree to remain and honour their leases).

Although in all cases commitments from those who would take over the various projects was agreed, it is a sustainability concern that the details of what management commitment actually involves is proving problematic in some cases. In one case (Belize City) the envisaged operator has not stepped forward and project operation may fall to BTB itself either as operator or co-manager. While it is recognised that tourism dynamics in Belize City are unique, international best practice suggests that a national tourism organisation's function is not likely to extend to running a municipal park, even one catering substantially to cruise tourists.

The financial sustainability of this project is also dependent on the cruise liner port remaining where it is. It is noted that the Government is presently considering a proposal to turn an island off Belize City (State Bank) into the country's main cruise liner port, connected to the city via a causeway. While this project could take up to five years to develop, it does call the sustainability of the current Memorial Park project into question (and government commitment to the NSTMP). If another Belize City cruise terminal is developed it will be more important than ever to focus on local in addition to touristic use to ensure the sustainability of the

program's interventions, such as by developing night activity targeting the business traveller and the overnight market, as well as aiming to attract locals.

Under Component 2 sustainability of inputs to BTB appears good as projects initiated in branding, information technology and grading are all underway and being taken forward. BTB's financial standing appears sustainable at present due to strong income from tourism taxes and registration fees, but this income could always be vulnerable to a change in the law or the centralisation of state revenues in the Ministry of Finance. Considerable efforts have been made through BEST mentoring to ensure the financial sustainability of the micro-businesses supported.

For future projects financial sustainability would be strengthened if there was earlier engagement with the entities that are to run eventual projects. Ideally these should be formally and legally agreed before the commencement of siteworks through more elaborate contractually binding partnership agreements which define how risks are to be shared. Business plans based on conventional profit and loss and cash flow accounting should form part of the project development process. The business plan for Bacalar Chico for example (Small Planet Consulting, 2013) repeatedly raises concerns about the operational capabilities of Government entities to run the recommended facilities and suggests alternatives. These issues do not appear to have been satisfactorily addressed which is also a sustainability concern: Such issues should be fully resolved and clearly demonstrated in a business plan before IDB-funded projects commence construction.

In the case of archaeology-based projects sustainability assumes a continuation of current funding arrangements (i.e., central support through ticket sales). This is generally appropriate as the features created under the programme (interpretative facilities and services) are not stand-alone. In the case of the new ferry however it would make sense to include a charge for cars and a substantially larger charge for coaches to provide for depreciation of the ferry and increase revenues to for visitor management, conservation and research. The present arrangements (the ferry crossing is provided free) is a missed opportunity.

4.2 Political and socio-economic sustainability

With the exception of changing Government policy on cruise liner port locations, consultations undertaken indicate a high degree of political and socio-economic sustainability and support for projects developed under STP. This applies particularly where robust management systems have been put in place. The San Ignacio Welcome Center and its surroundings is a good example of what can be achieved to ensure sustainability, an issue which project design took into account in ensuring income streams for all municipal projects.

A good working relationship with Belize City regarding the Memorial Park still needs to be established, based on a realistic sharing of responsibilities and shared future investment. This was clearly signalled in the original project feasibility study:

Successful operation of the Fort George Tourism Zone will require a multi-stakeholder approach to governance and management (EMG, 2008)

The Component 2 cultural tourism projects are also working to achieve better political and social sustainability through tourism.

4.3 Institutional frameworks and governance

As noted above the project has given much support to BTB and strengthened its role in information management and certification, increasing its sustainability. It has also provided Government with excellent planning documentation. The NSTMP has resulted in recommendations for improving institutional frameworks and governance.

One-off trainings were funded by the program in the area of cultural heritage. Although participants record high satisfaction with trainings provided by STP in culture and business planning, in the long term one off trainings may not be that effective. The consultancy report on cultural heritage clearly recommended further investment in training and outlined how this might be delivered. No action has been taken by BTB to action these recommendations and it is the evaluator's view that the whole area of tourism training requires a more comprehensive and strategic approach.

4.4 Ecological sustainability

Environmental sustainability has been considered in individual project design and the Bacalar Chico project is specifically related to environmental tourism product development. In San Ignacio specific measures were taken to improve environmental conditions through better sewerage and waste water disposal. In Belize City improvements have been made to drainage which has significantly reduced flooding of the project area during heavy storms.

Belize does face major environmental challenges such as solid waste disposal, the treatment of pollution (particularly marine pollution due to cruise liners and oil exports) and tourism development. The master plan should help to address these issues and make the destination more sustainable.

Coastal protection related to climate change is a fundamental issue in Belize. The project has relied on conventional approaches to addressing this using sea walls and substantial concrete structures with a high carbon footprint. A future project might include mangrove barrier planting as a more eco-friendly and sustainable approach in some locations and utilize more low carbon technology. As noted in the midterm evaluation, greening tourism development and favouring eco-solutions was not prioritised in the scoring of tenders or project design specifications aside from Bacalar Chico. The project did not go much beyond legal requirements environmentally: Recycling centers were conceptualised at the start of the project, however as the structures at a local level are not in place to support such practice at this time, these proposals were dropped. This was perhaps unfortunate as all recycling schemes have to start somewhere and almost always the full chain of recycling services is not in place when they start operating. Future IDB tourism projects, and tourism projects generally, should give more attention to this in response to both growing global demand and green economy opportunities.

4.5 Satisfaction and sustainability ratings

4.5.1 Method

These ratings are based on methodology agreed in the Final Workplan for the evaluation. They are subjective assessments based on the overall consideration of evaluation inputs. They *relate to conditions at the time of the final evaluation* and may change once projects still under construction become fully operational.

4.5.2 Component 1

4.5.2.1 Ambergris Caye– San Pedro water taxi terminal

Satisfaction

<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
The project has exceeded expectations	The project has been delivered to meet expectations and on time	The project has not made a significant difference yet	The project has not delivered on expectations	The project has had a negative effect

Sustainability

<i>Clearly sustainable</i>	<i>Probably sustainable</i>	<i>Neutral</i>	<i>Some concerns regarding sustainability</i>	<i>Not sustainable</i>

Operating successfully and generating revenues Business plan in place Management in place	Not yet generating funds but business plan in place and management arrangements in place	Business plan drawn up but management agreements not yet in operation	Business plan proving unrealistic, or management difficulties	Unforeseen problems have arisen
-------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------	---------------------------------------------------------------	---------------------------------

4.5.2.2 Ambergris Caye – Bacalar Chico

Satisfaction

<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
The project has exceeded expectations	The project has been delivered to meet expectations and on time	The project has not made a significant difference yet	The project has not delivered on expectations	The project has had a negative effect

Sustainability

<i>Clearly sustainable</i>	<i>Probably sustainable</i>	<i>Neutral</i>	<i>Some concerns regarding sustainability</i>	<i>Not sustainable</i>
Operating successfully and generating revenues Business plan in place Management in place	Not yet generating funds but business plan in place and management arrangements in place	Business plan drawn up but management agreements not yet in operation	Business plan proving unrealistic, or management difficulties	Unforeseen problems have arisen

4.5.2.3 Belize City

Satisfaction

<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
The project has exceeded expectations	The project has been delivered to meet expectations and on time	The project has not made a significant difference yet	The project has not delivered on expectations	The project has had a negative effect

Sustainability

<i>Clearly sustainable</i>	<i>Probably sustainable</i>	<i>Neutral</i>	<i>Some concerns regarding sustainability</i>	<i>Not sustainable</i>
Operating successfully and generating revenues Business plan in place	Not yet generating funds but business plan in place and management arrangements in place	Business plan drawn up but management agreements not yet in operation	Business plan proving unrealistic, or management difficulties	Unforeseen problems have arisen

Management in place				
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4.5.2.4 Cayo Welcome Center

Satisfaction

<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
The project has exceeded expectations	The project has been delivered to meet expectations and on time	The project has not made a significant difference yet	The project has not delivered on expectations	The project has had a negative effect

Sustainability

<i>Clearly sustainable</i>	<i>Probably sustainable</i>	<i>Neutral</i>	<i>Some concerns regarding sustainability</i>	<i>Not sustainable</i>
Operating successfully and generating revenues Business plan in place Management in place	Not yet generating funds but business plan in place and management arrangements in place	Business plan drawn up but management agreements not yet in operation	Business plan proving unrealistic, or management difficulties	Unforeseen problems have arisen

4.5.2.5 Placencia pier & boardwalk

Satisfaction

<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
The project has exceeded expectations	The project has been delivered to meet expectations and on time	The project has not made a significant difference yet	The project has not delivered on expectations	The project has had a negative effect

Sustainability

<i>Clearly sustainable</i>	<i>Probably sustainable</i>	<i>Neutral</i>	<i>Some concerns regarding sustainability</i>	<i>Not sustainable</i>
Operating successfully and generating revenues Business plan in place Management in place	Not yet generating funds but business plan in place and management arrangements in place	Business plan drawn up but management agreements not yet in operation	Business plan proving unrealistic, or management difficulties	Unforeseen problems have arisen

4.5.3 Component 1 summary and overall rating

Satisfaction

	<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
San Pedro			X		
Bacalar Chico			X		
Belize City		X			
Cayo	X				
Placencia	X				
Overall		X			

Sustainability

	<i>Clearly sustainable</i>	<i>Probably sustainable</i>	<i>Neutral</i>	<i>Some concerns regarding sustainability</i>	<i>Not sustainable</i>
San Pedro		X			
Bacalar Chico		X			
Belize City			X		
Cayo	X				
Placencia		X			
Overall		X			

4.5.4 Component 2

4.5.4.1 National Tourism Master Plan**Satisfaction**

<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
The project has exceeded expectations	The project has been delivered to meet expectations and on time	The project has not made a significant difference yet	The project has not delivered on expectations	The project has had a negative effect

Sustainability

<i>Clearly sustainable</i>	<i>Probably sustainable</i>	<i>Neutral</i>	<i>Some concerns regarding sustainability</i>	<i>Not sustainable</i>
Being fully implemented and adopted by all regions	Beginning to be implemented and adopted by some regions	Completed and adopted but not yet implemented	Completed but not adopted	Unforeseen problems have arisen /not completed

4.5.4.2 Destination branding**Satisfaction**

<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
The project has	The project has	The project has	The project has	The project has

exceeded expectations	been delivered to meet expectations and on time	not made a significant difference yet	not delivered on expectations	had a negative effect
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Sustainability

Clearly sustainable	Probably sustainable	Neutral	Some concerns regarding sustainability	Not sustainable
Being fully implemented by BTB	Beginning to be implemented and adopted by some regions	Completed and adopted but not yet implemented	Completed but not adopted	Unforeseen problems have arisen /not completed

4.5.4.3 Tourism taxation study**Satisfaction**

<i>Very satisfied</i>	<i>Satisfied</i>	Neutral	<i>Not satisfied</i>	<i>Not at all satisfied</i>
The project has exceeded expectations	<i>The project has been delivered to meet expectations and on time</i>	The project has not made a significant difference yet	The project has not delivered on expectations	The project has had a negative effect

Sustainability

<i>Clearly sustainable</i>	Probably sustainable	Neutral	Some concerns regarding sustainability	Not sustainable
<i>Being fully implemented and adopted by all regions</i>	Beginning to be implemented and adopted by some regions	Completed and adopted but not yet implemented	Completed but not adopted	Unforeseen problems have arisen /not completed

4.5.4.4 Tourism database management system**Satisfaction**

<i>Very satisfied</i>	Satisfied	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
The project has exceeded expectations	The project has been delivered to meet expectations and on time	The project has not made a significant difference yet	The project has not delivered on expectations	The project has had a negative effect

Sustainability

Clearly sustainable	Probably sustainable	Neutral	Some concerns regarding sustainability	Not sustainable
Being fully implemented and adopted by	Beginning to be implemented and adopted by some	Completed and adopted but not yet implemented	Completed but not adopted	Unforeseen problems have arisen /not

<i>all regions</i>	regions			completed
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4.5.4.5 Hotel standards framework

Satisfaction

<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
The project has exceeded expectations	The project has been delivered to meet expectations and on time	The project has not made a significant difference yet	The project has not delivered on expectations	The project has had a negative effect

Sustainability

<i>Clearly sustainable</i>	Probably sustainable	Neutral	Some concerns regarding sustainability	Not sustainable
Being fully implemented and adopted by all regions	Beginning to be implemented and adopted by some regions	Completed and adopted but not yet implemented	Completed but not adopted	Unforeseen problems have arisen /not completed

4.5.4.6 Micro & small grants scheme

Satisfaction

<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
The project has exceeded expectations	The project has been delivered to meet expectations and on time	The project has not made a significant difference yet	The project has not delivered on expectations	The project has had a negative effect

Sustainability

<i>Clearly sustainable</i>	<i>Probably sustainable</i>	<i>Neutral</i>	<i>Some concerns regarding sustainability</i>	<i>Not sustainable</i>
All businesses supported appear sustainable	Most businesses supported appear sustainable	Future viability of businesses uncertain	Concerns regarding sustainability of most businesses	Unforeseen problems have arisen /not completed

4.5.5 Component 2 summary and overall rating

Satisfaction

	<i>Very satisfied</i>	<i>Satisfied</i>	<i>Neutral</i>	<i>Not satisfied</i>	<i>Not at all satisfied</i>
NSTMP	X				
Branding		X			
Taxation study			X		
Tourism database		X			
Hotel standards		X			
Small grants	X				
Overall		X			

Sustainability

	<i>Clearly sustainable</i>	<i>Probably sustainable</i>	<i>Neutral</i>	<i>Some concerns regarding sustainability</i>	<i>Not sustainable</i>
NSTMP		X			
Branding	X				
Taxation study				X	
Tourism database	X				
Hotel standards	X				
Small grants		X			
Overall	X				

5 INSTITUTIONAL PERFORMANCE

5.1 Introduction

This chapter examines what the performance has been of the PCU and the executing agencies with respect to the contractual conditions of the loan proposal, the operation manual, and IDB policies and priorities.

5.2 Operational performance

5.2.1 Introduction

Operational performance is assessed based on a review of project reports and minutes of steering group meetings, and consultations with some key players as outlined in the annexes to this report.

5.2.2 Belize Tourism Board

BTB has been closely involved in project direction and, while changes in senior staff in BTB did result in some delays in approving terms of reference for studies early on, its engagement was reviewed with the appointment of a liaison officer to the program. The liaison officer post was discontinued in April 2013 when it was no longer considered necessary. The auditors noted delays in providing funding for project activity in advance, otherwise BTB's engagement and support appears good.

5.2.3 Ministry of Tourism and Culture

MOTC is very closely involved in the project following some changes in senior staff. The Ministry is clearly offering a guiding hand to the program and helpful to it in addition to providing support with legislative and policy issues.

5.2.4 National Institute for Heritage and Culture

NICH, like BTB, is both a beneficiary and an adviser to the program. A cautious approach to development is evident, as is appropriate for an archaeologically responsible organisation. NICH has stepped in to assist the program when archaeological remains were found during Burns Street site works in San Ignacio. It is currently assessing the impact on archaeology of the Bacalar Chico project works. NICH had a significant influence on project proposals at archaeological sites, which in some cases are significantly different from those suggested by EMG. This is appropriate and in accordance with NICH's mandate.

5.2.5 Project Coordinating Unit

The effectiveness of the PCU is extensively covered in the preceding chapters. The small team at the PCU has been efficient in managing contacts and consultancies, and has generally delivered useful work to further sustainable tourism development in Belize. The team's priority in terms of changes and variations has been on physical components rather than softer elements (training and cultural tourism). Consultations also suggest that the eligibility criteria for the small grants program need to be clearer. The scheme's administrators, BEST have highlighted an apparent inconsistency in the qualification of the beneficiaries of the Matching Grant Scheme. There were no clear income qualification for participation in the scheme and the range of incomes displayed by the beneficiaries was wide with a few who were perhaps at the poverty line and a few who could be classified as middle income. This meant that in some instances, the investments were made to individual enterprises which could have accessed capital from lending institutions without much difficulty. In essence, then, there could have been much greater impact if the assistance were given to businesses in more difficult circumstances.

As highlighted in the Midterm Evaluation M&E was a weakness throughout the program and remains so: Future projects would be advised to commission a realistic M&E Procedures Manual at inception stage.

Significant effort will be needed to bring the remaining Ambergris Caye projects to completion to a high standard and on time, but the team appears to be rising to the challenge.

5.2.6 Inter-American Development Bank

The effectiveness of the internal and the Bank's monitoring and supervision system is evident in this program. There has been close supervision despite changes in staff at the Bank. Regular monitoring reports are being logged and there is regular follow up. The drafting of the loan contract was broad enough to allow for flexibility in the design. IDB was accommodating of project design change throughout execution based on changing contexts and realities. Close engagement has helped the program. It would be desirable in future projects to ring fence budgets for M&E and public consultations.

Given restrictions on Government borrowing applying in Belize at present, IDB might in future consider more innovative ways of supporting development than through a direct Government loan. The San Pedro terminal, for example may have offered potential for a build-operate-transfer (BOT) or build-operate-own option (BOO) arrangement¹⁴: rather than being built as an additional municipal facility: A partnership agreement could have allowed for duty free sales and landing fees in return for a capital contribution. It is noted that IDB itself has a policy of trying to engage more with the private sector¹⁵ which could result in more direct interventions to enhance overnight tourism product in Belize if applied.

5.2.7 Other stakeholders

Collaboration with other stakeholders, and in particular municipalities and village councils, was extensive. In Belize City there seem to have been some stakeholder collaboration difficulties with the City Council although Collaboration with the Fort Street Tourism Village (the cruise terminal) has been strong: They invested in the stampcreting of Fort Street to complement the project, and have reorganized visitor flow inside the terminal and engaged in all meetings and consultations. The street vendors' association, and the Association of Cruise Service Providers as well as independent tour operator and taxi tour associations have been cooperating well with the BTB destination planning and STP. Discussions to achieve consensus with Belize City Council on the type of management agreement which is preferred for the area have however proved inconclusive so far..

In other destinations however comprehensive stakeholder collaboration appears to have been good, although a constant request for "more information" was noted particularly in the midterm evaluation. This highlights the need for a more formalised (and funded) communications strategy in future programs.

5.3 Conclusions and lessons learned

STP program inputs have been efficiently converted into activities, although necessary exploration of the issues of land ownership and community engagement delayed the program start. Some significant changes in project design occurred and most of these result from welcome community engagement. The steering group and project team have done an efficient job.

The project has supported the improvement and restoration of overnight destinations. There has been some new product developed, but the overall output has been described by consultees as one of "consolidation". The project has strengthened national capacity for sector policy, destination planning and management by putting important tools in place.

Early results in Cayo indicate a good impact on overnight tourism: At other destinations it is too early to judge impact on visitor overnights but it is likely to be positive. In Belize City the experience of cruise passengers will probably be improved, although this was not a stated project objective. There are however some concerns regarding the future management commitment in Belize City, and running the Park may fall to BTB. The intervention's sustainability is also called into question, should the city's cruise tourism terminal be relocated. Similarly the future management of Bacalar Chico falling to the state also raises some sustainability concerns.

¹⁴ It is understood that there is already some experience of PPP in San Pedro (the northern toll bridge).

¹⁵ IDB (2013) *Assessment of IDB-9's Private Sector Development Framework Background Paper*. Office of Evaluation and Oversight

Additional emphasis might have been given to expanding successful ‘soft’ elements such as implementing additional recommendations on training and cultural tourism. More emphasis should have been given to putting “soft” elements into place for all urban projects (*i.e.* clear management agreements up front and more assistance in training site managers). An alternative approach to be considered for future projects would give greater emphasis to developing earlier and more robust partnership agreements to ensure a sharing of risk with municipalities when extras arise, and commitments to ongoing future funding.

Stronger M&E guidelines need to be established at the start of IDB tourism programs, and conventional log frame-based project management applied to ensuring the achievement of outcomes.¹⁶

There is an opportunity to communicate the very visible results of this program and its many successes. This might be done electronically (electronic library of project reports and outputs) and through a hard copy review.

5.4 Lessons learned

Lessons learned are summarised as follows:

(i) Preliminary design phase

- The program is seen as a good model of public consultation and the extent to which local peoples’ wishes were taken on board as project design evolved is a positive lesson for the future.
- A clear Monitoring and Evaluation Procedures Manual needs to be developed at the start of a program, specific to its desired outputs and outcomes.
- Project management should ring fence resources for continuous monitoring and evaluation and make provision for a Monitoring Executive in program management from the outset.
- It would be useful in design to require architects to benchmark projects against international best practice in sustainable tourism, including green technology, award winning urban design and low carbon solutions.
- There is an opportunity to explore more formalised PPP approaches to development projects, to reduce dependence on state borrowing.
- The financial commitments of partners to carry projects forward as sustainable initiatives needs to be assessed prior to offers, and to be built into formal partnership agreements.
- Project design should take into account IDB’s emerging guidelines for greater private sector engagement: Future projects might not be entirely depended on the use of state land, for example. Pre-feasibility studies need to have greater clarity regarding land ownership issues.
- Draw-down of IDB funding should be phased realistically over the life of a project.

¹⁶An example of the type of M&E manual which a tourism loan project should put in place at inception stage can be found at the Asian Development Bank’s Sustainable Tourism Development Project website <http://stdplaos.com/progress_reports.html> - see *Performance Monitoring System*.

*(ii) Implementation phase**a) Procurement*

- Ensure procurement limits the project's responsibilities for changes and cost overruns: partnership agreements should share risks when extras arise.
- Give greater attention to green technology and international best practice in tendering.

b) Financial management

- Ensure partnership agreements regarding hand-over are worked out in detail in advance, specifying how individual projects would be managed according to the complexities of the investments and the differing capacities of the municipalities.
- Partnership agreements should include commitments from utility companies to upgrade facilities: Directly subsidising third party company costs outside of tendered contracts might not be considered eligible expenditure in the future.
- Draw down of funding should be phased to avoid unnecessary interest payments.

c) Stakeholder coordination

- More time should be allowed for stakeholder coordination. It has proved very valuable in this program.
- Supporting enterprises from both men and women proved important in project success: stakeholders from both genders should be ensured. A high degree of gender inclusiveness is indicated in the program. Most retail units established in Cayo for example are operated by women, but not exclusively so. Trainings in cultural tourism had high female participation. The majority of small businesses supported by component 2 are operated by women and the overall support component (although quite small in scale) was focussed on minority groups. These aspects of the program have scope for expansion in future.

d) Supervision and management

- The thorough approach to architectural planning and commissioning technical reports adopted in this program is an excellent model to follow.
- The consultative approaches adopted in this program are good models to follow: They may need to be formalised in future management structures to ensure the continuation of consultation and consensus-building regarding tourism.
- Ensure in future that a structured and appropriately staffed monitoring and evaluation (M&E) function is in place throughout programs.
- Greater time needs to be allowed for archaeological explorations at project sites in a country as archaeologically rich as Belize.
- Difficulties may arise in terms of continuity and institutional memory when changes take place in local government due to elections. This emphasises the need for more robust, detailed and legally binding partnership agreements with local authorities, together with on-going working groups involving non-elected local authority executives and the tourism industry itself.
- The appointment of facilitators at an early stage (e.g. six to eight months prior to completion) to assist the future management organisations of funded projects has proved very helpful. Future projects should provide for these either through direct funding, or as part of partners'/local authorities' guaranteed contributions in future project agreements.

(iii) Handover phase

- Put significant effort and resources into establishing and strengthening management of facilities being constructed, in addition to managing construction contracts.
- Establish a communications budget and strategy to promote program objectives and communicate results.
- Well planned and well funded events programmes are vital for enhancing the economic and tourism potential of public space, such as the urban enhancement projects supported by STP. Events programmes are also important for maximising the economic and social potential of visitor attractions.

5.5 Recommendations

i) Strategic recommendations

- Future interventions should focus more on product themes highlighted as part of Belize's new tourism brand values. Researching these was supported by STP.
- The NSTMP outlined suggested improvements in transportation which will help link attractions and rural populations to markets: It also suggests regional priorities for urban and rural regeneration. Developing water-based transport options bringing Belize's canals and waterfronts into greater tourism use can also help develop competitive advantage in the region.
- Under transportation there is also an obvious need to comprehensively signpost both towns and tourist attractions in accordance with international standards as recommended in the Master Plan.
- There should be continued strong emphasis to the interpretation and conservation of both natural and cultural heritage (for example projects that maintain or re-establish a natural features that are important for ensuring the flow of tourists, for example coral reefs, or through the development of a flagship National Museum).
- M&E needs to be planned for at the commencement of programs based on the specific details of the interventions being planned.
- Greater emphasis needs to be given in follow-on support programs to funding 'soft' elements in addition to physical development.
- Full business plans robustly and realistically estimating income, expenditure and cash flow, (rather than scoping studies estimating possible sources of income) should be required to secure and release future program support. Indicative studies on possible income sources should not be considered sufficient as they increase risk and threaten sustainability.
- A continuation of support to improve hotel standards through certification, benchmarking and training will help to improve Belize's competitiveness and hence to attract more overnight visitors.
- The need to develop new curricula and tourism training facilities is urgent and should be prioritized as outlined in the Master Plan.
- SME development support for tourism also appears to lack strategic direction and formal support structures. Gender issues should continue to be considered: Support for female entrepreneurs has proved productive under STP. There may be a need for the Ministry to undertake a strategic review to make tourism enterprise development and tourism training more effective.

- Investment in continuing to enhance the governance and institutional capacity of the industry (MOTC, BTB, etc.) should continue to be supported.
- There is scope to expand the kinds of cultural tourism training and matching grants piloted in this project, possibly through establishing a revolving fund.
- A revolving fund might also support innovation and new product area development, for example with growing residential tourism, demand opportunities in medical tourism are likely to arise. A revolving fund of soft loans rather than grants should be considered, particularly for M-SMEs. Enterprises should be encouraged to borrow commercially rather than being offered grants.
- There is a significant opportunity to increase support for both private sector and state investments in renewable energies for tourism, energy efficiency, recycling, clean energy technologies, carbon finance, biodiversity and conservation. This should include both training and support for clustered physical development.
- PPP could play a larger role in funding tourism infrastructure development, reducing the state's need to borrow. Cost recovery opportunities need to be identified to fund depreciation and replacement: An example is the chain ferry which is presently a free service for ticket holders to the IA site.
- Making tourism growth sustainable will require a reduction of risk by expanding the number of markets which Belize relies on. A future program might support new market development.
- Developing a network of high standard branded tourist information centres should be considered (perhaps adapting the Cayo Welcome Center as a flagship under BTB) and upgrading Belize Tourism Industry Association (BTIA) and other operations to meet these standards.
- In some cases there is an opportunity to increase social inclusion through regional prioritisation of tourism development, focusing on developing products which can engage poorer segments of the population (crafts, chocolate, coffee, voluntourism, etc.). There is also an opportunity to work more with private sector ground handlers to target these segments.
- The issue of tourism Satellite accounts (TSA) should be revisited. The reasoning is:
 - Belize has an outstanding mix of tourism attractions (beaches, sea, culture, eco-tourism etc.) and has strong growth potential;
 - In moving forward there will be a need for many different types of economic analyses to decide the best way in which to allocate resources, and there will be a need for sophisticated economic analyses to back-up the decision-making; and
 - Belize already has outstanding tourism statistics (arrivals, visitor survey, hotel utilisation etc) and as such this offers a good platform for integrating all the statistics into the context of the National Accounts.

ii) Operational recommendations

- There is a significant need for post project follow up by MOCT & BTB to ensure the sustainability of both large and small scale projects supported by STP.
- Sub-regional plans developed under STP need to be embedded in local authorities and agencies. This will require follow up by BTB and MOTC: For example at the time of the Final Evaluation, plans had been

shared in Belize City and Placencia-but have not been adopted. (The STP sub-regional plan is taken into account in San Pedro as part of Land Use Planning and there is the possibility of adoption in Cayo through a municipal planning project.)

- As recommended in the Midterm Evaluation, it is clear that an ex-post evaluation will be needed to better estimate impacts from projects still under construction and/or yet to be handed over to future management.

Accounting to IDB should be required on an accruals rather than a cash flow basis (at present IDB

The program has a very high degree of continued relevance. Belize needs to continue to improve its overall product offer to gain more market share of Central American and Caribbean tourism. As the only English-speaking nation in Central America with a small, friendly and culturally diverse population, it has a clear competitive advantage if it can be seen to offer better value for money. The challenge of improving tourism management and protecting the environment, both terrestrial and marine, for responsible and sustainable tourism remains very real.

6 FUTURE FUNDING

6.1 Possible intervention areas

Possible area for future funding should be in accordance with the Master Plan which STP has delivered. In terms of furthering the Master Plan the following issues should be acted upon:

- Other Ministries (those outside MOTC) must be brought on board through an inter-ministerial steering group, ideally chaired by the Prime Minister's Department.
- Some existing laws, policies, and other administrative procedures must be updated if the Master Plan is to be implemented as envisioned. Further specialist legal advice will be needed in such areas as PPP's, taxation opportunities for seed funding, and investment partnership options are to be realised. Collaborative efforts such as PPPs should be encouraged and pursued: This will help to improve balance between cost and quality of public services, and help to reduce the state's borrowing.
- Several concepts require further planning and feasibility testing before they can be designed or constructed.
- Tourism training and SME enterprise support require a strategic approach to be taken forward effectively.

Areas which the Bank or others should consider for future support are as follows:

1. **Public-private partnership, urban redevelopment and transport:** Some of the current STP projects (for example the San Pedro pier) might have been funded as a PPP with a duty free element. Further urban improvement projects are desirable as outlined in the Master Plan, but there is an opportunity to explore more formalised PPP approaches to development projects, to reduce dependence on state borrowing. The Master Plan outlined suggested improvements in transportation which will help link attractions and rural populations to markets: Consultation with BTIA also highlighted the need to improve access to tourism sites.

"There is no infrastructure at many Maya sites to cope with cruise tourism" BTIA

It also suggests regional priorities for urban and rural regeneration. The Director of BTB highlighted the need for infrastructure improvements in the north and south of the country, in addition to the current STP development locations. Developing water-based transport options bringing Belize's canals and waterfronts into greater tourism use can also help develop competitive advantage in the region. Under transportation there is also an obvious need to comprehensively signpost both towns and tourist attractions in accordance with international standards.

2. **Education, training and standards:** A continuation of support to improve hotel standards through certification, benchmarking and training will help to improve Belize's competitiveness and hence to attract more overnight visitors. The need to develop new curricula and tourism training facilities is urgent and should be prioritized as outlined in the Master Plan. This was emphasised by the Director of BTB in consultations:

"Belize currently has no hotel school, no tour guiding school, and tourism textbooks and training materials being used are devoid of Belize context"

In addition the BHA indicates that 90% of hotel chefs are currently engaged from outside Belize due to lack of local training.

The private sector operates under heavy import duties and relatively high taxes. Making the private sector more quality-focussed to enable the destination to become 'boutique' rather than 'mass

tourism' could also be a useful focus for future IDB loans. A strengthening of the hotel association so that it can commission hotel performance benchmarking studies might also help to raise standards, competitiveness and hotel profitability. The Director of BTB has highlighted the need for more focussed entrepreneurship and service standards training in tourism to be supported.

There appears to be some duplication and confusion regarding responsibility for training and enterprise development in tourism at present.

3. **Greening tourism:** There is a significant opportunity to increase support for both private sector and state investments in renewable energies for tourism, energy efficiency, recycling, clean energy technologies, carbon finance, biodiversity and conservation. The Bank could also focus on supporting environmental and climate change policies and necessary institutional and industry-led changes in which make market-based solutions feasible. BTB is currently exploring a regional "sustainability seal" and this should be encouraged.
4. **Natural and cultural tourism:** There should be continued strong emphasis to the interpretation and conservation of both natural and cultural heritage (for example projects that maintain or re-establish a natural features that are important for ensuring the flow of tourists, for example coral reefs, or through the development of a flagship National Museum). Projects that protect concentrated and strategic assets that were identified in the Master Plan should be given support, for example nature reserves. The establishment of a biodiversity fund might be considered, as could the establishment of a rolling fund to support micro and small businesses in cultural tourism, and those linked to protected areas. These are aspects of Belize's product that is given particular emphasis in its new brand values.

"Perhaps support should be more product and less district-based. For example diving is one product which covers multiple districts." Senior BTB staff member

5. **Research and marketing:** Making tourism growth sustainable will require a reduction of risk by expanding the number of markets which Belize relies on. In addition, domestic tourism needs to be researched.¹⁷ A future program might support new market development. Through marketing support the Bank could focus on the importance of reaching scale through existing platforms and distribution networks, and sustainable engagement by aligning the delivery of a service or product with payment mechanisms suitable to the customer's needs identified through market research.
6. **Tourism information centres:** Improving the standard and services of tourist information centres should be considered (perhaps adapting the Cayo Welcome Center as a flagship under BTB) and using TICs to ensure delivery of Belize's brand values in-country.
7. **Social inclusion:** In some cases there is an opportunity to increase social inclusion through regional prioritisation of tourism development which can reach poorer segments of the population. There is also an opportunity to work through private sector tour operators to target neglected segments like the poorer groups in society. The project's matching grant recipients and more similar products in the future need to be introduced to tour operators and travel writers. These will be important in helping to realize the Belize brand values partly developed under this program. There is an opportunity for the Bank to support more representative corporate governance and greater social responsibility at regional level through more broadly-based regional destination management, creating greater awareness of responsible tourism, and to directly favour more interventions aimed at gender and/or ethnic issues, such as Mayan homestay for example.

¹⁷ BTB is considering this for 2014
Robert Travers

8. **Tourism satellite accounts:** Although not delivered under STP, the development of transparent TSA is very desirable and will significantly assist the tourism industry to estimate its true importance in Belize's economy, and assist the IDB and Government to measure tourism's true impact. Support for the strengthening of the Statistical Institute of Belize and the enhancement of research-sharing with BTB should be facilitated as part of a future TSA development process.

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CIA World Factbook: <<https://www.cia.gov/library/publications/the-world-factbook/geos/bh.html>> accessed September 2013

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ANNEXES

Annex 1: Terms of reference

CONTEXT

Project Background & Objectives The Belize Sustainable Tourism Program (STP) (2060/OC-BL) is a four year program in response to challenges that must be faced if Belize's tourism sector is to grow in a manner that is economically, environmentally and socially sustainable. The overall goal is "to increase the contribution of tourism to national economic growth in a manner that is environmentally and socially responsible. Its purpose is to support the consolidation of overnight tourism in the light of its potential to optimize the sector's contribution to the Belizean economy. Its objectives are to:

- a) Support the improvement, restoration and diversification of overnight destinations and their products; and
- b) Strengthen national capacity for sector policy, destination planning and management. (IDB and Government of Belize, 2008)

The project is being funded by the Government of Belize and the Inter-American Development Bank (IDB) (herein referred to as The Bank) through a loan of US\$13.322 million and a counterpart contribution of US\$1.36 million.

Project Components

The Program comprises the following two components: (i) Investments in overnight tourism destinations; and (ii) Institutional strengthening and capacity building for policy, destination planning and management.

Mid term Evaluation

A mid-term evaluation was undertaken in September 2012 which appraised the project rationale and assessed the results to the point when 50% of project funds had been spent. The midterm evaluation examined the rationale and project design; the efficiency, effectiveness, relevance and institutional performance; and made specific recommendations for strengthening the project in its final year. The final evaluation will build upon the mid-term evaluation report in its assessment of project performance; providing an examination of the planned and unplanned impact and effects of the project at completion and anticipated for the long term, and concluding developmental and operational lessons learned.

OBJECTIVES OF THE CONSULTANCY

The purpose of the final evaluation is to reliably and representatively evaluate the project outcomes, outputs and impacts of the STP through an independent and comprehensive presentation and analysis of the project and its overall performance and execution. Consistent with the loan contract section 4.09 the final evaluation shall assess:

- 1) Degree of attainment of Program Objectives in relation to plans and reasons for any variances
- 2) Effectiveness of the organization and arrangements established for Program execution
- 3) Sustainability of the activities funded under the Program
- 4) Lessons learned that could be applied to further projects in this sector.

To this aim, key objectives of the evaluation include:

- To determine the success of the project in **effectively** and **efficiently** achieving its overall goals and objectives and executing the planned outputs and activities
- To establish the effectiveness of past and ongoing co-ordination among executing agencies, partners and stakeholders and areas for improvement;
- To determine the direct and indirect impacts and effects of the interventions as related to the destinations and overall overnight tourism sector to date, and determine likelihood of future impacts;

- To determine the likelihood and level of sustainability of the investments
- To serve as an instrument for strengthening future project design and programming and to optimize capacity for execution, sustainability, relevance and impact of similar development initiatives through the identification of lessons learned.

In consultation with the PEU the consultant will be required to develop and utilize a “satisfaction rating” in evaluating the execution of the project and performance attainment of objectives, outputs, activities and planned results, and present a “Probability rating” as it relates to the achievement of development objectives, impacts, effects, and sustainability of the project components to ensure alignment with the Project Completion Reports required at project close.

ATTAINMENT OF OBJECTIVES, PLANNED RESULTS, OUTPUTS AND ACTIVITIES.

The evaluation should assess the extent of progress towards the project’s major objectives and whether such progress has been **effectively** and **efficiently** achieved. The consultant should provide an assessment of the project’s success in achieving each of the programmed outputs.

The consultant should use the revised results framework indicators established in the midterm evaluation report as the basis of this assessment and present an overall conclusive satisfaction rating for the overall attainment of objectives.

In evaluating the effectiveness and efficiency attention should be given to:

Financial planning, Control and Cost Effectiveness

A review of the quality and effectiveness of the financial planning and control of the financial resources through the life of the project should be undertaken. The evaluation should assess whether the use of project funds is commensurate with the physical outputs and progress attained and evaluate the strength of financial management systems, planning and reporting and their adequacy in achieving a timely flow of funds. An assessment of counterpart contributions over the life of the project should also be undertaken with the same considerations of efficacy and contribution to the success of project deliverables.

Cost- effectiveness of the activities of the project should be considered and if possible a comparison made with costs of similar projects.

Stakeholder Participation, levels of ownership and Partner engagement.

The consultant is required to examine the mechanisms established for stakeholder consultation and public awareness identifying their strengths and weaknesses and assessing the degree of effectiveness and levels of influence of these inclusion and information dissemination mechanisms upon the achievement of the goals and objectives of the projects. The levels of engagement of project partners and institutions should also be assessed.

Project Implementation

The evaluation should assess the overall project management framework at all levels, the roles of the PSC, strengths and ability to overcome problems and constraints, and adaptation to changes during the life of the project to enable its implementation. Assess the effectiveness and efficiency of Inter-agency communication, collaboration and general support with emphasis on supervision and support from the Bank and the Government of Belize.

Project execution arrangements should be evaluated taking into consideration size, organizational structure, and administrative or technical challenges which may have influenced effective implementation. An assessment should also be made of project execution as it relates to procurement activities and the performance of consulting firms for technical studies and plans, their overall management and the usefulness of outputs delivered. The framework for and execution of project management and supervision of works should also be assessed.

M&E during project implementation

Taking into consideration the M&E constraints and challenges as noted within the midterm evaluation, the final evaluation should verify and assess the systems in place to ensure timely tracking of results and progress throughout the project implementation period. An evaluation should be made of how information provided by the M&E system was used during the project to improve project performance and to adapt to changing needs and comment on the adequacy of the support and budget for M&E for the needs of the project.

IMPACT, EFFECTS AND SUSTAINABILITY

Given the type of investments, long term impacts and effects stemming from the project may take time to be fully realized, and indeed the destinations receiving infrastructural investments may have encountered negative impacts during the construction phase. As far as possible the consultant shall evaluate the immediate impact of the project interventions and assess and comment on the potential probability of longer term impacts on economic, socio-cultural, ecological, technological and institutional factors. Social impacts should consider gender, and ethnic participation and inclusion, and ecological impacts should consider the ecological safeguards carried out during project implementation.

The consultant should formulate recommendations for approaches which could be used to facilitate impact assessment over the long term.

Sustainability relates to whether the positive outcomes of the project and the flow of benefits are likely to continue. The evaluation will aim to identify and assess the key conditions or factors that are likely to contribute to or undermine the persistence of benefits after the project ends thus affecting the sustainability of the project outcomes. The sustainability of the interventions in Component 1 will largely depend upon the ongoing maintenance, management and levels of ownership and use of the developments. In terms of the institutional strengthening and planning tools developed in component 2 sustainability will to a large degree be dependent on political will, ongoing institutional strengthening and capacity building, resource mobilization and overall stakeholder ownership and acceptance.

Four aspects sustainability should therefore be addressed within the assessment: financial, socio-political/socio-economic, institutional frameworks and governance, and ecological.

i. Financial resources.

What is the likelihood that financial and economic resources will be available for the ongoing management and maintenance of the infrastructural investments. Review of transfer documents and maintenance plans for the key infrastructural investments will be necessary. What is the likelihood that the NSTMP will generate the resources (through public or private) to ensure the level of investment necessary for its continued rollout and implementation.

ii. Socio-political/Socio-economic:

Is the level of stakeholder ownership conducive to sustained positive benefits and outcomes? Is there sufficient public/stakeholder awareness and understanding in support of the long term objectives of the project? Assessment should be made of the mechanisms for consultation and involvement of stakeholders and the mitigation measures of any potentially adverse social impacts which could have resulted in negative repercussions on the overall success and sustainability of the various interventions.

iii. *Institutional framework and governance.*

Are the necessary legal and institutional frameworks, policies and governance structures, and management processes in place to allow for the project outcomes and benefits to be sustained? At what level is the required technical know-how and capacity to ensure future sustainability. Assess the level of relevance of the project to the National Development agenda of the country, national ownership and commitment to the long term sustainability of the project.

iv. *Ecological.* Have there been any ecological benefits as a result of the project? What is the likelihood that ecological impacts will affect the sustainability of the project?

METHODOLOGY

The consultant will perform the following tasks in the execution of this consultancy:

- 1) A desk review of project documents including, but not limited to: project monitoring documents (PPMRs), disbursement reports, progress reports, audit reports, and other information available.
- 2). Interviews. The Evaluator shall identify an interview list in close consultation with the executing agencies and the PEU of the STP. As appropriate, these interviews (face-to-face or by phone) could be combined with an email questionnaire or other methods as proposed by the consultant and agreed by the Project Team. Interviews and surveys should include the following:
 - i. IDB staff, PEU staff, PSC members and representatives of the Executing Agencies; directly involved in project execution;
 - ii. Representatives of the partner agencies and industry stakeholders;
 - iii. Direct users and visitors in the areas of intervention;
 - iv. a sample of consultants and/or technical assistance providers who were hired by the STP-PCU since the Project's inception should be included.
- 3).Field visits to project sites to include: Cayo Welcome Center, Placencia Pier and Plaza, Belize City Fort Point, San Pedro Sunset Boardwalk and Water Taxi Terminal, Bacalar Chico National Park and Marine Reserve tourism investments and Xunantunich Visitor Center. A selection of Matching Grant program beneficiaries should be included for visitation.
- 4). Research into Statistical data and data mining. An analysis of tourism data from BTB, Statistical Institute of Belize (SIB), NICH and any other relevant sources as proposed by the consultant will be necessary to provide the necessary information for input into the Results Framework.
- 5) A half day Exit Workshop hosting the Project Steering Committee, representatives of the municipalities benefitting from the STP project investments, the Fisheries Dept, NICH, the executing agencies of BTB and MoTC, the IDB and other project partner agencies. The workshop will include the presentation of the draft PCR and results framework of the project and an assessment of the communication mechanisms and levels of project partner engagement.

Key evaluation principles:

The evaluator shall:

respect the right to provide information in confidence and respect anonymity where requested

have an obligation to ensure that the evaluation report and presentation are accurate, complete and reliable.

Carry out the evaluation with transparency and stakeholder consultation

Minimize risks and negative harm to those participating within the evaluation without compromising the integrity of the evaluation.

provide clearly documented evidence and analysis, and unbiased assessment.

TASKS AND SCHEDULE

Preparation:

Work-Plan for in-country visits and interviews during program implementation. This proposal

should include draft travel agendas and identify persons to be interviewed in Belize. The proposal should be presented to the STP-PCU and the IDB for review and approval no later than August 15th 2013.

Exit Workshop

The Workshop program and invitee list will be developed in conjunction with the IADB and the STP PEU. Lead time for invitations should be at least 20 calendar days prior to the event. The consultant is expected to deliver a summary highlighting key points and lessons learned (positive and negative) for presentation in Microsoft Powerpoint format.

Project Completion Report

The consultant will assist in the preparation and compilation of draft project completion report (PCR) data as per the PCR template of the IDB.

Final Evaluation.

Consultant will present draft Final Evaluation report, to the STP-PCU and the IDB for comments and feed-back. Feedback will be provided within 7 calendar days. A **Final Evaluation Report** will be due **1 week** after receiving such feedback. STP PEU and consultant should agree upon the outline and framework of the evaluation report.

The consultant is expected to deliver a summarized version of the report in **PowerPoint format** highlighting key points and lessons learned (positive and negative) for presentation by the PEU to the PSC and other Government agencies and stakeholders.

The completed evaluation should conclude no later than October 15th 2013.

CHARACTERISTICS OF THE CONSULTANCY

Responsibility

The consultant will work closely with the STP Project Team through the Tourism Environmental Project Coordinator (TEPC) as primary contact within the STP-PEU. The TEPC will provide all reasonable assistance in ensuring that related data and information necessary for the evaluation are accessible.

The consultant will be responsible for all costs associated with the consultancy including but not limited to research and data collection, travel, accommodations, and per diems, equipment, local taxes, and administrative materials. Where possible STP will participate in joint site visits providing assistance with transportation. The Exit Workshop will be hosted at the IDB and all expenses covered by the executing agencies.

The consultant will work out of their office with required travel to Belize to conduct necessary interviews and acquisition of first hand information.

The deliverables, reports and other works of the consultant for this assignment shall be the property of the STP. The consultant should keep all work and services carried out for this assignment entirely confidential and shall not use, publish or make known without written approval of the STP PEU.

Duration and type of consultancy

The consultant will be offered a lump sum contract. The consultancy is expected to commence no later than **August 15th 2013** and shall conclude by **October 15th 2013**. Level of effort is 30 days discontinued effort with 14 days in the field.

Payments

The consultant will be paid in the following manner:

Payment		Deliverables	Time Frame
1	10% contract cost		At contract signature
2	20% contract cost	Final Workplan including stakeholder lists, Exit Workshop Agenda, travel itinerary etc.	August 2013
3	40% contract cost	Completion of field visit Completion of Exit Workshop Draft Project Completion Report	As per approved workplan
3	30% contract cost	Draft STP Final Evaluation Report Final STP Final Evaluation Report PowerPoint Summary Document	No later than October 15 th 2013

Qualifications and experience

The consultant assigned to the job must have demonstrated knowledge of current evaluation theory and practice and several years of experience in evaluating development projects, preferably those that are related to the Tourism Sector. In-depth knowledge of Tourism Management, Destination Planning, Marketing and Tourism Policy, and, preferably, a good understanding of the tourism industry in Belize. Relevant specialized training in areas such as evaluation methodology, statistical research etc and strong analytical skills will be considered favorably.

Minimum requirements:

As a Project Evaluation Specialist the consultant must have a minimum of 5 years experience in similar project evaluation with a minimum of an Advanced Degree in a relevant discipline. The consultant must be fluent in verbal and written English.

Annex 2: Field mission itinerary

Date	Activity
Monday 30 September	<p>Arrival Belize City 1105 hrs, Delta 703</p> <p>Briefing meeting with Project Coordinator/PCU to agree mission schedule</p> <p>Review of midterm evaluation recommendations</p> <p>Meeting with IDB team leader</p>
Tuesday 1 October	<p>Meeting BTB Director and MOTC</p> <p>Meeting with BTB statistics department</p> <p>Meeting with STP Director, STP Accountant.</p> <p>Meet with Belize City Council</p> <p>Collection of desk research materials</p> <p>Belize City primary research, stakeholder consultations (BTIA, BHA) and site visit</p>
Wednesday 2 October	<p>Early transfer to San Ignacio- Xunantunich Visit and interviews</p> <p>Meet with San Ignacio Town Council</p> <p>pm- Cayo Welcome Center site visit and interviews</p> <p>Stakeholder meetings</p> <p>o/n San Ignacio</p>
Thursday 3 October	<p>Early transfer to Belmopan, stakeholder consultations including NICH</p> <p>Transfer to Placencia</p> <p>Evening-meeting with Placencia stakeholders</p> <p>o/n Placencia</p>
Friday 4 October	<p>Placencia site visit, interviews, stakeholder meetings</p> <p>pm: Drive to Toledo- grant beneficiaries</p> <p>Return drive to Hopkins</p> <p>o/n Hopkins</p>
Saturday 6 October	<p>am Grant beneficiaries & interviews, Hopkins</p> <p>Return to Belize City</p> <p>Flight to San Pedro</p> <p>o/n San Pedro</p>
Sunday 7 October	Rest day
Monday 8 October	San Pedro Site visit, interviews

	o/n San Pedro
Tuesday 9 October	Site visit to Bacalar Chico Evening : San Pedro Stakeholder meetings o/n San Pedro
Wednesday 10 October	Return to Belize City Clarification meetings with STP executive, BTB executive, BTB statistics dept as necessary; literature review, hand-over documents review o/n Belize City
Thursday 11 October	Preparation Workshop with PSC Final clarifications O/n Belize City
Friday 12 October	PSC presentation, Belmopan Wrap up meeting with STP o/n Belize City
Saturday 13 October	Depart BZE 1150, Delta 664

Annex 3: Consultations undertaken

Organization	Consultee	Date
Bacalar Chico hostel &Cayo projects	Mr Alex Laasner, Architect	8 October 2013
Banyan Bay Resort, San Pedro/ Radisson Fort George Hotel, Belize City	Mr Jim Scott	7 October 2013
Belize City Council	Cltr Kevin Singh	11 October 2013
Belize City Council	Cltr Michael Theus	11 October 2013
Belize City Council	Mr Kenny Morgan, Public Relations Department	11 October 2013
BEST	Mr Dennis Jones, Managing Director	4 October 2013
BEST	Ms Michelle Lonsworth	4 October 2013
BHA	Mr Douglas Johnston, Chairman	1 & 11 October
Blossoming Gifts, Hopkins	MsDhalia Miranda	5 October 2013
BTB	Ms Laura Frampton, Director of Tourism	1 October 2013
BTB	Ms Karen Pike, Director Information Management	1 October 2013
BTB	Mr Michael Arana, Tourism Data Analyst	1 October & continuous
BTIA	MsEsteleRequena, Executive Director	10 October 2013
Department of Environment	Mr Anthony Mai	11 October 2013
EMG Group	Mr Oliver Bennett, Consultant	24 September 2013
IA	Mr George Thompson	11 October 2013
IDB	Ms Sybille Nuenninghoff, Sector Specialist and Team Leader	30 September 2013
IE Arctitects, Placencia& San Pedro Projects	Mr Daniel Aguellez, Architect	9 October 2013

Ixcacao Chocolate, San Felipe	Mr Juan Cho	4 October 2013
Lebeha Drumming Group, Hopkins	MrsLambey	5 October 2013
Living Maya Experience	Mr Call	5 October 2013
Maya Center Museum	MrsSaqui	4 October 2013
Mercy SabalGarifuna Cultural Treasures, Dandriga	Mrs Mercy	5 October 2013
Ministry of Economic Development	MrValentino Blanco	11 October 2013
Ministry of Finance	Mr Raquel Guerra	11 October 2013
Ministry of Fisheries, Forestry and Sustainable Development	Mr. Roberto, Ranger	8 October 2013
MOTC	MrAbil Castaneda	11 October 2013
Pen Cayetano Studio Gallery	Mr&Mrs Pen Cayetano	5 October 2013
Placencia Fisherman's Coop	MrJustino Mendez	4 October 2013
Placencia Information Center, BTIA Placencia	Ms Jolie Pollard	5 October 2013
Placencia Village Council	MsIlsaVillaneuva	4 October 2013
PACT	MsNatalie Rosado	11 October 2013
San Ignacio Hotel and Resort	Mrs Mariam Roberson, Owner	3 October 2013
San Pedro Town Council	Mr Daniel Guerrero, Mayor	7 October 2013
Santa Elena and Ignacio Town Council	Mr John August, Mayor	3 October 2013
UNWTO TSA expert	Mr David McEwen	1 December 2013
Vern's Kitchen, Seine Bight	MrsVerna Marin	4 October 2013

Annex 4: Project sites visited

Site visited	Date of visit
Memorial Park and environs, Belize City	1 October, 12 October 2013
Cayo Welcome Center, San Ignacio	2 & 3 October 2013
Xunantunich	3 October 2013
Xunantunich ferry	3 October 2013
Maya Centre Museum	4 October 2013
Vere's Kitchen	4 October 2013
Placencia Pier	5 October 2013
Placencia Boardwalk	5 October
Lebaba Drumming Group	6 October 2013
Ixecacao Chocolate	6 October 2013
Mary Sabal Cultural Treasures	6 October 2013
Pen Cayatano Studio Gallery, Dandriga	6 October 2013
San Pedro water taxi project	8 October 2013
Bacalar Chico project	9 October 2013

Annex 5: Summary of visitor survey

A small number (18) of visitors to project sites were interviewed at the three completed project sites face-to-face. These were divided between first time visitors and visitors/users who have been before: Most were first time visitors. The results of this survey are not statistically reliable owing to the small sample size, so it should be treated with caution. No visitors were encountered at Memorial Park so interviews took place near the Radisson Hotel. Table 11 outlines the sample size by country or origin.

TABLE 11: Visitor sample

	Fort George area, Belize City		Cayo Welcome Centre		Placencia		Total
	<i>Previous visitor</i>	<i>First time visitor</i>	<i>Previous visitor</i>	<i>First time visitor</i>	<i>Previous visitor</i>	<i>First time visitor</i>	
Belize	1		2		2		6
Canada				1	1		2
France				1			1
San Salvador		1					1
USA		2		4		3	9
Total	1	3	2	6	3	3	18

In response to the questions agreed in the Final Workplan, answers can be summarised as follows:

Have you visited this site before?

Two thirds of visitors interviewed had not visited the locations before. Of the one third who had, most were from Belize.

(If yes) What do you think of the changes here?

For visitors who has been before, reaction to the changes was overwhelmingly positive at all sites.

How long will you stay here?

Average length of stay for non-Belizean visitors interviewed was 1.5 nights in Belize City, 8 nights in San Pedro and 4 in Placencia.

What do you like/dislike here?

Main likes were the friendliness of the people, the sea and the climate. In Cayo friendliness was particularly noted.

The main dislike was urban decay in Belize City.

Are you likely to return? When?

Of the 12 overseas visitors interviewed, 10 said they were likely to return, most likely within 5 years.

Annex 6: Change orders to signed contracts

Activity	Variations US\$		Description
	IDB	BTB	
San Pedro	\$ 181,167.75	\$ -	Additional seawall to allow for proper shoring and on land protection. Addition to RC Slab on promenade, demolition of several feet of the existing seawall, additional san fill and landscaping, trenching of water line and sewer systems, BEL direct cost to assist with additional works not included in the original scope of work.
	\$ 37,500.00	\$ -	Drainage solution and improvements and navigational aids to demarcate the access channel into the marine terminal.
Bacalar Chico	\$ 39,994.23	\$ -	Refurbish the existing building at Bacalar Chico, which at bidding stage was intended to be demolished. A decision was made on the initial site visit post construction award to keep this structure in place, in order to provide additional storage space necessary for maintenance, fuel, housekeeping etc in addition to maintaining the existing rainwater reservoir. Funds will also be put to onsite landscaping
	\$ 25,000.00	\$ -	Refurbishment of the existing pier and for furnishings, signage, and educational equipment to ensure that the new facility will meet all the minimum requirements of the proposed BTB accommodation licensing standards.
Fort Point Pedestrian Link	\$ 265,321.40		Construction of intersections at the two ends of Marine Parade Boulevard and at the intersection of North Park Street and Cork Street. Adjustments to existing properties to mitigate the impact of works on drainage in private properties and facilities. Upgrade to deteriorated street surfaces prior to installation of sand fill and pavers not included in original scope of work.
	\$ 125,281.77		Change in design for North Front Street to enable elimination of concrete bollards to avoid vehicular damages. Additional and redesigned vending booths, additional trellis works in Memorial Park. Ongoing works to facilitate utility companies, employing raised pedestrian cross walk instead of flush walks to slow traffic. Further enhancement to War Memorial in Memorial Park not included in original scope of work.
		\$ 37,850.00	Adjustments on stakeholder requests for height of gateways, bollard conditions, improvements of amenities to vendor booths and a durable culvert drainage solution on North Front Street sidewalk. Additional animated signage to the Zone as well as additional hardscape surfaces to the park for high traffic areas.
Placencia Pier and Plaza	\$ 15,612.83		Additional works on the Lower Deck to first Finger Pier at the Placencia Municipal Pier and Plaza
		\$ 28,519.66	Re-design of Plaza and Installation of Sewer Treatment System as per DOE request
Cayo Welcome Center	\$ 160,259.53		Provision for additional sidewalks and curbing for the overall project design along with the upgrade of lighting to vandal proof quality for the site and minor interior finish work upgrades.
		\$ 188,567.46	Additional Kiosks to be added within the park not included in the original scope of work. The upgrade allowance of the parking area to concrete for durability and the extension of all road work improved for an additional +/- 300 linear feet along Burns Avenue.
		\$ 22,000.00	Interior design and interpretation, electrical, installation of plaque, exterior seating benches, garbage trailer

Activity	Variations US\$		Description
	IDB	BTB	
Archaeological Sites:			
Cahal Pech & Xunantunich	\$ 11,914.31		Design of the foundation for the bathroom block, supply and installation of sheetrock for the bathroom ceiling and provision and application of primer paint to the new ceiling and installation of pipe railings for Visitor Center and Bathroom Blocks all of which was not included in the original scope of work.
	\$ 8,680.00		Supply and installation of sheetrock for the bathroom ceiling and the provision and application of primer paint to new ceiling
		\$ 3,129.00	Installation of pipe railings for VC and Bathroom Blocks
ATM	\$ 4,995.00		Deeper foundation due to unexpected clay texture, the supply and installation of urinal dividers, wooden panel, metal gutters to building and the installation of burglar bars and hand rails not included in the original scope of work.
		\$ 6,980.00	Installation Sheet rock, bathroom ceiling, hand rails and burgular bars
Xunantunich Ferry	\$ -	\$ 4,523.84	Minor structural additions to provide for two lanes thereby doubling the capacity of the ferry to accommodate a maximum of 4 vehicles.

Source: PCU

Annex 7: Workshop with steering committee

Friday 12 October 2013, Belmopan.

Attendance:

- Mr Anthony Mai – Department of the Environment
- Mr George Thompson – IA
- Ms Natalie Rosado – Protected Area Conservation Trust (PACT)
- Mr Valentino Blanco – Ministry of Economic Development
- Mr Raquel Guerra – Ministry of Finance
- Mr Abil Castaneda – MoTC
- STP program staff.

Achievement of overall project goals

It was suggested that the project's main strategic achievements were in the area of consolidation rather than diversification.

Coordination

The PSC was felt to have worked well and its meeting schedule (quarterly) was felt to be about right. Formal committees for local projects would have been helpful.

Impacts

It was suggested that impacts could have been greater if there was more local communication. Other projects (e.g. Social Improvement project) were felt to have been better at communication. A communication budget should have been provided for. In particular it was felt that the Master Plan needs to be communicated. A transition strategy is needed to focus on capacity building and information regarding sustainability. In Cayo the project has clearly impacted on the local sense of pride, but specific tourism impacts were felt to be questionable.

Sustainability

The PSC felt further support may be necessary and suggested grant aid rather than loans.

Future projects

More urban renewal projects were felt to be needed.

Climate change and green technology need to be covered.

It was suggested that less resources should be spent on consultancy and more on construction.

More attention should however be given to "soft" aspects such as training, and there should be more private sector engagement.

MINISTRY OF TOURISM, CULTURE AND CIVIL AVIATION



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GEN/22/01/14 (61) VOL. IV

April 11, 2014

To: Ms. Paula Louis Grant
Financial Management Sr. Specialist
Inter America Development Bank
Belize Marina Towers
Belize City

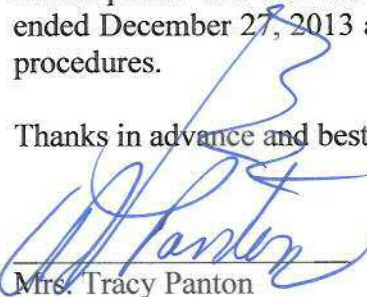
**Subject: STP-Audited Financial Statements for the nine month period ended
December 27, 2013.**

Dear Ms. Grant,

In line with Section 5.02 of the Loan Contract No. 2060/OC, the Ministry of Tourism, Culture and Civil Aviation is pleased to provide you with a copy of STP's Audited Financial Statements for the nine month period ended December 27, 2013.

Please peruse and confirm that STP's Audited Financial Statements for the nine month period ended December 27, 2013 are to the satisfaction and in accordance with the Bank's policies and procedures.

Thanks in advance and best regards.


Mrs. Tracy Panton
Chief Executive Officer
Ministry Of Tourism, Culture & Civil Aviation

C.C. Ms. Karen Bevans, Director of Tourism, BTB
Mr. Joseph Waight, Financial Secretary, MOF

***GOVERNMENT OF BELIZE,
MINISTRY OF TOURISM AND CULTURE
AND THE BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM
PROJECT FINANCIAL REPORT
LOAN CONTRACT NO. 2060/OC-BL
Financial Statements for the Nine Months Ended
December 27, 2013 and
Independent Auditors' Report***

GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND THE BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NINE MONTHS ENDED DECEMBER 27, 2013

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GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
INTRODUCTION
NINE MONTHS ENDED DECEMBER 27, 2013

INTRODUCTION

The Government of Belize (“GOB”) and the Inter-American Development Bank (“IDB”) signed Loan Contract No 2060/OC-BL on April 27, 2009. The purpose of the contract is to cooperate in the execution of the Sustainable Tourism Program (the “Program/STP”).

The executing agencies of the program are the Ministry of Tourism and Culture (MTC) (formerly Ministry of Tourism, Civil Aviation and Culture “MTCAC”) tasked with general oversight, and the Belize Tourism Board (BTB) charged with the establishment of a Program Coordinating Unit (PCU) to implement the Program. A sub-committee of the National Tourism Advisory Council was formed to act as Steering Committee.

The principal objective of the Program is “to increase the contribution of tourism to national economic growth in a manner that is environmentally and socially responsible. Its purpose is to support the consolidation of the overnight tourism market in light of its potential to optimize the sector’s contribution to the Belizean economy.” The specific objective of the Program is to:

- a) Support the improvement, restoration and diversification of consolidated overnight destinations and their product; and
- b) Strengthen national and local capacity for sector policy, destination planning and management.

Special focus will be on ecotourism, adventure and cultural segments.

Component 1: Investment in overnight tourism destinations

This component will finance studies, final designs and investments in civil works and equipment aimed at improving the quality of the tourism natural and cultural products at consolidated destinations in line with Destination Management Plans (DMPs). The Program’s resources will be directed at the following destinations within the framework of the DMPs:

- a) San Ignacio and surroundings;
- b) Ambergris Caye;
- c) Placencia peninsula and village; and
- d) Belize City.

Component 2: Institutional strengthening and capacity building for policy destination planning and management

This component will finance technical assistance, specialized studies, training and other capacity building activities. The Program’s resources will be used for:

- a) The preparation of the National Tourism Master Plan for the entire sector that will provide for the zoning approach and translate sustainability objectives into actions;
- b) Technical assistance on the economic aspects of tourism;
- c) Establishment of a Tourism Satellite Account in collaboration with the Statistical Institute of Belize;
- d) The development of an updated country branding strategy; and
- e) Training and development of tools for physical planning, environmental and visitor management.

GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
INTRODUCTION (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013

The Capacity building activities include:

- a) Support to communities in promoting tourist access to the Maya and Garifuna cultures in Punta Gorda and Dangriga/ Hopkins; and
- b) Matching grant facility for micro and small businesses aimed at helping the private sector strengthen value chains for tourism, offset the costs of complying with existing industry standards, including sustainable tourism criteria.

The estimated cost of the Program is US \$14,682,000 in accordance with the following investment categories and sources of financing:

Cost and Financing

INVESTMENT CATEGORY	IDB	LOCAL/ OTHER	TOTAL	%
Administration and Supervision	\$ 735,000	\$ 298,000	\$ 1,033,000	7%
Direct Costs:				
Component 1	10,317,000	800,000	11,117,000	76%
Component 2	2,141,000	262,000	2,403,000	16%
Audit /Evaluation	129,000	-	129,000	1%
TOTALS	\$13,322,000	\$1,360,000	\$14,682,000	100%

The Program was originally estimated to meet its objectives within four (4) years and two (2) months of the signing of the loan contract, that is, by June 30, 2013. However, the Program received an extension to the final disbursement deadline to December 27, 2013.

The financial statements and notes of the Program for the nine months ended are on pages 6 to 32.

GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
OBJECTIVE OF AUDIT
NINE MONTHS ENDED DECEMBER 27, 2013

OBJECTIVE OF AUDIT

The objective of our audit is to provide IDB with the assurance that IDB resources are being managed in accordance with the terms of Loan Contract No. 2060/OC-BL, in an environment in which there are adequate management, administrative and financial controls.

Our audit was conducted in accordance with the requirements of IDB's Guide for Financial Reports and External Audits for Operations financed by the Inter-American Development Bank and in accordance with International Standards on Auditing. Accordingly, our auditing procedures included tests of accounting records and controls along with other procedures considered necessary in the circumstances.

The specific objectives of our audit were:

1. To express an opinion as to whether the Statement of Cash Receipts and Payments and the Statement of Cumulative Investments present fairly, in all material respects, the cash received and disbursements made during the nine months ended December 27, 2013 accordance with Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting issued by the Public Sector Committee of the International Federation of Accountants;
2. To obtain a sufficient understanding of the Sustainable Tourism Program's internal controls and risk assessment procedures;
3. To report on material weaknesses in internal controls and inefficiencies encountered; and
4. To determine whether the Sustainable Tourism Program complied, in all material respects, with the terms of the Loan Agreement and any other applicable laws and regulations.

SCOPE OF AUDIT

The scope of our audit included:

1. An evaluation of the internal control system of the Program;
2. A audit of the financial transactions and accounting records for the purpose of expressing an opinion as to whether the financial information of the Program is reasonably presented and in accordance with Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting and the IDB's requirements;
3. An evaluation of compliance with the financial, accounting and operational contractual clauses and regulations;
4. A review of the supporting documentation and controls related to the activities and investments financed, procurement of goods and contracting of works and consulting services; and
5. A review of procedures used to record, control and maintain goods acquired with Program funds.



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INDEPENDENT AUDITORS' REPORT ON THE STATEMENT OF CASH RECEIPTS AND PAYMENTS AND STATEMENT OF CUMULATIVE INVESTMENTS SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL

To: Government of Belize, Ministry of Tourism and Culture and the Belize Tourism Board

Program: Sustainable Tourism Program

Report on the Financial Statements

We have audited the accompanying Financial Statements, which comprise the Statement of Cash Receipts and Payments and the Statement of Cumulative Investments, and a summary of significant accounting policies and other explanatory information for the Sustainable Tourism Program executed by the Government of Belize through the Ministry of Tourism and Culture and Belize Tourism Board, and financed with funds from Inter-American Development Bank (IDB) and local counterpart funds in accordance with Loan Contract No. 2060/OC-BL, as of and for the nine months ended December 27, 2013.

Management's responsibility for the financial statements

The Program's management is responsible for the preparation and fair presentation of these financial statements in accordance with Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting and for such internal control as management determines is necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying statements, based on our audit. We conducted our audit in accordance with International Standards on Auditing, and specific requirements of the Inter-American Development Bank. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes performing procedures to obtain evidence supporting the amounts and disclosures in the financial statements.

Independent Correspondent Firm to Deloitte Touche Tohmatsu

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used and significant estimates made by Program management as well as evaluating the overall financial statement presentation. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

As described in note 3, the Statement of Cash Receipts and Payments and the Statement of Cumulative Investments were prepared using the cash basis of accounting in accordance with the Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting. Cash basis accounting recognizes transactions and acts only when the cash (and/or cash equivalent) is received or disbursed by the entity, and not when they give rise to, accrue or originate rights or obligations although there was no cash movement.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash flow and the cumulative investments for the Sustainable Tourism Program as of and for the nine months ended December 27, 2013, in accordance with the basis of accounting described in the paragraph above and the accounting policies described in Note 3 and the terms of IDB Contract No. 2060/OC-BL.

Report on other legal and/or regulatory requirements

We did observe instances of noncompliance with the financial clauses in the Inter-American Development Bank loan Contract No. 2060/OC-BL during the period reviewed by us. Please see pages 39 to 44.



Chartered Accountants
January 31, 2014

GOVERNMENT OF BELIZE MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
STATEMENT OF CASH RECEIPTS AND PAYMENTS
NINE MONTHS ENDED DECEMBER 27, 2013

(Expressed in US Dollars)

Notes	Nine Months Ended DECEMBER 27, 2013			Year Ended MARCH 31, 2013		
	IDB	LOCAL	TOTAL	IDB	LOCAL	TOTAL
CASH RECEIVED						
Accumulated cash at beginning of period						
Activity During the Period:						
• Revolving Fund Replenishment	\$10,898,753	\$ -	\$10,898,753	\$ 3,117,257	\$ -	\$ 3,117,257
Total Cash Received	1,790,486	-	1,790,486	7,781,496	-	7,781,496
	12,689,239	-	12,689,239	10,898,753	-	10,898,753
DIRECT PAYMENTS						
Accumulated at beginning of period	632,761	967,104	1,599,865	632,761	424,202	1,056,963
Activity during the period:						
• Direct Payments	-	356,737	356,737	-	542,902	542,902
Total Direct Payments	632,761	1,323,841	1,956,602	632,761	967,104	1,599,865
Cumulative cash disbursements, beginning of period	10,331,364	1,028,994	11,360,358	3,319,520	430,231	3,749,751
Activity During the Period						
• Administration and Supervision – PCU	112,543	137,724	250,267	140,978	203,156	344,134
• Component 1 and Component 2	2,827,602	108,637	2,936,239	6,834,086	395,607	7,229,693
• IDB Audit and Evaluations	50,491	-	50,491	36,780	-	36,780
TOTAL CASH DISBURSEMENT	13,322,000	1,275,355	14,597,355	10,331,364	1,028,994	11,360,358
RECEIPTS LESS DISBURSEMENTS						
Reimbursable to IDB	-	48,486	48,486	1,200,150	(61,890)	1,138,260
	-	-	-	(61,890)	61,890	-
Available Cash Balance as at end of period	\$ -	\$ 48,486	\$ 48,486	\$ 1,138,260	\$ -	\$ 1,138,260

Project Director

CEO, Ministry of Tourism
and Civil Aviation

The accompanying notes on pages 9 to 35 form an integral part of these financial statements.

**GOVERNMENT OF BELIZE MINISTRY OF TOURISM AND CULTURE
AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
STATEMENT OF CUMULATIVE INVESTMENTS
NINE MONTHS ENDED DECEMBER 27, 2013**

(Expressed in US Dollars)

Investment Category/Components	CUMULATIVE AT THE END OF MARCH 31, 2012			MOVEMENTS DURING THE YEAR (APRIL 1, 2012-MARCH 31, 2013)			CUMULATIVE AT THE END OF MARCH 31, 2013			MOVEMENTS DURING THE PERIOD (MARCH 31, 2013-DECEMBER 27, 2013)			CUMULATIVE AT THE END OF DECEMBER 27, 2013		
	IDB	Local Counterpart	Total	IDB	Local Counterpart	Total	IDB	Local Counterpart	Total	IDB	Local Counterpart	Total	IDB	Local Counterpart	Total
Administration															
Program Coordinating Unit	\$ 502,113	\$377,203	\$ 879,316	\$140,978	\$203,156	\$344,134	\$643,091	\$580,359	\$1,223,450	\$112,543	\$137,725	\$250,268	\$755,634	\$718,084	\$1,473,718
Component I : Investments in Overnight Tourism Destinations															
Ambergis Caye	-	-	-	57,279	1,231	58,510	57,279	1,231	58,510	705,581	2,990	708,571	762,860	4,221	767,081
Bacalar Chico	241,250	-	241,250	1,777,141	110,831	1,887,972	2,018,391	110,831	2,129,222	1,349,720	3,700	1,353,420	3,368,111	114,531	3,482,642
San Pedro	611,976	27,426	639,402	2,705,614	1,294	2,706,908	3,317,590	28,720	3,346,310	96,637	36,461	133,098	3,414,227	65,181	3,479,408
Belize City	340,050	8,893	348,943	750,649	11,000	761,649	1,090,699	19,893	1,110,592	412,799	25,020	437,819	1,503,498	44,913	1,548,411
Placencia	-	-	-	47,765	-	47,765	47,765	-	47,765	10,554	-	10,554	58,319	-	58,319
San Ignacio	1,011,563	12,014	1,023,577	599,759	216,100	815,859	1,611,322	228,114	1,839,436	3,750	8,604	12,354	1,615,072	236,718	1,851,790
Cahal Pech	44,895	-	44,895	114,367	280	114,647	159,262	280	159,542	24,027	4,202	28,229	183,289	4,482	187,771
Welcome Center	-	-	-	7,962	-	7,962	7,962	-	7,962	-	-	-	7,962	-	7,962
ATM	-	-	-	67,651	5,143	72,794	67,651	5,143	72,794	3,553	3,129	6,682	71,204	8,272	79,476
Eco Labeling Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Xunantunich Ferry-Const.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cahal Pech &	-	-	-	217,979	-	217,979	217,979	-	217,979	78,528	-	78,528	296,507	-	296,507
Xunantunich Const.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	\$2,249,734	\$ 48,333	\$2,298,067	\$6,346,166	\$345,879	\$6,692,045	\$8,595,900	\$394,212	\$8,990,112	\$2,685,149	\$84,106	\$2,769,225	\$11,281,049	\$478,318	\$11,759,367

The accompanying notes on pages 9 to 32 form an integral part of these financial statements.

GOVERNMENT OF BELIZE MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
STATEMENT OF CUMULATIVE INVESTMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013

(Expressed in US Dollars)

Investment Category/Components	CUMULATIVE AT THE END OF MARCH 31, 2012			MOVEMENTS DURING THE YEAR (APRIL 1, 2012-MARCH 31, 2013)			CUMULATIVE AT THE END OF MARCH 31, 2013			MOVEMENTS DURING THE PERIOD (MARCH 31, 2013-DECEMBER 27, 2013)			CUMULATIVE AT THE END OF DECEMBER 27, 2013		
	IDB	Local Counterpart	Total	IDB	Local Counterpart	Total	IDB	Local Counterpart	Total	IDB	Local Counterpart	Total	IDB	Local Counterpart	Total
Component 2: Institutional strengthening for policy, destination planning and management:															
Tourism Policy	\$ -	\$ 1,375	\$ 1,375	\$ -	\$ -	\$ -	\$ -	\$ 1,375	\$ 1,375	\$ -	\$ -	\$ -	\$ -	\$ 1,375	\$ 1,375
Master Plan	530,485	3,320	533,805	174,000	27,712	201,712	704,485	31,032	735,517	13,350	-	-	717,835	31,032	748,867
Belize City Waterfront	-	-	-	-	-	-	-	-	-	20,000	-	-	20,000	-	20,000
Strategy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Destination Branding	-	-	-	-	18,912	18,912	-	18,912	18,912	-	3,338	3,338	-	22,250	22,250
Micro/Small Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Scheme	-	-	-	240,812	3,104	243,916	240,812	3,104	243,916	49,481	-	-	290,293	3,104	293,397
Emerging Destinations	-	-	-	-	-	-	-	-	-	-	5,000	5,000	-	5,000	5,000
Hopkins	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emerging Destinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Toledo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TSA	-	-	-	73,108	-	73,108	73,108	-	73,108	14,622	-	14,622	87,730	-	87,730
Land Survey	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land use (San Pedro)	-	-	-	-	-	-	-	-	-	45,000	16,192	61,192	45,000	16,192	61,192
Sub-total	530,485	4,695	535,180	487,920	49,728	537,648	1,018,405	54,423	1,072,828	142,453	24,530	166,983	1,160,858	78,953	1,239,811
Financing costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Audits/ Evaluations	37,188	-	37,188	36,780	-	36,780	73,968	-	73,968	50,491	-	50,491	124,459	-	124,459
Total	\$3,319,520	\$430,231	\$3,749,751	\$7,011,844	\$598,763	\$7,610,607	\$10,331,364	\$1,028,994	\$11,360,358	\$2,990,636	\$246,361	\$3,236,997	\$13,322,000	\$1,275,355	\$14,597,355

The accompanying notes on pages 9 to 32 form an integral part of these financial statements.

GOVERNMENT OF BELIZE MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
STATEMENT OF BUDGET VERSUS ACTUAL
NINE MONTHS ENDED DECEMBER 27, 2013

(Expressed in US Dollars)

Investment Category/Components	IDB CUMULATIVE INVESTMENT*			COUNTERPART CUMULATIVE INVESTMENT**		
	Budget	Investment as at December 27, 2013 as per STP Records	Unexpended Budget as at December 27, 2013	Budget	Investment As At December 27, 2013	Unexpended Budget As At December 27, 2013
Administration - Program Coordinating Unit	\$ 735,000	\$ 755,634	\$ (20,634)	\$ 298,000	\$ 718,084	\$ (420,084)
Component I : Investments in Overnight Tourism Destinations	10,317,000	11,281,049	(964,049)	800,000	478,318	321,682
Component 2: Institutional Strengthening for Policy, Destination Planning and Management	2,141,000	1,160,858	980,142	262,000	78,953	183,047
Audits/ Evaluations	129,000	124,459	4,541	-	-	-
Overall Total	\$13,322,000	\$13,322,000	\$ -	\$1,360,000	\$1,275,355	\$ 84,645

* Total actual IDB's investment equals the budgeted total. Differences noted with the components are a result of allocated actual expenditures, the net difference is zero.

** Total actual counterpart investment is less than budgeted as counterpart contributions towards the Program was less than agreed.

**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NOTES TO FINANCIAL STATEMENTS
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS

The Government of Belize and the IDB signed Loan Contract No. 2060/OC-BL for the Sustainable Tourism Program on April 27, 2009.

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track		Deliverables to date	Remaining Duration (from December 27, 2013)
			Y	N		
Component 1 Feasibility Studies, environmental management and architectural designs for Cayo Welcome Center.	Initial- 20 wks	Procurement: 100% Implementation: 100%	Y		<ul style="list-style-type: none"> • Full set of Bidding Documents. • Final Schematic Design. • Environmental Report. • Social Assessment. • Operations Manual. • Feasibility Report. • Environmental Clearance Plan. • Full set of Standard Construction Documents signed and stamped. • A Full Set of Specifications. • A Full Set of Bidding Documents. • Full Bill of Quantities. • Operations Manual. 	Completed.
<i>Comments: There were initial delays due to land tenure issues with land owners on project site and lease holders (one title was awarded after project commencement). These land issues were ultimately settled to the satisfaction of all parties. The Framework Agreement was signed by the San Ignacio Town Council on February 24, 2011. IDB approval was provided for the construction to proceed.</i>						

**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Feasibility Studies, environmental management and architectural designs for Placencia Municipal Pier and Plaza.	Initial: 20 wks	Procurement 100% Implementation: 100%	Y	<ul style="list-style-type: none"> • Final Schematic Design. • Approved Limited Level Environmental Study (LLES). • Site Environmental and Social Management Implementation Plan (SESMP). • Environmental Compliance Plan. • Feasibility Study. • Full set of Standard Construction Documents signed and stamped. • A Full Set of Specifications. • A Full Set of Bidding Documents. • Full Bill of Quantities. • Operations Manual. 	Completed
<i>Comments: There were initial delays due to land tenure issues of shore land development. Issues were resolved by cabinet directive and required revisions to the design concept. Confirmation of public land area was received from Government of Belize. The framework agreement was signed by the Placencia Village Council on April 27, 2011. IDB approval was provided for the construction to proceed.</i>					

**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Feasibility Studies, environmental management and architectural designs for Belize City Fort Point Pedestrian Walk.	Initial: 20 wks	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> • Site Survey Documents. • Programming Document. • Draft Feasibility Study. • Social Study Pinks (Majestic) Alley. • Final Feasibility Study. • Environmental Compliance Plan. • Full set of Standard Construction Documents signed and stamped. • A Full Set of Specifications. • A Full Set of Bidding Documents. • Full Bill of Quantities. • Operations Manual. 	Completed
<i>Comments: There were initial delays due to issue with 3 war graves within the site which required rework of schematic designs. There were also further delays through ongoing coordination efforts with BEL to determine project costs of underground power supply for the project area. All issues were resolved through consultation and the design change with decision made for underground power supply only in area of the Memorial Park. The Framework Agreement with Belize City Council was signed on September 7, 2011. IDB approval was provided to proceed with construction.</i>					

**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Feasibility Studies, environmental management and architectural designs for San Pedro Sunset Boardwalk and Water taxi terminal.	Initial: 20 wks	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> • TOR EIA. • Site Survey Documents. • Programming Document. • Draft feasibility report. • Draft EIA. • EIA approved by NEAC. • Environmental compliance plan. • Full set of Standard Construction Documents signed and stamped. • A Full Set of Specifications. • A Full Set of Bidding Documents. • Full Bill of Quantities. • Operations Manual. 	Completed
<i>Comments: There were initial delays due to stakeholder confusion from presence of previous design plans for similar project and stakeholder opposition through mistrust and fears of displacement, necessitating rework of 10 different schematic designs. On-the-ground mediation team was deployed by BTB to assist in gaining trust and approval of the project from the 31 pier users along the lagoon. The Framework Agreement was signed by San Pedro Town Council on July 18, 2011. IDB approval was provided for the construction to proceed.</i>					

GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Completion of Feasibility Studies, environmental management and architectural designs for archaeological sites to include heritage interpretation plans.	Initial: 4 months	Procurement: 100% Implementation: 100% (note 50% drawings completed in-house)	Y	<ul style="list-style-type: none"> • Site Survey documents. • Feasibility report. • ECP and SESMIP. • Heritage Interpretation Plans for Xunantunich and Cahal Pech. 	Completed
<i>Comments: There were initial delays due to changes in project scope on two occasions made by two IDB Tourism specialists. Resource constraints at IA resulted in non-completion of in-house feasibility assessment and designs, therefore the project was put out to bid. There were further delays due to bad weather and access to sites during the project implementation. IDB non-objection was provided to proceed with construction. Project was completed in 2012.</i>					
Works: Cayo Welcome Center	Execution: 12 months from start date, September 5, 2011.	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> • Staging and demolition. • Laying out of site. • All drainage works complete. • All major structural work complete. • All interior works and interpretation of Maya findings. • All street works and landscaping. 	Completed
<i>Comment: Public inauguration was held on March 7, 2013. Financing was provided for the hiring of an Executive Director for 6 months to lead the operations.</i>					

**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Works: Placencia Municipal Pier and Plaza.	Execution: 12 months from start date, Feb 27, 2012.	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> • Staging and demolition • Laying out of site • Pilings for pier complete • Pouring of plaza complete • Landscaping features in place • Injection well installed. • All pilings and capping on parcel 36 61-3173. • Sidewalk complete including lighting. • Pier slabs, decking and lighting in place. • Finger piers completed including change order for additional lower decks. • Trellis complete. • Fish tables complete. • 4 kiosks constructed. • All electrical work complete. 	Completed
<i>Comment: There were some delays due to equipment issues with the barge. Also, site specific "cracking" of sidewalk above locations of service ducts has been investigated and resolved. There have been change orders for additional works including engineering and construction of lower level decks to accommodate smaller vessels. The inauguration was held on September 5, 2013. Funding was provided for 3 months to hire a Pier Manager to kick-start operations and income revenue generation.</i>					

**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Works: Belize City Fort Point Pedestrian Walk	Execution: 14 months from start date, Feb 23, 2012.	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> • Staging and demolition. • Laying out of site. • Drainage works completed. • Landscaping features including mounting and installation of sculptures. • All street works complete. • All vendor kiosks completed as per drawings. • Traffic and directional signage complete. • Overhead and pedestal lighting in place and all electrical work complete. • Stage structure and gazebo complete. • War memorial space complete including repair to war memorial obelisk. • Gateways complete. 	Completed
<i>Comment: No major problems. Issues of low-lying properties and drainage connections with the streets have been addressed in change order. Some design changes required for vendor kiosks for functionality and aesthetics. Additional street works were carried out on Goldson Ave. Inauguration held August 31, 2013 to coincide with Village Expo.</i>					

GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Works: San Pedro Sunset Boardwalk and water taxi terminal.	Execution: 16 months from start date, August 2012.	Procurement: 100% Implementation: 55%	Y	<ul style="list-style-type: none"> • Staging and demolition. • All pavers for sidewalks and street works completed. • Finger piers and structures completed. • Sea wall completed. • Dredging permitting process and activities completed. • Terminal, terminal structures and bridge completed. • Land reclamation completed. • Plaza completed. • All streetlights, rerouting of electrical underground and electrical work completed. • Sewage and water works completed pending inspection. • Restrooms constructed. • Kiosks constructed. 	Partially complete. Pending punch list items.
<p><i>Comment: The Project is nearing completion; pending punch list of items. Dredging and pier permits have been obtained. There have been some issues with quality of substrate which required identification of additional sand pit for extraction. There have been unforeseen drainage issues on Buccaneer Street requiring change order and reengineering. The inauguration is scheduled for early 2014 following technical assistance related to operations and management agreements- to include full hydrographic survey of access channel by Belize Port Authority for channel marker installation.</i></p>					

GOVERNMENT OF BELIZE
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SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Works: Archaeological sites- ATM.	Execution: 5 months from start date, July 2012.	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> • Staging and site layout • Soil testing • Structure completed • All finishing and fittings 	Completed
<i>Comment: The project was inaugurated on March 8, 2012. In 2013, STP procured a solar panel and pump for water system to be installed in-house.</i>					
Works: Archaeological sites- Cahal Pech and Xunantunich.	Execution: 12 months from start date, July 2012.	Procurement: 100% Implementation: 97%	Y	<ul style="list-style-type: none"> • Staging and site layout. • Soil testing. • Bathroom structures at both sites. • Cahal Pech Trail completed. • Visitor center structure exteriors completed. • Bathroom facilities at Xunantunich completed. 	Almost complete. Only ending installation of interior.
<i>Comment: All construction has been completed. The bathroom facilities and Trail at Cahal Pech are fully operational and open to the public. Accessibility constraints to Xunantunich site due to high water levels of Mopan River, has delayed installation of the interiors of the visitor center. Planning and design completed for interior build-out of displays and interpretation, pending outfit and installation.</i>					

**GOVERNMENT OF BELIZE
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Goods: Archaeological Investments Xunantunich ferry.	Execution: 3 months from start date, June 2012.	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> • Main frame constructed. • Motor attached. • Adjustments to double capacity made. • Ferry installed with new cables and fittings. • Old ferry removed and installed within village of San Jose Succotz. 	Completed
<i>Comment: Public inauguration of the ferry was on November 1, 2012.</i>					

**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Bacalar Chico investments in management support.	Execution: 2 years.	Preliminary project conception: 100% Procurement of tourism assessment and designs: 100% Execution of designs 100% Procurement of rangers 100% Management support: 98% Construction: 96 %	Y	<ul style="list-style-type: none"> • 2 x Rangers hired. • Bacalar Chico tourism Assessment and Business Plan. • Bacalar Chico site plan. • Conceptual designs. • Staging. • Foundations and exterior structures of 2 duplex units and main building. • Observation tower construction. • Interior tiling and painting underway. • Rehabilitation of existing building. • Furniture and fittings procured. • Website design complete pending images. • Marker and mooring buoys procured awaiting installation in-house. • Dive training completed pending OW dives. • Supply boat and patrol boat procured. 	Technical Studies: completed Works: complete pending punch list items

Comment: Establishment of tenure for land in front of the proposed over-the-water site for Ranger Station at Basil Jones remains unresolved therefore only San Juan site infrastructure put out to bid for construction. Inauguration is planned for March 2014 on same day as San Pedro investments.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Component 2 National Sustainable Tourism Master plan.	Execution: 15 months	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> Diagnostic of Tourism Industry. Strategic Framework for NSTMP. Workshop Reports. National Sustainable Tourism Master Plan. Destination Plans (Belize City, San Ignacio, Placencia and San Pedro) including Disaster Risk Management Plan for Placencia. Final Industry Presentations. 	Completed. Roll out underway
<i>Comments: Printing and delivery of 50 copies of the entire plan has been completed and is ready for dissemination.</i>					
Tourism Data Management System.	Execution: 15 months.	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> Technical documentation. Implementation plan (including training plan) System modules developed and tested. Installation of hardware. Training plan implemented. Data migration completed. 	Completed.
<i>Comments: None.</i>					

**GOVERNMENT OF BELIZE
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Needs Assessment Capacity Building and Matching Grant.	Execution: 26 weeks	Procurement of needs assessment: 100%	Y	<ul style="list-style-type: none"> • Workplan. • Baseline Report. • Training Needs Assessment and Workplan Report (Draft and Final). 	Completed
	Grant: 26 weeks	Implementation: 100%		<ul style="list-style-type: none"> • Cultural Tourism Business Plan Awards package (Draft and final). 	
		Procurement of grant administrative firm: 100%		<ul style="list-style-type: none"> • Handbook "Belize Cultural Tourism Development" a handbook for community champions (draft and final). 	
		Execution of grant administration 100%		<ul style="list-style-type: none"> • Facilitators Guide. • Training Delivery in 3 destinations (54 participants trained and 11 train the trainers). 	
		Procurement of mentors 100%		<ul style="list-style-type: none"> • Training delivery report and evaluation with recommendations for future. 	
		Disbursement of grant 100%		<ul style="list-style-type: none"> • 21 grant awardees selected and contracts signed. • Workplan for Grant Administration. 	

**GOVERNMENT OF BELIZE
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
				<ul style="list-style-type: none"> First grant disbursement November 27. Second grant disbursement February 8. Final grant disbursement May 24th. Quarterly interim and final report submitted 	
<i>Comments: Executed to the satisfaction of all executing agencies and partners. Inspection visits carried out in March, April and June 2013 with follow-up visit with the IDB to select recipients in November 2013.</i>					
Tourism Taxation Study.	16 Weeks	Procurement:100 % Implementation: 100%	Y	<ul style="list-style-type: none"> Work plan. All stakeholder "Town Hall meetings" completed (Belize City, Orange Walk/Corozal, San Pedro, PG, Placencia/Dangriga). Draft Tourism Taxation Study. Final Tourism Taxation Study. 	Completed
<i>Comments: Under consideration by Government of Belize.</i>					

**GOVERNMENT OF BELIZE
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Destination Branding Strategy.	Initial RBA – 2 months	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> • Consultancy firm hired. • Work Plan. • Belize Tourism Branding and Positioning Concepts. • RBA tools developed. • Data analysis and survey results. • Draft Rapid Brand Assessment. • Final Rapid Brand Assessment and Presentation to executing agencies. 	Completed
<i>Comments: None. New national tourism branding underway through Belize Tourism Board.</i>					
Tourism Standards and Hotel Classification Framework.	25 weeks	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> • Baseline Report, Legislative Review and Recommendations for Hotel Sector • Audit of existing Tour Operations and report on current codes of practice and licensing requirements 	Completed
<i>Comments: No issues. Completed to the satisfaction of the executing agencies.</i>					

**GOVERNMENT OF BELIZE
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (IN US DOLLARS)**

1. PROGRAM STATUS (CONTINUED)

Components/ Key Activities	Expected Duration	Progress to Date (%age completed)	On track	Deliverables to date	Remaining Duration (from December 27, 2013)
Land Use Development Plan for Ambergris Caye.	25 weeks	Procurement: 100% Implementation: 100%	Y	<ul style="list-style-type: none"> • Work plan. • Local Planning Work Group formed. • Stakeholder Consultation report. • Baseline data Overlay and data sets. • Compilation of land use guidelines –draft and final. • Concept land use plans and general zoning area. • Public presentation. • Final Land-use plans to include all documentation (Development Guidelines and policy documents). • Final Report. 	Completed
<i>Comments: No issues. There has been a Memorandum Of Understanding between The Lands and Surveys Department and executing agencies for baseline data collection. A Data Digitizer was hired for topographic data maps.</i>					

GOVERNMENT OF BELIZE
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (Expressed in USD)

2. REPORTING ENTITY

The financial statements are of the Sustainable Tourism Program (the “Program”) undertaken by Government of Belize (GOB) through one of its departments, Ministry of Tourism, Civil Aviation and Culture (“MTCAC”), Ministry of Tourism and Culture (“MTC”) and Belize Tourism Board (“BTB”).

The BTB is a statutory body within the MTC. Its principal mission is to act as a strategic partner in marketing the Belize tourism product, developing tourism initiatives and programs, and implementing tourism policies to address the changing needs of visitors and stakeholders. The Program Coordinating Unit (PCU) was established within the BTB to execute the Program, while MTC is responsible for accountability and monitoring of the program.

The BTB operates its own bank accounts. Within its annual budget, amounts are allocated to the Program. Local counterpart funds and payments reported in these financial statements represent amounts the BTB has received and expended for the benefit of the Program.

The Program’s registered office is 168 Newtown Barracks, Belize City, Belize.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and conform with Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting, issued by the Public Sector Committee of the International Federation of Accountants. The approved budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period as for the financial statements.

The budget was approved on April 27, 2007. The approved budget is the estimated cost of the Program from inception to completion.

The financial statements presented are for the nine months ended December 27, 2013 and year ended March 31, 2013. The Program came to a close before the end of the year March 31, 2014.

The financial statements have been prepared in United States Dollars (USD). The Program accounting records is maintained in local currency, Belize dollars. In order to calculate the equivalent in US dollars, local currency is converted to US dollars. The official exchange rate for reporting purposes is fixed at BZ\$2 = US\$1.

The Program’s accounting and financial reporting system aims to enable users to assess the accountability of the funds available for its activities. In order to satisfy this objective, the following accounting policies have been adopted.

- (a) The “cash basis” which is a comprehensive basis of accounting other than generally accepted accounting principles used in preparation of the financial statements. Cash received from IDB and Local Counterpart is recognized when deposited in the Program’s account held at Central Bank of Belize. Disbursements are recognized when they are paid.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (Expressed in USD)

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (b) All costs related to the Program's activities are classified, where appropriate, according to the work plan budget for the period.
- (c) No depreciation is charged on fixed assets acquired from Program funds.
- (d) The Program's Statement of Cash Receipts and Payments reflects receipts and disbursements relating to IDB Loan No. 2060/OC-BL and Local Counterpart funds from the BTB.
- (e) The Program's funds are deposited in Belize dollars into the Sustainable Tourism Program's Scotiabank (Belize) Ltd. bank account upon IDB's approval.

4. CASH AND BANK BALANCES

	<u>December 27</u> <u>2013</u>	<u>March 31,</u> <u>2013</u>
BTB Bank Accounts:		
Scotiabank (Belize) Limited Account No. 9138819		
Statement balance at end of Period	\$48,853	\$ -
Outstanding cheques	(367)	-
Cash and Bank Balance	<u>48,486</u>	<u>48,486</u>
IDB Bank Accounts:		
Scotiabank (Belize) Limited Account No. 9137748		
Statement balance at end of Period	51,874	300,990
Outstanding cheques	(45,844)	(14,541)
Funds transferred to BTB Bank Account	(6,030)	-
Cash and Bank Balance	<u>-</u>	<u>286,449</u>
Central Bank of Belize Account No. 211415		
Statement balance at end of Period	4,241	851,811
Outstanding cheques	-	-
Funds transferred to BTB Bank Account	(4,241)	-
Cash and Bank Balance	<u>-</u>	<u>851,811</u>
Total cash and bank balance	<u>\$48,486</u>	<u>\$1,138,260</u>

5. ADVANCES PENDING JUSTIFICATION

At December 27, 2013 there are no advances pending justification to IDB.

GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (Expressed in USD)

6. REVOLVING FUND

In accordance with loan contract No. 2060/OC-BL a revolving fund not to exceed 5% of the loan was established in the amount of US \$666,100. On June 22, 2012 through letter from The Bank (CID/CBL/472/2012) an increase to 15% of the loan, equivalent to US \$1,998,300, was approved. As of December 27, 2013, the revolving fund balance is US \$0.

7. DIRECT PAYMENTS OR THIRD PARTY PAYMENTS

Direct payments are payments made directly to suppliers by IDB based on disbursement requests by the PCU. These requests must be supported by relevant authorization and documentation. The Program is formally advised when such payments have been made or otherwise verifies their occurrence. Direct payments are disclosed in the Statement of Cash Receipts and Payments under the "IDB" column. During the nine months ended December 27, 2013, IDB has made no direct payments on behalf of the Program.

BTB currently makes their payments directly to third parties; these are disclosed as direct payments on the face of the Statement of Cash Receipts and Payments under the "Local" column.

8. RECONCILIATION OF THE REVOLVING FUND

	<u>December 27,</u> <u>2013</u>	<u>March 31,</u> <u>2013</u>
Balance in Bank Accounts at end of Period	\$56,115	\$1,152,801
Outstanding Cheques	(45,844)	(14,541)
Funds transferred to BTB Bank Account	(10,271)	-
Funds already used and pending justification	-	779,835
BTB expense paid by IDB	-	61,890
Reconciled Revolving Fund Balance	-	1,979,985
Fund Balance per LMS1	-	1,979,985
Difference	\$ -	\$ -

GOVERNMENT OF BELIZE
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (Expressed in USD)

9. TOTAL IDB FUNDS DRAWN DOWN FROM LOAN

	Cumulative from Inception to March 31, 2013	Nine months ended December 27, 2013	Cumulative from inception to December 27, 2013
Revolving Fund			
Disbursements	\$10,898,753	\$1,790,486	\$12,689,239
Direct Payments	632,761	-	632,761
	<u>\$11,531,514</u>	<u>\$1,790,486</u>	<u>\$13,322,000</u>

10. LOCAL COUNTERPART FUNDS

	Cumulative from Inception to March 31, 2013	Nine months ended December 27, 2013	Cumulative from Inception to December 27, 2013
Revolving Fund			
Disbursements	\$540,745	\$275,425	\$ 816,170
Direct Payments	426,359	81,312	507,671
	<u>\$967,104</u>	<u>\$356,737</u>	<u>\$1,323,841</u>

Local counterpart has committed to contribute US\$1,360,000 throughout the life of the Program. As of December 27, 2013, local counterpart contribution is US\$1,242,529.00 which equates to approximately 91% of the total committed.

11. PROJECT COORDINATING UNIT

	Cumulative from Inception to March 31, 2013	Nine months ended December 2013	Cumulative from Inception to December 27, 2013
Personnel Costs	\$ 762,006	\$142,114	\$ 904,120
Office Expenses	460,694	108,457	569,151
Petty Cash and Deposits	750	-	750
	<u>\$1,223,450</u>	<u>\$250,571</u>	<u>\$1,474,021</u>

GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (Expressed in USD)

12. CUMULATIVE IDB LOAN INVESTMENT

	Cumulative from Inception to March 31, 2013	Nine months ended December 27, 2013	Cumulative from Inception to December 27, 2013
Disbursements by the PCU	\$ 9,698,603	\$ 2,990,636	\$12,689,239
Direct Disbursements by IDB	632,761	-	632,761
Total Investment	<u>\$10,331,364</u>	<u>\$ 2,990,636</u>	<u>\$13,322,000</u>
Amount Drawn-down on the IDB Loan (Note 8)	\$11,531,514	\$ 1,790,486	\$13,322,000
Less: Cumulative Disbursements (above)	(10,331,364)	(2,990,636)	(13,322,000)
Less: Reimbursable to IDB (Counterpart expenditures paid using IDB funds) (page 6)	<u>(61,890)</u>	<u>61,890</u>	<u>-</u>
IDB Revolving Fund Balance, December 27, 2013	<u>\$ 1,138,260</u>	<u>\$(1,138,260)</u>	<u>\$ -</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (Expressed in USD)

13. RECONCILIATION OF INVESTMENT BETWEEN PROGRAM'S RECORDS AND IDB'S RECORDS

Investment Category/Components	IDB Cumulative Investment as at December 27, 2013 as per LMS1	IDB Cumulative Investment as at December 27, 2013 as per STP Records	Difference
Administration – Program Coordinating Unit	\$ 762,813	\$ 755,634	\$ 7,179
Component I : Investments in Overnight Tourism Destinations	11,255,063	11,281,049	(25,986)
Component 2: Institutional strengthening for policy, destination planning and management	1,179,847	1,160,858	18,989
Audits/ Evaluations	124,277	124,459	(182)
Total Disbursements	13,322,000	13,322,000	-
Revolving Fund Balance as at December 27, 2013	-	-	-
Reimbursable to IDB (IDB funds used to cover counterpart contributions)	-	-	-
Total at December 27, 2013	\$13,322,000	\$13,322,000	\$ -

**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NINE MONTHS ENDED DECEMBER 27, 2013 (Expressed in USD)**

14. LIABILITIES AND COMMITMENTS

CONSULTANT/ CONTRACTOR/SUPPLIER	OUTPUT/DESCRIPTION	CONTRACT NO.	Contract Sign date	Contract		COMMITTED - Contract/Other		Total Payment to date	Balance to be paid on commitments	PRISM #
				Start Date	End Date	BZ\$	US\$ Equiv.			
Category C1- Administration										
Other Operation Expenses	Advertisement, Utilities, Cleaning, Fuel, Vehicle Maintenance, Miscellaneous	N/a	N/a	May 2009	Nov 27-2013	\$234,000	\$117,000	\$115,406.66	\$ 1,593.34	N/a
Stationery and Office Supplies		N/a	N/a	May 2009	Nov 27-2013	\$ 33,400	\$ 16,700	\$ 13,199.25	\$ 3,500.75	N/a
Motor Vehicles		N/a	N/a	May 2009	Nov 27-2013	\$ 95,724	\$ 47,862	\$ 47,265.14	\$ 596.86	N/a
Office furniture/Equipment		N/a	N/a	May 2009	Nov 27-2013	\$ 27,352	\$ 13,676	\$ 13,576.54	\$ 99.46	N/a
									\$5,790.41	

15. AUTHORIZATION DATE

The financial statements were authorized on March 28, 2014 by the CEO, Ministry of Tourism and Civil Aviation and the Project Director of Sustainable Tourism Program.



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INDEPENDENT AUDITORS' REPORT ON THE SYSTEM OF INTERNAL CONTROL GOVERNMENT OF BELIZE

MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL

To: Government of Belize, Ministry of Tourism and Culture and Belize Tourism Board

Program: Sustainable Tourism Program

We have audited the Statement of Cash Receipts and Payments for the nine months ended December 27, 2013 and the Statement of Cumulative Investments as of and for the nine months ended December 27, 2013, for the Sustainable Tourism Program, entered into by the Government of Belize and the Inter-American Development Bank, executed by the Ministry of Tourism and Culture and Belize Tourism Board and have issued our report thereon dated January 31, 2014.

This report complements our opinion on the referenced financial statements.

The Management of the Sustainable Tourism Program is responsible for establishing and maintaining a system of internal control sufficient to mitigate the risks of financial information misstatements and safeguard the assets of the project, including construction works and other procured goods. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of system of internal control policies and procedures. The objectives of a system of internal control are to provide management with reasonable, but not absolute, assurance that assets are protected against loss from unauthorized use or disposition; transactions are executed in accordance with management's authorization and in accordance with the terms of the contract, and transactions are recorded properly to permit the preparation of fair and true financial statements. Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the Program's financial statements for the nine months ended December 27, 2013, we obtained an understanding of the system of internal controls. With respect to the system of internal controls, we obtained an understanding of the design of the relevant policies and procedures and whether they have been placed in operation and we assessed control risk in order to determine our auditing procedures for the purpose of expressing an opinion on the Program's financial statements and not to provide an opinion on the system of internal controls. Accordingly, we do not express such an opinion.

Independent Correspondent Firm to Deloitte Touche Tohmatsu

Partners:
Giacomo Sanchez, CPA
Claude Burrell, CPA CISA

Consultant:
Julian Castillo, CA

Audit & Risk Advisory

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Independent Auditors' Report

Page 2

We noted certain matters that are described on pages 39 to 44 of this report involving the system of internal control and its operation that we consider to be a reportable condition under International Standards of Auditing. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the system of internal control that, in our judgment, could adversely affect the ability of the Sustainable Tourism Program to record, process, summarize, and report financial data consistent with assertions of management in the Statement of Cash Receipts and Payments and the Statement of Cumulative Investments.

A material weakness is a reportable condition in which the design or operation of one or more of the specific elements of the system of internal control does not reduce to a relatively low level the risk that significant errors or irregularities in amounts that would be material in relation to the program's financial statements may occur and not be detected in a timely period by employees in the normal course of performing their assigned functions.


Chartered Accountants
January 31, 2014

GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
REPORT ON THE SYSTEM OF INTERNAL CONTROLS
NINE MONTHS ENDED DECEMBER 27, 2013 (Expressed in USD)

Report on Internal Controls Control Objective	In Compliance/ or Not in Compliance
Purchase Orders are properly prepared, authorized and filed. Also, PO's issued relate to budgeted activities.	The control is effectively and consistently implemented.
The Administrative assistant verifies that items on the PO's are the items invoiced and received.	The control is effectively and consistently implemented.
Cheque Payments have approved payment vouchers.	The control is effectively and consistently implemented.
Disbursement Requests were properly authorized and submitted; funds received were correctly recorded in the approved chart of accounts.	The control is effectively and consistently implemented.
Project Assets acquired exist, are in good working condition, and there are controls in place to properly track their transfer from one individual to another.	The control is effectively and consistently implemented.



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH FINANCIAL AND
ACCOUNTING CONTRACTUAL CLAUSES AND THE PROGRAM'S OPERATING
REGULATIONS
GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL**

**To: Government of Belize, Ministry of Tourism and Culture and Belize Tourism Board
Program: Sustainable Tourism Program**

We have audited the Statement of Cash Receipts and Payments for the nine months ended December 27, 2013 and the Statement of Cumulative Investments as of and for the nine months ended December 27, 2013, for the Sustainable Tourism Program, entered into by the Government of Belize and the Inter-American Development Bank, executed by the Ministry of Tourism and Culture and Belize Tourism Board and have issued our report thereon dated January 31, 2014.

In relation to our audit, we determined compliance with the financial and accounting contractual clauses and articles within the Special Conditions and General Conditions of Loan Contract No. 2060/OC-BL, and compliance with applicable provisions of the Program's Operating Manual, for the nine months ended December 27, 2013. We have examined the Special Conditions described in Part One, Chapters 1 to 7, the General Conditions described in Part Two, Chapter 1 to 9 and the provisions of the Program's Operating Manual described in Annex I to Annex IV.

We conducted our audit in accordance with International Standards on Auditing and the requirements of the Inter-American Development Bank. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Program has complied with the pertinent loan contractual clauses, applicable laws and regulations and the provisions contained in the Program's Operating Manual. The audit also includes examining, on a test basis, the appropriate evidence. We believe that our audit provides a reasonable basis for our opinion.

In our opinion we are not aware of any instances of acts of noncompliance that occurred or any violation on the part of the Executing Agency with respect to the financial and accounting contractual clauses of Loan Contract No. 2060/OC-BL and the Program's Operating Manual.

Castillo Sanchez & Burrell, LLP
**Chartered Accountants
January 31, 2014**



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**INDEPENDENT AUDITORS' REPORT ON THE INTEGRATED REVIEW OF THE
PROCUREMENT PROCESS AND DISBURSEMENT REQUESTS SUBMITTED TO IDB
GOVERNMENT OF BELIZE**

**MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL**

To: Government of Belize, Ministry of Tourism and Culture and Belize Tourism Board

Program: Sustainable Tourism Program

We have audited the Statement of Cash Receipts and Payments for the nine months ended December 27, 2013 and the Statement of Cumulative Investments as of and for the nine months ended December 27, 2013, for the Sustainable Tourism Program, entered into by the Government of Belize and the Inter-American Development Bank, executed by the Ministry of Tourism and Culture and Belize Tourism Board and have issued our report thereon dated January 31, 2014.

In relation to our audit, we examined the disbursement request and processes to procure and contract goods, works and consulting services by the Executing Agencies for the nine months ended December 27, 2013. Our audit included verifying the reasonableness of the request and the validity and eligibility of the expenditures submitted to justify the disbursement request.

We conducted our audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and the Inter-American Development Bank's requirements, specifically the Guide for Financial Reports and External Audits. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the executing agency has complied with the provisions of Loan Contract No. 2060/OC-BL. The audit also included examining, on a test basis, evidence supporting the processes of selecting and contracting goods, works and services and the amounts and disclosures in the disbursement requests submitted and that form part of the Statement of Cash Flows and the Statement of Cumulative Investments for the period examined.

In our opinion, the processes to procure and contract works, goods and services were performed in accordance with the applicable standards; and the documentation supporting the expenditures made that correspond to the disbursement requests for the period under examination were fairly presented and represent valid and eligible expenses to the Program.

Castillo Sanchez & Burrell, LLP

**Chartered Accountants
January 31, 2014**

Independent Correspondent Firm to Deloitte Touche Tohmatsu



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January 31, 2014

Ms. Christy Mastry
Operations Director
Sustainable Tourism Program
Newtown Barracks
Belize City
BELIZE

Dear Ms. Mastry,

We have completed our financial audit of Sustainable Tourism Program for the nine months ended December 27, 2013.

During the course of our audit, we examined the principal controls that the Program has established to enable it to ensure, as far as possible, the accuracy and reliability of its records and safeguard its assets. The details of our findings and our recommendations are included in the attached, Appendix I (pages 39 to 44), to this letter.

Kindly note, however, that the examination we carried out cannot be relied upon to disclose every weakness and for this reason the matters dealt with in this letter are not necessarily the only shortcomings which may exist in the system. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray what is in existence. The potential effectiveness of specific controls at the Program is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that (1) changes made to the system or controls, (2) changes in processing requirements, or (3) changes required because of the passage of time may alter the validity of such conclusions.

We must commend the Program for its positive efforts to abide by the guidelines stipulated in the Government of Belize and Inter-American Development Bank Loan Contract No. 2060/OC-BL. We would also like to express our appreciation to the members of your staff who assisted us in completing our procedures. They were always courteous, helpful, and professional. We greatly appreciate the opportunity to serve as your external independent auditors.

This report is intended solely for use by the Management of the Sustainable Tourism Program and Representatives of the Inter-American Development Bank.

Please contact us whenever you feel we might be of assistance to you.

Sincerely,

Castillo Sanchez & Burrell, LLP
Chartered Accountants

Partners:
Giacomo Sanchez, CPA
Claude Burrell, CPA CISA

Consultant:
Julian Castillo, CA

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**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NINE MONTHS ENDED DECEMBER 27, 2013**

**Appendix I
Page 39**

PRIOR YEAR RECOMMENDATIONS MARCH 31, 2013

Observation	Recommendations	Management Response	Status Update as of December 27, 2013
Based on our review of the disbursement requests submitted to the Bank, it was noted that the Notice of Payment for DR#29 was not included in the DR file maintained by the Program.	STP management should ensure that all confirmation of payments is kept in file. These should be attached to the approved disbursement requests.	<i>Noted, however Notice of Payment for abovementioned disbursement request was not printed and filed as it was not sent by the Bank. With the hiring of a new General Operations Consultant, the Bank has not been consistent in forwarding Notice of Payment for replenishment of revolving fund. Will discuss deficiency with Bank so as to resolve this issue as soon as possible.</i>	Deficiency has been remediated. Based on Procedures performed letters from IDB has been filed appropriately.

**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NINE MONTHS ENDED DECEMBER 27, 2013**

**Appendix I
Page 40**

<u>REVIEW OF BANK RECONCILIATIONS</u>				
Observation	Recommendations	Management Response	Status Update as of December 27, 2013	Management Response
Based on procedures performed, it is noted that Bank Reconciliations are performed monthly but there is no independent review of the reconciliation. There is no evidence in the reconciliation to show that an independent review was performed to ensure the reconciliation is correct and difference, if any, resolved.	It is recommended that Bank reconciliation be reviewed and differences, if any, investigated and resolved. The reconciliations should be signed and dated by both the preparer and the reviewer as evidence of the review process.	<i>Noted and the program will update new project director on the need to follow internal control procedures established by the STP unit. We will sign and date all reconciliations retroactively so as to comply with established internal control procedures.</i>	Deficiency has not been remediated. Based on procedures performed, bank reconciliation are not signed nor dated.	<i>Agree, Program did not update new project director on her need to review and approve bank reconciliations.</i>

**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NINE MONTHS ENDED DECEMBER 27, 2013**

**Appendix I
Page 41**

GENERAL COMMENT

<u>COUNTERPART CUMULATIVE INVESTMENT: BUDGETED VERSUS ACTUAL</u>			
Observation	Management Response	Status Update as of December 27, 2013	Management Response
Based on the reconciliation of BTB-actual expenditure to budget expenditure, it is noted that counterpart expense for the Administration Category - Program Coordinating Unit is over the budgeted amount. At March 31, 2013, the reconciliation shows BTB has spent \$282,359 in excess of the budget total for the administration category (See page 31). It is recommended that the Budget categories for counterpart funding be reviewed and revised if necessary. If revised, the request for budget transfers (categories) should be submitted to IDB for approval.	<i>Noted and subsequent to the completion of the audit field work and prior to replenishment of the revolving fund via justification request No. 31, the Bank requested that component categories be reconciled to the LMS report. The STP unit complied with request made by the Bank and reconciled component categories to LMS report needed transfer were submitted to the Bank.</i>	Deficiency not remediated. As of December 27, 2013 the reconciliation shows BTB has spent \$420,387 in excess of the budget total for the administration category.	<i>Reconciliation of budget lines items was done only for IDB components. It was noted the BTB original budget when designed no longer met the economic realities. However BTB agreed that they would finance deficiency in the Administration component of the budget for counterpart funding.</i>

**GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NINE MONTHS ENDED DECEMBER 27, 2013**

**Appendix I
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PRIOR YEAR AUDIT RECOMMENDATIONS SEPTEMBER 30, 2012

GENERAL COMMENT

Observation	Management Response	Status Update as of December 27, 2013	Management Response
In reviewing the reconciliation of Program investments as per IDB records, and Program records, we noted that Administration – PCU as per IDB records is in excess of STP records by \$6,662. We encourage management to investigate and correct this difference, if necessary, before March 31, 2013	Noted and subsequent to the completion of the audit field work and prior to replenishment of the revolving fund via justification request No. 31, the Bank requested that component categories be reconciled to the LMS report. The STP unit complied with request made by the Bank and reconciled component categories to LMS report needed transfer were submitted to the Bank.	Deficiency noted has not been remediated. Based on the reconciliation of investment as per IDB records to program records, differences were identified.	The program STP records were aligned and reconciled to IDB LMS reports. However due to timing differences and over payment of refunds from BTB there remained an immaterial un reconciled balance.

GOVERNMENT OF BELIZE
MINISTRY OF TOURISM AND CULTURE AND BELIZE TOURISM BOARD
SUSTAINABLE TOURISM PROGRAM, LOAN CONTRACT NO. 2060/OC-BL
NINE MONTHS ENDED DECEMBER 27, 2013

Appendix I
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UPDATE ON PRIOR YEAR RECOMMENDATIONS MARCH 31, 2012

DELAY IN RECORDING OF COUNTERPART TRANSACTIONS

Observation	Recommendations	Management Response	September 2012 Status Update	December 27, 2013 Status Update
Based on procedures performed it was noted that there is a continuous delay in the recording of counterpart transactions. For the year audited March 31, 2012, the Program had failed to record BTB transactions/payments for period October 2011 to March 31, 2012. Auditor adjusted three of the major expenses are: salaries, rent and security during audit procedures April 23 to May 4, 2012.	It is recommended that monthly reports of counterpart transactions be timely submitted along with proper supporting documents to the Financial/ Procurement Specialist for proper recording of these in the Program's accounts. Program accounts should be updated at least monthly in order to ensure proper recording and updating of accounts. Reports can be submitted by the 15th of the subsequent month.	Above mentioned recommendation is well received and will be shared with BTB to address this issue urgently. In discussion with BTB a mechanism will be put in place to ensure that in the future counterpart contribution is received and record in a timely manner.	As of interim audit it was noted that there continues to be a delay in the recording of the counterpart transactions. This is due to the fact that BTB does not submit the supporting documents for their direct payments timely. We encourage management to resolve this delay by March 31, 2013 so the yearend financial statements are submitted to the IDB within the requisite timeframe.	Not remediated. For the year end procedures, there continued to be a delay in the recording of counterpart transactions.
			Status Update (March 31, 2013) Not remediated. For the year end procedures, there continued to be a delay in the recording of counterpart transactions. Again, this cause delay in the timely completion of our audit procedures.	Management Response The program requested over and over that BTB forward counterpart contribution supports for journalizing but there were always delays in receiving these from BTB.

* * * * *



Sustainable Tourism Program (STP)

2060/OC-BL

No. 168 Newtown Barracks, P.O. Box 325

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Ministry of Tourism,
Culture and Civil
Aviation

January 31, 2014

Castillo Sanchez & Burrell, LLP
40A Central American Blvd.
Belize City
BELIZE

Dear Sirs,

In connection with your audit of the Statement of Cash Receipts and Payments and the Statement of Cumulative Investments of the Sustainable Tourism Program (STP) as of and for the period ended December 27, 2013, for the purpose of expressing an opinion as to whether our financial statements present fairly in all material respects the financial position and results of cash received and disbursements made from the Inter-American Development Bank (IDB) Loan Contract No. 2060/OC-BL and the Government of Belize Counterpart funds in accordance with International Public Sector Accounting Standards (IPSAS) and accounting standards promulgated by the Inter-American Development Bank guidelines as detailed in Guide for Financial Reports and External Audits.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 27, 2013 for the preparation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and accounting standards promulgated by the Inter-American Development Bank guidelines as detailed in Guide for Financial Reports and External Audits.
2. The IDB approved the extension of the final disbursement deadline to December 27, 2013.
3. There were no significant assumptions used by us in making accounting estimates.

4. There is no material or immaterial uncorrected misstatement as at December 27, 2013.

Information Provided

5. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
 - d. Minutes of Project Management Unit meetings or summaries of actions of recent meetings for which minutes have not yet been prepared;
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. We have disclosed to you the result of our assessments of the risk that the financial statements may be materially misstated as a result of fraud.
8. We are not aware of any fraud or suspected fraud that affects the entity and involves:
 - a. Management
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
9. There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements.
10. We have disclosed to you all known instances of non-compliance or suspected non-compliance with the Loan Contract No. 2056/OC-BL or laws and regulations whose effects should be consider when preparing financial statements.
11. We are not aware of any pending or threatened litigation, claim or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements and we have not consulted a lawyer concerning litigation, claims or assessments.

12. The Sustainable Tourism Program has satisfactory title to all owned assets and there are no liens or encumbrances on such assets.
13. We have recorded or disclosed all liabilities, both actual and contingent and have also disclosed all guarantees and endorsements that we have given to third parties.
14. We have complied with the aspects of contractual agreements that have a material effect on the financial statements in the event of non-compliance.
15. There are no plans or intentions that may materially affect the value of project assets and liabilities and commitments.
16. We have disclosed to you all the contract modifications that occurred for the period ended December 27, 2013. There were seven new or modified contracts; all necessary documentation has been made available for your review.
17. The commitments of the Sustainable Tourism Program for the period ended December 27, 2013 were as stated below:

CONSULTANT/ CONTRACTOR/SUPPLIER	Balance to be paid on commitments
Category C1- Administration	USD
Other Operation Expenses	\$1,593.34
Stationery and Office Supplies	\$3,500.75
Motor Vehicles	\$ 596.86
Office furniture/Equipment	\$ 99.46

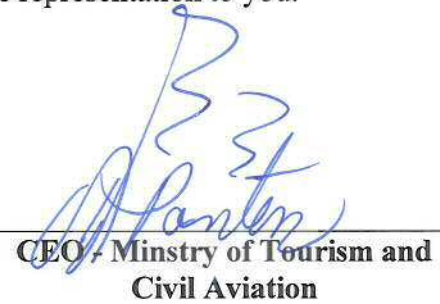
18. Recorded IDB and Counterpart expenditure disbursements as per the Program totaled US \$13,322,000 and US \$1,275,355 respectively as of December 27, 2013.
19. Financing from IDB Loan Contract No. 2060/OC-BL and GOB Counterpart funds for the Program was US \$13,322,000 and US \$1,323,841 respectively as of December 27, 2013.
20. As at December 27, 2013 BTB has opened a Bank Account where by advance deposits are made for STP, to be used as Counter Part Contributions.
21. As at December 27, 2013 the advances/disbursements pending justification to the Bank totaled US \$0.
22. No events have occurred subsequent to the statement of cash receipts and payments date that would require adjustments to, or disclosure in, the financial statements.

23. We have considered the adequacy of the disclosures in the financial statements and are satisfied that sufficient disclosures have been made in order to give a fair presentation.
24. We confirmed that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experiences (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representation to you.

Sincerely,



**Project Director
Sustainable Tourism Program**



**CEO - Ministry of Tourism and
Civil Aviation**

SUSTAINABLE TOURISM PROGRAM (BL-L1003)
PROJECT COMPLETION REPORT

Quality and Risk Review (QRR) – Results and Procedure Report (PCR)

A. QRR PROCEDURE

The Project Completion Report (PCR) and its corresponding Annexes were distributed for comments to the QRR on April 22, 2014. The Document was distributed to: Jessen, Anneke; Gomez Garcia, Olga; Manzano, Osmel Enrique; Alonso, Laura Virginia; Consuegra, Andres; Torres Dresda, Rosemary; VPC-FMP; Falkner-Olmedo, Katharina B.; Goncalves, Antonio; SPD-SDV; Zavala Lombardi, Veronica E.; SPD-SMO; OVE Director. In addition cc of the distribution was sent to: Office of the Manager - INE; Astesiano, Gaston; Rojas Sanchez, Laura Natalia; Malarin, Hector R.; SCL-SCL; Institutional Capacity and Finance Department; VPS-INT; Office of the Manager - CCB; Office of the General Manager CAN; Office of the Manager - CID; Office of the Manager CSC; Executive VicePresident; Vice Presidency for Finance and Administration; Office of the Vice President, Sectors & Knowledge; Office of the Vice President for Countries; Schulz, Hans U.; ESRNET; Nuenninghoff, Sybille; Lemay, Michele H.; Corral, Leonardo R.; Lima, Eirivelthon Santos; Moreda Mora, Adela; Velasco, M. Mercedes; Landazuri-Levey, Maria C.; Chavez, Elizabeth; Vera, Maria Silvia; Restrepo, Lisa Sofia. The comments received, as well as recommended next steps, have been documented in this Results and Procedure Report. No meeting was convened to discuss either the document as whole or specific issues.

B. NON-RESOLVED ISSUES

N/A

C. COMMENTS

Name/Dept.	Topic	Comments	Answers
Landazuri-Levey, Maria C. (LEG/SGO)	Section II. a) Project Context	It is an easy to read PCR that makes it simple and clear what was achieved with the Project. The Project Context section is very useful.	Acknowledged by the project team.
Landazuri-Levey, Maria C. (LEG/SGO)	Section III. c) Outputs	Regarding component II, when analysis the outputs it is mentioned that the taxation study and the Hotel standards where not endorsed yet. Is this a matter of time? It would be useful to know if there are any issues or disagreements on the solutions or standards proposed or if there is no issue with the content developed but it only needs time to be endorsed by the authorities. I suggest including this explanation under the chart in section III c.	Correct. The classification “neutral” of the outputs 2.3 and 2.5 of component II relates to the sustainability / adoption of the respective study recommendations. Although the studies have been delivered in a satisfactory manner, the current classification “neutral” takes in consideration the pending endorsement by GOG. Nevertheless, it is highly probable that the tourism sector taxation study findings and the Hotel Standards Framework and Hotel Classification System will be endorsed and adopted once the respective consultations are concluded. Addressed. See section III. c) Outputs).

Name/Dept.	Topic	Comments	Answers
Landazuri-Levey, Maria C. (LEG/SGO)	Section V. b) Potential Risks	I guess under section V b. the risk is that there wouldn't be appropriate maintenance of the centers/ infrastructure that would be handover to the municipalities, right? Basically, the municipalities may not have or invest/prioritize maintenance of this works. Keep in mind that there is a maintenance clause in the Loan Agreement requiring maintenance of this works and the Borrower should submit the reports (including the resources for this purpose). I suggest drafting the risk a little more direct referring to this risk.	Agreed. Besides of the contractual maintenance clause which has to be fulfilled by the borrower, the indicated risk relates mainly to the organizational and financial capacity of the respective village councils to ensure proper operational and financial management of the transferred infrastructures. Addressed. See section V. b) "Potential Risks"
Landazuri-Levey, Maria C. (LEG/SGO)	Section V. c) Institutional Capacity	At the design we proposed the establishment of a sub-committee within the National Tourism Advisory Council to serve as a strategic advisor for the Project. Does that sub-committee worked well? Did it play it's role facilitating the execution? It seems that institutional capacity of the Ministry and the BTB was good and coordination was good but maybe you can add something on this bigger structure we envisioned. Suggest doing so in section V. c. Institutional Capacity.	Addressed. During project implementation the STP team was guided and supported by a "Project Steering Committee" (PSC), composed by the main stakeholders of the tourism sector (public and private sector). This positive experience of the PSC will guide the definition of the mandate of the Tourism Ministerial Council to be implemented, as suggested by the NSTMP (This activity will be supported by BL-T1054 recently approved).
Landazuri-Levey, Maria C. (LEG/SGO)	Section VI. b) Future Monitoring and Ex-post evaluation	Section VI. b. suggest mentioning that an ex post evaluation was not provided for in the Loan Agreement. I guess you are recommending that an ex post evaluation be carried out especially for the recent infrastructures that were completed?	Agreed. Nevertheless, the ex post evaluation shouldn't only include the infrastructure component I, but also review program outcomes / impacts of component II "Institutional Strengthening" as it relates to the "matching grant facility and other outcome indicators (see section VI b).
Landazuri-Levey, Maria C. (LEG/SGO)	Section VII. Lessons learned	Can you clarify what you mean by "Directly subsidizing third party company costs outside companies to upgrade might not be considered eligible expenditure in the future"? What is the lesson learned on that point?	Relates to utility companies, such as BWS and BTL. The recommendations are to elaborate partnership agreements between municipalities and the utilities companies. Addressed. See section VII "Lessons learned"
CID	Section III. a) Outcomes	Please include an explanation on why did we not succeed in the outcomes that we have not succeeded yet. Please, include the total overnight arrivals for the full year of 2013, since this data is now available.	The rating of achievement of the key outcome is based on the data availability as of September 2013 (date of the final evaluation report). Therefore, in the case of outcomes for which the estimated / suggested performance is classified as "not achieved yet" relates to the fact that the data for 2013 are not available yet (BTB Digest 2013 will only be published by June, 2014). See section III. a) "Results Outcomes" Addressed. See section III. a) "Results Outcomes" The total overall overnight arrivals for 2013 are 294,177. Other outcome data for 2013 are not available as BTB Digest for 2013 is not published yet.

Name/Dept.	Topic	Comments	Answers
CID	Section IV. a) Analysis of critical factors	Is the difficulty of acquiring land and on obtaining consensus on development proposals the only critical factor? We suggest elaborating further this section.	Addressed. See section V. a) analysis of critical factors
CID	Section III. b) Externalities	<p>Please elaborate on how the program helped increase public awareness about tourism development. We suggest including data that proves this increase.</p> <p>Please add as an additional externality of the project that the tourism taxation study made an authoritative and important contribution to the national debate on tax and trade policy reform.</p>	<p>As indicated in section III. b), extensive consultations and local participation during elaboration of the development proposals helped to increase public awareness about tourism development. It could be observed an increasing empowerment of local communities, which can be considered as a key part of responsible tourism, which calls for critical tourists and critical locals, aware of the “disbenefits” as well as the benefits which tourism might bring. In addition, civic pride in Cayo and Placencia has been boosted. (Although a increasing participation in these meetings could be observed, “specific” data “to prove this increase” are not available.)</p> <p>Addressed. See section III. b) “Externalities”</p>
CID	Section V. Sustainability	<p>We suggest considering if Belize’s increasing insecurity is going to affect the sustainability of the program.</p> <p>Are there other risks such climate change that could hinder the sustainability of the project?</p>	<p>Addressed. See section V. b) Potential Risks</p> <p>Agreed. Other potential risks are related to climate change, such as sea level rise and related increase of natural disasters (e.g. flooding). Sea level rise is of major concern for coastal communities. These physical changes will affect the tourism industry through increased infrastructure damage, additional emergency preparedness requirements, higher operating expenses (e.g. insurance, backup water and power systems, and evacuations), and business interruptions. In addition, impacts of climate change and adaption options of ecosystems affect tourism products such as the barrier reef. Addressed in section V. b) “Potential Risks”</p>
CID	Section VII. Lessons Learned - Preliminary design phase	<p>Should we include anything related to land acquisition and development proposals in this section?</p> <p>We suggest including the analysis of international best practices on mitigating the environmental impact.</p>	<p>Agreed. Addressed. See section VII. i) Lessons learned – preliminary design stage</p>

Name/Dept.	Topic	Comments	Answers
CID	Section VII. Lessons Learned – Implementation phase	<p>Stakeholder coordination</p> <ul style="list-style-type: none"> i) This component proved to be very valuable in this project. Please elaborate. ii) With regards to supporting enterprises headed by both men and women, what about indigenous populations or the marginalized groups of Belizean society? Any lessons learnt in this respect? <p>Supervision and management</p> <ul style="list-style-type: none"> iii) “Greater time needs to be allowed for archaeological explorations...” Please elaborate. <p>“Difficulties may arise in terms of continuity...” Was this a problem in the current project? Does Belize currently have the legal mechanisms to ensure consistent policy implementation? This is very important with regards to PPP’s, especially since Belize does not have a legal structure to foster them. This can also be a major obstacle in attracting FDI. How about the role of civil society and NGO’s</p>	<p>Addressed. See section VII. Lessons Learned – Stakeholder coordination</p> <p>Addressed. See section VII Lessons Learned – Stakeholder coordination.</p> <p>Corrected. Should say: “archaeological interpretations...”</p> <p>“Difficulties in terms of continuity” relate to changes of local authorities, due to elections.</p>
CID	Recommendation for Future Project Design - Strategic Recommendations	<p>Please include a section mentioning the current security situation in Belize. Did this affect the overall implementation of the project? Belize currently has the second highest homicide rate after Honduras in the region. This should be taken into consideration in the drafting of new programs.</p> <p>“Greater emphasis needs to be given...” This recommendation and the one that follows it are very similar. We suggest combining the two since they both mention human capital and training.</p> <p>“Public private partnerships...” repetitive comment. This is being addressed by BL-T1054. However it is suggested to modify this paragraph and mention that while PPP’s can play a larger role, the current framework needs to be strengthened for this to happen.</p> <p>“Making tourism growth sustainable will require a reduction...” repetitive comment. We suggest condensing the recommendations.</p>	<p>Addressed. See section “strategic recommendations”</p>
CID	Section II. a) Project Context. Sector performance:	Please indicate if the 22.4% tourism contribution to GDP is direct or indirect.	<p>Addressed. The total tourism sector contribution of 22.4% of the GDP relates to an indirect & induced contribution. See section II. a) Project context – 1. paragraph</p>