

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



**ANNUAL BUDGET SUBMISSION
FY 1980**

GUYANA

**DEPARTMENT
OF
STATE**

MAY 1978



ANNUAL BUDGET

SUBMISSION

FY 1980

USAID GUYANA

Annual Budget Submission

USAID/Guyana

Table of Contents

	Page
1. Table I - Long Range Plan	1
2. Table III - Summary of Resources	2-4
3. Table IVA & B - Activity Data	
<u>FN</u>	
Seed Farm Modernization	5-7
Small Farm Development - Black Bush Region	8-10
Second Rice Modernization	11-13
Agricultural Sector Development	14-16
Rural Roads	17-19
Weaning Food Development	20-22
Agricultural Resource Planning	23-26
Dairy Development	27-30
Livestock Development	31-34
Rural Small Enterprise Development	35-37
PD & S	38-39
<u>HEALTH</u>	
Rural Health Systems	40-42
Leprosy Control (OPG)	43-45
PD & S	46-47
<u>EH</u>	
Economic Planning and Implementation	48-51
Public Sector Manpower Training	52-55
PD & S	56-57
<u>SD</u>	
Data Management Development	58-60
Special Development Activities	61-63
Rural Community Development	64-66
PVO Development	67-69
Unconventional Energy Technology	70-72
Resource Survey	73-76
Rural Community Water Systems	77-80
Feasibility Studies - Hinterland	81-83
PD & S	84-85

Table of Contents (cont.)

	Page
4. Decision Unit Overview	86-105
5. Decision Packages -	
A. Minimum	106-107
B. Mark	108-109
C. Proposed	110-111
6. Table V - Proposed Program Ranking	112-113
7. Workforce and Operating Expenses	114-125
8. Table VI - Funding for Special Concerns	126
9. Evaluation Plan	127-129
10. PL 480 Title I and Title III	130-140
11. PL 480 Title II	141
12. Project Activity Codes	142

TABLE 1 - LONG RANGE PLAN
(\$ Millions) 1/

DECISION UNIT: GUYANA

	FY 19FY ESTIMATE	FY 19CY REQUEST	FY 19BY			PLANNING PERIOD			
			MINIMUM	MARK	PROPOSED	BY+1	BY+2	BY+3	BY+4
Food & Nutrition									
Grants	1.4	2.5 <u>2/</u>	2.6	0.3	0.3	4.0	2.0	1.1	1.0
Loans	28.7 <u>3/</u>	8.0	-	-	3.0	5.0	3.0	7.1	9.0
Population									
Grants									
Loans									
Health									
Grants	0.1	0.7	0.1			0.3	0.5	2.1	1.1
Loans		2.3					4.0		1.8
Education									
Grants			0.2			0.1	0.5	0.3	0.2
Loans							1.0		
Selected Development Activities									
Grants	0.1	0.3 <u>2/</u>	0.7	0.8	0.2	1.4	0.4	0.3	0.1
Loans				4.0	2.0		2.0		
Total Functional Accounts									
Grants	1.6	3.5	3.6	1.1	0.5	5.8	3.4	3.8	2.4
Loans	28.7	10.3	-	4.0	5.0	5.0	10.0	7.1	10.8
Other Accounts (Specify)									
Grants									
Loans									
Total Program									
Grants	1.6	3.5	3.6	1.1	0.5	5.8	3.4	3.8	2.4
Loans	28.7	10.3		4.0	5.0	5.0	10.0	7.1	10.8
PL 480 (non-add)	2.0	2.0							
Title I (of which Title III)			2.0						
Title II <u>4/</u>	.280	.280	.280						
Housing Guaranties (non-add)									
Personnel (in workyears)									
Mission - U.S.	10	12	15	17	18	18	19	16	16
- F.N.	18	21	29	30	30	30	32	30	30
TDY - U.S.D.H.	.14	.10	.14	.03	.10	.15	.10	.15	.10
Contract, Other -	-	-	-	-	-	-	-	-	-

Operating Expenses .907 1.315 1.810 1.892 1.892 1.950 2.2 2.2 2.3

1/ Rounding, either upward or downward, to nearest 100,000, made in some Grant Approp. Categories. 3/ \$6.2 Mil, FY77 Auth. (Rural Roads - to be signed FY78).

2/ Assumes FY79 Funding, Project 0077 and 0076. 4/ Food Input to Project 0073.

ACTIVITY	TABLE III - SUMMARY OF RESOURCES - BY ACTIVITY (FUNDING IN \$ 000 AND OPERATING EXPENSES-FUNDED PERSONNEL IN WORKYEARS (XX, X))												DECISION UNIT			
	CY: 78						CY: 79						BY: 80		PAGE 1 OF 3	
	FY: 78		FY: 79		FY: 80		MARK		MINIMUM		EXPANSION		PROPOSED		PERSONNEL	
	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL
US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	
PROGRAM ACTIVITIES																
FN Seed farm Development (0065)	296	.2	.2	.2	.3	190	.2	.2	.2	.4	.4	.4	.4	.4	.4	.4
Small Farm Dev. - B.B. Region (0075)	7,500	.2	-	.4	-	-	-	-	-	315	.5	.7	.7	.5	.7	.7
Second Rice Modernization (0072)	15,000	.1	.1	.4	.3	1,000	.3	.3	.3	1,000	.6	.3	.3	.6	.3	.3
Ag. Sector Development (0070)	-	-	-	.8	.1	8,376	.1	.1	.1	294	.8	.5	.5	.8	.5	.5
Rural Roads (0068)	7,000	.5	.4	.4	.5	600	.5	.5	.5	300	.4	.5	.5	.4	.5	.5
Meanning Food Development (0073)	275	.2	-	.2	-	115	-	-	-	90	.2	-	-	.2	-	-
Ag. Resource Planning (0077)	-	-	-	.2	.2	233	.2	.2	.2	228	.3	.2	.2	.3	.2	.2
Dairy Development (0086)	-	-	-	-	-	-	-	-	-	397	.6	.6	.6	.6	.6	.6
Livestock Development (0079)	-	-	-	-	-	-	-	-	-	305	.7	.1	.1	.6	.6	.6
Rural Small Enterp. Dev. (0083)	-	-	-	-	-	-	-	-	-	-	-	-	-	3,250	.5	.2
HEALTH																
Rural Health Systems (0086)	-	-	-	.8	-	2,900	-	-	-	-	.7	.1	.1	-	-	-
Leprosy Control, OPB (0067)	126	.1	.1	.1	.1	68	.1	.1	.1	56	.1	.1	.1	.1	.1	.1
Econ. Planning & Implem. (0085)	-	-	-	.1	.4	-	.4	.4	.4	254	.4	.2	.2	.4	.2	.2
Public Sector Manpower Train. (0060)	-	.1	.1	.1	.1	-	.1	.1	.1	-	.1	.4	.4	-	-	-
SD Data Management Dev. (0076)	-	-	-	.2	.2	235	.2	.2	.2	265	.2	.2	.2	.2	.2	.2
Special Dev. Activities (0031)	100	.2	.8	.2	.8	100	.2	.8	.8	100	.1	.9	.9	.1	.9	.9
Rural Community Dev. (0074)	-	-	-	-	-	-	-	-	-	290	.2	.2	.2	.2	.2	.2

ACTIVITY	PY:		CY:		MARK		MINIMUM		EXPANSION		PROPOSED	
	FUNDING	PERSONNEL US FN	FUNDING	PERSONNEL US FN	FUNDING	PERSONNEL US FN						
Operating Expenses:												
Personnel	574.9		760.9		1,154.8		1,091.5				1,154.8	
Housing	113.3		289.7		338.3		323.9				338.3	
Office Operations	219.6		264.4		398.9		395.3				398.9	
TOTAL	907.8		1,315.0		1,892.0		1,810.7				1,892.0	
1/ \$6.2 MIL, FY77 Authorization												

TABLE IVA

TITLE: Seed Farm Development, Project No. 504-0065

PURPOSE: To improve and expand the production and supply of food crop seed so as to insure adequate and timely supplies to the farmers.

Background:

Food crop seed (excluding rice) for Guyanese farmers are presently being supplied through domestic production and importations. Seed needs are forecast on the basis of information gathered by extension agents and crops research specialists. Domestic production is arranged for by the pertinent crops research specialist with the central and out-lying research stations, and other state agencies such as the Guyana Rice Board (GRB), the Guyana Sugar Corporation (GUYSUCO) and the Guyana Agricultural Products Corporation (GAPC). The latter two agencies have only recently merged into Guyana Agricultural Industries Limited (GAIL). The GRB produces food crop seed in the Black Bush Polder area, GUYSUCO on its sugar estates and GAPC at Kibilibiri in the intermediate savannahs. Research stations involved in seed production include the Central Station at Mon Repos and Ebini. Present procedures used in seed production are inefficient, costly and cause quality problems from excessive handling. Deficiencies in the distribution system means that the seed is often not available to the farmer at critical times. Small amounts of mung bean, pigeon peas, and soybean are produced. A few pounds of vegetables such as ochre and bora are also produced. The remainder of the seed needed, including additional cowpea and corn seed, are usually imported. Due to the limited foreign exchange and resultant substantial reduction in seed importations, there were severe seed shortages in 1977-78. This project will support the GOG's priority objective of increasing food production, and it directly links with USAID's strategy of rural development as the project is expected to increase small farmer crop production and incomes.

Progress to Date:

This project is expected to be implemented in August 1978. It is anticipated that the long-term advisor for the project will be recruited during the last two months of the FY, and the participant training candidates for the project identified.

Beneficiaries

The value of foreign purchased seed for 1978-79 crop years is approximately US\$504,000. This project is expected to reduce this amount by more than 80%. Agricultural production by the nation's 50,000 farmers will increase due to increased supply of viable seed (note: rice farmers

normally also grow small plots of food crops). A 10% increase in production is conservative, especially as it relates to the major food crop producers (6,000) in the Black Bush area. An estimated 500,000 consumers who are non-agricultural producers will benefit from an increased supply of foods of better quality. Based on the number of farmers directly growing food crops, plus other farmers with small plots, it is estimated that 30,000 farm families will benefit from the project; hence per family project cost will be \$15.

Current Year Program:

During the current year, testing equipment to improve the capability and capacity of the seed laboratory will be installed. Additional installations which will take place during the year include: drying facilities, processing facilities and cleaners and an irrigation sprinkler system. Improvements will be made at Mon Repos to include two air conditioners and a high capacity dehumidifier for each of the four storage seed rooms. The seed production, storage and processing units at Black Bush Polder and Ebini/Kimbia will also be installed. Respective to the training component of the project, a total of four persons will be sent to the U.S. for specialized training, two long term and two short term (three months each).

Major Outputs:

1. Establishment of a National Seed Board.
2. Reorganization of the seed program.
3. Training: six persons trained in seed processing and allied fields and three week in-country training session held.
4. Mon Repos station improved.
5. Black Bush seed unit completed.
6. Ebini/Kimbia seed unit completed.
7. Charity seed unit completed.
8. Kauna seed unit completed.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR		
	SEED FARM DEVELOPMENT		GUYANA		MINIMUM		FY80		
PROJECT NUMBER 504-0065		APPROPRIATION FN		INITIAL OBLIGATION FY78		FINAL OBLIGATION FY79		TOTAL COST \$626,000	
DATE PP/REVISION July 1978		DATE LAST PAR		DATE LAST PAR		DATE NEXT PAR		Nov. 1979	
ESTIMATED U. S. DOLLAR COST (\$ 000)		AID (G)		\$486,000					

ACTIVITY INPUTS	FY: 1978		CY: 1979		BY: 1980		PIPE-LINE	EXPEN-DITURE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE			
TOTAL-	296	21	275	Sep.79-Sep.	80	190	108	357	108
1. Technical Assistance (IT)	80	5	75	Sep.79-Sep.	80	80	70	85	70
2. Technical Assistance (ST)	12	-	12	Jan.-Sep.79	36	48	-	48	-
3. Training (Long and Short term)	24	16	8	Oct.-Sep.79	14	19	3	19	3
4. Commodities (Building Supplies)	180	-	180	Jan.-Sep.79	40	190	30	190	30
5. Contingencies/Evaluations					20	15	5	15	5
HC AND OTHER DONOR TOTAL-	25	10			70				45
(HC: L.O.P. = \$140,000)	10	10			30				20
Buildings	10				30				20
Personnel	5				10				5
Transportation and Administration Costs									

FUNDING	PERSONNEL WORKYEARS (XX.X)			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED		FOOTNOTES
	1978	1979	1980		A=NONCONTRACT	B=CONTRACT	
PROGRAM ACCOUNT	2	1	1	HIGH		19	1979, 1980
TDY (ADD)	.1			MEDIUM			2-cont.
OPERATING EXPENSES	.40	.70	.80	LOW			4

*FY79 participants, 24 month training.

Project should be considered for extension to FY80; (no additional funds needed) since project start is late FY78.

AID 1330-8 (3-78)

- 3 -

TABLE IVA

TITLE: Small Farm Development - Black Bush Region
Project No. 504-0075

PURPOSE: To increase the production of rice and other food crops
by 6,000 small farmers in the Black Bush Region

The Black Bush region of Guyana is a potentially high rice producing area whose output has been restricted due to a variety of constraints. The 6,000 small farmer families living in the area have been gradually increasing their rice yields during recent years, however, severe infrastructural and production constraints remain which have inhibited output. The World Bank and other donors have joined in an effort to address the major infrastructural constraints, e.g., irrigation, drainage; but severe production and marketing constraints must be eliminated if the investment is to be viable, and if the farmers are to increase their production.

AID will fund a discrete element of the project, which will be complementary to other donor inputs, but represents a vital component of the total scheme. AID's assistance will, inter alia, be directed toward improving extension services, seed technology, pest control practices, and the marketing structure in the region. Assistance to the civil works phase being financed by other donors, e.g., A & E services are another element of the project. The purchase of small farm equipment and allied training in its maintenance is also being provided under the project.

This project directly relates to the GOG's priority goal of developing the rural sector, with emphasis on agriculture. The new Four Year Plan (1978-81) assigns the highest priority to the productive sectors, with agriculture receiving the bulk of public sector investment, 33.5%, during the plan period. The project directly relates to USAID's primary development objective of rural development, as it will increase rural production and small farmer income.

Progress to Date:

This project is expected to be authorized in the last quarter, FY78, hence no progress can be reported to date.

Beneficiaries:

Each of the 6,000 families or 42,000 persons located in the project area will be directly benefited by this project. Eighty-three percent of the farms in the project are ten acres or less and 58 percent are five acres or less. For these two farm sizes, per capita income is presently about US\$40 and US\$75, respectively, and will increase to US\$65 and US\$115 as a result of the project. Project per cost per

family benefited is \$1,483, and per capita \$212.

Current Year Program:

During FY79, technical assistance will be provided for on farm drainage and irrigation needs. Assistance will also be given to the seed production, harvesting, storing, packaging and distribution systems to people in the project area. Extension staff will be increased and farmer training is scheduled to take place. Staff support to the GOG extension and seed program will be provided.

Budget Year Program:

Extension staff and farmer training will be continued. Twenty new employees will receive on-the-job training as much as possible. On-farm drainage and irrigation of 72,000 acres (small scale) will be expanded as new staff are trained and assume their responsibilities in the field. Academic training will begin for four participants. Field days, seminars and on farm demonstrations will be conducted by project personnel.

Major Outputs:

1. Fifty-six Ministry of Agriculture personnel trained.
2. Preparation of necessary designs and specification for civil works.
3. Renovation of seed production/testing facility and improved seed developing system.
4. Renovation of equipment maintenance shop.
5. Improved system of on-farm development and extension services.
6. Improved water management capability.

TABLE IVB
ACTIVITY BUDGET
DATA

SMALL FARM DEVELOPMENT - BLACK BUSH
REGION

GUYANA
INITIAL OBLIGATION
FY78

MINIMUM
FINAL OBLIGATION
FY83

FY 1980
TOTAL COST
\$11,500 1/
DATE NEXT PAR
FEB. 80

PROJECT NUMBER
504-0075

APPROPRIATION
FN

ACTIVITY INPUTS	ESTIMATED U.S. DOLLAR COST (\$ 000) AID: (L) \$7,500 (G) \$1,400											
	CY: 1978				CY: 1979				BY: 1980			
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)
TOTAL-	7,500	-	7,500		None	855	6,645		315	3,323	3,637	
1. Tech. Asst./Consultants	3,055	-	3,055			284	2,771		280	1,007	2,044	
2. Commodities (agr. equipt. spares, tools, trng supplies)	3,019	-	3,019			289	2,730		-	2,075	655	
3. Construction/Renovations	926	-	926			282	644		-	207	437	
4. Feasibility Study	405	-	405			-	405		-	-	405	
5. Training	5	-	5			-	5		35	34	6	
6. Contingency	90	-	90			-	90		-	-	90	
IIC AND OTHER DONOR (L.O.P. = HC:\$4,000,000)												
Personnel					850							
Construction					300							
Housing					-							
Consultants					200							
TOTAL-					450							

PERSONNEL WORKYEARS (XX, X)

FUNDING	FISCAL YEAR				
	1978	1979	1980	1981	1982
PROGRAM	4.8	11.8	18	14.2	19
ACCOUNT	.40	.10	.10	.5	.20
TOTAL	5.2	12.9	18.1	14.7	19.2
BEYOND	.20	1.20	1.0	1.0	1.0

PERSONNEL INTENSITY

HIGH
 MEDIUM
 LOW

PERSONNEL PARTICIPANTS PROGRAMMED

TYPE	FISCAL YEAR		
	1978	1979	1980
A		1	2
B			

PERSONNEL TYPE

TYPE	A-NONCONTRACT		B-CONTRACT	
	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM
A				
B				

FOOTNOTES

1/ Discrete activity within overall World Bank - other donor proj. Total - AID, GOG, other donors:\$42.5 Mil.

TABLE IVA

TITLE: Second Rice Modernization Project, Project No. 504-0072

PURPOSE: To (a) increase the income of small rice farmers through the prevention of post-harvest losses and to (b) improve the marketing system necessary for the efficient domestic distribution and export of rice.

Background:

Rice and its production has a key role in the social and economic life of Guyana. The resources both human and land devoted to production are enormous -- up to 250,000 acres are cultivated which with double cropping means that over 300,000 acres are harvested annually.

Average rice yields in Guyana are, however, disappointing when compared to most other rice producing countries. The explanation for this is complex and there are a combination of causes. A major cause is in the rice harvesting/processing/marketing area. AID in its first rice modernization project assisted the GOG in addressing these problem areas which improved the situation considerably.

This second Rice Modernization Project will continue to assist the GOG address these bottlenecks by:

- (a) Improving facilities constructed in the first project.
- (b) Constructing four additional drying and storage centers at new locations.
- (c) Restoring and improving the Georgetown export facilities.
- (d) Providing a suitable barge for river transport of paddy rice.
- (e) Providing related technical assistance and engineering services.

This project has a direct linkage with both the GOG and USAID's objective of furthering the development of the rural sector. This by creating new storage facilities required to process paddy rice yields which are expected to improve over the near and long term.

Progress to Date:

AID is providing by grant a team of experts to assist the GOG in preparing a loan application to AID for financing the proposed second Rice Modernization Investment program. The application is expected to be

received by mid-July, 1978.

Beneficiaries:

The project will primarily benefit the small paddy rice farmers since the design, operational policies, and the locations of the centers are basically slanted for the benefit of small producers. The project also will process substantial paddy for medium and large farmers. While the estimated 40,000 rice farm families will be the direct beneficiaries, the project will have an indirect benefit on the country as a whole since the facilities will result in better processing and consequently will improve quality. Higher quality rice will increase the export value of the crop and bring in larger foreign exchange earnings which will benefit the whole of the nation. Based solely on farm families growing rice, the project cost would be \$300 per family.

Current Year Program:

In FY79, the selection and GOG contracting of the consulting engineer for the design of facilities will take place. The designs are expected to be completed by the end of FY79. Bid documents for acquisition of the river barge should be completed, quotations received, and an order placed.

Budget Year Program:

FY 1980 will see the project well underway in that construction of the two drying and storage centers and the Georgetown export facilities will have started and the expansion and improvement of the existing centers, constructed under the first Rice Modernization Loan will also take place.

Major Outputs:

- (a) Modification and expansion of six existing drying and storage centers, including the erection of parboiling equipment at selected centers.
- (b) Construction of two new paddy drying and storage centers.
- (c) The reconstruction of (1) milling capacity; (2) storage for milled rice and, (3) blending and packaging units for the export facility in Georgetown.
- (d) One barge for river transport of paddy.

ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
SECOND RICE MODERNIZATION PROJECT		GUYANA		MINIMUM		FY1980	
PROJECT NUMBER		INITIAL OBLIGATION		FINAL OBLIGATION		TOTAL COST	
504-0072		FY78		FY80		\$21,500 1/	
APPROPRIATION		DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	
FN		NA		NA		Dec. 1979	

ESTIMATED U.S. DOLLAR COST (\$ 000) AID: (L) 10 Mil. (G) 2 Mil.

ACTIVITY INPUTS	CY: 1978		CY: 1979		BY: 1980		PIPE-LINE	EXPEN-DITURE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	OBLI-GATION	FUNDING PERIOD (FR-TO)			
TOTAL-	9/78	-	10/78-9/79	15,000	(G)	10/79-9/80	1,000	5,800	10,000
1. Consultants (Engr. Supr. & Design)	2,000	-	10/78-9/79	2,000	-	10/79-9/80	350	400	1,350
2. Expansion and Modification of facilities constructed under first phase of project.	2,500	-	7/78-9/79	2,500	500	-	-	1,000	2,000
3. Construction of four new drying and storage facilities.	8,500	-	8/78-9/79	8,500	500	10/79-9/80	500	3,750	5,750
4. Restoration and construction of Georgetown export facilities.	1,500	-	-	1,500	-	12/79-9/80	150	650	1,000
5. Barge for river transport.	500	-	-	500	-	-	-	-	-
HC AND OTHER DONOR	LIFE OF PROJECT								
TOTAL-	2,000								
H.C. (L.O.P. = \$4.5 million)	300								
Equipment	1,300								
Civil Work	200								
Piling Work	150								
Tech. & Mgt. Assist.	50								
Eng. for Storage Centers	50								

FUNDING	PERSONNEL WORKYEARS (XX, X)					PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR						TYPE	FISCAL YEAR		
	1978	1979	1980	1981	1982			A=NONCONTRACT	19	
PROGRAM							B=CONTRACT			
ACCOUNT							LONG-TERM			
TOY (800-)	.20	.20	.30	.80	.20	A	SHORT-TERM			
EXPENSES	.20	.70	.90	.80	.20	B	LONG-TERM			
							SHORT-TERM			

TABLE IVA

TITLE: Agricultural Sector Development (504-0069)

PURPOSE: To provide assistance to small farmers through a program of supervised credit for farm improvements and crop production.

BACKGROUND: Access to credit for Guyana's estimated 50,000 farmers is very limited. The principal source of credit for the small farmer is the Guyana Agricultural Cooperative Development Bank. The Bank was established in 1973 following the bankruptcy and dissolution of a predecessor agency. The Bank has done a very creditable job but its limited resources allow it to service only a fraction of the demand for credit. During its first four years of operation (1973-76), the Bank received 6,481 loan applications (the number rising by 75 percent from 1,304 in 1973 to 2,257 in 1976). Of these applications the Bank was able to process, approve, and fund only 40 percent (although it was able to increase its approval rate from 17 percent in 1973 to 60 percent in 1976). Over the four-year period, 60 percent of the applications (and 75 percent of the loans approved) were for less than \$2,000. The related figures for the year 1976 were 67 percent and 83 percent, reflecting an increasing responsiveness to small credit needs. Still, in 1976 the Bank was able to fund only 1,341 loans, barely scratching the surface of the farm population. Funds disbursed in 1976 had risen to \$2,280,000 (from \$1,400,000 in 1973) but this still represented only 75 percent of the loans approved, the Bank not having sufficient funds to support even approved loans. Loans have been made available for arable crops, tree crops, livestock, fishing, and timber. Only in 1976 did the Bank undertake the financing of food crop production loans. In that year 549 loans were approved for credit to produce five basic food crops. The Bank is an entity of the Government of Guyana which provided the basic capitalization with share capital subscriptions of \$4,200,000. By 1976 the Bank was drawing the largest part of its funds (44 percent) from recycled monies. An additional 16 percent was realized from further subscriptions by the GOG, while 35 percent came from the Caribbean Development Bank (with a loan of \$2,350,000) and 5 percent from the IDA (with a loan of \$150,000 for livestock). In 1978 the IDB plans a loan of some five million dollars to the Bank as part of a food crop production project. Farmers in about half the cultivated areas of the country will have access to the IDB money. The Caribbean Development Bank is lending an additional \$4 million (mostly for rural infrastructure), and CIDA is providing \$8 million for logging and sawmilling.

PROJECT DESCRIPTION: AID's project will make credit available for those small farmers engaged in food crop production who do not otherwise have access to credit. Other things grown on small farms (fruit trees, fish, fowl, swine, sheep, goats, etc.) also will be financed. In addition to credit for inputs (fee, seed, fertilizer, pesticide), financing will be extended for farm improvements, especially for the irrigation and drainage

crucial to coastal and riverine farmers, but also for appropriate machinery for land preparation, cultivation, and maintenance. During the life of the project the Bank will more than double its credit staff from some 30 to over 70 officers. Ten scholarships for academic training will be provided to key personnel (six were sent to school in 1978, three in Guyana and three abroad). This formal training will be augmented by short-term training and local seminars for up to 100 of the Bank's staff. Technical assistance will be provided over a four-year period to assist in all aspects of the Bank's supervised credit activities for small farmers including office and field staff training, credit promotion/orientation for small farmers, operating procedures, analyses, and on-site supervision and assistance. Only with such substantially expanded staff, training, and support can the Bank begin to hold out the opportunity for a significant portion of the nation's small farmers to realize the incomes needed to meet the basic needs of their families. Making available this opportunity for the rural poor to improve their lot while increasing the nation's levels of agricultural production will be a major step toward the GOG's and AID's mid- and long-term goals in the agricultural sector.

BENEFICIARIES: During the life of the project some 8,000 farmers are expected to receive loans through this credit facility. Eventually, all the country's poorer farmers (up to 125,000 people including recipient farmers' families) are expected to benefit as loan funds are recycled. Thus costs per direct beneficiary are estimated at \$70.

CURRENT YEAR PROGRAM: Two long-term consultants will join the project and various short-term consultants will be brought in for specialized training and advice. Two long-term participants will begin academic training in the U.S., eight others will undergo short courses, and 25 Bank officers will participate in seminars in-country. Vehicles to support expanded staff requirements will be procured. Up to 500 loans will be disbursed through the credit facility.

BUDGET YEAR PROGRAM: An additional four long-term participants will start school, five short-term participants will complete training, and periodic in-country seminars for Bank personnel will continue. Operating procedures and related manuals will be worked out to expedite loan application and processing. Village meetings will be held to explain the Bank's programs and procedures. Up to \$3,000,000 will be disbursed to small farmers.

MAJOR OUTPUTS: The size and capacity of the Agricultural Development Bank's staff will be more nearly commensurate with the needs of the rural public it serves. Staff size will have doubled from its 1978 level and all staff will have benefitted from some level of formal or informal training. Small rural producers will be knowledgeable of the opportunities available through the Bank and up to 8,000 of the poorer farmers will have benefitted directly as participants in the credit program during the life of the project. With rollovers supporting an on-going program, Guyana's rural sector will continue to magnify project outputs in the future.

(NOTE: Amount proposed under project exceeds FY 79 CP level of \$3,650,000. Increase to \$8,870,000 for project based on perceived credit requirements of small farmers throughout country which Bank will service.)

TABLE IVA

Title: Rural Roads - Project No. 504-0068 (Loan 504-L-D13)

Purpose: To strengthen and expand the capacity of the Ministry of Works and Transport to maintain and construct Guyana's road systems including a modest feeder road component.

Background:

Rice production has almost doubled in the last ten years, and, with three major irrigation and flood control development projects being financed by other donors, is expected to double again in the next ten years. Roads are the key link in the rice production chain as harvested rice must be artificially dried, away from the fields, within three days of the harvest before it can be safely stored in bulk. Since much of the harvest period occurs during the rainy season, and movement of the crops to drying facilities is on less than all-weather roads, heavy vehicles become bogged down and transport of the harvest out of the fields ceases. This stoppage of road transport results in excessive moisture to the rice crop and its consequent spoilage.

This combined loan/grant project is intended to ensure an adequately maintained and expanded rural road transportation system to facilitate the movement of farm produce. In FY 1978, workshop facilities will be expanded, procurement of workshop and laboratory testing equipment, tools and spare parts will take place and a major technical assistance training program will begin.

This project forms a part of USAID's integrated approach to its primary area of aid concentration, rural development, by providing and maintaining the access infrastructure so vital to the viability of new and continuing initiatives of the GOG, AID and other donors in the rural sector. Agriculture, health, and other rural development endeavors depend on accessibility both for initial penetration and sustained development, thus this project represents a corollary and integral part of our assistance strategy.

Progress to Date:

The Loan has been approved and is expected to be signed during the month of May 1978. Consultants (grant financed from PD&S funds) are scheduled to arrive in early June to assist the Government in meeting the Conditions Precedent (CP) of the Loan and in preparing Requests for Proposals for technical assistance contractors.

Beneficiaries:

By expanding the area of influence of the rural road system, the project is expected to benefit, at a minimum, 10,000 farm families who will make use of new and improved roads to bring their produce to market. Based on this conservative estimate, the cost per farm family would be \$790.

Current (FY 1979) Program:

The focus in FY 1979 will be to install major rebuilt workshop equipment; construct a new soils and materials laboratory; and train supervisors, foremen and mechanics.

The expectation is that training will start for approximately 125 equipment operators, 100 mechanics and 175 engineering supervisors. Thirty-five pieces of present "deadlined" equipment should be returned to active service in the Ministry of Works and Transport. Construction and installation of equipment should start on workshops and soil laboratory and construction should start on 15 miles of feeder roads.

Budget Year Program:

FY80 will see a continuation of the training and construction efforts. Including those under training in FY79, plus FY80 trainees, the total under training are as follows: 213 equipment operators, 202 mechanics and 329 engineering supervisors. An additional 17 pieces of deadlined equipment should be repaired and returned to active service. This, when added to the 35 overhauled in FY79 will make 52 pieces returned to active service. Workshop and laboratory construction should be completed, and an additional 25 miles of feeder roads should start in FY80 for a total of 40 miles under construction.

Major Outputs during life of the Project:

<u>Major Outputs</u>	<u>Cumulative All Years</u>
Items of construction equipment overhauled	52
Equipment operators trained	213
Mechanics trained	202
Engineering supervisors trained	329
Workshop & lab. constructed	2
Feeder roads (miles) constructed	50

TABLE IVB ACTIVITY BUDGET DATA		ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
RURAL ROADS LOAN/GRANT		GUYANA		MINIMUM		FY 80		FY 80	
PROJECT NUMBER 504-0068		APPROPRIATION FN		INITIAL OBLIGATION FY 78		FINAL OBLIGATION FY 80		TOTAL COST \$10,537 1/2	
				DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	
				N/A		N/A		Sept. 1979	
				ESTIMATED U.S. DOLLAR COST (\$ 000)		AID: (L) 6.2 Mil (G) 1.7 Mil.			
		CY: 1979		BY: 1980					

ACTIVITY INPUTS	FY 1978		CY: 1979		FY: 1980		BY: 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR-TO)	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR-TO)	PIPE-LINE	EXPEN-DITURE	OBLI-GATION
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)											
TOTAL-	7,000	7,000	7,000	7,000	600.0	2,380	5,220	600.0	2,380	5,220	600.0	300.0	3,609	1,911	300.0	3,609	1,911	300.0	3,609
1. Consultants (long term)	1,364	1,364	1,364	1,364	600.0	491	1,473	600.0	491	1,473	600.0	300.0	886	887	300.0	886	887	300.0	886
2. Training (local & abroad)	220	220	220	220	---	55	165	---	55	165	---	---	110	55	---	110	55	---	110
3. Commodities	119	119	119	119	---	30	89	---	30	89	---	---	70	19	---	70	19	---	70
4. Equipment Overhaul	1,100	1,100	1,100	1,100	---	740	360	---	740	360	---	---	360	---	---	360	---	---	360
5. Work shop const. and shop equipment	352	352	352	352	---	140	211	---	140	211	---	---	211	---	---	211	---	---	211
6. Soil laboratory const. and equipment	744	744	744	744	---	298	446	---	298	446	---	---	446	---	---	446	---	---	446
7. Feeder Road Const.	3,000	3,000	3,000	3,000	---	600	2,400	---	600	2,400	---	---	1,500	900	---	1,500	900	---	1,500
8. CONFINANCING	101	101	101	101	---	26	76	---	26	76	---	---	26	50	---	26	50	---	26
TOTAL-	200	200	200	200	700	660	40	700	660	40	700	1,000	980	20	1,000	980	20	1,000	980

PERSONNEL WORKYEARS (XX.X)	FISCAL YEAR				PARTICIPANTS PROGRAMMED		FOOTNOTES
	1979	1980	1981	1982	A=NONCONTRACT	B=CONTRACT	
FUNDING	19	17	7	11	11	11	1/ U.S.-GOG Contribution.
PROGRAM ACCOUNT	1	1	1	2			2/ Loan Authorization FY77.
OPERATING EXPENSES	.9	.9	.9	.4			

TABLE IVa

Title: WEANING FOODS DEVELOPMENT, Project 504-0073

Purpose: To establish within Guyana the capacity for production and distribution of nutritious weaning foods made from indigenous foods.

Background:

Food supplements for preschool children have been distributed to a very limited extent in Guyana. Until recently, small amounts of imported commercial weaning foods were available through retail outlets. However, these products were considered too expensive to be consumed by low-income families and represented a drain on scarce foreign exchange. Accordingly, importation has recently been discontinued. Locally made weaning foods are available in the market but for the most part these are simply packaged plantain flour and are not adequate from a nutrition standpoint. The 1971 National Food and Nutrition Survey of Guyana revealed that 18.2 per cent of children under 5 years of age suffered from either second or third degree malnutrition and 70 per cent of rural and 50 per cent of urban children in this age group had some form of malnutrition. In 1973 a surveillance system was set up, through the Maternal and Child Health Clinics of the Ministry of Health, to monitor the nutritional status of children below 5 years of age attending these clinics. Surveillance results over the past five years revealed that an average of 53 per cent of children below five suffer from some degree of malnutrition.

This project is in consonance with the country's development priority in that it furthers its self-sufficiency goal in food production. It further is supportive of USAID's development strategy in that it offers the potential of greater use, and consequently production, of local foods which would primarily benefit farmers. It also relates to USAID's secondary strategy thrust of improving rural health as the majority of the beneficiaries of improved nutrition would be rural children.

Project Description:

This project is an integrated approach to solving a priority development problem, using grant project funds together with Title II commodity imports. It will provide for the manufacture and distribution of a food supplement (weaning food) to help alleviate malnutrition among preschool children in Guyana. The food is to be made from ingredients supplied partly by the GOG and partly by grant project funds but predominantly from P.L. 480 commodities. The food is to be precooked, using low-cost extrusion cookers, and distributed through retail outlets. The project is designed as a three year pilot project to study the feasibility of this method of providing food supplements to malnourished children and to establish a basis for extending the approach as an ongoing nutrition intervention.

Progress to Date:

This project is scheduled to begin in late FY 1978.

Beneficiaries:

Production under this pilot phase is estimated to provide sufficient weaning food for 20,000 children, or about 15 per cent of the estimated number in the under five age group. The intended beneficiaries ultimately are all the children below 5 years of age in Guyana. The weaning food will be made available at retail food outlets throughout Guyana and the Ministry of Health will distribute a percentage of production through the Maternal and Child Health Clinics. Thus, virtually all families in the country would have access to the product. Based on cost vs. benefit ratio, this will amount to \$24 per child.

Current Year Program:

The GOG will acquire the auxiliary equipment needed to integrate the extrusion cooker into a production operation: blenders, mills, conveyors, etc. Additional supplies and equipment for packaging, distribution, and quality control also will be procured. Trial products will be market tested and the product refined to satisfy consumer requirements. An information program will be launched to introduce the weaning food to the public. Local foods will be mixed with P.L. 480 commodities to produce the weaning food.

Budget Year Program:

Nine hundred tons of weaning foods will be produced and distributed throughout the country. Product promotion and monitoring of consumer acceptability will continue. A project evaluation will preliminarily assess the viability of the activity based on experience to date with the pilot project.

Major Outputs:

Annual weaning food production capacity of 900 tons and sufficient experience to judge whether expansion of the activity is warranted.

**TABLE IVB
ACTIVITY BUDGET
DATA**

**WEANING FOODS DEVELOPMENT
(grant)**

GUYANA	Minimum	FY 80
INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
FY 78	FY 80	1,820,000
DATE PP/REVISOR	DATE LAST PAR	DATE NEXT PAR
7/78	-	9/79

PROJECT NUMBER	APPROPRIATION
504-0073	FN

ESTIMATED U. S. DOLLAR COST (\$ 000) 1,320 AID - including Title II input.

ACTIVITY INPUTS	FY 1978		CY: 1979		FY: 1980	
	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	PIPE - LINE
TOTAL - AID - FINANCED	275	20	255		115	95
Equipment	200	10	190	6/79 - 6/80	50	40
Technical Assistance	25	5	20	9/79 - 9/80	25	20
Research & promotion	25	-	25	9/79 - 9/80	15	15
Commodities	25	5	20	9/79 - 9/80	25	20
P.L. 480, Title II	280	30	250		280	250

HC AND OTHER DONOR	TOTAL -		PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED		FOOTNOTES
	OBLI - GATION	EXPEN - DITURE	TYPE A	TYPE B	TYPE A	TYPE B	
HC (Life of Project: 500)	27	15	High	None	165	70	160
Facilities	7	5	Medium	None	45	45	65
Commodities	5	5	Low	None	50	50	45
Personnel							50

FUNDING	PERSONNEL WORKYEARS (XX, X)			FISCAL YEAR	
	19 78	19 79	19 80	19	19
PROGRAM ACCOUNT TOY (NON - ADD)	0.1	0.5	0.5		
OPERATING EXPENSES	0.2	0.2	0.2		

TABLE IVA

Title: AGRICULTURE RESOURCE PLANNING; Project No. 504-0077

(Note: Submitted for FY 1979 funding as shelf item, not in 1979 CP)

Purpose: To improve and expand the capacity of the Ministry of Agriculture to plan, implement and evaluate sectoral program and policies, based on systematic analytical and statistical foundations.

Background:

Agriculture has been identified by the GOG as the key sector in its drive for food self-sufficiency and through its anticipated export earnings the primary vehicle for extracting the country from its current economic doldrums. The primacy of agriculture in Guyana's long-term development planning becomes evident when fully one-third of all public sector investment for the period 1978-81 is earmarked for the sector. Similarly, the majority of external donor assistance for Guyana has been and will very likely continue to be directed to the sector.

This infusion of investment requires the establishment of a trained and capable manpower structure able to effectively manage this increasing level of inputs. While this management requirement impacts primarily upon the implementation phase of projects, antecedent to effective field management is the necessity for establishing a systematic, capable planning and policy base. Poorly planned projects beget poorly implemented projects, regardless of the capability of the implementation staff and other inputs to projects.

The Planning Office of the Ministry of Agriculture is weak in a systematic analysis sense and is strained in capacity and ability to cope with its responsibility to develop projects and policies. This deficiency in planning is not restricted to this Ministry but unfortunately, permeates all sectoral ministries in Guyana. USAID, as part of its strategy, is attempting to address these human resource deficiencies, not only in the Ministry of Agriculture but in other key ministries where a planning gap exists, which could conceivably undermine both the GOG's and USAID's long term development objectives: see proposed "Data Management Development," Project 504-0076, and "Economic Planning and Implementation," Project 504-0085.

Project Description:

The project will assist the Planning Office of the Ministry of Agriculture in the preparation of realistic analysis and reasoned,

systematic plans for the agricultural sector. It will also support the Planning Office in establishing a statistical sub-unit which, working with other data gathering agencies in government, will be able to provide other office staff with reliable and timely data. The Planning Office professional staff will be increased from 6 to 9 persons and it is expected that a minimum of six of the staff members will be provided short and long-term training in the U.S.; the training will be in the fields of agricultural economics, and statistical and financial analysis.

Two long-term advisors, an agricultural economist and a statistician (a total of 4 PYs), will be assigned to work with and train the Planning Office staff. Additionally, a total of 18 PM's of short-term assistance will be provided during the L-O-P to assist the office in sub-sector assessments and in projects which might require a specialized analysis expertise.

Beneficiaries:

The beneficiaries of this project, indirectly, are members of the rural population who numbered 538,000 in the latest census (1970), of which 246,000 were classified as being active in agricultural pursuits. The rural population in general, as well as those actively involved with agriculture, benefit from better planned projects which all have the objectives of increasing productivity. Increased productivity equates to increased farmer income which benefits all whom live in rural areas through the multiplier effect. Per capita income has been estimated at \$471 for the overall rural sector, though the per capita of the pure agricultural sector is estimated in the range of \$180 to \$200; project cost per family (average size = 8) benefited would be approximately \$9.60 per family (total rural population), or approximately \$20 per family if measured against the number directly involved with agriculture, i.e., 246,000.

Current Year Program:

During the first few months of the current year, the additional three members of the Planning Office will be recruited and become operational. Their arrival is expected to coincide with that of the two long-term U.S. advisors. The two advisors are initially expected to make recommendations as to the structuring of the office staff so that a systematized project design and review process will be in place, including a statistic sub-unit. The advisors will then work directly with staff in the active project preparation/review process. Their role in project preparation will be training-oriented through direct participation in the process.

During the year, three members of the staff will be sent to the U.S. for training — one for long-term academic training in statistical

and financial analysis and two for short-term training in agricultural economics and agricultural planning.

In the current year, the office will also analyze data being gathered in the CY 1978 household survey, partially funded by USAID, which will provide information on rural population, income distribution, crops produced, production levels, constraints to production, needs of rural peoples and opportunities for rural enterprises.

Budget Year Program:

During the BY, the Planning Office is expected to design 4 to 5 projects relating to the agriculture sector. In this, they will be assisted by the two long-term project advisors, plus short-term advisors who will provide expert advice on projects being developed which require a specialized agricultural knowledge. The Planning Office will likely conduct 2 to 3 sub-sector assessments, possibly in marketing and crop production. One member of the office will be sent for long-term academic training in agricultural economics, while two other members of the staff will be provided short-term training in, respectively, statistical analysis and project analysis.

Major Outputs:

	<u>No. (L-O-P)</u>
1. Project designed	13-15
2. Assessment conducted relating to various sub-sectors	8
3. Fully trained members of Planning Office staff	9

Note: This project is being submitted for FY 1979 funding, though it was not included in the current year CP. USAID feels that improvement of the planning capability of the Ministry of Agriculture is vital to the Decision Unit's long-term strategy of rural development. Given the amount of resources the USAID plans to channel to the sector, not to mention those of the GOG and other donors, it is felt that improvement of the MOA's planning and policy making capability is a prerequisite to the success of long-term investments being made therein; hence, the project's inclusion for FY 1979 funding.

TABLE IVB

ACTIVITY BUDGET DATA

AGRICULTURE RESOURCE PLANNING

GUYANA
 INITIAL OBLIGATION
 FY 1979 1/
 DATE PP/REVISION 8/78
 MARK
 FINAL OBLIGATION
 FY 1981
 DATE LAST PAR N/A
 TOTAL COST
 \$631,000
 DATE NEXT PAR
 JAN. 1980

PROJECT NUMBER
 504-0077
 APPROPRIATION
 FN

ESTIMATED U. S. DOLLAR COST (\$ 000) AID (G) \$481,000

ACTIVITY INPUTS	FY 1978		FY 1979		FY 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE						
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	OBLI-GATION	EXPEN-DITURE								FUNDING PERIOD (FR-TO)	PIPE-LINE	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE
	TOTAL-	TOTAL-	TOTAL-	TOTAL-	TOTAL-	TOTAL-								TOTAL-	TOTAL-	TOTAL-	TOTAL-	TOTAL-	TOTAL-
AID-FINANCED																			
Advisors (2) LT			Oct. - Sept. 79		233	181	52		228		257	23							
Advisors ST			Oct. - Sept. - March - Sept.		160	130	30		160		180	10							
Training			April 79 - June 80		24	20	4		28		30	2							
Commodities & Publications			Feb. - Sept.		44	28	16		37		42	11							
					5	3	2		3		5	-							
HIC AND OTHER DONOR					42														
(L-0 - P - \$150,000)					20														
Personnel Cost (new)					20														
Facility - Operating Costs					2														
Training																			
PERSONNEL WORKYEARS (XX, X)																			
FUNDING	FISCAL YEAR				PERSONNEL INTENSITY				TYPE A=NONCONTRACT		TYPE B=CONTRACT		FISCAL YEAR						
	1979	1980	1981	1982	19	19	19	19	1979	1980	1981	1982	19	19					
PROGRAM	2	2.8	.7		HIGH				1	1									
ACCOUNT					MEDIUM				2	2									
TOY (ADU)	.10	.10			LOW														
OPERATING	.30	.50	.30	.10															
EXPENSES																			

FOOTNOTES

1/ Submitted for FY 79 funding, not in CP.

TABLE IVA

TITLE: Dairy Development, Project No. 504-0086

PURPOSE: To assist the Government of Guyana in expansion of its dairy industry to meet the demand for milk and dairy products and reduce foreign exchange expenditures for such products.

BACKGROUND: Guyana with a population of 800,000 has for many years imported a major portion of its foods. The country was and remains, basically a producer of rice, sugar and bauxite. However, in 1973 the Government declared its intention to be self-sufficient in food, thereby cutting back the large expenditures of foreign exchange incurred by outside food purchases. During the period 1973 to 1976, one of the two areas in which imports had increased was the area of dairy products. G\$7.8 million in 1973, vs. G\$25.7 million in 1976. The cost of milk to the Guyanese consumer also increased, the most recent being over 30% in January 1978. This continuing rise in the cost of milk seriously affects the diet of low income groups as well as the most vulnerable, e.g., pregnant and nursing mothers and children under the age of 5 years. The long term effect is a state of malnutrition in the general population and a more serious situation as regards the feeding of children.

Aware of the above situation, the GOG embarked on the expansion of the dairy sub-sector to increase milk production to the point of self-sufficiency. Development of dairy settlements consisting of a state-owned farm and satellite small farmers was undertaken. As far back as 1969 USAID recognized the importance of ruminant livestock in the development of Guyana. Accordingly assistance was given through 1) a research project in Tropical Pasture Development, Beef Cattle Management including nutrition and breeding; 2) a study on the Economic Potential of Beef Cattle, Grain and Legume Seed Production 1971; 3) a Study to Determine the Feasibility of Supplying Guyana with Dairy Products 1975; and 4) an Intermediate Savannahs Sector Study 1976. The project has full backing of the GOG with interest also being shown by other international donors. The project is considered of a priority nature by the GOG, since it fits in with its self-sufficiency drive and would contribute to reducing foreign exchange costs. USAID's strategy is supportive of focusing resources in rural areas which support production increases and farmer income, not to mention the contribution the project can make to improved nutrition.

PROJECT DESCRIPTION: The major portion of project funding will be towards the purchase of 250 dairy heifer breeding stock per year at approximately \$900/animal. These animals will upgrade the breeding program with greater milk producers as well as increase substantially the number of milking cows. Of key importance will be the full-time technical assistance of a farm manager to oversee all of the pasture, breeding, management and milking operations at the Mobilissa center. He will also perform counterpart on-the-job training for at least two other staff members. Improved grass seed and forage varieties will be procured as well as further research on pasture establishment and grazing technique to be carried out with some technical assistance.

BENEFICIARIES: The 300 farmers directly participating in the project will be the immediate and direct beneficiaries, however, the nation's entire population, 800,000, will indirectly and ultimately benefit. With an increase in the production of dairy products, prices will be reduced to make milk more accessible to a much greater portion of the population, who by custom, are heavy consumers of dairy products. The current rate of milk consumption is about 75 litres per head annually with children under 5 years being the major users. The increase in the supply of dairy products and their greater use through reduction in price will also make a positive contribution to improving the country's nutrition, particularly for pre-school children.

BUDGET YEAR PROGRAM: 750 young dairy heifers will be purchased and shipped from the southern sections of the United States. A full-time dairy Manager (preferably U.S.) will be hired. Additionally training (local) will be given to 63 local employees of the dairy project and 300 farm operators in dairy operations and three degree participants will be sent abroad for training. Technical consultants on tropical grass and forages will be provided during the year.

MAJOR OUTPUTS:

- (1) The basic Mobilissa unit will be expanded to include two additional project areas with up to 40 satellite farm units each.
- (2) New areas of virgin lands will be settled comprising 40 farms of 40 acres each.
- (3) Assistance will be provided to 1,500 subsistence dairy farmers to improve their dairy herds at an estimated project cost of \$700 each.
- (4) The national dairy herd will be increased by 750 dairy animals with improved milking qualities. 1,500 dairy

animals will be available for distribution to farmers.

- (5) Training of 3 degree persons abroad.
- (6) New improved forage and grass varieties will be identified as suitable for Guyana conditions.

DAIRY DEVELOPMENT

TABLE IVB
ACTIVITY BUDGET
DATA

PROJECT NUMBER 504-0086	APPROPRIATION FN	DATE PP/REVISION May 1979	DATE NEXT PAR Feb. 1981
INITIAL OBLIGATION FY80	EXPENDITURE DATE LAST PAR	FULL OBLIGATION FY82	TOTAL COST \$1,200,000 1/

ESTIMATED U.S. DOLLAR COST (\$ 000) AID (G) \$950,000

ACTIVITY INPUTS	CY: 19 78		CY: 19 79		CY: 19 80		OBLI-GATION	EXPEN-DITURE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	OBLI-GATION	EXPEN-DITURE	OBLI-GATION	EXPEN-DITURE			
TOTAL-									
1. Consultants (Long and short term) (16 pm)					10/79-1/81		397	374	23
2. Training, LT, 3 yrs.					1/80-12/80		91	79	12
3. Training Local					1/80-1/81		36	25	11
4. Commodities (Breeding stock)					6/79-8/80		20	20	-
TOTAL-					1/79-9/80		250	250	-

HC AND OTHER DONOR (L.O.P. = \$250,000) Land clearing and renovation Buildings and Personnel Transportation	PERSONNEL WORKYEARS (XX, X)		PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED		FOOTNOTES	
	FISCAL YEAR	PERSONNEL		TYPE A=NONCONTRACT B=CONTRACT	FISCAL YEAR		
	1980	1981	1982	1983	1980	1981	1982
FUNDING	1.10	1.25	.25				
PROGRAM ACCOUNT	.10	.10	.10				
TOTY (ADD)	1.2	1.0	.90	.05			
OPERATING EXPENSES							

AID 1330-8 (3-78)

1/ U.S.-000 contributions.

TABLE IVA

TITLE: Livestock Development - Project No. 504-0079

PURPOSE: To assist the Government of Guyana to expand the small ruminant (sheep and goats) program and the supply of meat (beef) thus improving the nutritional health of the population, increasing income and conserving foreign exchange.

Background:

While not widely accepted for meat purposes, sheep and goats do play an important part in the lives of the poorest farmers. Milk goats are used to some extent but not as much as they could or should be used. As one moves away from the coastal belt of heavy clay soils (3-10 miles) one enters an area known as the intermediate savannahs. This is an area composed of relatively poor sandy soil, not especially suited to the cultivation of crops. Crop inputs are high in fertilizers, etc., and returns are minimal, therefore, the land is best used in the production of citrus or other tree crops or pasture. Grasses and forages, except in those areas of improved pastures, are not of high quality needed in the production of good beef or a dairy industry. As these savannahs, plus the forested areas and the south Rupunni savannahs cover approximately 90% of the country, it is evident that there is considerable grazing area suitable mainly to the raising of sheep and goats.

Further, due to the high cost of breeding cattle, including dairy animals, the initial outlay in terms of money to purchase working stock on a small farm is usually beyond the capabilities of the poor man.

Sheep and goats provide a partial answer to the financial problem in that they are much cheaper per animal, however, the general scarcity of such animals for sale does not permit their wide distribution. Young people trained in the National Service Centers are encouraged to settle in the hinterlands and are provided with a number of incentives. Here again, the lack of available breeding stock precludes the young persons being able to properly organize their fledgling farm enterprise into a viable economic unit. The forages and grasses which grow profusely in this tropical climate are not utilized and cannot add to a meager farm income unless sheep and goats are part of the program. A second large area of undeveloped lands are the large acreages of coastal soils that lay immediately inland from the ocean front. This strip varies in width from a few hundred feet to a mile or more. Due to the heavy salt content the soils are largely non productive, providing grazing of a minimal nature for only one or two months of the year. Development of these lands along the entire

coastal belt would greatly assist the government's longer term plans for expanded food production. The project directly relates to the GOG's development goal of self-sufficiency through increased domestic production and because it will contribute to reducing foreign exchange outlays. It similarly supports our strategy, which parallels the GOG, in furthering rural development through increasing rural income, health/nutrition.

Project Description:

Under the Ministry of Agriculture, the Livestock Development Company (LDC) is charged with the management of the beef, dairy, and small ruminant (SM) programs. Technical consultants, including one LT advisor, are needed to help the LDC plan and structure its livestock research program to utilize new breeding blood lines, improved forages handling and the selection and field testing of salt tolerant grasses. Additionally, in-country training would be provided for approximately fifty farmers in the raising and breeding of small ruminants and beef animals.

Beef breeding animals (20) will be purchased to upgrade the present LDC beef herd located at Ebini, Matthews Ridge and Kabower ranch in the Rupunni. Improved strains of small ruminants, especially the milking variety will be introduced and cross bred to local breeding flocks, increasing the supply of meat and milk. Laboratory equipment and supplies purchased under this project will be used to furnish and make operational the Veterinary Laboratory now awaiting completion and use at Ebini. This is an important phase as identification and control of disease and livestock pests are a major constraint in livestock production. Further assistance (fencing, management, basic breeding animals) would be provided to 20 groups (of 30 farmers) each year to encourage a co-operative management program to produce small ruminants for meat and milk. Considering these inputs, a large number of animals can be made available to various small farmers throughout the country to enable them to have one or two animals for home use of meat and milk.

Beneficiaries:

This project will primarily assist the poorest of farmers and those living in the suburbs of high density population centers. As sheep and especially goats are good scavengers and utilize low quality forage grasses that usually go to waste, the larger supply of animals made available by the project will assist in the supply of meat and milk to the poorer segment of the population. Practically all of the estimated 45,000 farm families would find a few small ruminants to be of real value in raising the meager standard of living of most rural people. If only one-half of these families were

induced to take advantage of this project, the cost per family would be US\$40.00.

Budget Year Program:

1. Research program on beef production, pasture improvement, forages and legumes will be initiated.
2. Approximately twenty herd bulls to upgrade the beef breeding program will be acquired.
3. Infrastructure works (assistance to farmers, fencing, basic breeding stock of small ruminants) would be provided to groups of thirty farmers.
4. Three man months of animal specialist assistance in preparing guidelines on research programs. Other areas also needing assistance are Nutrition and Animal Husbandry.
5. Three hundred stock (small ruminants) would be purchased in the U.S.
6. Equipment and supplies for the livestock laboratory will be procured.
7. Training programs for farmers and staff conducted for approximately fifty persons.
8. A long-term Advisor will be provided to work with LDC in managing the various components of the project.

Major Outputs:

1. Training in small ruminant production given to fifty farmers.
2. Beef breeding program upgraded by purchase of twenty bulls.
3. Twenty groups of thirty farmers each, would be organized, trained and provided with breeding stock of the small ruminant animals.
4. Breeding stock would be widely distributed on a cash or planned in-kind repayment program.
5. The unfinished livestock laboratory at Ebini would be completed, equipment installed and staff trained and in place for operation.
6. Improved livestock as a result of cross breeding with imported animals will better utilize feed and forages and provide better income for the large number of poor families.

TABLE IYA

Project: Rural Small Enterprises Development (504-0083)

Purpose: To facilitate the development of small-scale agribusiness and other rural enterprises

Background:

Little credit is available to the small scale entrepreneur in rural Guyana. Commercial banks meet some of the demand for credit, but they service principally established operations. Some investment capital is available from other private sources but at relatively high interest rates and without supporting services. The Agriculture Development Bank is prepared in principle to extend credit for small agribusiness but is constrained by limited financial and personnel resources which preclude it even fully satisfying the effective demand for agricultural production credit. Thus there is no institutional promotion of or support for small agribusiness development.

Project Description

This project will provide \$3,000,000 to capitalize a small agribusiness facility in the Agriculture Development Bank. The GOG will contribute \$1,000,000 initial capitalization, and the facility can be expected to mobilize at least an equivalent amount of private capital. Technical assistance will be provided to help structure a lending program targetted on the potential small entrepreneur in the rural areas. Additional Bank personnel will be recruited and trained to carry out the program including identification and promotion of small-scale rural enterprises, assistance in production and marketing, and advice on appropriate technology. This activity is consonant with AID's strategy of supporting the GOG's Development Plan, respective to rural development, concentrating on the agriculturally productive rural areas and providing opportunities for the rural poor to better their standard of living.

Progress to Date:

This project will be initiated in 1980.

Beneficiaries:

This project is designed to benefit those rural poor who can improve their lot given the opportunity of supervised investment credit. During the two-year life of the project an estimated 200 small rural enterprises will be supported through the lending facility established under the project. Project cost per beneficiary cannot be readily quantified.

In addition to the thousands of individuals (and their families) who could be expected to benefit directly (throughout the post-project years), additional beneficiaries will be those for whom employment is generated by the demands of new enterprises as well as the general populace in those rural communities enjoying the foods and services produced by those enterprises.

Budget Year Program:

Bank personnel to administer the program will be recruited and trained. Supporting equipment will be procured and consultants provided. Seventy-five small enterprises will be identified, funded, and assisted.

Major Outputs:

An estimated 200 small rural enterprises will be supported during the project, and the total should continually grow as the lending facility continues to operate as a permanent institution in the Agriculture Development Bank. Employment opportunities, both direct and indirect, created by the project are estimated at 2,000 during the life of the project and growing in post-project years as loan funding of rural enterprises continues.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE RURAL SMALL ENTERPRISE DEVELOPMENT (Loan/Grant)		DECISION UNIT GUYANA		DECISION PACKAGE Proposed		BUDGET YEAR FY 1980	
	PROJECT NUMBER 504-0083		INITIAL OBLIGATION FY1980		FINAL OBLIGATION FY1981		TOTAL COST \$1,350,000 1/	
	APPROPRIATION FN		DATE PP/REVISION August 1979		DATE LAST PAR Jan. 1981		DATE NEXT PAR Jan. 1981	

ACTIVITY INPUTS	PY: 19 78		CY: 19 79		CY: 19 80		PIPE-LINE	EXPEN-DITURE	PIPE-LINE										
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE				PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE					
	ESTIMATED U. S. DOLLAR COST (\$ 000) AID: (L) \$3,200,000 (G) \$250,000																		
TOTAL-																			
Credit Financing																			
Consultants																			
Equipment																			
Training																			
HC AND OTHER DONOR (HC IOP: \$1,100,000) Credit Financing Equipment Facilities Personnel																			
TOTAL-																			

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			FOOTNOTES										
	FISCAL YEAR			TYPE			TYPE													
	19	19 80	19 81	BEYOND	HIGH	MEDIUM	LOW	A=NONCONTRACT	B=CONTRACT		FISCAL YEAR									
PROGRAM ACCOUNT TDY (ADD-)		1.0	1.0																	
OPERATING EXPENSES		0.7	0.6	0.6																

1/ Inclusive of AID and Host Country Financing.

TABLE IVA

TITLE: Program Development and Support, (FN)

Budget Year:

Funding will be required during the FY to bring in outside participants to assist in evaluating several of our ongoing projects in the FN category. Additionally, we estimate that consultative assistance will be required in conducting basic studies or mini-assessments in the FN field. As the majority of USAID's projects, both in the short and long term, are in the agricultural sector, it is felt that studies or research relating to its sub-sectors components will be necessary. While USAID cannot identify, at this time, what studies/assessments or consultative help might be needed, contingency funding to meet such requirements is being proposed.

USAID is also proposing that a modest amount of funding be made available for training in the agricultural and nutrition fields; this potential need would be in agricultural sub-sector areas without our on-going projects. Given the fact that rural development forms the foundation of our assistance strategy, the financial ability to respond to GOG request for training in areas we believe are worthwhile should be provided. Additionally, USAID is requesting FN funds be made available to provide consultative assistance in the preparation of two PPs for projects proposed for FY81 implementation.

TABLE IV

Title: RURAL HEALTH SYSTEMS - Project No. 504-0066

Purpose: To provide basic health services to the poorest majority of Guyana's population.

Background: The Guyana health system, inter alia, suffers from a serious shortage of health service personnel, a dearth of medical facilities and a lack of equipment. While the country as a whole is burdened with these conditions, rural areas in particular endure the worst of what can be described as a poor health system. Guyana's total public health personnel resources consist of 114 medical doctors, 64 public health nurses, and 12 community health workers, more than half of whom are concentrated in the region around the capital of Georgetown. The intent of this project is to concentrate on the establishment of a cadre of sub-professional personnel, such as medical extenders (MEDEX) personnel and community health workers (CHWS) who will assume medical and public health responsibilities in rural areas under general physician supervision. While this project will focus on expanding the health system personnel base, the facilities requirements, another major current need, is expected to be at least partially met by a proposed \$8.7 million loan/grant from the Inter-American Development Bank (IDB), which is expected to be approved during CY 1978. While the majority of IDB funding will be devoted to the construction of health facilities, some training and commodities will be provided under their loan/grant. Close coordination is being maintained with the Bank to assure our respective inputs are complementary.

This assistance in the health field is in consonance with U.S. Country Development Strategy, which focuses on agricultural/rural development through an integrated economic and social attack on rural underdevelopment. This health project, which will primarily contribute to improvement in rural health services, has direct linkages with U.S.A.I.D.'s other rural activities, which seek to increase agricultural outputs; this through providing complementary social infrastructure for the farming population. This project is fully in consonance with Guyana's Four Year Development Plan, 1978-1981, which stresses increased agricultural productivity combined with improved social services for rural areas.

Progress to Date: As the project is not expected to be approved until the current year, i.e., FY 1979, no progress has, of course, been recorded.

Beneficiaries: The project will primarily assist those who have neither access or the ability to pay for even rudimentary health services.

As the work of both the CHWs and MEDEX personnel will be heavily concentrated at health posts which are primarily located in rural areas, these populations, whose per capita income is estimated to average \$471, will be the main beneficiaries. The rural population is estimated to be 560,000, or 70 per cent of the total population; of this total, it is expected that 65 per cent will have improved access to health services. The USAID and GOG anticipate that 65 per cent of the rural population will avail themselves of the services provided by health workers; thus the unit cost per beneficiary is \$8.00, with a family unit cost of \$64.00.

Current Year Program: During this initial year of implementation, a fulltime training program of six months for CHWs, designed by various health consultants, will commence. Additionally, the present small MEDEX training program will be expanded and advisory assistance will be provided by a U.S. institution. Training in the U.S., both short and long term, will commence for health services personnel having prior experience in these fields to expand and enhance their skills level. Commodities to provide MEDEX and CHW personnel with the mobility to reach their rural clients will also be ordered during the CY. The expectation is that approximately 50 MEDEX and 80 CHWs will be trained during the year.

Budget Year Program: FY 1980 will see a continuation of the training program with a slight expansion in both MEDEX and CHW trainees. Additionally, graduates of the 1979 MEDEXs and CHWs training classes will be deployed and become operational in the field. Commodities ordered during the first year of the project will have been put to full use in the field.

Major Outputs:

- (a) Training a minimum of 234 CHWs and 154 MEDEX workers.
- (b) Three to five health manuals prepared and distributed to field posts.
- (c) Services of health system available to an estimated 365,000 persons in rural areas.

TABLE IVa

Title: LEPROSY CONTROL PROGRAM (OPG) (504-0067)

Purpose: To improve identification and care of Guyana's leprosy afflicted.

Background:

With an estimated prevalence rate of two cases per thousand population, leprosy is classified as endemic in Guyana. Progress toward the goal of complete leprosy identification and control, and the integration of leprosy patient care into national health care operations, has been relatively slow. Relatively few leprosy cases are identified by general health facility personnel although substantial numbers of new cases (about one a week) continue to seek care. Effective identification and treatment are hampered by public ignorance, inadequately trained medical technicians, and limited public and private funds to deal with this disease.

Project Description:

The project will help address the problems by increasing the professional and administrative staff of the Leprosy Control Unit in the Ministry of Health, expanding the laboratory and clinic space available to the staff, providing drugs to insure adequate treatment (and especially to overcome the resistance to therapy previously identified in some cases), training medical personnel to recognize leprosy cases and refer them for proper treatment, supporting case-finding surveys to positively identify new cases of the disease, and promoting education of the general public to understand and help in leprosy control. The Ministry of Health will continue to support its Leprosy Control Unit and will make personnel available to participate in project activities including, importantly, efforts to integrate leprosy control activities with general health programs throughout the country.

This small activity supports A.I.D.'s strategy in contributing to better health services in Guyana, as well as the policy of strengthening activities of private voluntary organizations. GOG efforts to improve health services, both preventative and curative, have received a high priority in recent years. With the country's present severe financial constraints, continued progress in this field is jeopardized, and AID and other donors can help to secure the provision of medical care and continued development in the health sector. This project will engage the technical and administrative services of American Leprosy Missions, Inc., thus furthering that PVO's experience in assisting leprosy programs in developing countries.

Progress to Date: This project is scheduled to start in mid-1978.

Beneficiaries:

Immediate beneficiaries will include the 921 patients presently under active surveillance for leprosy care. Additional beneficiaries will be an estimated similar number of cases not yet identified but potentially identifiable and treatable through the project. Ultimately, beneficiaries of a successful project will include the 5 per cent of Guyana's population estimated to be susceptible to leprosy. Thus the unit cost for the estimated number of present leprosy victims is \$136. Project benefits will accrue largely to the poor since it is they who are more generally ignorant of leprosy care and how to obtain it. Assessing project costs against the 40,000 Guyanese who are potential leprosy victims, and for whom early detection and treatment could prevent disability, project cost per beneficiary becomes \$6.25. Of course, complete control of leprosy would be a significant success for Guyana's health program and would benefit the society in general.

Current Year Program (FY 1979):

In this first full year of project activity, the leprosy laboratory's capacity for clinical pathology will be increased with the addition of new equipment; sociological and case-finding surveys will be initiated; disease identification training for the Ministry of Health's clinical staff personnel will be conducted; drugs for leprosy treatment will be procured and distributed to treatment facilities; and an organized public education program will start.

Budget Year Program (FY 1980):

Additional medical supplies will be procured to support the increased caseload arising from improved disease identification activities; case-finding surveys will continue; a sociological report will be prepared based on survey findings; additional health service personnel will be trained in disease identification; a plan will be developed to relocate elderly patients from the leprosy institution to be integrated into the community; and the public health education program will be continued.

Major Outputs:

Key members of the clinical health service will be trained in identification and referral of leprosy; case-finding surveys will have identified the majority of existing cases in Guyana; better public understanding will promote continued early detection and reporting of leprosy cases; integration of leprosy patient care into the general health services will have been initiated.

TABLE IVA

TITLE: Program Development and Support (Health)

Budget Year:

USAID plans to invite a public health consultant (s) to the initial evaluation of the Rural Health project scheduled for November 1979. The funding required is estimated at \$3,000.

Funding of \$9,000 is proposed to meet any requests from government for training in the health field which may develop. This training would be in specialized areas not included in USAID's Rural Health project. This funding would cover up to 4 pms of short-term training. USAID also proposes a contingency allotment of \$10,000 be provided to meet any unforeseen requirements which may develop in the health sector. In this unforeseen category would be possible studies in health sub-sectors, e.g., sanitation, or responding to a request from the Ministry of Health for advisory help in some field which USAID also perceives as being important to the sector.

ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
PROGRAM DEVELOPMENT AND SUPPORT		CHUYANA		Mark		FY80	
PROJECT NUMBER		INITIAL OBLIGATION		FINAL OBLIGATION		TOTAL COST	
504-0000		FY80		FY80		\$22,000	
APPROPRIATION		DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	
HE							

ACTIVITY INPUTS	ESTIMATED U. S. DOLLAR COST (\$ 000)				BY:				PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR- TO)	
	PY 19		CY 19		19		19						
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR- TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR- TO)					
TOTAL-													
AID-FINANCED													
Evaluation													
Training													
Special Studies													
HC AND OTHER DONOR													
TOTAL-													

FUNDING	PERSONNEL WORKYEARS (XX, X)				PARTICIPANTS PROGRAMMED				FOOTNOTES				
	PERSONNEL INTENSITY		TYPE		TYPE		FISCAL YEAR						
	HIGH	MEDIUM	A	B	A=NONCONTRACT	B=CONTRACT	19	19					
PROGRAM ACCOUNT													
NON-OPERATING EXPENSES													
BEYOND													
19													
19													
19													

TABLE IVA

TITLE: Economic Planning and Implementation, Project No. 504-0085

PURPOSE: To establish within the Ministry of Economic Development a capability in project analysis; ability for overseeing implementation and evaluating activities, thus allowing the most judicious use of investment resources.

BACKGROUND:

Guyana, like the majority of the LDCs, has a very small group of able administrators and analysts who are qualified to make studied decisions of the merits and feasibility of numerous investment proposals, both domestic and external, which are developed and submitted for government's consideration.

The Ministry responsible for analysis and evaluation of investment proposals/projects in Guyana is the Ministry of Economic Development. The Ministry, while adequately staffed in numbers, is inadequately prepared to review, analyse and make recommendations relative to whether to accept or reject the numerous proposals received from other sectoral ministries and from external donors or investors. The decisions this Ministry reaches on individual proposals have profound implications for Guyana given the ramifications these proposals/projects can have in altering, favorably or unfavorably, the country's economic and social posture and, over the long-term, the progress it can make toward development. The staff within the Ministry responsible for these reviews is ill-prepared to assume this burden with the result that proposals are frequently not thoroughly analysed to a degree consistent with their financial, management, and development ramifications. The decision whether to go ahead on a project frequently is left to the already overburdened top officials of the Ministry due to a lack of confidence, stemming from inadequate capability, in the operating level staff.

PROJECT DESCRIPTION:

The project will take a combined advisory and training approach to develop the capability of the Ministry's project review staff. Two long-term advisors will be assigned to the Ministry's Project Review Division to work with the staff on actual, rather than hypothetical proposals. The role of these two specialists, one a project analyst, the second a financial analyst, will be to advise the staff working on individual projects and what to consider in its analyses, e.g., cost/benefit, recurring cost implications, etc. They would only be involved in an operational role on individual projects to a degree that involvement offers a didactic dividend. Supplementing the long-term advisory assistance, will be projects specialists in various sectoral disciplines, who will be provided for short periods to advise on analysis relating

to special technical subjects outside the expertise of the staff or LT advisors. The project will additionally have a participant training component which will have six members of the project staff sent to the U.S. for training in the fields of financial management, project analysis, and development economics. This training is intended to upgrade those members of the staff, who already will have had a basic grounding in the subjects, through exposure to the latest methodologies of these fields. A modest commodity component of the project will allow for the purchase of small calculators, and the acquisition of publications relating to project planning. The project is in consonance with our development strategy since it seeks to improve the GOG's capability in making investment decisions which have a direct effect and relationship to the country's development. The Ministry to be assisted is the one primarily concerned with development decisions, and, if because of lack of capability, the Ministry's staff make poor decisions on a project (s), it would detract from the GOG and AID's support of rural development; hence the obvious linkage to the Decision Unit's strategy.

Beneficiaries:

The direct beneficiaries of the project are, of course, the members of the Project Review staff of the Ministry of Economic Development. The ultimate beneficiaries, as it is with all public sector manpower training projects, are the entire population of the country which will benefit in terms of better management of scarce investment resources. As agricultural and forestry combined will receive approximately 40% of all public sector investment in the 1978-81 period, the rural population can be said to be prime, ultimate beneficiaries through improved selection of projects designed to economically develop the areas in which these people live. It is estimated that, at a minimum, at least half of the population (400,000) will be indirect beneficiaries of the project. Using this conservative estimate, the cost per family (average 8 per family) would be approximately \$12.70.

Budget Year Program

The two long-term advisors will arrive shortly (November) after the start of the FY and will begin to work with Ministry staff on projects under consideration at that time. The Ministry staff, assisted by the advisors in a guidance/training role, are expected to review and make recommendations on an average of one to two projects per month during the year. Two members of staff will be sent to the U.S. for short-term training in financial/management and development economics. As projects are reviewed during the course of the year, which involve specialized technical analysis, short-term advisors will be provided to assist in their review. Commodities and publications related to the Ministry's Review Staff functions will be ordered.

<u>Major Outputs:</u>	<u>No.</u> (L.O.P.)
1. Ministry Review Staff Trained	12
2. Projects reviewed, analyzed and recommendations made	54
3. Training aids, manuals, and check lists relating to project analysis and evaluation prepared	4

Note: As of this writing the responsibilities for economic policy formulation and the coordination of project analyses, planning, and evaluation among Government agencies are being transferred to the newly created State Planning Commission with which this project will be involved should that transfer be continued and completed.

TABLE IVA

Project: Public Sector Manpower Training

Project No.: 504-0060 (504-V-012)

Project Purposes: (a) To provide critical management and technical training in two sectors of high priority, agriculture and development administration; (b) to ensure a rational long-term training program beyond A.I.D.'s involvement in these and other areas by improving GOG's training and management of training capabilities and its capacity to analyze GOG's manpower needs for national development.

Background:

Bearing upon all aspects of development in relatively recently independent Guyana, with its institutional heritage oriented toward a colonial economy and bereft of key expatriates, has been the problem of how to build a reasonable level of managerial, and technical competence within the civil service to effectively achieve its national development objectives. Prior to independence, both the public and private sectors depended almost entirely on foreign expertise at the management and professional technical levels. The civil service was, therefore, not equipped to develop and follow-through on its initiatives to broaden the economic base of the country; restructure the economic system in line with the socialist ideology of Government while attempting to build a nation in a most elementary sense. Any one of these initiatives, per se, would tax the civil service of a newly independent country; in toto they present the Guyanese with development problems of substantial proportions. The necessity of creating development expertise is particularly vital at this time when external funding by donors puts further strain on the existing, limited management resources of the country.

This project directly links to our country development strategy which is almost wholly agricultural/rurally oriented since above one half of USAID's contribution will be to support technical training in agriculture. The remaining funding directed primarily at developing the institutional training capability of the Ministry of Public Services (MPS) will also have linkages to our strategy, though not as direct or immediate. This indirect linkage is evident as the training provided to other ministries' personnel will permit them to better serve the total population, over two-thirds of whom live in rural areas.

Progress to Date:

A master three-year time-phased implementation plan, covering training, technical assistance, and equipment aspects of the program has been prepared. Scopes of work for the technical assistance advisors scheduled to arrive in the initial implementation year of the project (i.e., 1978) have been prepared. Courses have been identified and placement action has started for the first year participants.

Beneficiaries

The major target group and the most numerous of beneficiaries of the project are farmers since the majority of the training to be provided will be directed toward civil service personnel serving the agricultural field. Improvement of the services that these individuals are responsible to supply will impact upon the farmer population who represent the clients of these personnel. Additionally, the training provided to personnel in other ministries will indirectly impact in an indirect sense (as secondary beneficiaries) upon all the population of the country since the training provided by the project will improve the capability of the Government to respond to the basic needs of the Guyanese people. As the benefits of the project are essentially indirect, or secondary, it is difficult to develop a project-cost per-benefit ratio. As over half of the project costs are devoted to improving services provided by agricultural civil servants, however, one can estimate that at least two-thirds, or about 372,000 persons of the rural population will benefit from the project. Based on this total, the cost-beneficiary ratio (CBR) would be approximately \$4.50 per person or \$36. per farm family. If one considers the ultimate benefits to the general population derivable from better public services, as a result of training provided to staffs and other ministries, the cost per family would be considerably less.

Current Year Program

Continuing to follow the project's implementation plan, during FY79, the majority of short-term participants scheduled under the project will depart for training. Short-term training will, inter alia, include the subjects of Development Economics, Statistics, Tropical Fruit Production, Nursery Management, Soybean Production. Short-term advisors will be provided in project planning and analysis and in the Trainer-of-Trainers program during the year. The majority of training aids purchased under the project are expected to arrive during the year.

Budget Year Program

The program for the year includes short-term training in soil chemistry, agricultural laboratory instrumentation, crop reporting and management. Technical advisory assistance by several specialists in training methodology in three subject fields will be provided.

Major Outputs

- (a) A staff of qualified trainers to run a hierarchy of courses in the Public Service Training Center (PSTC).
- (b) Twenty-five courses will be provided annually in supervision, management, training methodology, and profit planning and statistics at the PSTC.
- (c) A cadre of qualified Guyanese in priority fields, Agriculture, Economics, Management, Mathematics, and Medicine will be available to assume these positions in the Public Service.

ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
PUBLIC SECTOR MANPOWER TRAINING		GUYANA		MINIMUM		FY 80	
ACTIVITY BUDGET DATA		INITIAL OBLIGATION		FINAL OBLIGATION		TOTAL COST	
(LOAN)		FY 77		FY 77		\$1,715,000 2/	
PROJECT NUMBER		DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	
504-0060 Ln. 504-V-012 EH						May 1979	
ESTIMATED U.S. DOLLAR COST (\$ 000) \$1,000,000							

ACTIVITY INPUTS	FY 19 78		CY: 19 79		FY: 19 80		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR-TO)	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR-TO)	PIPE-LINE	EXPEN-DITURE	OBLI-GATION
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE											
TOTAL-		155	845	Oct. 78 - Sep. 79	-	575	270	-	Oct. 79 Sep. 80	-	185	-	185	85			
Participants		75	651	Oct. - Sep.	-	450	201	-	Oct. - Sep.	-	116	-	116	85			
Consultants (various short-term)		60	92	Oct. - Aug.	-	50	42	-	Oct. - Sep.	-	42	-	42	-			
Commodities/Equipment		20	102	Oct. - Sep.	-	75	27	-	Oct. - Sep.	-	27	-	27	-			
HC AND OTHER DONOR		105				508							102				
(HC: L.O.P. = \$715,000)		8				35							55				
Operating Costs		52				15							-				
Consultants		45				95							47				
Participants		-				141							-				
Commodities/Equipment		-				222							-				
Construction																	

PERSONNEL WORKYEARS (XX, X)	FISCAL YEAR			PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED					
	19 78	19 79	19 80	BEYOND	BEYOND	TYPE	A=NONCONTRACT	B=CONTRACT	FISCAL YEAR		
FUNDING	1.0	1.7	.30			A	LONG-TERM	SHORT-TERM	19 78	19 79	19 80
PROGRAM ACCOUNT						A	LONG-TERM	SHORT-TERM	10	1	-
TOY (NON-ADD)						B	LONG-TERM	SHORT-TERM	24	34	4
OPERATING EXPENSES	.50	.50	.50			B	LONG-TERM	SHORT-TERM			

FOOTNOTES
 1/ Aggregates of various short-term advisors during FYs. US-00G.
 2/

TABLE IVA

TITLE: Program Development and Support (EH)

Budget Year:

Funding, of a standby nature, is proposed to finance any studies or assessments which might be required during the year, either in the human resources or the education sector. As stated in the overview, the education sector is not included in USAID's development assistance strategy, however, the possibility exists that this situation might change over the next year. If this occurs, an assessment of the sector would be in order to determine what constraints in the sector USAID might address. Additionally, the need for studies in particular human resources/manpower fields might well develop which would require funding, hence the proposing of funds for such eventualities.

Short-training in specific areas of manpower development might, as in the past, be requested by various government ministries; if so, and if USAID feels such training is valuable, we should be prepared to fund same. To prepare for this possible eventuality, USAID proposes that \$10,000 be allotted to finance up to four months of short-term training.

TABLE IVA

TITLE: Data Management Development, Project No. 504-0076*

PURPOSE: To establish within the Government of Guyana the capacity to systematically collect, process, and analyze the data needed for development planning.

BACKGROUND: The GOG has a very limited data management capacity. The Department of Statistics (DOS) in the Ministry of Economic Development has the principal responsibility for providing statistical information but its capabilities are extremely circumscribed. While a comparatively good survey competency has been developed, there is almost no data processing nor analytical ability. Over the past decade a number of useful surveys have been conducted (including an agricultural census in 1968, a population census in 1970, a nutrition survey in 1971, a fertility survey in 1975, and several labor force surveys). However, none of the data collected in these surveys has yet been completely processed. Thus it has been of little use in policy and planning. Systematic defects include an extreme shortage of skilled personnel (especially programmers and statisticians) and insufficient equipment (the only computer in the country is installed at the bauxite mine to which DOS personnel must travel 70 miles to process data -- when computer time is available). AID and other donors are providing temporary specific assistance to help process selected data urgently needed for project development, but a more systematic and sustained effort is needed to establish an institutional capacity to serve ongoing needs.

PROJECT DESCRIPTION: This two-year project effort, beginning in 1979, will rapidly upgrade the capacities of the DOS to a minimal acceptable operational level by providing technical assistance, in-country training, long-term and short-term training in the United States for key personnel, data processing and analysis assistance, and some equipment to enhance the DOS capacity for data handling. The project also will assist the transfer of the 360 IBM computer from Linden (where it supports the bauxite mining concern which is scheduled to replace it with a 370 in 1979) to Georgetown where the computer, with appropriate staff training, can be adapted to serve DOS requirements.

BENEFICIARIES: Immediate beneficiaries will be the Department of Statistics which will be enabled to properly accomplish its assigned tasks. Secondly, all Government agencies but critically the Ministry of Economic Development, which coordinates all development planning, will benefit from access to improved

*Not in FY 79 CP. Being submitted as shelf item for FY 79 funding.

information. Finally, the nation at large will benefit insofar as better information leads to better development planning in the interests of the national community.

CURRENT YEAR PROGRAM: Two consultants will be brought in to work with the DOS. The IBM 360 will be set up to support DOS data processing requirements. One participant will begin long-term (one-year) training and four will undergo short-term training. This training will be augmented by on-the-job training in-country. Terminals and auxiliary data handling equipment will be procured. Backlogged survey data will be processed and analyzed. Project personnel will support the processing and analysis of data collected in late 1978 in the Rural Household Survey to provide the data base for agricultural sector planning. Plans for the 1980 census will be prepared.

BUDGET YEAR PROGRAM: One additional long-term participant trainee (one year) and three short-term participants will be trained. The 1980 Census will be conducted. Labor force and other recurring surveys will be conducted and the collected data processed and analyzed.

MAJOR OUTPUTS: These will include a trained senior programmer/systems analyst, three trained programmers, four trained computer operators and a trained statistician/analyst; the backlog of unprocessed survey data will have been cleared; all processed data will have been analyzed and the information presented to appropriate planners and policy makers; an IBM 360 computer with auxiliary equipment will have been put into operation in support of DOS processing requirements; and the DOS will have acquired the capacity to carry out all basic requirements of data collection, processing and analysis.

(NOTE: This project was not included in FY 79 CP, however, USAID recommends it be strongly considered for funding and implementation that FY. Recommendation based on necessity to establish a solid foundation in planning and data management within government, given the amount of investment the GOG, AID and other donors provisionally have targeted towards the country's development in the early and mid-eighties.)

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY INPUTS	GUYANA		MINIMUM		1980										
	INITIAL OBLIGATION FY 1979	DATE PP/REVISION Aug. 1978	FINAL OBLIGATION FY 1980	DATE LAST PAR Jan. 1980	TOTAL COST										
PROJECT NUMBER 504-0076	APPROPRIATION SD		ESTIMATED U.S. DOLLAR COST (\$ 000) (AID (G) \$500,000)												
	CY: 1978		CY: 1979		CY: 1980										
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE				
AID-FINANCED															
TOTAL															
CONSULTANTS:															
Long-term				1/79-9/79	235	206	29	10/79-9/80	265	236	58				
Short-term				1/79-9/79	125	120	5	10/79-9/80	195	160	40				
				1/79-9/79	30	25	5	10/79-9/80	45	40	10				
EQUIPMENT				6/79-9/79	40	30	10	10/79-9/80	--	10	--				
TRAINING				2/79-9/79	40	31	9	10/79-9/80	25	26	8				
HC AND OTHER DONOR (IIC LOP: \$165,000)															
TOTAL					67				75						
Personnel					45				60						
Facilities					12				15						
Equipment					10				--						
PERSONNEL WORKYEARS (XX, X)															
FUNDING	1978			1979			1980			1981			1982		
	1.8	2.5	.6	0.4	0.4	0.1									
PROGRAM ACCOUNT															
TDY (ADD)															
OPERATING EXPENSES															
PERSONNEL INTENSITY															
	<input type="checkbox"/> BEYOND			<input type="checkbox"/> HIGH			<input checked="" type="checkbox"/> MEDIUM			<input type="checkbox"/> LOW					
PARTICIPANTS PROGRAMMED															
TYPE A=NONCONTRACT			TYPE B=CONTRACT			TYPE A			TYPE B						
LONG-TERM			SHORT-TERM			LONG-TERM			SHORT-TERM						
1979			1980			1981			1982						
1			1			4			3						
FOOTNOTES															
1/ US-GOG Contributions Not in CP, Notification required.															

TABLE IV A

Project: Special Development Activities Project No. 504-0031

Purpose: To support low-cost, high-impact projects at the community level where small timely A.I.D. financial input combined with group self-help result in significant community benefit

Background:

Since the project's inception in 1965, assistance has been provided to a variety of community self-help activities to support local initiatives designed to improve a community's economic and social life. The grant provided supplements local efforts and contributions in such endeavors as constructing additional space in community clinics, purchasing books, or providing water supply to a rural school. A linkage with our development strategy thrust in rural development is evident since an average of approximately 90% of the self-help projects supported over the period 1974-1977 were in rural areas. Even without the heavy rural bias, the projects would merit support solely on a broader social development basis.

Progress to date:

The objectives of this project have been met; namely, to support community self-help activities. In FY77 and FY78, a total of 49 community projects have been assisted on an average per project cost of approximately \$4,000.

Beneficiaries:

Normally small community groups who are unable, due to lack of funds, to finance solely on their own some local activity. An estimated average number of beneficiaries per project is 500, which equates to \$8 per person based on an average project cost of \$4,000.

Current and Budget Year Programs:

During both these FYs, USAID will continue to support the type of self-help projects which contribute to community betterment. It is planned to continue supporting predominantly rural area community activities, however, not to the exclusion of other worthwhile

community endeavors wherever located. USAID estimates that the program will support an estimated 23 to 27 small projects for both of these years; this based on individual cost trends of previous years.

Major Outputs:

Major outputs since the project's beginning in 1965 are:

- | | |
|--|----|
| (a) Construction of market sheds | 8 |
| (b) Aid to school self-help projects | 13 |
| (c) Help in construction of
community centers | 15 |
| (d) Road or footpath construction | 6 |
| (e) Simple water supply (pipeline)
systems | 5 |
| (f) Health clinic construction | 5 |

TABLE IVB ACTIVITY BUDGET DATA		ACTIVITY TITLE		DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
SPECIAL DEVELOPMENT ACTIVITIES		GUYANA		MINIMUM	FY80	
PROJECT NUMBER 504-0031		APPROPRIATION SD		INITIAL OBLIGATION FY65	FINAL OBLIGATION FY85	TOTAL COST 1,214,000
				DATE PP/REVISION N/A	DATE LAST EAR A/G Oct. 1976	DATE NEXT PAR Aug. 1978

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY: 1978		CY: 1979		BY: 1980		
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE
TOTAL-	100	149	0	Oct. - Sep.	100	100	0
1. Various grants for Commodity Purchases for average 25 projects per yr	82	125	--		80 1/2	80	0
2. One time (non-recurring) specialized labor costs	18	24	--		20 1/2	20	0
HEX XANX QXHXKXGNGKX Per Project	70				65 2/3		
Average Value - Community self- help	60				60		
General Labor	10				5		
Local Materials							

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED	
	1978	1979	1980		A=NONCONTRACT B=CONTRACT	FISCAL YEAR
PROGRAM ACCOUNT TOY (ADD- EXPENSES)	N/A	1.0	1.0	HIGH MEDIUM LOW	LONG-TERM SHORT-TERM	19 19
	1.0	1.0	1.0	<input checked="" type="checkbox"/> HIGH <input type="checkbox"/> MEDIUM <input type="checkbox"/> LOW	LONG-TERM SHORT-TERM	N/A

FOOTNOTES

1/ Input costs for Commodities and Specialized labor costs est. based on past ratios.
2/ Est.

TABLE IVA

TITLE: Rural Community Development (504-0074)

PURPOSE: To accelerate the development of isolated rural communities.

Background:

The Rupununi savannahs of Guyana's southern hinterland are peopled principally by Amerindians who live in small, isolated villages and pursue traditional subsistence farming practices. They constitute the poorest of Guyana's rural poor. The GOG's policy is to assist the development of these rural areas and accelerate the integration of the Amerindian peoples into the economic mainstream of the society. Current financial constraints limit the GOG's capacity to effectively address the basic needs of the remote hinterland villages which are difficult to reach because of their inaccessibility by road and which often lack the most basic community facilities and services.

Project Description:

This project will provide assistance to the community development efforts of seven villages clustered around the central village of Aishalton in the southern reaches of the country. Wells for pure water, windmills, health stations, school buildings, and warehouses will be constructed. Simple roads and bridges will be built to facilitate movement among the villages and between them and the regional capital at Lethem. Simple farming machinery and craft tools will be provided along with related training in their use. Improved breeding stock will be introduced. Project activities will employ local labor, providing jobs and cash incomes to the communities' peoples and advancing through application their construction and other skills. Community participation will be coordinated through the elected tribal councils to insure local support and provide self-help experience.

Beneficiaries:

The approximately 5,000 inhabitants of the project area will benefit directly from the project (for a project per capita cost of \$120). Other isolated rural communities may ultimately benefit indirectly by the applicable experience gained through this community development activity in a remote and neglected area.

Budget Year Program:

A consultant will organize the participating communities for project activities and will coordinate the initiation of facilities construction and road building including movement into the project area of essential equipment and technicians. Agricultural and crafts training courses tailored to local needs and opportunities will be conducted on site.

Major Outputs:

Facilities constructed will include six water wells with windmill-driven pumps, three community health stations, three primary school buildings, two rest shelters, a warehouse, and a central structure for training courses and other meetings. Forty miles of roads and bridges will be built. Equipment provided will include small plows and planters as well as tools for wood and leather working and other local crafts. Breeding stock of 100 animals will be introduced into the area.

TABLE IVB
RURAL COMMUNITY DEVELOPMENT
ACTIVITY BUDGET
DATA

PROJECT NUMBER 504-0074		APPROPRIATION SD		GUYANA INITIAL OBLIGATION FY1980 DATE PP/REVISION		Minimum FINAL OBLIGATION FY1981 DATE NEXT PAR		1980 TOTAL COST \$765,000 DATE NEXT PAR Feb. 1981	
----------------------------	--	---------------------	--	--	--	--	--	---	--

ESTIMATED U.S. DOLLAR COST (\$ 000) \$600,000 (AID)											
ACTIVITY INPUTS	FY 1978			CY: 1979			FY: 1980				
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE
<u>AID-FINANCED</u>											
TOTAL-											
1. Technical Assistance				10/79-9/80				10/79-9/80	290	165	125
2. Facilities, Construction				10/79-9/80				10/79-9/80	70	30	40
3. Roads and Bridges				1/80-9/80				1/80-9/80	100	75	25
4. Equipment				1/80-9/80				1/80-9/80	100	50	50
5. Training				3/80-9/80				3/80-9/80	10	5	5
				3/80-9/80				3/80-9/80	10	5	5
HC AND OTHER DONOR (HC L.O.P. = \$165,000) Transportation Personnel Equipment Livestock									60		
TOTAL-											

PERSONNEL WORKYEARS (XX, X)	PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			FOOTNOTES
	1978	1979	1980	TYPE A	TYPE B	TYPE C	
FUNDING							
PROGRAM ACCOUNT							
TDY (ADD)							
OPERATING EXPENSES							

U.S.-GOC contribution.

TABLE IVA

TITLE: PVO Development - DPG (504-0084)

Purpose: To assist the development of an institutional coordinating and support mechanism for Guyana's Private Voluntary Organizations.

Background:

Guyana has a wide variety of private voluntary organizations (PVOs). Some are relatively large, others small, some rather active, others less so, some better supported than others. They address a broad range of social concerns from care for the aged and the neglected young to groups concerned with specific handicaps, especially among the poor who cannot provide for their own needs. Each of these groups operates on its own without reference to the others and with varying types of charters, the Government of Guyana having no uniform code of policies and procedures for PVOs. While these groups engage public participation in worthy charitable causes, and represent a substantial segment of the responsible citizenry, their funding constraints preclude their enjoying the benefits of skilled management. The small operating budgets of individual agencies are simply too tight to justify the costs of trained, experienced executive personnel.

Project Description:

This project will assist the Guyanese PVOs to organize an executive coordinating council to serve all the PVOs. The project will fund the costs of an executive director and an accountant as core staff for the council which will be composed of representatives of the individual PVOs. Qualified consultant services will be provided to advise and assist the council in organization, policy, fund-raising, programming, and operations. Consultant advice also will be provided to the Government to facilitate its standardization of policies and procedures vis-a-vis PVOs. The council will provide a national focal point for PVO activities and public participation. It will furnish small, supervised subgrants to PVOs to help them strengthen their particular activities and will add an important management advice and assistance element to PVO projects. By the end of the three-year project, strengthened fund-raising capacities will enable the participating PVOs to continue support for the council and its management services.

Beneficiaries:

The immediate beneficiaries will be the voluntary organizations and through them the wards in their care or the subjects of their concern.

Inasmuch as these organizations are dealing almost exclusively with the poorest and often the helpless of society, the project will impact directly on the most needy. Project cost per beneficiary is projected at \$100 based on an estimated 3000 individuals receiving assistance from PVOs. With strengthened management and organization, local PVOs should be able to substantially increase this number.

Budget Year Program:

In this first year of the project, a representative PVO council will be established, an executive director and an accountant will be hired, and consultant services will be provided to assist the council in getting activated. An office for the council will be acquired and equipped. First year activities will include an analysis of the conditions and situations of participating PVOs (staffing, finances, scope of operations, historical experiences and trends) to identify opportunities and constraints. The PVOs, with expert advice, will establish coordinated fund-raising procedures and will mobilize the first organized fund-raising campaign. The executive director will receive an orientation on PVO organizations and operations in the U.S. A seminar for participating PVO representatives will be conducted in country. A system for ongoing public information activities will be developed, and individual PVOs will be assisted in strengthening their own operations.

Major Outputs:

By the end of the project the PVO council will be institutionalized. Strengthened financing from local fund-raising will be supporting the council's operating costs. An estimated 30 individual PVOs will be drawing on the council staff for assistance in improving their various activities, and the council will have developed the experience to provide specific assistance, either from its own resources or acquired externally, to meet the continuing needs of local PVOs.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
	PVO DEVELOPMENT - DPG		GUYANA		MARK		1980	
	PROJECT NUMBER 504-0084		APPROPRIATION SD		INITIAL OBLIGATION FY 1980		TOTAL COST \$300,000	
		ESTIMATED U.S. DOLLAR COST (\$ 000) \$300,000 Grant		DATE PP/REVISION June 1979		DATE NEXT PAR March 1981		

ACTIVITY INPUTS	CY: 19		CY: 19		CY: 19		CY: 19		CY: 19		CY: 19	
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)
TOTAL-								2/80 - 9/80	100	83	17	
Consultants								"	35	30	5	
Staff								"	17	15	2	
Training								"	5	5	--	
Facilities								"	6	6	--	
Equipment								"	4	4	--	
Supplies								"	3	3	--	
Subgrants								"	30	20	10	

HC AND OTHER DONOR	TOTAL-											
Participating PVOs:												
LOP \$12,000												
Personnel												
Transportation												
Operating Costs												

FUNDING	PERSONNEL WORKYEARS (XX.X)		PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED		FOOTNOTES
	19	80	HIGH	MEDIUM	A=NONCONTRACT	B=CONTRACT	
PROGRAM ACCOUNT TDY (NON-OPERATING EXPENSES)	19	80	<input type="checkbox"/>	<input type="checkbox"/>	LONG-TERM	LONG-TERM	
			<input checked="" type="checkbox"/>	<input type="checkbox"/>	SHORT-TERM	SHORT-TERM	

AID 1330-8 (3-78)

TABLE IVA

TITLE: Unconventional Energy Technologies, Project No. 504-0081

PURPOSE: To assist the GOG in adaptive research to develop prototype energy alternatives

Background:

Guyana currently has no known supplies of fossil fuels, therefore, full dependence on costly imported fuels for all forms of power generation must be presently relied upon. There are, however, large tracts of forest, an abundance of fast flowing streams and an almost constant north easterly trade wind, at least for the coastal belts. Forests and streams suitable for power generation are mainly located inland at distances which make transmission lines costly to build and maintain. Roads to the interior of the country are almost non-existent, therefore, all travel and transportation of inland personnel and commodities must be by air, a prohibitive mode of transportation in terms of money and availability of aircraft.

AID has been requested to provide project assistance to a number of agriculture and community development areas of the interior. In almost every case, investigation of the project discloses that the economic feasibility falls apart, mainly because of no adequate source of power. Interior projects formerly completed (not by AID) sit idle because there is no fuel to provide the power needed. Wind power is given consideration, however, except for pumping of water, the use is limited.

The National Science Research Council (NSRC) has taken an active interest in developing alternative sources of fuel. This interest has taken the form of regional seminars on power generation and much interest is shown in solar, water (waves and tides) and wind power. NSRC is, however, hampered in its work by inadequate funds to carry on its work. NSRC has dynamic leadership and an aggressive work force who are anxious and willing to move ahead with investigations into any and all sources of alternate energy which seem feasible. USAID, by contributing to NSRC's operating and experimental budget would make a major contribution to the GOG's long-term development plan and its corresponding efforts to improve the social and physical well being of the rural areas that are presently without adequate power supplies. The project would support USAID's long-term development strategy in the sense that if alternate energy sources are proved feasible, it would free funds, now spent for fuel, for the development of rural areas.

Project Description:

The project will provide various energy consultants to work with the NSRC in conducting studies and prototype experiments in solar, water and wind power. The studies would explore the practicality of urging

one or more of these power sources based on natural environmental conditions, cost considerations, specialized manpower needs, etc. Small demonstration projects would be conducted on those energy sources which, based on the studies, offer the most promise for adaptation in Guyana. Essentially the project proposes an energy assessment to be followed by selective application experimentation.

Beneficiaries:

All of Guyana and its approximately 800,000 population will benefit from the development of alternate energy supplies. Gasoline and diesel fuels are becoming prohibitively expensive, with the end nowhere in sight. However, those who live in the interior areas which must be serviced by airplane and boat will stand to gain the most in terms of better living and working conditions. The rural population, estimated at 110,000 families have been charged with increasing the supply of food. Without an alternative to the expensive imported fuels, the problem of producing food and fibre become increasingly uneconomic and difficult.

Budget Year Program:

The initial year of the project will see more attendance at seminars, small pilot demonstrations of selected energy possibilities, and a program of communication with the general population on the need for and use of alternate energy sources. Energy experts to assist with energy assessments, project design, feasibility studies, etc., will be required from outside areas to help with an expansion of the alternate energy program.

Major Outputs:

1. Up to five demonstration centers using wind, water, or biodegradable fuels as alternate sources of village power.
2. Development of a "state of the art" plan to greatly expand the use of alternative energy within Guyana.
3. Develop within the NSRC a knowledgeable staff to adequately assemble and make use of the vast amounts of data available and being developed in the alternate energy field.

TABLE IVA

Title: RESOURCES SURVEY - Project No. 504-0082

Purpose: To make a study of existing investment laws, studies, maps and reports pertaining to the natural resources of Guyana and on the basis of that study if feasible, propose a further country-wide overall resource study using modern technology such as "ERTS," and Magnetic Aerial Mineral mapping.

Background:

Guyana has long been known to be rich in natural resources. It is divided into three main geographical zones: (a) a narrow belt of alluvial coastal soils (approximately 5 per cent of the total land area), (b) a lush equatorial forest of some 70,000 square miles or 84 per cent of the total land area, and (c) a savannah grassland behind the coastal belt in the Northeast and beyond the forests in the Southwest which occupies the remaining 11 per cent of the land mass. The coastal plain is made up largely of highly fertile, rich alluvial mud, overlaying white sands and clays. It is an area of high agricultural potential. The largest of the Guyana regions, the 70,000 square mile equatorial forest is geologically complex and is rich in known resources both in minerals and in valuable hardwood lumber reserves. There is also considerable potential in hydroelectric production. The savannahs of Guyana include nearly 10,000 square miles and presently support only sparse grasses for pasturage — from 40 to 70 acres per head. Yet since these areas are flat, without jungle growth and sufficiently watered, there are high hopes for development.

Presently the only major exploitation of Guyana's mineral resources is in bauxite. Guyana is one of the world's major producers of bauxite and has one of the world's largest known reserves of that mineral. Guyana also has the potential to be a major producer of manganese. There are also diamonds and gold presently being exploited on a small scale as well as promising indications of off-shore oil in the Northwest, copper, uranium, nickel, zinc and molybdenum. Columbite has also been found in Guyana. In sum, a definite potential exists for mineral exploitation which can have, over the long term, 10 to 20 years, profound development implications. A prerequisite to any exploitation, however, is a determination, through surveys and resultant knowledge as to location and extent of resources, so that planning and subsequently investment in exploitation can proceed. While this project has only a tenuous link with our country strategy, and only in the very long term, it nonetheless is considered important as a

start in a long term development effort to free Guyana from a two to three product export market which restricts both investment and export earnings which the country will need in the next decade or two.

Project Description:

This project, with the Ministry of Mining and Natural Resources, proposes to inventory, collate, and study all existing investment laws, studies, maps and reports made to date, and on the basis of that study, if feasible, propose a further in depth resources study, i.e., make an overall study of country-wide resources using modern space technology such as "ERTS" (satellite mapping of resources) for inventories of agricultural and forest potential and aerial magnetic mineral mapping to make recommendations for wise and proper exploitation of these resources with environmental safeguards.

Beneficiaries:

The beneficiaries, indirectly and ultimately of this project, will be the entire population of Guyana. Farmers, as an example, will benefit from better planning and production of their farms. The rural population as a whole will benefit, over the long term, by increased employment in forest and mining production and the whole country will eventually benefit by the increased income to the Nation due to the production of the resource exploitation and its related industries.

On the basis of this, the unit cost per beneficiary would be slightly over US\$ 3.00 per beneficiary.

Budget Year Program:

During the initial year of implementation, a consultant will be retained to conduct the study and collate all existing material. USAID estimates this study with its recommendations should be completed within six months. At that time, A.I.D. and GOG upon review of the study would consider the second phase of the project and how best to finance it. If the second phase of the project is considered appropriate for financing by AID, a loan application based on the recommendations of the first phase report could be prepared and if considered favorable, selection of consultant and the specialized firms required could begin the following year, or in FY 82.

Major Outputs Over Life of Project:

Phase 1: A Report reviewing, collating and evaluating all previous studies made of Guyana resources and making recommendation whether and how best to proceed with country-wide, overall resource study using space age technology. Report will also examine Guyana's present laws

for exploitation of its resources and make recommendation for changes if necessary to attract required foreign capital.

Phase 2: (Proposed; FY 80 funding not requested) An overall, country-wide study of all resources. This study will probably include, but not be limited to: (1) a complete "ERTS" mapping and inventory of all present crop lands, forest resources, water resources, etc., with recommendation for future production and exploitation and (2) a country-wide (including off-shore) magnetic aerial survey showing all mineral (including oil potential) resources with recommendations on how best to exploit these resources.

**TABLE IVB
ACTIVITY BUDGET
DATA**

RESOURCE SURVEY		Mark	FY 80
INITIAL OBLIGATION	FY 80	FINAL OBLIGATION	\$380,000 1/
DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR	N/A - SURVEY
PROJECT NUMBER	SD	APPROPRIATION	APRIL 1979
504-0082			ESTIMATED U.S. DOLLAR COST (\$ 000) AID: (G) \$300,000

ACTIVITY INPUTS	FY 19		CY 19		FY 80		BY 1980	
	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)
TOTAL-								
AID-FINANCED								
Consultants & Associated Survey Costs.								
HC AND OTHER DONOR TOTAL-								
(HC -LOP = \$80,000)								
Personnel Facilities - Transportation Admin. Support								

PERSONNEL WORKYEARS (XX, X)	PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED		FOOTNOTES	
	TYPE A	TYPE B	A=NONCONTRACT	B=CONTRACT	U.S. & HC Contribution	
	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM		
	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM		

FUNDING	FISCAL YEAR			PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED		FOOTNOTES	
	19	80	19	HIGH	TYPE A	TYPE B	A=NONCONTRACT	B=CONTRACT	U.S. & HC Contribution
PROGRAM ACCOUNT	2			MEDIUM					
TDY (ADD)				LOW					
OPERATING EXPENSES	3								

TABLE IVA

Project: Rural Community Water Systems

Purpose: To provide safe and adequate potable water to residents in selected rural communities.

Background:

The Government of Guyana (GOG) through the Guyana Water Authority (GUYWA) is attempting to provide safe and potable water to all communities throughout Guyana. However, the GOG's program has been severely affected due to a lack of finance, especially foreign exchange. Financial constraints have also affected the GOG's program for maintenance of the existing facilities, thus a number of water systems are inoperable due to a lack of spare parts. In addition, the GOG's efforts to train operators and maintenance personnel have been curtailed, due to severe budget constraints. Many areas, predominantly rural, are either without pure water or are not receiving adequate supply.

Inadequate or contaminated water supplies serve as a hazard to the health of rural populations and detract from the government's priority goal of development of agriculture, since inadequate water facilities serve as a disincentive to both rural settlement and ultimately food production.

Project Description:

The project will assist the GOG in expanding, rehabilitating and maintaining rural water supply systems through:

- (1) the installation of several dependable pure water supply systems in selected rural poor communities in Guyana.
- (2) the procurement of essential spare parts and maintenance workshop equipment.
- (3) the establishment and execution of an appropriate training program for operators and maintenance personnel and
- (4) technical assistance to help with the installation of the systems and the implementation of the training program.

It is contemplated that four water collection, treatment, storage and distribution systems will be installed in the four most populated villages in the North West District to serve an estimated population of 21,000. Three wells, pumps and pipelines will be installed in the Black Bush Polder area - one to augment the present system and two to serve the new agricultural complex which will be developed through a combination of international donor agencies. In addition, it is envisaged that one well each with pumps and pipelines will be installed at Parika Backlands to serve an estimated 1,000 people engaged in subsistence food crop production and at Orealla on the Corentyne River to serve an amerindian population of approximately 3,000.

This project supports the GOG's effort to provide improved living conditions to its rural population as a corollary requirement to development of agriculture and other rural enterprises. The project also is in consonance with USAID's strategy of an integrated balanced approach to development of the country's rural areas.

Progress to Date:

This project will be initiated in FY 1980.

Beneficiaries:

This project is geared to benefit the rural poor population in the remote areas of the Country where safe and adequate potable water is not available. A large number of amerindians will benefit from the project since two systems will serve predominantly amerindian villages and three others will serve villages where amerindians are located. The other systems will benefit a large number of subsistence farmers. It is expected that approximately 33,000 persons will benefit directly from the project while another 1,000 will benefit indirectly through direct employment and related services during the implementation of the project. Since the total cost of the project is estimated at US\$6.0 million, including the Host Country contribution of US\$1.5 million, the cost per beneficiary will be US\$182.00, or approximately \$1274. per family.

Budget Year Program:

Equipment for all systems will be procured and work will commence on at least four systems. Spare parts for inoperable systems and workshop equipment will be identified and procured. Consultants will be recruited and the training program for operators and maintenance crews will be designed.

Major Outputs:

1. Four water collection, treatment, storage systems with distribution lines will be installed and in operation in the North West District.
2. Five wells and pumps with distribution lines will be installed and in operation in the other selected areas.
3. Twenty other pumps and other basic facilities will be made operable.
4. Maintenance shop adequately equipped and staffed.
5. 300 operators and maintenance personnel trained.

ACTIVITY BUDGET DATA (LOAN/GRANT)

PROJECT NUMBER 504-0080

APPROPRIATION SD

INITIAL OBLIGATION FY 1980 DATE PP/REVISION May 1979

FINAL OBLIGATION FY 1981 DATE LAST PAR March 1982

TOTAL COST 1/ \$6 Million DATE NEXT PAR

ESTIMATED U. S. DOLLAR COST (\$ 000) AID: (L) \$4 Million; (G) 500,000

ACTIVITY INPUTS	PY 19		CY 19		FY 1980		FY 1981		1980		
	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE
TOTAL-											
1. Equipment/Spares				12/79-9/80				12/79-9/80	4,250	2,280	1,970
2. Technical Assistance				12/79-9/80				12/79-9/80	3,650	2,000	1,650
3. Training (Local)				1/80-9/80				1/80-9/80	300	80	220
TOTAL-				1/80-9/80				1/80-9/80	300	200	100
HC AND OTHER DONOR											
HC: IOP = US\$1.5 Million											
Force Account											
Facilities											
TOTAL-											
LIFE OF PROJECT											
600											
300											
300											

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED		FOOTNOTES
	19	80	81		A=NONCONTRACT	B=CONTRACT	
PROGRAM ACCOUNT	19	79	80	HIGH			
TOTY (ADD)	.3	1.5	2.5	MEDIUM	LONG - TERM	SHORT - TERM	1/ AID and HC Financing.
OPERATING EXPENSES		.6	.5	LOW	LONG - TERM	SHORT - TERM	

TABLE IVA

TITLE: Feasibility Studies: Hinterland Development (504-0078)

PURPOSE: To identify development opportunities in Guyana's interior regions

Background:

Guyana's long-term development prospects lie in its interior regions which are sparsely inhabited (principally by Amerindians who constitute the poorest segment of Guyana's populace), little studied and largely undeveloped. Prior to its current financial crisis, the GOG had intended to redirect its principal development thrust towards the interior, but the imperatives of pressing financial constraints argued for redoubled efforts to increase production in traditional areas to get the country back onto a sound economic footing. The 1978-81 Development Plan adopts this approach. The successor plan, beginning in 1982, is expected to turn attention toward renewed efforts to lay the base for hinterland development. While some aspects of hinterland development have been studied in years past, such studies are generally narrow in scope and in most cases are very dated. Thus no applicable analytical framework exists upon which to base a coherent development strategy for hinterland development.

This project will mesh with the GOG's long-term priority of settling the hinterlands, thus opening these potentially rich areas for agricultural, forestry, and mineral development. As the coastal region of the country becomes developed over the next few years, the GOG plans to focus its energy and resources in the hinterland region. The project is also in agreement with USAID's long-term strategy of developing rural areas, with the linkage being the feasibility studies will provide the data framework for identifying opportunities for possible further assistance in the early and mid-eighties.

Project Description:

This project will initiate the feasibility and pre-feasibility studies which will form the basis of the Government's development plans for the country's interior regions. AID grant funding will support the assistance of analysts and planning experts to work with the Ministry of Regional Development and other ministries under the general coordination of the Ministry of Economic Development. Loan funding will procure expert consultant assistance to conduct the envisioned studies. Specific areas and fields to be subjected to analysis will be considered during project development. Virtually all developmental considerations are possible subjects of inquiry from communications, water resources, and industrial development, to land settlement, establishment of towns, and farm development.

Beneficiaries:

There are, of course, no immediate and direct beneficiaries of feasibility studies. To the extent that such studies lead to the most economic application of developmental resources and to undertakings which offer new opportunities to the populace, especially the poorer segments, for improving their condition, then the whole nation benefits. Specific beneficiaries of hinterland development will include the Amerindian populace which presently is scattered throughout the interior in small, isolated communities which are not fully integrated with the coastal economy and which do not enjoy the extent of social or other services available to the bulk of the coastal inhabitants.

Budget Year Program:

In this first project year the project management team will be formed including two AID grant-funded specialists along with GOG counterparts. This team will structure a planning mosaic, fitting in the useable information available and more clearly delineating the specific study requirements of the project including scopes of work for the consultant teams to be procured under loan financing. The first consultant teams will be procured and will initiate designated feasibility studies.

Major Outputs:

An estimated ten feasibility studies covering the gamut of opportunities for development of Guyana's hinterland.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE FEASIBILITY STUDIES: HINTERLAND DEVELOPMENT		DECISION UNIT GUYANA	DECISION PACKAGE Proposed	BUDGET YEAR FY1980
	PROJECT NUMBER 501-0078	APPROPRIATION SD	INITIAL OBLIGATION FY 1980	FINAL OBLIGATION FY1982	TOTAL COST \$3,150,000
	DATE PP/REVISION 8/79	DATE LAST PAR Jan. 1981	ESTIMATED U. S. DOLLAR COST (\$ 000) \$2,000,000 Loan; \$500,000 Grant		

ACTIVITY INPUTS	FY 19		CY 19		FY 1980		PIPE-LINE	EXPEN-DITURE	PIPE-LINE	EXPEN-DITURE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE					
TOTAL-											
1. Technical Assistance											
2. Consultants											
HC AND OTHER DONOR (HC L.O.P. - \$(50,000) Personnel Transportation Facilities Equipment											
TOTAL-											

PERSONNEL WORKYEARS (XX, X)	FISCAL YEAR			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED		FOOTNOTES																								
	19	1980	1981		A=NONCONTRACT	B=CONTRACT																									
FUNDING																															
PROGRAM ACCOUNT TDY (ADD)																															
OPERATING EXPENSES																															
<table border="1"> <tr> <td>TYPE</td> <td>A=NONCONTRACT</td> <td>B=CONTRACT</td> <td>FISCAL YEAR</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>TYPE A</td> <td>LONG-TERM</td> <td>SHORT-TERM</td> <td>19</td> <td>19</td> <td>19</td> <td></td> <td></td> </tr> <tr> <td>TYPE B</td> <td>LONG-TERM</td> <td>SHORT-TERM</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>								TYPE	A=NONCONTRACT	B=CONTRACT	FISCAL YEAR					TYPE A	LONG-TERM	SHORT-TERM	19	19	19			TYPE B	LONG-TERM	SHORT-TERM					
TYPE	A=NONCONTRACT	B=CONTRACT	FISCAL YEAR																												
TYPE A	LONG-TERM	SHORT-TERM	19	19	19																										
TYPE B	LONG-TERM	SHORT-TERM																													

AID 1330-8 (3-78)

1/ Total GOG-AID Financing

TABLE IVA

TITLE: Program Development and Support (SD)

Budget Year:

Funding is proposed for up to 12 pms of short-term training in selected development activities for which no specific project funds would otherwise be available. The Section 106 activities referred to include the fields of energy, research, environment, and housing. Frequently courses are offered in these fields which the GOG feels are valuable in a manpower development context and requests financing to send someone to attend them. USAID feels that if the training offered will make a definite contribution to the manpower needs of the country, we should respond favorably to such requests.

Funding is also proposed to be responsive to any requests which we may receive from the GOG for special studies or consultative help in solving problems relating to energy, urban development, the environment, etc. The need for such assistance cannot frequently be forecasted in advance of the FY, but based on past experience, some contingency funding for this proposal is necessary.

DECISION UNIT OVERVIEW

I. General

Guyana's society is characterized by significant ethnic and religious diversity. The original inhabitants of the area, the Amerindians, are now a small proportion (perhaps five percent) of the total population. East Indians and Africans are the main ethnic groups, with small numbers of Chinese and Europeans. This racial and religious diversity (with attendant historical divergencies as the East Indians moved from indentured service to rural rice culture while the Africans moved from slavery toward urban areas and non-agricultural pursuits) has tended to make the problems of national integration and economic development more difficult.

Economic growth in recent decades has been sporadic. Apart from the year to year fluctuations in economic activity resulting from exogenous factors (such as international demand for commodities), there have been longer term fluctuations arising from differences in the level of private investment. Traditionally, the bulk of private sector investment was foreign (despite considerable domestic investment in land and small-scale agriculture), concentrated in a few activities (mainly sugar and bauxite), and capital intensive. Although such investment led to economic growth, it left Guyana vulnerable to external factors. Over the past few years, the Government of Guyana has assumed an increasingly active role in a number of diverse economic activities as it has continued to work towards its vision of the socialist state. The bauxite mining and sugar industries were nationalized in stages between 1971 and 1976. The general momentum of nationalization, initially directed at foreign-owned enterprise, has led increasingly to instances of Guyanese economic endeavors being brought under state control (particularly when the Government has seen state control as a solution to economic disequilibrium). Thus, until the recent establishment of controls on capital flows, private capital had been leaving the country (as large foreign investors withdrew and as many Guyanese and others took their assets to resettle elsewhere, mainly in those English-speaking countries with which they have had traditional ties: England, Canada and the United States), and since new investment has not been encouraged, the country has become increasingly reliant on official capital inflows.

Guyana's relatively underdeveloped economic structure is distinguished by its coexistence with a rather highly developed political structure (a British legacy to some Commonwealth countries). Its political economy has two salient characteristics: the existence of political democracy along classic British lines, and the existence of an organized trade union movement. There are few countries in the developing world where the level of political consciousness and the attitudes and aspirations of the unions have so facilitated the assimilation of the unions

into political life and influence. These institutional realities, combined with the socialist orientation of most politicians, and their attentiveness to social issues, have had an impact on economic growth.

The existence of strong political parties and pressure groups have intensified the pressures for immediate improvement in the social conditions of the population. In view of the scarcity of resources, this has been at the expense of long-run objectives of promoting structural changes in the economy (not simply transferring ownership from private to state corporations) and at the expense of employment generation, capital formation, and budgetary savings. These factors have encouraged the GOG at times in the past to equate the realization of immediate wage gains with responsible stewardship, whether such wage increases were justified on productivity grounds or not. As a result, investment has been deferred and potential employment opportunities curtailed. This points to the conclusion that the achievement of the Government's social goals will make it critical for Guyana to aim at an even greater growth effort than the one made in the past.

To finance its public investment program, Guyana has turned to its tax system to mobilize domestic resources. While total taxes as a proportion of GDP remained fairly stable through 1973, by 1975 Guyana had substantially increased the ratio of tax revenue to GDP. In doing so it applied specific tax instruments to siphon off windfall gains arising out of increases in international commodity prices (specifically a levy on sugar). These taxes produced a dramatic increase in revenues in 1974 and 1975. Although these changes achieved major revenue increases, they have done little to strengthen the basic structure of the tax system. Tax revenues remain susceptible to fluctuations in international commodity prices (sugar and calcined bauxite and well as rice). This vulnerability was dramatically brought out by the effects of the large drop in the price of sugar on the world market in 1975 and 1976 (although this vulnerability may be somewhat reduced by international agreements to stabilize sugar prices and possibly bauxite prices as well).

Another aspect of Guyana's political economy is the trend toward regional integration. This movement, which presently includes twelve member states of the Caribbean Commonwealth, evolved in an attempt to overcome the disadvantage that small size, geographical fragmentation, and external dependence have placed on Guyana and other countries in the region. While several steps have been taken along the path to regional integration, movement has been slow. Similarities in resource endowment among many of these countries inhibit the possibilities of specialization, although Guyana is unique in being the only continental country and one whose resources (and development potential) substantially exceed the average in the Caribbean community. However, the recent economic problems encountered by Guyana have forced it to subordinate

regional priorities to national ones. Finally, the widening divergence in political philosophy among the member countries has created a difference in the aspirations and management style of their governments. These events have strained the fabric of the economic integration movement, leaving Guyana increasingly dependent on other avenues of economic development at the moment (although Guyana's leadership remains firmly committed to the goals of regional integration), and unlike many of its Caribbean partners, Guyana has not developed a significant tourist industry to add to its sources of convertible currencies.

The prospects for future economic development are heavily dependent on the political, social, and economic factors mentioned above. The growth performance required for development will depend upon Guyana's ability to attract sizable external capital inflows which in turn will depend upon how amicably the questions of local participation and ownership are settled with private investors. Success in increasing domestic savings, reducing unemployment, diversifying the sources of growth in terms of both products and external markets, and defusing racial tensions will determine (and be determined by) economic growth.

II. Current Economic Overview

Guyana's economic performance since 1976 has been high-lighted by:

- a severely declining balance of payments position with heavy drawings on the Bank of Guyana's foreign exchange reserves;
- increasing rates of unemployment and labor unrest in major productive sectors and sluggish private investment and domestic savings.

The advent of this economic malaise in 1976 resulted from a variety of factors including reduction in outputs by all major productive sectors (rice, sugar, bauxite/alumina,) due first to excessive rainfall and subsequently to drought. Concomitantly a five-fold increase in Guyana's oil bill (between 1973 and 1976) was a severe blow to its balance of payments position.

Despite a drop of 21% in export revenue in 1976, the GOG made no effort to restrict imports. Public sector investment programs increased the impact of capital goods between 1974 and 1976; coupled with unrestricted imports of consumer durables and with increased interest payments, this resulted in a deficit of U.S.\$133 million in 1976, up from U.S.\$20 million in the previous year. To cover the gap the GOG resorted to its international reserves which were virtually eliminated by reductions of about U.S.\$100 million. The continued high level of capital spending despite

this existing current account deficit led to a record overall deficit for the Government in 1976 of about U.S.\$139 million, or approximately 33% of Gross Domestic Product for that year. Two-thirds of this deficit was financed by borrowing from the banking system and about 20% from other domestic sources, with the remainder coming from external sources.

1977-78 The situation continued to worsen in 1977. Although the balance of payments deficit was reduced to an estimated U.S.\$130 million, a 4½ month sugar workers strike contributed to a 22% shortfall in anticipated production, and increases in wages in the public sector (the principal source of employment in the country) further exacerbated budget deficits. By mid-1977, faced with a continually worsening economic situation, the Government requested an International Monetary Fund standby agreement to supplement an earlier drawdown in 1976. Unwilling then to undertake the stringent reforms deemed essential by the IMF, Guyana sought alternate sources of financing to cover its short-term balance-of-payments gap. By mid-1977, however, it had become apparent to the Government that it would have to effect significant changes in its management of the economy. Discussions commenced then were continuing with the GCG and the IMF engaged in discussions expected to lead to a vital stand-by agreement.

III. The A.I.D. Program

A. Background

Since 1977 the AID program in Guyana has moved from a dormant to a dynamic posture consistent with the country's development needs. The period of exacerbated U.S.-Guyana relations lasted from 1972 through 1976 and is reflected in AID levels during the 4-year period which amounted to an authorized total of \$4.4 million (of which \$1 million was not approved until 1977). With improving relations U.S. assistance rose to \$6.3 million in FY77, approximately \$22 million in FY78 and over \$10 million in FY79 (inclusive of actual and proposed PL 480 inputs for three years). These levels reflect the development assistance needs consistent with available U.S. resources and the country's absorptive capacity. The premise of AID's assistance strategy, both in the near and long term, is based on perceived country needs in those sectors which have been identified as critical to its short-term economic viability as well as to its long-term development. AID projects are formulated to stimulate economic growth while targeting the needs of the nation's poor to alleviate poverty.

B. Human Rights Consideration

Guyana is a self-styled "Cooperative Socialist Republic", with state-owned enterprises predominant in the economy, though a small private sector remains. Under a system of democratic socialism, individual

political and civil rights have been respected. Economic opportunities have been constricted by burgeoning state enterprise and economic controls, and the government is not encouraging private sector investment.

Under the existing constitution parliamentary elections are due to be held before October 25, 1978. Recently, however, the government has announced its intention to alter the constitution and modify or eliminate "entrenched" clauses dealing with the make-up of Parliament, the electoral process and the ownership of private property. Whether it will prevail in its intention will depend on the outcome of a referendum now scheduled to be held in July 1978.

C. Target Population

The target population of the majority of AID's on-going and proposed projects is comprised mainly of Guyana's small farmers. Though available data is not comprehensive, rural income has been estimated variously (depending on the area) at \$45 to \$470. The average annual per capita income in rural areas is probably below \$200. The beneficiaries of AID-supported projects and their estimated income levels are cited in the Activity Data Narrative sheets included in this submission.

D. Budget and Defense Expenditure

Expenditures devoted purely to military forces continued on a downward trend in the GOG's 1978 Budget. Funds allotted to the Guyana Defense Force were reduced from G\$13.3 million in the 1977 budget to G\$11.4 million or about 2.5% of the 1978 budget. These figures do not include expenditures for the police force or its auxiliary, the People's Militia, for which 1978 budget allocations were unchanged from 1977. Also excluded are allocations for the Guyana National Service, a paramilitary organization which aims at instilling discipline and a sense of nationalism in Guyana's youth, and whose 1978 budget was reduced in the face of the tightening financial constraints of the Government. These budgetary constraints are expected to continue for the foreseeable future. With the third lowest percentage of budget for defense among the 13 AID beneficiary countries in Latin America and the Caribbean, the GOG's military expenditures are not considered excessive.

E. Socio-Economic Performance

Although relatively little comprehensive and reliable data is available, most indicators suggest that Guyana's performance in moving toward the development goals with which Section 102(d) of the Foreign Assistance Act is concerned compares favorably with other developing nations. Clearly the Government is committed to most of these goals, but in some cases its performance has been hampered by adverse conditions,

not the least of which are the

[REDACTED]

2.2 percent, placing Guyana in the lowest quartile on the list of Latin American countries.

4. Income Distribution. As an aspiring socialist state, Guyana is firmly committed to equitable income distribution and available data suggests that Guyana's performance compared favorably with other developing countries. While no comprehensive survey data exists for the country, an indirect assessment can be drawn from the Physical Quality of Life Index (PQLI) which is a composite of infant mortality, life expectancy, and literacy (the latter two being 62 and 80% respectively for Guyana). In a 1976 survey of 39 countries with annual per capita incomes between \$300 and \$700, Guyana ranked third (behind Cuba and Samoa) with a PQLI value of 84, substantially above the average value of 59. This is a likely indicator of income distribution inasmuch as it is generally found that performance on the PQLI indicators is higher in countries with relatively equal distributions of income. Of course, income is not distributed entirely evenly, and the income of Guyana's rural populace appears in many cases to be well below the per capita average (currently estimated at \$540 per year). Limited surveys have indicated income as low as \$45 in certain rural areas (such as parts of the Black Bush Forder area where AID is planning developmental assistance along with other donors). AID strategy is to identify those rural areas with lowest incomes to assist the Government in programs to accelerate development and raise incomes.

5. Employment. Little useful statistical data is currently available on the overall employment picture. A 1965 UN-sponsored household survey showed 12 percent unemployment nationwide with 42 percent of the unemployed being rural laborers. The proportion of the labor force employed in the agricultural sector declined between 1950 and 1975 from 45% to 31%, implying a substantial increase in rural unemployment (inasmuch as the share of the populace living in rural areas remained roughly constant). In 1976 unofficial estimates placed total unemployment at about 20 percent. With the continued downturn in the economy, unemployment has certainly risen. The Government itself, the nation's largest employer, has been compelled to reduce the size of its rolls to accommodate budget constraints. At the same time there are opportunities for the unemployed. For example, to induce settlement in the interior, the Government offers to grant land use rights to state lands in the hinterlands to any Guyanese willing to undertake their development and cultivation. This opportunity has been taken by relatively few of the coastal-oriented Guyanese. Whatever the real levels of unemployment may be, general improvement in the situation will come only as the general state of the economy improves.

6. Data. Development planning in Guyana, as in many developing nations, is hampered by the limited availability of useful data. Although the Government has developed a respectable survey capability,

it has almost no capacity for processing and analyzing survey data. AID is addressing this deficiency with assistance in data processing and analysis, as well as support for a rural household survey to provide the basic information needed for development planning in the agricultural sector. Also, AID is proposing to support a project activity designed to firmly establish within the GOG the institutional capacity for data collection, processing, and analysis.

IV. Agricultural Overview and Proposed Program

A. Introduction

The proposed program for FY80 and the subsequent four fiscal years is concentrated in rural development activities encompassing agriculture and human resources development. This continues the AID assistance trend over the previous two fiscal years which is based on sector needs as perceived by the GOG, AID, and other external donors. The rural programs proposed are not restricted to purely agricultural programs but also include initiatives in related endeavors such as developing community water systems and small rural enterprises. The rationale which dictated selection of the rural sector concentration can be understood by examining the contribution, present and potential, of agriculture to Guyana's development.

B. Agricultural Overview

The agricultural sector constitutes the largest productive sector in the economy of Guyana. The sector's share of the GDP at current factor cost averaged 23% in the period 1960-1973 although it was generally declining over that time span. The surge in sugar prices in 1974-75 boosted the sector's contribution to 31% but this declined with the drop in sugar prices in 1976 to 25%. With the increase in import prices commencing in 1972 and the consequent pressure on the balance of payments, the Government began to intensify its efforts towards self-sufficiency in most food items. Although this accelerated production program is still in an emerging stage, some progress has been made. This limited progress, coupled with increasing restrictions on imports of consumer goods, is reflected in the decline of food imports (as a percent of total merchandise imports) from an average of 13.5% per year in the 1960-73 period to an annual average of 6.5% from 1974 to 1976.

The main constraints on agriculture sector development have been high land development costs, inadequate credit programs related to small family needs, and institutional weaknesses (management and services). Insufficient capital investment has restricted land development with the only progress made in the last few years deriving

from financing provided by the World Bank (I.B.R.D.).

The availability of agricultural credit is severely limited in view of the potential demand. Small farmers without property find it difficult to procure production credit, while even those with collateral cannot find sufficient credit resources. Since its establishment in 1973, the Guyana Agricultural Cooperative Development Bank has been able to provide some credit assistance to the sector, with special attention to small farmers. However, the Bank's limited capital resources preclude its servicing more than a small fraction of the country's agricultural credit needs. The Guyana Rice Board provides some production credit (in-kind) to rice farmers, but its resources also are limited.

A major constraint which pervades Guyana's sectoral ministries is the very limited ability to plan, implement, and evaluate sectoral policies and programs. This deficiency is pronounced in the Ministry of Agriculture which will play the key role in carrying out the plan for expanding food production (and increasing exports). That Ministry will be strained to manage the investment resources, both domestic and external, which will be devoted to the agricultural sector over both the near and long term. The Ministry's shortage of trained and qualified personnel, both at the administrative and technical levels, is a major impediment to the rapid and coherent development of Guyana's most vital sector.

C. Government's view of the sector

In order to effect a recovery in the state of the economy, the Government announced in March 1978 a strategy based on achieving four basic targets. These targets include an annual growth of GDP at current factor costs of 10%; the achievement of growth targets in all sectors but particularly in agriculture, forestry, mining, and manufacturing; an annual average export growth of 12 to 15 percent; and restraint in both public and private expenditure and consumption.

To achieve these targets, as well as set the base for sustained development throughout the 1980's, the government proposes a Four Year Development Plan which calls for the investment of approximately U.S.\$450 million by the public sector as well as additional investments totalling some U.S.\$65 million by the cooperatives and private sector. A review and comparison of planned investment allocations between the government's Five Year Plan, 1972-1976, and the 1978-81 plan, vividly illustrates the priority the GCG now affords to agricultural development. In the former plan, out of a public and private investment total of G\$1,152 million, agriculture was provided 15.5%; out of total planned investment of G\$1,282 in the 1978-81 plan, agriculture is slated to receive 33.5%. This reflects the Government's policy to increase investments in the productive sectors while reducing

investments in non-income producing sectors (mainly social services).

D. Other donors in the sector

Significant external donor investment in the agricultural sector in recent years has been confined to one major project, but a substantial increase is underway. The major investment, the I.B.R.D.'s Tapakuma Irrigation Project, is a \$29 million loan to irrigate and develop 28,000 acres for the principal purpose of increasing rice production. A second major project which has just begun, is a U.S.\$49.5 million (plus G\$25 million) flood control and irrigation project affecting 115,000 acres in the Mahaica-Mahaicony-Abary river basin, funded by the Inter-American Development Bank (IDB) for rice and other crop development. A third major farm development project planned for 1978 involves financing by the World Bank, IFAD, AID and others. This multi-donor rice land development project in the Black Bush area will involve approximately 47,000 acres and will be funded at approximately the \$43 million level. Another major project being developed by the IDB for 1978 is an estimated \$9 million Food Crop and Marketing loan to improve production and marketing services for small farmers.

In addition to these major inputs, Canada and the United Kingdom have made smaller inputs to the sector over the past few years and are expected to continue making such contributions.

The considerable external donor investment, both actual and projected, in the agricultural sector reflects the consensus on the primacy of agriculture as the cutting edge of Guyana's development in both the short and long term. This view is shared by the GOG as evidenced by its plan for increased investments in the sector and by AID whose strategy focuses on agricultural development.

E. Specific Project Proposals

Prior Year Initiatives

With AID's reinvigorated program beginning in 1978, a number of initiatives will have been taken in projects which will be reaching maturity by 1980. Those for which continued funding is proposed for FY 1980 include:

1. Improved agricultural supporting systems in the Black Bush area to help some 6,000 small farmers increase their production of rice and food crops (\$315,000).
2. Expanded rice marketing capacity, including drying and storage facilities, to accommodate the increased production of that staple crop (\$1,000,000).

3. Greater capacity to build and, most importantly, maintain the ever-expanding network of rural roads serving the nation's farm communities (\$300,000).
4. Production of a high-nutrition weaning food based on locally grown food crops (\$90,000).
5. An agricultural loan facility to serve the credit needs of small farmers for farm improvements and crop production (\$294,000).
6. Increased capacity within the Ministry of Agriculture to employ available resources effeciently and effectively through better project development and planning (\$228,000).

Proposed grant funding to support these ongoing activities in FY 1980 totals \$2,227,000.

Budget Year Starts

New initiatives in the sector proposed for funding beginning in 1980 include:

1. Assistance in development of the nation's capacity for producing milk and milk products (\$397,000).
2. Support for the development of a program to increase the number and quality of sheep and goats available to small farmers for both meat and milk (\$305,000).
3. A fund to provide credit assistance for the establishment and development of small agribusinesses and other small rural enterprises (\$3,250,000).

Proposed funding to support these new initiatives in FY 1980 totals \$952,000 in grants and \$3,000,000 in loans.

Long Range Strategy

By 1981 the variety of initiatives undertaken by the GOG with the assistance of AID and other donors in the agricultural sector should have set in motion a comprehensive and integrated rural development program. Also by 1981 the country should have weathered the financial crisis of the late 1970s and be in a position to turn its attention to the developmental needs and opportunities of the interior regions. The strategy beyond 1980 will be to maintain the developmental momentum in the sector by sustaining earlier initiatives and undertaking new activities as warranted. Long-range planning envisions the following possibilities

consonant with GOG and AID strategies:

1981: A \$1,000,000 loan to develop the nation's inland fisheries potential including both ponds on small farms and organized exploitation of the fish naturally found in Guyana's many streams and rivers; a \$500,000 grant to survey water and land use; a grant of \$800,000 to research and promote crop production in the hinterland; a \$4 million loan (with \$700,000 grant funding) to establish a new agricultural training center; and a \$700,000 grant to help prepare for settlement and cultivation of the interior savannahs.

1982: A \$3 million loan (with \$1 million grant funding) to improve the production and marketing system for the country's multitude of small riverine farms.

1983: A loan of \$7.1 million (with a \$900,000 grant) to help undertake expansion of the Black Bush Polder for increased rice and food crop production.

1984: A loan of \$9 million (with \$1 million grant funding) to develop a system of rural roads in the hinterland.

F. Consideration of Alternatives

Those projects beginning prior to FY 1980 are shown in the Minimum Decision Package with the full project amounts programmed for FY 1980. These are the key projects in launching a coordinated sector development thrust with the GOG and other donors and their continuation at programmed levels is considered essential to the accomplishment of development objectives within AID's country strategy. Of the new starts proposed for FY 1980, one (0086) is included in the Minimum Package. This project will increase national milk production capacity and is considered essential to an integrated sector development program inasmuch as it portends to impact beneficially on dairy farm development, adult and child nutrition, and the national balance of payments, all matters of concern to the Government and the nation. A related project (0079), shown in the Mark Decision Package, might be considered a second-choice alternative insofar as one element of it aims at increasing home-produced milk; but, while the two activities are complementary, they are not substitutes for each other. One sector project (0083) is shown in the Proposed Decision Package. This project, which offers the rural poor an opportunity to expand their horizons through small rural enterprises, is considered of lesser immediacy in launching the sector program but nevertheless an essential part of the coordinated strategy. In the event of funding limitations it might be deferred to a subsequent fiscal year. Those activities projected for funding beyond FY 1980 will naturally be subject to review based on the realities obtaining at the time. With the vast acreages of unsettled land, much of it fertile, clearly there will be alternatives for development which cannot only benefit the nation as a whole but can offer real opportunities to the rural poor to better their condition.

V. Health Sector

A. Introduction

A secondary area of AID concentration is the rural health sector since it forms an integral part of U.S.A.I.D.'s long-range development strategy. U.S.A.I.D.'s initial major intervention to assist the sector is a proposed \$2.9 million loan/grant, to commence in FY79, which would support the organization, training, and operations of para-medics to staff rural health posts and centers. This personnel development project would be complementary to an IDB loan of some \$8.8 million which would provide for construction and rehabilitation of health posts, medical centers, and district and regional hospitals. As AID's strategy includes additional assistance to the health sector in the near term (FY81 and FY82), a brief overview is in order.

B. Overview

Guyana's health system is beset with personnel, infrastructural and methodological deficiencies, which impede the Government's achievement of long-term development objectives. Annual government health expenditures are about U.S.\$16 per person and are maldistributed in favor of the urban/curative subsector. While Government policy is to provide basic health services equally in all parts of the country, the Ministry of Health's past resource allocation patterns have shown a de facto priority for curative care in Georgetown Hospital, with only negligible regard for primary care activities in the rural areas. A chronic shortage of personnel, particularly in rural areas is a major shortcoming of the health system. Trained manpower at the physician level is not available in insufficient quantities and is overly concentrated, both functionally and geographically. Guyana's human resource base in health consists of a few highly competent senior professionals spread extremely thin over a bottom-heavy multiplicity of mid- and low-level workers. Only 4.4 percent of the MOH's 2,600 employees are assigned to public health work; about 32 percent of the Ministry's staff are low-level administrative and clerical workers who lack any technical training. Additionally, many trained technical people have left the country for more attractive positions abroad and the brain drain continues.

With the large-scale departure of physicians, nursing personnel have assumed an extremely important role in the delivery of health care. But even much of the nursing work is carried on by students who spend far more of their time staffing wards than attending class and studying.

Since almost all of the health services available in Guyana are publicly provided, internal management and organizational issues at the Ministry of Health have an important influence on health conditions. To the extent that the Ministry is impeded from functioning as an effective

organization, health services do not reach people sorely in need of them. In fact, as in most developing countries, the Ministry's performance is constrained by an inadequate internal information flow, a lack of a permanent planning capability, a gradual reduction in its funding levels vis-a-vis other ministries over the past few years, and by its pattern of allocating large proportions of the funding it does receive to its hospital activities.

The Ministry currently operates a network of 198 health facilities. Additionally, there are seven privately operated hospitals in the country, all in Georgetown, and 18 health facilities operated by three large Government corporations, primarily for the benefit of their employees and their dependents.

C. Government's view of the sector

Guyana's National Health Plan enumerates sixteen general objectives to improve and expand the services provided its citizens. These span the health sector spectrum from personnel improvements to developing veterinary public health programs. Broadly descriptive of the other objectives is the first: To improve the health services of the country quantitatively and qualitatively. The Government's investment in the health sector is expected to be reduced in the Four Year Plan (1978-81) to about 20% of that provided in the previous Five Year Plan. This reduction does not represent a diminution of governmental commitment to improvement of health services, or to a lessening of investment needs of the sector; it results solely from fiscal constraints imposed by the current economic crisis. To close the recurring fiscal gap and to conform to budget austerities, the Government is devoting the bulk of its investment to the productive sectors, (agricultural, mining, forestry) and reducing its social programs, (health, education, housing). Investment in what are broadly considered to be social areas will be held to about 9% of total investment in the current plan, compared to nearly 40% in the earlier plan. It is the GOG's hope that external donor inputs will at least partially offset the reduction in the Government's investment in the sector over the period of the plan.

D. Other Donor Programs

Ongoing programs of other donors in Guyana are modest. FAO/WHO/UNDP provide \$288,000 in grant funds for environmental health services and health care to individuals; UNICEF has been providing \$40,000 per year for MCH and health education; and the Canadian Government has provided a three year grant of \$275,000 for training of middle-level personnel. CIDA also recently provided a grant of Canadian \$350,000 for the construction and equipping of a veterinary diagnostic laboratory in Georgetown.

Planned for 1978 is a project of major significance in the

health field: a loan/grant of approximately U.S.\$8.8 million to be made by the IDB. This loan/grant will almost wholly be devoted to the construction/rehabilitation of regional and district hospitals, health centers, posts and stations and their furnishing and equipment. Another major past input is a \$2.1 million loan provided by CIDA in 1971 to develop a pure water system for the city of Linden. This project has experienced severe implementation problems and by mid-1978 only \$300,000 had been disbursed.

E. Nutrition

1. Background and Government's View of the Problem

There is keen awareness in Guyana of the role and importance of adequate nutrition in national development, as evidenced by the incorporation of nutritional considerations into specific sectoral development Plan, 1972-1976. The multi-casual nature of food and nutrition problems is fully recognized in Guyana as is the need for a multi-disciplinary, multi-sectoral approach to solving them. GOG officials are aware of the need for collaboration and coordination among agencies in various sectors to address food and nutrition problems.

The awareness, recognition, and more importantly, understanding of the nature and magnitude of nutrition problems and their relationship to development objectives is not, unfortunately, shared by top level policy decision-makers. Only a few technicians scattered in various ministries have the knowledge and motivation but lack the political force. It is, therefore, not clear whether nutrition is a priority of the GOG. The seriousness of the oral commitment of the GOG to nutrition is undermined by the lack of adequate financial support and by organizational and institutional weaknesses. Projects to improve nutritional status, by their very nature, are not usually attractive investment opportunities since the returns are often not easy to monetize and are extended over the long-term. Also, administrative performance has not always been satisfactory even where projects are within individual ministries or departments; food and nutrition projects with their inter-ministerial dependence are apt to present even greater administrative problems. The absence of (1) an adequate data base for planning and programming; (2) a sufficient number of trained personnel in key technical areas; and (3) adequate resources for equipment and supplies, also limit the effectiveness of efforts in this sector.

The data base consists of a 1971 comprehensive national survey, anthropometric data (since 1974) from the nutrition surveillance system of the MCH program of the MOH (clinic coverage is only about 30 per cent of target population), and several as yet unpublished studies sponsored by the NSRC. There has been no food consumption data since the import restrictions. Whereas the existing data is out-dated and has limitations, it does suggest that there is a significantly high

prevalence of grades II and III PCM (11-12 percent) in Guyana and that only 50-55 per cent of the under-five age population attending clinics have normal weights for their ages.

Little has been done to translate the public awareness into action programs. Several events have served to heighten this awareness, including the existence of the applied nutrition program in early 70's, and the limited activities of the Nutrition Association of Guyana (NAG), NSRC, GFC, and CFMI. The Nutrition Division of the MOH has no budget and a staff of only two professionals and two auxiliaries. The only organized government effort in nutrition that appears to be making any progress is the development of the National Food and Nutrition Policy. The Policy arose out of the 1971 survey, but it was not approved by Cabinet until the end of 1976. An Interministerial National Food and Nutrition Committee, under the chairmanship of the CMO, MOH, has been meeting since February 1977. The Committee has presented recommendations to Cabinet of food availability and a proposal to establish a full-time Food and Nutrition Planning Unit within the Ministry of Economic Development and Cooperatives. At present, the Committee has no budget, no power base, and is composed of part-time members who meet on an ad hoc basis. This is not an adequate administrative and technical infrastructure for implementation of a F and N Policy.

2. Other Donors

Other donor activity is limited to PAHO/WHO and CFMI. CIDA, EEC, the Government of New Zealand, and WFP have provided supplementary foods, but this form of assistance is recognized for its emergency role and is not considered to be a development approach to F and N problems.

3. Outlook for Program Development

USAID will support the pilot project for Weaning Food Manufacture because it is a priority area in Nutrition, as expressed by Government officials in the MOH and Ministry of Economic Development; and could act as a catalyst in coordinating all relevant bodies in Guyana to implement nutrition action programs. The GOG, at present, due to manpower shortage and lack of a strong institutional base, could not absorb a broader program. USAID, in its proposed support in Data Management, and in improving planning and project implementation in the Ministry of Economic Development, cited elsewhere in the Submission, should contribute to removing some constraints which preclude more intervention in the nutrition field at the present time. Though USAID has not proposed any new activities in the nutrition field from B#1 to B#4, if circumstances warrant this may change by perhaps FY33 or 34.

E.1. Specific Project Proposals

USAID expects by FY30 to have implemented one health project, one health-related (nutrition) project, and one OPG in the

health field. The first, a \$2.9 million loan/grant, has the primary objective of training new personnel and upgrading the skills of existing public health personnel to create a cadre of sub-professional, medical extender (MEDEX) personnel and community health workers (CHWs). This project is expected to significantly contribute to reducing the personnel constraints of the existing health system. A Weaning Foods Development grant project, with a Title II component, is scheduled to commence in late FY78 to establish the capacity for production and distribution of nutritious weaning foods made from local foods. And an OPG with a U.S. FVO to assist the Ministry of Health in broadening its control and treatment of leprosy in Guyana.

Beyond these projects, AID strategy calls for additional initiatives in the health sector in FY81 and FY82. For FY81 we are proposing a three-year grant project of approximately \$300,000 to help develop a health planning capability in the Ministry of Health (MOH). Since it is expected that over the long-term, considerable investment will be made in the sector, proper planning of these inputs is essential.

For FY82 we are proposing a \$4 million loan/grant focused on expanding the health services available in the hinterlands. By that time the GOG is expected to be emphasizing land development in the interior and the population to be settled in such areas will require health services. While AID's FY79 project and the planned 1978 IDE project will partially meet the current personnel, facility and equipment needs of the health system, by 1982 new resource inputs will be required to further improve and expand the system. We envisage this loan/grant providing for some health post and center construction, equipment, and advisory assistance plus training for an expanded health system technical staff.

Looking beyond FY82, AID has tentatively identified, based on current perceived needs, several other projects in the sector which are appropriate for AID's long-term strategy. These include environmental sanitation (such as rural pure water systems) using appropriate technology (e.g. windmill-driven pumps), development of a health information system, and support for expansion of the immunization program. We have provisionally programmed in FY83 and 84 a total \$3.5 for such projects, or for those which the GOG and AID may subsequently identify.

F. Alternative Considerations

As no new activities are proposed in the Health sector for 1980, no alternative funding levels need be considered. In the

context of our long-term strategy, however, alternatives to support of the health sector are limited if the "linkage" approach is to be maintained. AID's long-term development strategy in Guyana is based on rural development, with the majority of resources directed at increasing food production and rural income. This objective is not achievable through an amorphous approach but must be complemented by social inputs including health services. If AID confines its assistance to agriculture per se, the alternative is that other donors or the GOG will have to finance rural health activities. If such investment does not materialize, a disequilibrium between the productive and social components of rural development will occur which will be disruptive of AID's balanced and integrated approach to rural development. AID's view is that the health sector can absorb the amount of resources likely to be made available by the GOG, other donors, and AID.

VI. Education and Human Resources Development

A. Education

USAID's development assistance strategy does not include any programs in the field of education. Guyana's need for assistance in educational development is considerably less compelling than in those sectors where AID proposes to concentrate available resources over the next five years. Guyana's literacy rate is 80%, and it ranks high among the 25 countries of Latin America and the Caribbean in the percentage of children in the 5-14 age group enrolled in school. Additionally, AID is reluctant at this stage to provide support to the recently nationalized education sector inasmuch as the impact of the GOG policies in the sector have yet to become clear. None of this means that there are no problems in the educational system. However, they are not of the magnitude to necessitate AID intervention. GOG inputs, and those provided by other donors, should suffice to adequately address constraints in educational development.

B. Human Resources

1. Background

USAID has an ongoing loan project in human resources development. This is an omnibus training activity devoted primarily to the agricultural field for technical training. Further projects in manpower development relating to planning, management, implementation

and evaluation are required and constitute an essential element in AID's short and long-term strategy.

Trained professionals and managers will be needed to effectively plan and implement the numerous projects and related activities which will evolve in the decade of the 80s. While Guyana has a small nucleus of such people, it is far from sufficient to meet current manpower needs, much less those likely to emerge in the next decade. Skills deficiencies are particularly acute in managerial and supervisory functions. Institutional development is a fertile area for resource inputs for all external donors since it is the sine qua non to the success of all development endeavors in Guyana.

2. Specific Proposals

For FY80 we are proposing a \$485,000, three-year grant in "Economic Planning and Implementation." This project will have the objective of increasing the capabilities of the Ministry of Economic Development (MED) in project planning, analysis, and evaluation. The MED has the responsibility for reviewing all project proposals, submitted by sectoral ministries and evaluating them in light of their feasibility and relative priority vis-a-vis alternate opportunities. At the present time, the Ministry seriously lacks such skills with the consequent liability of faulty resource allocation resulting in squandering limited resources (as has been the case in some historical instances of poorly planned activities). The Government has recently established the State Planning Commission which may assume these responsibilities, in which case the project would involve that Commission.

This project will complement other institution building activities in agricultural and health planning. It forms part of the strategy in helping Guyana develop the administrative, technical and institutional capacity to handle domestic resources more effectively while enlarging its absorptive capacity for external investment in the 1980s.

3. Long Range Plan

For FY82 AID proposes a follow-on of \$1 million to our public sector manpower training loan. This proposed project would provide technical training in those fields considered particularly vital to the country at that time. Beyond this proposal, USAID foresees no additional assistance in the manpower development area through FY84. USAID is of the opinion that with the proposed assistance in Economic Planning, and under a new public sector

manpower training loan, in FY82, this is sufficient to meet our near and long-term objective of strengthening the GOC's capability in planning and management as a corollary element to our rural development strategy. This conclusion is reached considering not only our proposed manpower development assistance under this appropriation category, but that proposed to be provided under E (i.e. Agricultural Resource Planning) D (i.e. Data Management) and H (i.e. Health Planning).

4. Alternative

No prudent alternative exists respective to supporting human resources development, if our strategy of an integrated approach to rural development is to be viable. Without the trained manpower foundation to plan and manage the large investments being made in the rural sector, by both government and external donors, the potential for mismanagement of these inputs is a possibility, if not a probability. The modest inputs USAID proposes to improve the Government's planning and implementation capability, under our FY80 Economic Planning and Implementation project, and the second manpower training project proposed in FY82, is a relatively small price to pay to assure that the governments', AID's, and other donor investments in the rural sector are fully and effectively utilized.

VII. Selected Development Problems

A. Background

There are two special areas with implications for the scope and pace of development in Guyana: energy and natural resources. The high cost of imported petroleum-based energy drains financial resources which the country could otherwise invest in development. Conversely, untapped natural resources have the potential of making a major contribution to development. Two projects are proposed for FY80 which address energy and natural resources.

B. Specific Proposals

AID proposes for FY80 an "Unconventional Energy Technologies" project which would assist the National Science Research Council in adaptive research to develop prototype energy alternatives. Research will be conducted and prototypes developed to explore the possibilities of developing alternate sources of power (solar, water, and wind). If alternate sources of power are proved feasible to replace, even partially, costly fossil fuels, a significant contribution to the country's development prospects will have been made.

A second proposed project for FY80 is a two-phased resources survey: the first phase to examine and collate existing data relating to natural resources, and the second phase to employ techniques such

as ERTS and Magnetic Aerial Mapping to comprehensively identify the natural resources which Guyana is believed to have in abundance. The second phase of the project, if warranted, would be funded in FY83. Also proposed for an FY1980 start is a community development project. Focussed on Guyana's native Indian populace in the remote interior, this project will improve community services and help link isolated villages to larger population centers. Additionally for 1980, AID proposes to assist Guyana's private voluntary organizations to coordinate their management activities to increase funding availabilities and improve the conduct of their activities. And a final proposed 1980 initiative is a series of feasibility and pre-feasibility studies to identify and define the opportunities for development of Guyana's hinterland to which the GOG is expected to turn its attention upon completion of its 1978-1981 Development Plan.

Long Term

AID tentatively proposes for FY82 a project promoting women-in-development. A grant of \$400,000 is provisionally programmed for this project, which is expected to focus on assistance to women's organizations in Guyana. Also for FY80 AID proposes to continue support to the on-going Special Development Activities (SDA) project. This modest \$100,000 per year activity is linked to our strategy by assisting rural community groups in self-help activities.

C. Alternatives Considered

These projects proposed for FY80 funding are considered important in a long-range development context. AID thus recommends their funding in FY80 or, if funding constraints dictate, then in FY81 or FY82.

EPILOGUE

The programs proposed in the foregoing pages will increase U.S. assistance to Guyana substantially above the levels provided during the years of exacerbated diplomatic relations. As noted earlier, the levels proposed are consonant with the real needs of Guyana if the country is to successfully weather its financial malaise, recover a sound economic footing, and begin to move forward with a long-term, sustainable development effort in the 1980s. A corollary concern is the country's capacity to absorb the levels of assistance proposed by AID (and other donors). The manpower development projects proposed above assume critical importance in this regard. In conjunction with ongoing training programs and the related activities of other donors in the future, sufficient managerial and technical skills should be developed to handle the proposed assistance.

DECISION UNIT: GUYANADECISION PACKAGE: MINIMUMShort-term Objectives

Short-term objectives, in USAID's view, cannot be considered in isolation from the longer term goals of our assistance strategy. USAID considers the benefits derivable from a short-term strategy approach as limited and potentially dissipative unless it forms part of a continuum which is directed toward the achievement of a longer term, more enduring goal. USAID's long-term strategy is an integrated (multi-sectoral) approach to rural development with an attendant increase in economic (incomes) and social (e.g., health, environment) benefits of the poorest in rural areas. This package will contribute toward achieving that end but only in the specific geographic areas and in that component of a sector(s) they impact upon. The short-term objectives of the projects which comprise this package are explained in the individual project summaries, Table IVA.

Impact on Major Objectives

This package will have a modest effect on USAID's long-term goal. Since it does continue funding support for eleven on-going projects, it of course does contribute to achieving AID's strategy objectives. The three new project starts are also considered important to attainment of development objectives; as with other projects, not when considered individually but when taken in the sum of the entire BY program, regardless of whether they appear in one package or another.

Other Information

Providing funding below this level would seriously retard the accomplishment of USAID's long-term objectives. The level of this package has been established well below the "mark" figure since we feel it represents a minimum essential input to maintain a very slow momentum toward our long-term objectives.

Since USAID feels the totality of our projects will make a significant contribution to rural development and, as such, are necessary to achievement of our long-term strategy, our long-term planning figures have been adjusted accordingly.

The personnel levels shown are what is required to manage the projects in an effective way which fully meet our management responsibilities. These could be reduced by, say 10%, but only at the expense of compromising some of our project management and oversight responsibilities.

FY 1980 ANNUAL BUDGET SUBMISSION
(in \$000)

DECISION UNIT: GUYANA

DECISION PACKAGE: MINIMUM

ACTIVITY DESCRIPTION

This package will provide sufficient funding to allow continuation, as programmed, of nine PY and CY projects. It would also provide first year funding for three new project starts, all of modest funding levels, which we consider vital to our long-term development strategy. The program can be described as being essentially static, a "marking time" type of program, with no broad new significant development initiatives.

	198Y				CUMULATIVE TOTAL
	19FY	19CY	TOTAL PACKAGE	TOTAL	
<u>RESOURCE REQUIREMENTS 1/</u>					
Food and Nutrition	30,071	10,514	2,624	2,624	
Population					
Health	126	2,968	56	56	
Education			254	254	
Selected Development Activities	100	335	655	655	
Sahel Development Program					
Other (specify)					
Total Program	30,297	13,817	3,589	3,589	
PL 480 Title I (non-add)	2,000	2,000	2,000	2,000	
(of which Title III)					
PL 480 Title II (non-add)	280	280	280	280	
Housing Guaranties (non-add)					
Employment - Full-time Permanent					
U.S. Direct Hire	10	12	15	15	
Foreign Nationals	18	21	29	29	
TDY	1.4	1	1.4	1.4	
Total	29.4	34	45.4	45.4	
<u>FIVE YEAR PROJECTIONS</u>					
Program	BY	BY+1	BY+2	BY+3	BY+4
Personnel (in workyears)	3,589	15,050	13,979	14,150	13,200
Mission - US	15	18	19	16	16
- FN	20	30	32	30	30
TDY - USDI	1.4	1.5	1	1.5	1

1/ PD & S Funding not included.

FY 1980 ANNUAL BUDGET SUBMISSION

(in \$000)

DECISION UNIT: GUYANA

DECISION PACKAGE: MARK

Short-term Objectives

Our short and long term objectives are essentially synonymous, what differentiation exists relate to scope not content. What this package will do is expand the component elements within sectors which have constraints which we can address through our assistance. If taken in isolation, there are benefits in the sum of the projects, see data sheets, which comprise this package, (e.g., improved food production and import substitution through the Livestock Development project; improved health and basic rural amenities through the water project) however, these are considered integrals to the whole of our objective: a long term and total (geographically and intersectoral) development of rural areas.

Impact on Major Objectives

The impact on major objectives is included above since, as explained, we do not differentiate between short and long-term objectives other than in degrees. This level of assistance will give a more balanced approach for the year in meeting the varied inter and intrasectoral needs of the rural sector. It will permit a larger and more balanced attack on rural area constraints, and at a faster pace.

Other Information

The consequence of not approving this package is simply slower progress toward achieving our long-term goal. Further, an imbalance will occur between resources devoted to purely agricultural (food production) activities and the social infrastructure, e.g., potable water, required in any long-term rural development effort.

As in our "minimum" package, adjustments have been made in our long-term plan based on the scope of this package. The reasons for this change are similar to those presented in our minimum package. It should be noted that the total personnel needs to support this package, two additional USDII and one FNDII, is modest, considering the enlarged scope of our program, i.e., five additional project starts.

FY 1980 ANNUAL BUDGET SUBMISSION
(in \$000)

DECISION UNIT: GUYANA

DECISION PACKAGE: PROPOSED

Short-term/long-term Objectives

The added activities have a combined short and long-term effect. One activity is expected to increase income in specific rural areas, the second has a more pronounced longer term effect in that it will provide a basis for further rural development in the early and mid-eighties. The package, taken in toto, will have a significant effect on USAID's long term development strategy in that it represents a balanced mix of activities which impact in an integrated way on the whole of the rural areas. The majority of the resources are directed at eliminating various sub-sectoral constraints in agriculture, but this input is balanced by activities designed to address allied problems and conditions, which with agriculture, comprise the total, economic and social, rural environment. These activities focus on improving the planning and managing of investments being made in rural areas; providing better living conditions and health through constructing new water supply systems; creating new opportunities for employment and increases in communities' incomes outside of agriculture, and examining the potential for natural resource exploitation and further rural land development through surveys and studies.

Other Information

USAID believes this package represents a wide, well balanced program which will impact favorably, in the long term, on rural development and contribute to improving the economic and social well-being of the rural population. As such USAID cannot offer an alternative program or another mix, which can contribute as much to our long-term development objective. If funding constraints dictate, certain activities can be deferred until later budget years, but in USAID's view they are all essential, whether we, the host country or other donors provide the resources.

FY 1980 ANNUAL BUDGET SUBMISSION
(in \$000)

DECISION UNIT: GUYANA

DECISION PACKAGE: PROPOSED

ACTIVITY DESCRIPTION

This package addresses a full range of activities which combine to form a balanced, intersectoral approach to rural development, both through FY 1984 and the rest of the decade. Two additional project starts are included in the package, one directed at developing small businesses at the village level, the second being a series of feasibility studies which will have an ultimate impact of further developing the rural hinterlands area.

	19PY	19CY	19BY	TOTAL PACKAGE	CUMULATIVE TOTAL
<u>RESOURCE REQUIREMENTS 1/</u>					
Food and Nutrition	30,071	10,514		3,250	6,179
Population					
Health	126	2,968			056
Education					254
Selected Development Activities	100	335		2,200	7,679
Sahel Development Program					
Other (specify)					
Total Program	<u>30,297</u>	<u>13,817</u>		<u>5,450</u>	<u>14,168</u>
PL 480 Title I (non-add)	2,000	2000			2,000
(of which Title III)					280
PL 480 Title II (non-add)	280	280			2,000
Housing Guaranties (non-add)					280
Employment - Full-time Permanent					
U.S. Direct Hire	10	12		1	18
Foreign Nationals	18	21			30
TDY	<u>1.4</u>	<u>1.0</u>		<u>0.1</u>	<u>1.5</u>
Total	29.4	34.0		1.1	49.5
<u>FIVE YEAR PROJECTIONS</u>					
Program	BY	BY+2	BY+3	BY+4	
Personnel (in workyears)	14,168	13,400	10,900	13,200	
Mission - US	18	17	16	17	
- FN	30	29	26	26	
TDY	01.5	00.8	00.1	00.8	
1/ PD & S Funding not included					

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM	DESCRIPTION	APPROPRIATE ACCT	PER-SONNEL INTEN-SITY	RESOURCE REQUIREMENTS			PROGRAM INCREMENT	CUMULATIVE PROGRAM FUNDING (1986)
					WORKYEARS (XX, X)		PROGRAM ACCOUNT		
					OPERATING EXPENSES	FUNDED FROM			
			MISSION	TDY					
		<u>Decision Package - Minimum</u>							
1	0060	Public Sector Manpower Training (LO)	EH	M	.5		1.0		
2	0066	Rural Health Systems (LGO)	HE	H	.8	.1	6.0		
3	0065	Seed Farm Development (GO)	FN	M	.8		1.0		
4	0075	Small Farm Development (LGO)	FN	H	1.2	.1	11.8	315	
5	0072	Second Rice Modernization Project (LGO)	FN	H	.9	.3	8.0	1,000	1,315
6	0070	Agriculture Sector Development (LGO)	FN	M	1.3	.1	3.4	294	1,609
7	0068	Rural Roads (LGO)	FN	H	.9	.1	17.0	300	1,909
8		PL480 Title II		M	.1		-	(280)	1,909
9	0073	Weaning Foods Development (GO)	FN	M	.2		.5	90	1,999
10	0076	Data Management Development (GO)	SD	M	.4	.1	2.5	265	2,264
11	0077	Agriculture Resource Planning (GO)	FN	M	.5	.1	2.8	228	2,492
12		PL480 Title III		L	.3		-	(2,000)	2,492
13	0067	Leprosy Control Program (GO)	IIE	M	.2		10.0	56	2,584
14	0031	Special Development Activities (GO)	SD	L	1.0		-	100	2,684
15	0085	Economic Planning and Implementation (GN)	EH	M	.6	.4	1.8	254	2,902
16	0086	Dairy Development (GN)	FN	L	1.2	.1	1.1	397	3,299
17	0074	Rural Community Development (GN)	SD	M	.4		.8	290	3,589
		Summary by Personnel Intensity: Low (3 projects)			(2.5)	(.1)	(1.1)	(2,497)	
		Medium (10 projects)			(5.0)	(.7)	(23.8)	(1,757)	
		High (4 projects)			(3.8)	(.6)	(42.8)	(1,615)	
		Total			(11.3)	(1.4)	(67.7)	(5,869)	
		<u>Decision Package - Mark</u>							
18	0080	Rural Community Water Systems (LGN)	SD	M	.6	.1	1.5	4,250	7,839
19	0081	Unconventional Energy Technology (GN)	SD	L	.4	.1	.5	174	8,013
20	0079	Livestock Development (GN)	FN	L	.8	.1	.8	305	8,318
21	0082	Resource Survey (GN)	SD	L	.3		2.0	300	8,618
22	0084	PVO Development (GN)	SD	L	.3		.8	100	8,718

TABLE V - PROPOSED PROGRAM RANKING

DECISION UNIT
504 Guyana

NAME OF DECISION PACKAGE SET

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM	APPROPRIATE PERSONNEL INTENSITY CITY	MISSION	OPERATING EXPENSES	TDY	RESOURCE REQUIREMENTS		PROGRAM FUNDING	INCREMENT/CUMULATIVE
						WORKYEARS (XX X)	PROGRAM ACCOUNT		
						FUNDED FROM			
	Summary by Personnel Intensity: Low (4 projects) Medium (1 project) Cumulative Total		(1,8) (.6)	(.2) (.1)	(4.1) (1.5)	(879) (4,250)			
	Decision Package - Proposed		(13.7)	(1.7)	(73.3)	(10,998)			
23	0083 Rural Small Enterprise Development (LGN)	M	.7	.1	1.0	3,250		11,968	
24	0078 Feasibility Studies: Hinterland Development (LGN)	H	.8		4.0	2,200		14,168	
	Summary by Personnel Intensity: Medium (1 project) High (1 project) Cumulative Total		(.7) (.8)	(.1)	(1.0) (4.0)	(3,250) (2,200)			
			(15.2)	(1.8)	(78.3)	(16,448)			

COMMENTARY ON OPERATING EXPENSE AND WORKFORCE

A. Workyears directly related to activities:

1. The GOG has demonstrated its willingness and ability in the past to staff the projects with competent personnel. For example, the Canje River Bridge, Loan L-011, was finished eight months earlier than originally planned because the GOG provides fully adequate support. On other projects in the past similar concern was demonstrated and the projects were staffed by GOG personnel who were competent to carry out their assigned duties. In table V we have categorized our 1980 projects requiring personnel intensities of low 7 (29%), medium 12 (50%) and high 5 (21%). These personnel requirements basically reflect our assessment of the ability of the GOG to support the projects adequately and with competent personnel.
2. USAID/Guyana's basic program thrust for 1980 as well as in previous years is in the food and nutrition field, as it should be since our long-term strategy is directed toward rural development. However, the program has been balanced out with projects in the fields of Health, Human Resources Development, Selected Development Activities, and P.L. 480. This, again, is as it should be since USAID's strategy is based on an integrated, inter-sectoral approach to rural development and as such cannot focus solely on one sector, i.e., agriculture. Three of the five high intensity projects, four of the 12 medium intensity projects and one of the seven low intensity projects are included in the food and nutrition projects. Since our major interest is in FN we have budgeted for four agriculturalists in 1980 and this is in consonance with the priority the GOG has afforded to the rural sector. As stated earlier in this submission, the GOG plans to direct over one-third of its public sector investment to agriculture in the period, 1978-81. Travel in Guyana at best is very difficult and time consuming and field work will be emphasized during the life of all the projects.

B. All Mission Personnel:

1. Past experience has proven that quality Foreign Nationals are available to the USAID. The Mission has a good reputation in Guyana and letters inquiring about possible job openings are received daily. In 1980 the Mission projects the employment of professionals in the Agriculture and Engineering fields. These people will probably have prior experience in their respective fields, some of them probably with the GOG.

2. The Mission has what we believe is an ideal mix between USDH and FNDH personnel. USDH's in lieu of FNDH's are used only when the professionalism/experience requirements of a particular position are such that it is unlikely that a local direct hire employee will be found with a requisite skills level. A further consideration in weighing the options of selecting either a U.S. of FN employee for a particular position is the counterpart relationship with the Host Country of the job. If the duties of a particular position, for example, requires extensive negotiations with host government officials, the position would in all likelihood be filled with a USDH. The Mission has resorted to the use of contract personnel only sparingly; at present we have only one driver and a maintenance man under contract through 1978. In 1980, we do not now foresee the need for more than two drivers, two maintenance men and one janitor as being in the contract employee category.

3. There is a minimum of variation in levels among non-directly-related-to-project personnel between the various ZB levels. Among USDH, there is no increase between the minimum and mark levels and a .3 person year increase between the mark and proposed. Among FNDH, the net increase is one person year. Increases were kept low since some duties formerly performed by certain categories of these personnel, i.e., program and capital development officers in project related activities are now being assumed by project-related personnel. Prior to this time, certain activities directly related to projects were, of necessity, being assumed by some policy direction and management personnel (PD & M) above their regular functions, this being due to technical personnel understaffing. With project-related personnel now assuming these functions, the PD & M personnel have the additional time to absorb the increasing workload inherent to any program expansion, without the need of a large increase in these personnel.
4. MODE level for FY 78 has been approved by the Chief of Mission. Naturally, since the FY 80 submission is a planning document no decision has been made. These levels will be worked out as the program materializes.
5. All personnel have been included in the ceiling and in their respective place for workyear effort.
6. This submission anticipates all known efforts that may require Mission staffing.

7. AID/Washington has provided extensive TDY assistance during FY 78 to help start up project activities, including project development and documentation. With ceilings fully staffed, less TDY assistance is anticipated for FY 80 (needed mainly where development of new projects may require special expertise).

C. Expenses:

1. The official exchange rate has been steady and no change is foreseen. Historically, USAID Guyana has used a 10% inflation factor, and we have anticipated FY 80 costs to be 20% higher than FY 78.
2. The housing allowance system has not been used in Guyana for several years basically because it has been found that USAID has a good reputation for maintaining direct leases and landlords are therefore more willing to lease at a lower price than with individuals. Also individual leases would turn over every two years and landlords try to increase the rate with each turn over. The Mission has been able to sign five year leases, and it is believed that this has resulted in substantial savings over the individual lease system.
3. This FY 80 proposal projects an increase of 8 USDH and 9 FNDH employees over FY 78 ceilings. With this magnitude of personnel increases the expense for office operations will be significant almost across the board. However, office rental will not increase since the lease does not expire until December 1981 and all employees will be officed in the existing building.
4. The USAID does not have unilateral authority to determine the benefits paid to FNDH employees. The State Department through the U.S. Embassy or private contractors bi-annually reviews the FNDH pay plan and related benefits and recommends changes to the U.S. Missions for their approval. The final pay plan is determined by usual practices followed by private business with the intent of offering comparable pay and benefits to the U.S. Mission FNDH's in order to retain its present people and hire new employees as necessary. Benefits that have been paid include a health plan with premiums paid directly to the insurance company, U.S. Civil Service Retirement, christmas bonus and severance pay. The next review is scheduled for early FY 79.

5. At the present time USAID/Guyana does not have any program funded personnel requiring operating expense support, nor are any presently planned for FY 1979 or 1980.
6. This mission plans to get the most efficient use of available monies through careful adherence to the Agency's guidelines and regulations.

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980		PROPOSED
				UNITS	\$	UNITS	\$	UNITS	\$	
PERSONNEL	01				574.9		760.9		1,091.5	1,154.8
U.S. Direct Hire	02		USDH Workyears							
U.S. Citizens Basic Pay	03	110	USDH Workyears	7.0	509.9	12.0	672.9	16.5	1,019.8	1,019.8
Part-time, Temp. U.S. Basic Pay	04	112	USDH Workyears	7.0	299.8	12.0	432.7	16.5	578.1	
Differential Pay	05	116	USDH Workyears	4.6	29.7	7.0	42.7	13.5	87.1	
Living Allowances	06	118	USDH Workyears							
Other Pay	07	119			29.1					
Education Allowances	08	126	No. of Dependents	12	40.3	17	53.0	26	89.7	
Retirement	09	120	USDH Workyears	7.0	18.2	12.0	30.3	16.5	40.5	
Transportation/Travel	10				124.8		100.9		175.2	
Post Assignment - Travel	11	212	No. of Movements	13	19.1	6	11.5	17	28.7	
Home Leave	12	212	No. of Movements			2	6.5			
Post Assignment/Home Leave Freight	13	22			87.7		50.5		106.0	
R & R	14	215	No. of Movements	4	6.0	11	18.9	8	20.0	
Education Travel	15	215	No. of Movements							
Medical Travel	16	215	No. of Movements		7.0		9.0		13.5	
Other Travel	17	215			5.0		4.5		7.0	
Other Personnel Benefits	18	129			8.0		13.3		19.2	
Local Employees	19		FNDH Workyears	19.9	65.0	23.7	88.0	34.2	135.0	135.0
Basic Pay	20	114	FNDH Workyears	15.8	54.9	21.0	75.3	30.0	108.6	
Overtime, Holiday Pay	21	115	FNDH Workyears	3.5	7.5	2.0	4.9	3.0	8.9	
Other Pay	22	119								
Personnel Benefits	23	129	FNDH Workyears	.6	2.6	.7	7.8	1.2	17.5	
Benefits for Former Personnel	24	13								
Contract Personnel	25		Workyears							
FASA Technicians	26	258	Workyears							
Other Reimbursable Details	27	111	Workyears							
Experts and Consultants	28	113	Workyears							
Other Technicians	29	255	Workyears							
HOUSING	30				113.3		289.7		333.9	338.3
Acquisition of Land and Structures	31	320	(lb. of Residential Units							

- 119 -
OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980		PROPOSED	
				UNITS	\$	UNITS	\$	UNITS	\$	UNITS	\$
HOUSING Continued											
Rent	32	235									
Utilities	33	235	Nb. of Residential Units	11	26.3	14	65.5	17	73.4		
Renovation	34	259	Nb. of Residential Units	11	24.7	14	70.5	17	95.3		
Maintenance	35	259	Total Square Feet			2	3.0	4	6.0		
Residential Furnishings and Equipment	36				30.0		130.3		135.8		
Additions to Inventory	37	311	Nb. of Residential Units			3	35.0	3	42.4		
Replacement	38	311			20.0		79.2		66.8		
Transportation	39	22			10.0		16.1		26.6		
Quarters Allowance - Temp. Lodging Only	40	172	Nb. of Residential Units		6.0		2.0		4.7		
Mission Director	41				26.3		18.4		23.1		
Rent	42	235			5.7		5.7		5.7		
Utilities	43	235			4.8		5.2		5.7		
Renovation of Residence	44	239									
Maintenance of Residence	45	259			3.5		1.5		2.5		
Supplies and Materials	46	26			1.0		1.0		1.2		
Furniture Procurement	47	311									
Official Residence Allowance	48	254			1.5		1.5		2.4		
Representation Allowance	49	252			1.5		1.5		1.5		
Vehicles	50										
Acquisition	51	312		1	6.3						
Operation/Maintenance	52	259			2.0		2.0		2.6		
Portion of Lines 31-52 for Program Funded People	53										
OFFICE OPERATIONS	54				219.6		264.4		398.9		398.9
Acquisition of Land and Structures	55	320									
Rent	56	234			16.5		16.6		16.6		
Utilities	57	234			16.5		22.4		23.3		
Renovations	58	259									
Building Maintenance	59	259			18.2		22.5		32.9		
Office Furnishings and Equipment	60				3.0		15.8		27.3		
Additions to Inventory	61	310			3.0		10.6		22.3		
Replacement	62	310					5.2		5.0		

OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980		MARK	UNITS	UNITS	UNITS
				UNITS	\$	UNITS	\$	UNITS	\$				
OFFICE OPERATIONS Continued													
Other Equipment	63	319											
Transportation (Freight)	64	22											
Communications	65	230		14.8	18.8				4.1				
Security (Guard Services)	66	259		53.1	74.0				28.2				
Printing and Reproduction	67	24		4.5	10.0				102.4				
Operational Travel	68			29.5	28.0				20.0				
International	69	210		11.6	17.5				48.0				
Domestic	70	210		17.9	10.5				27.2				
Charter/Contract Transportation	71	259							20.8				
Vehicles	72												
Addition	73	312	No. of Vehicles	1	21.5				51.4				
Replacement	74	312	No. of Vehicles	6.2	8.5				16.4				
Maintenance	75	259	No. of Vehicles						17.0				
Automotive Supplies and Materials	76	26	No. of Vehicles	3.0	5.0				8.0				
Other Supplies and Materials	77	26	No. of Vehicles	8.0	8.0				10.0				
FAAS	78	257		37.6	20.0				22.2				
Other U.S. Government Reimbursements	79	258		5.7	12.0				13.8				
Other	80	259											
Portion of Lines 55-80 for Program Funded People	81			3.0	2.8				8.7				

OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.	FY 1978	FY 1979	MARK	FY 1980	
					MINIMUM	PROPOSED
TOTAL OPERATING EXPENSE BUDGET	82	907.8	1,115.0	1,892.0	1,810.7	1,892.0
Reconciliation						
Deduct from item 82 items not funded from Mission's allotment:						
Object Class 11	83	318.6	475.7	695.2		
Object Class 12	84	23.4	41.1	52.1		
Object Class 13	85					
Net FAAS (from line 78)	86	5.7	12.0	13.8		
Other - Explain on Attachment	87					
Net Allotment Requirements	88	560.1	786.2	1,130.9		
Operational Year Allotment Requirement by Quarter						
First Quarter	89		260.0			
Second Quarter	90		180.0			
Third Quarter	91		180.0			
Fourth Quarter	92		166.2			

ADDITIONAL SCHEDULES AND ANALYSES	Attached	
	Yes	No
Use of Trust Funds		X
ADP Equipment		X
Budget Line 31 Detail		X
Budget Line 55 Detail		X
Budget Line 80 Detail	X	

USAID/GUYANA

FY 1980 - OPERATING EXPENSE BUDGET

SCHEDULE I

LINE 80

2 Drivers on Contract	4.7
Medical Care, Physical Examinations, Hospitalization etc. at Post	<u>4.0</u>
	<u>8.7</u>

MISSION OPERATING EXPENSE FUNDED PERSONNEL REQUIREMENTS
(in work years xx.x)

MISSION SPECIFIC PERSONNEL	FY 78		FY 79		FY 80 Mark		FY 80 Minimum		FY 80 Proposed	
	Estimated USDH	Actual FNDH								
Directly Related to Activities*	1.7	2.3	4.3	3.0	7.1	6.6	5.8	5.5	8.1	7.1
Policy, Direction & Management	2.6	3.5	6.0	4.5	5.6	5.0	5.6	5.2	5.9	4.5
Financial Management	1.0	3.5	1.0	3.5	2.0	5.0	2.0	4.0	2.0	5.0
Mission Support	1.0	8.0	1.0	10.0	1.0	13.4	1.0	14.3	1.0	13.4
IDI's			3.0		1.5		1.5		1.5	
OTHER (Specify)										
TOTAL	6.3	17.3	15.3	21.0	17.2	30.0	15.9	29.0	18.5	30.0
END OF YEAR CEILING	10 + 19 = 29		12 + 21 = 33		17 + 30 = 47		15 + 29 = 34		18 + 30 = 48	

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NON-MISSION SPECIFIC PERSONNEL

Auditor General & IIS										
Other (Specify):										
TOTAL										
END OF YEAR CEILING										

*From Table V.

124 (B)

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USAID/Guyana

WORKFORCE REQUIREMENTS - SCHEDULE 1 - EXISTING POSITIONS 001

POS LEVEL	AUTHORIZED POSITIONS	BUDGETED POSITIONS	REQUESTED POSITIONS	NON-CELLING POSITIONS	TOTAL FILLED POSITIONS	TOTAL VACANT POSITIONS
FY 79	004	005	006	007	008	009
FY 80						
FY 81						
FY 82						
FY 83						
FY 84						
FY 85						
FY 86						
FY 87						
FY 88						
FY 89						
FY 90						

POS NO	POSITION TITLE	CLASS	STATUS	DATE POS	IR	REPLACE	VACANT	FY 78 OR	TRAVEL	REMARKS
010	014	014	OK	79	01	01	01	01	01	APPLICABLE
011	014	014	OK	79	01	01	01	01	01	APPLICABLE
012	014	014	OK	79	01	01	01	01	01	APPLICABLE
013	014	014	OK	79	01	01	01	01	01	APPLICABLE
014	014	014	OK	79	01	01	01	01	01	APPLICABLE
015	014	014	OK	79	01	01	01	01	01	APPLICABLE
016	014	014	OK	79	01	01	01	01	01	APPLICABLE
017	014	014	OK	79	01	01	01	01	01	APPLICABLE
018	014	014	OK	79	01	01	01	01	01	APPLICABLE
019	014	014	OK	79	01	01	01	01	01	APPLICABLE
020	014	014	OK	79	01	01	01	01	01	APPLICABLE
021	014	014	OK	79	01	01	01	01	01	APPLICABLE
022	014	014	OK	79	01	01	01	01	01	APPLICABLE
023	014	014	OK	79	01	01	01	01	01	APPLICABLE
024	014	014	OK	79	01	01	01	01	01	APPLICABLE
025	014	014	OK	79	01	01	01	01	01	APPLICABLE
026	014	014	OK	79	01	01	01	01	01	APPLICABLE

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TABLE VI - FUNDING FOR SPECIAL CONCERNS

DECISION UNIT

Guyana

PROJECT NUMBER AND TITLE	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS (\$ 000)							
			FY: 78		CY: 79		BY: 80			
			PROJECT TOTAL	SPECIAL CONCERN	PROJECT TOTAL	SPECIAL CONCERN	PROJECT TOTAL	SPECIAL CONCERN		
1. Unconventional Energy Technologies (G)	SD	Ener. ATNL					174	174		
2. Rural Health Systems (L/G)	H	PARA			2,900	2,100	-	-		
3. Leprosy Control (OPG)	H	PVOU	126	126	68	68	56	56		56
4. FVO Development (DPG)	SD	PVOL					100	100		100
5. Dairy Development (G)	FN	RESB					397	397		20

DECISION UNIT: GUYANA

PERIOD COVERED: August 1978 - March 1981

DATE: May 20, 1978

Mission Evaluation Schedule for Operational Year and Budget Year

(1) Project Title and Number/Subject	(2) Number and Date of last PAR/PES Submitted	(3) Proposed Date of next PES	(4) Period to be Covered	(5) Identification Special Evaluations and Purpose for them	(6) Remarks
1. SDA (0031)	A/G Summary August 1976	8/78	8/76-6/78	-	Summary A/G To be Submitted
2. Rural Roads (0068)	N/A	9/79	9/78-8/79	-	
3. Leprosy Control (0067)	N/A	6/79	7/78-7/79	-	OPG
4. Weaning Foods Development (0073)	N/A	9/79	10/78-8/79	-	-
5. Public Sector Manpower Dev. (0060)	N/A	9/79	5/78-8/79	-	-
6. Seed Farm Dev. (0065)	N/A	11/79	9/78-10/79	-	-
7. Rural Health Systems (0066)	N/A	11/79	12/78-10/79	-	Yes. First Major Health Project with P.H. personnel Dev.
8. Second Rice Modernization (0072)	N/A	12/79	11/78-10/79	-	-
9. Ag. Resource Planning (0077)	N/A	1/80	11/78-12/79	-	Contingent on FY79 Start

Mission Evaluation Schedule for Operational Year and Budget Year

(1) Project Title and Number/Subject	(2) Number and Date of last PAR/PES Submitted	(3) Proposed date of next PES	(4) Period to be Covered	(5) Identification Special Evaluations and Purpose for them	(6) Remarks
10. Data Management Dev. (0076)	N/A	1/80	11/78-12/79	-	Contingent on FY79 Start
11. Ag. Sector Dev. (0069)	N/A	1/80	12/78-11/79	-	-
12. Small Farm Dev. (0075)	N/A	2/80	12/78- 1/80	Multi-donor project possible special eval.	-
13. Feasibility- Hinterland Dev. (0078)	N/A	1/81	10/79-12/80	-	-
14. Rural Small Farm Enterprise (0083)	N/A	1/81	11/79-12/80	-	-
15. Livestock Dev. (0079)	N/A	2/81	11/79-12/80	-	-
16. Rural Community Dev. (0074)	N/A	2/81	10/79-12/80	-	-
17. Economic Plan and Implement. (0085)	N/A	2/81	10/79-12/80	-	-
18. Unconventional Energy Tech. (0081)	N/A	2/81	10/79-12/80	-	-

DECISION UNIT: GUYANA

PERIOD COVERED: August 1978 - March 1981

DATE: May 20, 1978

Mission Evaluation Schedule for Operational Year and Budget Year

(1) Project Title and Number/Subject	(2) Number and Date of last PAR/PES Submitted	(3) Proposed Date of next PES	(4) Period to be Covered	(5) Identification Special Evaluations and Purpose for them	(6) Remarks
19. Dairy Dev. (0086)	N/A	2/81	10/79-12/80	-	-
20. Rural Community Water Systems (0080)	N/A	3/81	10/74- 2/81	-	-
21. PVO Development (OPG) (0084)	N/A	3/81	10/79- 2/81	-	-

Note: No funding for evaluation is included in majority of projects listed above on Table IVBs; however, funding for evaluations contained in Table IVBs for various categories, PD & S.

P.L. 480

Title I and III

The appropriate Tables and other narrative information, e.g., balance of payment position, relative to Title I and III requests for, respectively, FY79 and FY80 follow. Certain of the information required in the narrative proposals or Tables as per AIDTO CIRC A 313, (6/3/76), is not available at this time; we hope to obtain such information within the next 90 days at which time, it will be forwarded to AID/W.

P.L. 480 - Title I
FY79 Proposal

Balance of Payments

Guyana's economy, heavily dependent on agriculture and mining, continued to be buffeted by ill-fortune in 1977. Lowered world prices for bauxite and sugar, combined with an increased oil import bill and extensive strike activity in the sugar industry in 1977, contributed to a severely declining balance of payments position by 1978. Guyana's economic performance, from 1976 to the present, has been characterized by:

- (a) Increasing rates of unemployment and labor unrest in major productive sectors;
- (b) A deteriorating balance of payments position and heavy drawings on the Bank of Guyana foreign exchange reserves, and
- (c) A poor private investment and domestic savings efforts.

In 1977, the balance of payment deficit, on current account, amounted to an estimated U.S. \$100 million, an improvement over the deficit of U.S. \$133 in 1976, but still well above the "normal" rate of U.S. \$20 million in 1975. The improvement was achieved by the imposition of strict import controls and the suspension of work on all but key projects. By 1978 it had become increasingly obvious, both to the Guyanese as well as the international financial community, that the GOG must effect some major changes in the management of both its domestic and external economy. In early May 1978, the GOG was holding discussions on a stand-by agreement and it is anticipated one will be negotiated during the latter half of the year. In a series of Budget Messages as well as in a 1978-81 Development Plan, the Finance Minister outlined the Government's design to effect a turnaround in the economy. The four basic targets are:

- (a) The achievement of an annual rate of growth of GDP at current factor cost of about 10%, implying growth in real terms of somewhat less than 5% annually.
- (b) The achievement of "reasonable" targets of growth in all sectors, but particularly in agriculture, forestry, mining and manufacturing.
- (c) Increasing the rate of growth of exports to an average annual rate of between 12% and 15%.
- (d) Restraint in both public and private expenditure and consumption in order to achieve a rapid rise in domestic savings levels.

In order to monitor its progress in achieving its economic goals, the GOG will measure performance on key indicators, which include:

- (a) Fiscal Management - the 1978 Budget calls for reducing the fiscal gap from G\$114 million in 1977 to G\$116 in 1978. This would result from reduction in subsidies; increased taxes on non-essentials, e.g., cigarettes, gas and a projected increase in receipts on Capital Account of G\$86 million to a new level of G\$151 million.
- (b) Balance of payments - based on targeted production levels, if achieved, exports are to rise from G\$660 in 1977 to G\$797 million in 1978. While there is no specific projection for imports or for the service balance, the balance on current account is set at a deficit U.S. \$56 million for 1978, down from the deficit level of U.S. \$100 million in 1977.
- (c) Productivity. The target for overall production growth during the period 1978-81; based on prevailing prices in 1977, would be 17%; this would mean GDP should grow from G\$1,006 million in 1977 to G\$1,238 million in 1981 investment. Based on the four year plan, public and private sector investment during the plan period would amount to G\$1,282 million, (G\$1,122 public sector) and the great majority would be devoted to the productive components of the economy, e.g., agriculture, mining. Agriculture, as an example, will receive 33.5% of total investment as contrasted to 15% of total investment in the period 1972-1976.

Use of Commodity Resource

The local currency generated by the program will be used for GOG budgetary support for a rice storage project being assisted by an AID loan. This development activity will contribute to increasing small farmers' income by preventing post-harvest losses and by providing improved milling and storage facilities. Under the project, inter alia, storage and drying facilities in paddy rice growing areas will be constructed in various rural locations. Additionally, under the project, six existing drying and storage centers will be expanded and/or rehabilitated.

P.L. 480 - Title III
Food for Development

I. BACKGROUND

Agriculture has always been the principal economic activity in Guyana and today constitutes the largest productive sector in the economy. In its earlier history, coffee and cotton played leading roles, but these gave way to sugar in the 18th century. With the arrival of large numbers of East Indians in the 19th century, rice culture was established. Upon completion of their indentured service in the sugar fields, most Indians turned to rice farming which is the principal agricultural occupation today, although sugar remains the primary agricultural income earner for the nation.

By and large all major sectors of the economy maintained their relative shares of gross domestic product up to 1974. Since then, agriculture has improved its position due to the influence of government production-stimulating policies and generally favorable export prices. The agricultural sector's share in GDP averaged 23% in the period 1960 to 1973. The surge in sugar prices in 1974-75 boosted the sector's contribution to an average of 31% but, with lower sugar prices in 1976, the sector's contribution declined to 25%. The sugar subsector contributed an average of 48% of agricultural output in the 1960-1973 period, 71% during 1974-75, and 63% in 1976. Other output in 1976 was made up of rice (10%), other crops (10%), livestock (9%), forestry (4%).

Real growth in the agricultural sector, however, has not kept pace with population growth since 1961. This resulted in increasing dependence on imported food. But since 1976 Guyana has been in an economic slump characterized by a very adverse balance of payments position, heavy drawdowns on the central bank's foreign exchange reserves, lethargic private investment savings, rising unemployment, and labor unrest. Reduction in outputs in all major economic sectors, exacerbated by the rising prices of imports (especially petroleum), has resulted in a lowered per capita income (estimated by the I.D.A. in 1978 at \$540). With the increasing import prices, and the consequent pressure on the balance of payments, the Government has begun to intensify its efforts towards self-sufficiency in basic food items. Some progress has been made in this drive and food imports have declined (as a percentage of total merchandise imports) from an annual average of 13.5% (1960-73) to 6.5% (1974-76). Nevertheless, agricultural crops purely for domestic consumption have not done as well as the export-oriented crops.

Domestic demand growth for selected food commodities have been estimated for the decade 1972-81 as shown below:

rice	20%
wheat	18%
pulses	22%
vegetables	23%
fruit	26%
provisions	21%
oil crops	22%

Guyana is striving to accelerate its agricultural production both for domestic consumption and for export. One-third of total Government investments over the period 1978-1981 is slated for the agricultural sector (compared with 15% during the period 1972 to 1976). Major emphasis is being given to rice. Food crops are also receiving attention. Guyana cannot grow winter wheat and this will continue to be an import requirement (which has been averaging about 50,000 metric tons per annum in recent years). Imports of vegetable oils (annual average 2,000 tons) will also be needed until production can reach demand levels. Earlier efforts to stimulate soybean production were not successful, but the Government is again promoting their production along with expansion of oil palm production. Coconuts are also a source of edible oil.

The Government promotes needed production with price incentives guaranteed by direct Government purchases. This policy has faltered recently as a result of the country's financial crisis which has left Government coffers depleted and which has sometimes prevented the Government from being able to pay farmers established prices. This obstacle should be surmountable as the national economic situation improves.

Other constraints include high land development costs (with major irrigation and drainage requirements along the coast); a limited all-weather road system, inadequate storage facilities, insufficient credit availabilities for production and farm improvement, and shortages of skilled managerial and technical personnel in the Government's agricultural agencies. All these constraints are the subject of on-going and planned programs including projects to be undertaken with the assistance of AID and other donors.

Three major land development projects involving some 200,000 acres are being undertaken; a production and marketing system for food crops will begin in 1978; the Agriculture Development Bank plans to quadruple its credit availabilities by 1981; additional rural feeder roads are scheduled for construction; plans are afoot to expand the Ministry of Agriculture's project development and implementation

capacities; and a major effort to increase rice drying, storage, and marketing capacities is expected to begin in 1978.

II. PROPOSAL

A six million dollar, three-year Title III program beginning in FY1980 is proposed. Commodities including edible oils (50% of total commodities value), wheat flour (30%), and tobacco (20%) would be provided in equal annual increments. Proceeds from the sale of these commodities would be applied to three major agricultural development activities: in 1980 to the rice storage and marketing project; in 1981 to the improvement of the Black Bush rice growing area; and in 1982 to the expansion of agricultural credit.

Under the rice project an estimated 75 silos will be constructed in addition to facilities for handling rice for export. In the Black Bush region some 10,000 farmers cultivating 47,000 acres of land will be benefited by land and services improvements. And under the credit project, the Agriculture Development Bank will double its staff to manage an additional \$8 million in lending for small farm improvements and crop production.

PL 480 Title I Agreements and Shipments
 (\$=000)

Commodity	Past Year Estimate			Current Year Request		
	Agreements (MT)	Shipments (MT)	Carryover to FY 1979 ^{1/} (MT)	Agreements (MT) - \$	Shipments (MT)	Carryover to FY 1980 ^{1/}
Vegoil	1,500	1,500	--	2,000 (815)	2,000	--
Wheat Flour Biscuits	3,600	3,600	--	3,600 (601)	3,600	--
Tobacco	100	100	--	100 (441)	100	--
Corn	--	--	--	1,400 (130)	1,400	--
	<u>Budget Year Request ^{2/}</u>					
Commodity	Agreements (MT)	Shipments (MT)	Carryover to FY 1980+1			
Vegoil	2,000	2,000	--			
Wheat Flour (Biscuit)	3,600	3,600	--			
Tobacco	100	100				

^{1/} No Carryover projected.

^{2/} Note: Budget Year Request - Title III.

Prior Year (FY77)

Actual Year (CY78) 3/

Stock Situation
M/T

Stock Situation

	Corn	Wheat	Veg. Oil	Tobacco	Corn	Wheat	Veg. Oil	Tobacco
1/ Beginning Stocks								
Production		-0-	1,626	103		-0-	1,311	136
Imports:								
2/ Concessional								
Non-Concessional	4,450	2,008	1,119	293	4,500	2,200	277	1,200
1/ Consumption								
1/ Ending Stocks								

1/ Information not available.

2/ Information not available on breakdown concessional and non-concessional imports.

3/ Estimates

III. UMR IMPORT DATA

A. WHEAT FLOUR IMPORTS BY COUNTRY IN METRIC TONS:

<u>COUNTRY</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
J.K.	3	5	220	304	123	382
J.S.A.	210	623	528	4,070	122	145
CANADA	452	701	427	503	400	129
FRANCE	2,177	1,579	706	453	1,229	1,352
TOTAL	2,842	2,908	1,881	5,330	1,874	2,008

B. WHEAT IMPORTS BY COUNTRY IN METRIC TONS:

<u>COUNTRY</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
U.S.A.	40,075	48,053	44,283	47,416	41,103	47,057
ARGENTINA	-	-	-	-	-	2,789
CHILE	-	-	-	-	-	282
W. ANTILLES	-	-	-	-	-	111
NETHERLANDS	-	-	-	-	-	415
TOTAL	40,075	48,053	44,283	47,416	41,103	50,654

C. CORN IMPORTS BY COUNTRY IN METRIC TONS:

<u>COUNTRY</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
U.S.A.	4,453	7,862	5,723	6,286	8,289	4,449
CHILE	0	0	100	2	0	0
FRANCE	3	2	0	0	0	0
TOTAL	4,456	7,864	5,823	6,288	8,289	4,449

D. *VEGETABLE OIL IMPORTS BY COUNTRY

<u>COUNTRY</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
U.S.A.	77	45	887	87	15	283
CANADA	33	11	6			4
U.K.	13	3	4		1	5
NETHERLANDS	108	82	1,418	1,335	1,712	1,501
DENMARK	160	69	420	43	27	
ISRAEL		4	3			
CHINA				3		1
BELGIUM	11	2	1	1		
NORWAY						785
ITALY	4	13	12		3	3
SPAIN	8		23		7	
TRINIDAD	6		20	4		14
ST. VINCENT		42	124	90	43	
PHILIPPINES					226	
DOMINICA	49	18	376	227		
ST. LUCIA	649	300	116			397
SURINAM						126
TOTAL	1,118	589	3,410	1,790	2,034	3,192

* All types and grades.

E. TOBACCO IMPORTS BY COUNTRY

<u>COUNTRY</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
U.S.A.	221	112	56	57	67	11
CANADA		11	32	63	15	-
CUBA	2	10	11			
FRANCE	18	2				
GERMANY	13	50				
INDIA	1	98	167	177	217	281
ITALY	3	1				
JAPAN	90	41	24	13	4	
NETHERLANDS		2				
NETHERLANDS ANTILLES				1	3	
TOTAL	<u>348</u>	<u>327</u>	<u>290</u>	<u>311</u>	<u>306</u>	<u>292</u>

P.L. 480 TITLE II

FY 78/79/80
(Abridged Table)

Country GUYANA

Sponsor's Name USAID - GOG

OTHER (SPECIFY)^{1/}

TOTAL RECIPIENTS 60,000
L-O-P

<u>No. of Recipients by Commodity 2/</u>	<u>Name of Commodity</u>	<u>KGS</u> ^{2/}	<u>Dollars</u> ^{3/}
<u>20,000</u>	<u>Soy-Fort-Cornmeal</u>	<u>1,400</u>	<u>230</u>
<u>20,000</u>	<u>Soyoil</u>	<u>230</u>	<u>160</u>
<u>20,000</u>	<u>NFDM</u>	<u>420</u>	<u>235</u>

1/ Food component to "Weaning Foods Development" project (0073).

2/ Three year recipients totals, i.e. 60,000; three year KGS requirements.

3/ Estimated three year costs of Commodities based on FY 78 prices.

ACTIVITY TECHNICAL CODES

The technical codes ascribed to projects below are provided in response to State 124059.

<u>Number</u>	<u>Title</u>	<u>Technical Code</u>
0060	Public Sector Manpower Training	700
0066	Rural Health Systems	510
0065	Seed Farm Development	070
0075	Small Farm Development	071 (G) 241 (L)
0072	Second Rice Modernization Project	063
0070	Agriculture Sector Development	041 (G) 044 (L)
0068	Rural Roads	821
0073	Weaning Foods Development	300
0076	Data Management Development	790
0077	Agriculture Resource Planning	050
0067	Leprosy Control Program	550
0031	Special Development Activities	900
0085	Economic Planning and Implementation	710
0086	Dairy Development	078
0074	Rural Community Development	240
0084	PVO Development	920
0081	Unconventional Energy Technology	878
0079	Livestock Development	078
0082	Resource Survey	876
0080	Rural Community Water Systems	826
0083	Rural Small Enterprise Development	111
0078	Feasibility Studies: Hinterland Development	051