

RD-ABK-406

FY 1994/95 Annual Budget Submission - Caribbean Regional & GuyanaMISSION DIRECTOR'S NARRATIVE

RDO/C has a dual program strategy involving a phasedown of our Eastern Caribbean program and a simultaneous buildup of our Guyana program. This ABS is a consolidated submission for both programs, involving two geographic areas in radically different development circumstances. While the Eastern Caribbean countries are approaching "more developed country" (MDC) status, Guyana is one of the poorest countries in the hemisphere where political changes have only recently provided the opening for effective development assistance. Consequently, the budget request for RDO/C rests on two quite different rationales: In the case of the Eastern Caribbean, it is that modest additional investments are needed to bring ongoing projects to fruition. For Guyana, the rationale is poverty, performance, and the opportunity to influence and leverage substantial investments by other donors and private investors.

At the same time, there are commonalities which facilitate management from one regional office. These include common regional interests of the countries, such as membership in CARICOM, as well as coincidence in areas of technical oversight in the program strategies. Set forth below are summary descriptions and projected impacts of our Eastern Caribbean and Guyana programs along with assessments of the staffing and programming implications of possible OE and program reductions.

**EASTERN CARIBBEAN PROGRAM**

In September 1992, AID/W approved a five-seven year strategy for the Eastern Caribbean with two Strategic Objectives (SOs): "Increased and Diversified Trade" and "Improved Natural Resources Management". The rationale for these program choices is clear: (1) the economies of the eight countries of the Organization of Eastern Caribbean States (OECS) are small, highly protected, import-dependent and undiversified (with single crop agriculture and tourism as primary foreign exchange earners); and (2) tourism and agriculture production, the major contributors to GDP in the region, are both highly dependent on well managed and sustainable environmental resources.

Under the first SO, "Increased and Diversified Trade", performance indicators target a 55% increase in the value of non-traditional exports between 1992 and 1997 and an average annual positive rate of change in the trade balance of nearly 15% over the same period.

Under the second SO, "Improved Natural Resource Management", performance indicators project that: over 20 major public and private organizations will use environmental analysis and data in decision-making by 1997; regional and national level systems will monitor the quality of natural resources; and national public/private environmental coordinating committees will be operating in six OECS countries.

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Since the strategy was approved and the indicators were identified only during the past year, there is little data available for measuring progress to date. Despite the phasedown in the program, RDO/C remains committed to this focussed program strategy. Indeed, we are taking steps to improve the implementation arrangements for our most strategically important projects, to accelerate implementation while facilitating continuation of these interventions even as RDO/C staff levels are reduced. Although no new projects or program activities are envisioned for the Eastern Caribbean, the current portfolio remains significant in advancing the trade and environmental agendas outlined above.

The existing program directly supports the Agency's policy priorities. Increased and diversified trade is important to the region's prospects for economic growth and sustainable development. The key agriculture export, bananas, benefits from protected markets in the European Community. The diversion of economic activity to this protected market for many years has inhibited the abilities of these economies to respond efficiently to world markets. Current GATT negotiations threaten this protection and both governments and the private sector of the region are relatively unprepared to make the changes necessary to enter into globally competitive markets. The Mission's primary strategic objective will help the region expand its productive base and increase its integration in global markets. It is working with governments and private sector advocacy groups to develop and implement policies, laws, regulations and mechanisms more conducive to a positive business environment. It is helping governments restructure their fiscal systems, reduce tariffs and remove protection on inefficient local production, in order to shift the productive base toward globally competitive products.

RDO/C's second strategic objective supports comprehensive natural resource planning and management in full accord with the Agency's environmental policy priority. Mission assistance will enhance the ability of OECs countries to formulate and implement approaches for using natural resources in environmentally and economically sound and sustainable ways. Further, it will help OECs countries to increase the level of knowledge among private citizens and public servants about the causes, consequences and means of preventing and ameliorating environmental degradation.

While the Mission has other activities not directly supporting its two strategic objectives, most are fully funded and in final stages of implementation. Health Care Policy Planning and Management is the only major "other" activity slated for incremental funding. This project is indirectly supportive of the Mission strategies and is directly responsive to the Agency's renewed emphasis on the health sector. The project will assist OECs countries to re-examine policy and financing mechanisms in the health sector, to undertake and evaluate reforms, and to improve sector management. The reforms envisioned under this project are essential to preserving gains made in infant and child care as curative care

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funding currently crowds out funding for preventative care. Among the reforms expected to be implemented are increased cost recovery and greater private sector involvement in delivering and financing health services. The project has the potential to serve as a model for governmental policy analysis on the provision of public services. Greater emphasis on environmental health, through the primary and preventive health care programs, will also be stressed. The project is a critical "final" investment in the health sector, with excellent potential for generating a more sustainable health infrastructure.

#### GUYANA PROGRAM

Guyana is one of the poorest countries in the world, vying with Haiti as the poorest in the Western Hemisphere as measured by per capita income. Yet Guyana is rich in natural resources which will be instrumental in changing the country's development status. From 1966 to 1988, Guyana followed a socialist model of development. With a fall in sugar prices after 1975 and a weakening demand for bauxite, the public sector and economy began to falter. During the 1980s, gross GDP declined at an even faster rate. In response to the crisis, the Government implemented its Economic Recovery Program (ERP) in 1988 and has successfully eliminated almost all price controls, established a floating exchange rate, eliminated import licensing and reduced tariffs, privatized many public assets, reduced the public sector wage bill, raised taxes, reduced reliance on domestic credit financing of the public deficit, reduced arrears to international agencies, rescheduled many of its bilateral debts, and launched a program to offset the negative social impacts of adjustment.

The positive impact of the ERP is now becoming evident. In 1991, the economy grew by about 6% in real terms and inflation was reduced to an average of under 2% per month. For 1992, it is estimated that inflation fell to about 15%, with overall economic growth continuing at better than 6%. Democratic elections in 1992 have catalyzed increased confidence for investing. Over the first half of 1993, GDP growth was 8% higher than the same period last year, exports were 4% above last year's level, and inflation was projected to decline to an annual rate of 5%. The country still suffers, however, from accumulated costs of past policies, including an external debt on which interest payments alone are over 40% of GDP.

Following last October's national elections, the first "free and fair" elections in Guyana in 28 years, A.I.D. took steps to mount a modest development program in that country. Upon completing assessments of the country's democratic institutions and private sector and research in the natural resource area, RDO/C proposed highly focused interventions in each of these areas for start-up during FY 1994 and FY 1995. These proposals were accepted at the AID/W Action Plan review in June 1993. In addition, RDO/C was asked to develop a longer-term strategy document to guide A.I.D.

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assistance efforts in the coming years. To expedite the initiation of assistance to Guyana, RDO/C has adjusted relevant ongoing regional activities, such as its Caribbean Justice Improvement and Caribbean Leadership Development Training projects, to address needs in Guyana. This ABS submission includes concept papers describing four DA-funded projects and a PL 480 Title III program proposed to begin during FY 1994 and FY 1995.

The proposed Guyana program is clearly consistent with Agency policy priorities. Indeed, the three areas of program intervention to be incorporated into a Guyana-specific strategy statement--trade and investment, environment, and democratic initiatives--correspond directly to the three Agency priority areas of economic growth, environment and democracy. Furthermore, it targets one of the world's poorest countries where recent performance encourages an expectation of visible results.

#### IMPACT OF PROGRAM AND OPERATING EXPENSE REDUCTIONS

RDO/C has already begun making adjustments in its programs to permit adequate management by a smaller staff. Several projects are terminating in the next two years and key ongoing projects in the Eastern Caribbean Program are being restructured to reduce the management burden on RDO/C, while the Guyana program is being designed that way from the start. We have already reduced USDH and non-USDH staff by 6 and 19, respectively, over the last two years and expect to make further reductions in FY 1994 and FY 1995. As discussed below, OE funding at the base amount of 75% of our FY 1993 level would cause problems in FY 1994 whatever the level of new program funding.

#### Development Assistance

The \$8.0 million upper limit set for the program by AID/W is already 30% below previous and proposed funding levels. This amount would not even cover existing mortgages in the Eastern Caribbean area. After careful analysis of project pipelines and weighing the impact of fully funding these projects against the impact of proposed new activities in Guyana, the Mission is proposing priority for the latter. Thus, even at the full FY 1994 CP levels, some ongoing projects will be cut back to permit initiating four new projects in Guyana in FY 1994 and FY 1995. However, the pipeline in key projects mitigates the impact that lower mortgage payments during the next two years will have on achieving the expected results in the Eastern Caribbean Program.

Further 25% cuts in FY 1994 and FY 1995 would require more drastic curtailment of the Eastern Caribbean program as well as seriously reducing the pace and scale of assistance to Guyana. Health Care Policy Planning and Management, the only activity with a substantial mortgage that does not directly support strategic objectives, would be hardest hit. LOP funding for the project would be cut to about half the originally planned \$6.5 million

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(\$1.7 million is already obligated), forcing a major redesign. The project is designed as a regional effort and such severe reductions in LOP funding would require that at least five of the eight beneficiary countries be dropped. A coherent project with sustainable impact would have to concentrate this lower level of resources in fewer countries and aim to accomplish more in those countries. There would undoubtedly be political fallout since all eight OECs countries embraced the concept of this project during design and approval and continue to express eagerness to collaborate.

In addition, planned activities under the West Indies Tropical Produce project during its final two years would be scaled back by about 30%, with a similar reduction in impact on the ability of the Eastern Caribbean countries to become more diversified and competitive in international markets.

Because the strategy and four projects planned for Guyana are still under development, the impact of funding cuts is more difficult to state, but would initially be most severe in terms of the timeliness of assistance. The recent return to democracy remains vulnerable to weaknesses in democratic institutions. There is substantial interest in investing in Guyana among major donors as well as the private sector. The planned A.I.D. interventions would maintain the democracy momentum and help build proper foundations for investment, but the impact they can leverage depends heavily on timeliness. For example, the priority given to the proposed Business Environment Enhancement Project is in part due to its potential influence on how well much larger resources from the World Bank and other donors will be used. With municipal elections planned as early as March 1994, timing is even more critical in the democracy area and RDO/C has taken steps to provide initial assistance from its FY 1993 PD&S funds.

#### ESF

RDO/C is not requesting or expecting any ESF funding. Should funds become available, they can be readily used either in lieu of DA funds or for further balance of payments help to Guyana (Economic Stabilization/Structural Adjustment Project).

#### PL 480 Title III

This ABS proposes a PL 480 Title III program for Guyana of \$10 million per year rather than the \$6 million level indicated by AID/W. We believe there is a strong case based on need and impact on economic growth; \$10 million will just about cover Guyana's annual wheat import requirements and the country needs to husband its limited foreign exchange for priority imports in the productive sectors. A lower level will put the need to import wheat for consumption in competition with imports needed for production.

#### Operating Expenses and Staffing Considerations

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We have proposed to phase out our Eastern Caribbean program by FY 1997 and replace it with a small, MDC-like regional program focused on Caribbean-wide regional trade and environment activities. Guyana, as a member of CARICOM and a Caribbean nation, would fit comfortably into this broader regional program, but with more individual attention by virtue of its lower socio-economic standing. Two of the three areas identified for the new Guyana program--trade and investment, and environment--parallel the two strategic objectives for the Eastern Caribbean and the areas proposed for the broader regional program. Thus, except for democratic initiatives, RDO/C already has adequate staff and technical expertise to manage these programs.

As noted earlier, RDO/C is already making adjustments in its program to permit adequate management by a smaller staff, and has begun the process of "down-sizing". Moreover, the scope and implementation arrangements for the Guyana interventions are being developed with a view to minimizing USDH staff requirements. We recognize that decisions have yet to be made about a future Caribbean program and about where management responsibility for such a program might be located. For this ABS, RDO/C is proposing to maintain operations in Barbados at least through FY 1995 to support the Eastern Caribbean and Guyana programs with gradually declining numbers and to establish one USDH position in Guyana.

At the beginning of this section, we alluded to serious problems that a 25% reduction in OE would present in FY 1994. The Mission is committed to achieving a dramatic decrease in staffing. We have already felt the pain of eliminating 25 positions (including 6 USDH) over the last two years and are girded for the loss of another 28 (12 USDH and 16 non-USDH) over the next two years. The issue is the lead time needed both for program adjustments and staff reductions. Eight projects are slated for termination in FY 1994, but management responsibilities continue until the projects are closed out and most staff reductions planned for FY 1994 should not come until late in the fiscal year.

With little flexibility in many elements of the OE budget, a cut in FY 1994 to 75% of the FY 1993 level can only be accommodated by drastic curtailment of such expenditures as travel and procurement of supplies and equipment, or by letting staff go prematurely. However, travel is critical to management of this geographically dispersed program, especially during a period of extensive project close-out and redesign activity. Therefore, the lower level OE budget reflects an acceleration of staff departures. Our OE problems would not be as serious in FY 1995 at the 75% level. Indeed, if sufficient OE can be provided in FY 1994 to manage an orderly phase-down of the program, the reduced level would be appropriate for the following year. Alternatively, severe OE constraint in FY 1994 may well result in inefficiencies and delays that will need to be remedied later.

NEW PROJECT NARRATIVES

As noted in the Mission Director's Narrative, no new starts are planned for the Eastern Caribbean program, but significant new project activity is proposed for Guyana. The AID/W cable approving the RDO/C FY 1994-95 Action Plan (STATE 207575) provides the following guidance: "RDO/C will prepare a plan for the build-up of the Guyana program, including a Guyana-specific strategy and projected staffing, in FY 94 to incorporate trade and investment, environment and democratic initiatives." Three new projects are proposed for DA funding beginning in FY 1994:

504-0105 Democratic Initiatives  
504-0107 Business Environment Enhancement  
504-0109 Legal Reform

One additional DA-funded new project is proposed to start in FY 1995:

504-0108 Natural & Environmental Resources Development Systems

In addition, a multi-year PL 480 Title III Program for Guyana is also proposed to begin in FY 1994.

The first three DA-funded projects and the Title III Program address primarily the trade and investment and democratic initiatives portions of the mandate cited above. However, there is a significant cross-linkage among all the planned interventions. For example, the proposed legal reform project contributes to all three objectives. And outcomes of the new projects proposed for FY 1994--improved business climate, greater public trust, and stronger civic participation--will all help contribute to more sustainable management of environmental resources (an area to be directly addressed in the one project proposed to start in FY 1995).

Concept papers for each of the proposed new starts follow.

## CONCEPT PAPER - FY 1994 START

## GUYANA: STRENGTHENING DEMOCRATIC INSTITUTIONS

The purpose of the proposed Strengthening Democratic Institutions Project is to help stabilize and strengthen public and private institutions in Guyana which provide the underpinnings of a democratic form of governance, such as the Elections Commission, the Parliament, the public service, the University of Guyana, and non-governmental organizations.

The Project directly addresses the democratic initiatives strategic objective of the mandate given to RDO/C for the new program in Guyana and relates explicitly to Agency policy priorities with regard to democratic initiatives. Key aspects of a democratic society will be targeted with activities designed to strengthen capabilities of personnel and improve systems and facilities for the long-term. Improved performance by the selected institutions will enhance public trust and encourage civic participation in building and investing in their community and their nation's future.

Detailed project design is scheduled for the first quarter of FY 1994. Early reviews point to a number of needs from which RDO/C will select those which can be addressed expeditiously while providing durable benefits and a significant impact. Indeed, RDO/C is already preparing to allocate FY 1993 PD&S funds to assist in the conduct of municipal elections planned for early in 1994. Illustrative outputs, which are subject to change as design progresses, include: 1) the Guyana Elections Commission will have increased efficiency and transparency in the conduct of elections; 2) the staff of the National Assembly will have improved capacity for providing efficient and innovative operational support; 3) Parliamentarians will have access to and use of that institution's historical records for research and reference resulting in better informed debate; 4) national and local level public servants will have an improved capacity for administering to the needs of the citizenry and effectiveness in service delivery. Other potential project activities may provide the following outputs: improved race relations, a more independent and professional media, and a capacity for articulating the needs of the rural populace through opinion polling and focus groups.

Specific indicators of performance progress include an improved voter registry and the smooth operation of free and fair municipal elections, innovations and efficiencies in the support operations of the National Assembly, improvements in the library facilities of Parliament with a significant increase in use by its Members, establishment of an on-going training program which contributes to an enhanced capacity for public administration on the part of key public officials.

## CONCEPT PAPER - FY 1994 START

## GUYANA: BUSINESS ENVIRONMENT ENHANCEMENT PROJECT

The purpose of the proposed Business Environment Enhancement Project is to promote the growth of small, medium and large businesses in Guyana by strengthening their operating environment. The operating environment includes, inter alia, the macroeconomic policy and regulatory framework, business support information and services, and the private investors and operators themselves.

The critical assumption that links the proposed project to RDO/C's mandate for the Guyana program strategy is that a strong business environment is essential for growth of trade and investment. It contributes directly to the Agency policy priority of economic growth. The project will work with both the public and private sectors to streamline the policy and regulatory environment in which businesses operate. Project assistance will be provided to the government to help it implement new macroeconomic and fiscal policies and regulations in a timely and effective manner, and to the private sector to help it assure that public priorities reflect its needs. All assistance will be focused on assuring that policies and regulations implemented have a beneficial impact on small and medium as well as large businesses. The improved policy and regulatory environment and the enhanced capacity of private businesses of all sizes to operate within the environment will facilitate investment over the longer term.

Detailed project design is scheduled for the first quarter of FY 1994. Preliminary outputs, which are subject to change as design progresses, include: 1) the Ministries of Finance and Trade will have the capacity to analyze, and will have implemented needed policy, legal and regulatory changes; 2) representative private sector organizations will have demonstrated increased in-house capacity to develop positions on policy and regulatory issues and will be participating in national fora to communicate these positions to government; and 3) selected information and support service entities will have increased the quantity and quality of information and/or services offered to the business community.

Specific indicators of performance progress include a decrease in payment of commitment fees on multilateral bank loans due to increased capability to meet conditions and implement policy conditionalities, and an improvement in the balance of payments due to the freeing of foreign exchange for investment purposes. Other indicators will be developed as part of project design.

## CONCEPT PAPER - FY 1994 START

## GUYANA: LEGAL REFORM PROJECT

The purpose of the Legal Reform Project is to improve private sector confidence in the ability of the legal system to deliver fair and timely decisions on disputes affecting business relationships within a context of clearly defined and easily accessible and ascertainable laws.

The proposed project supports all three strategic objectives (trade and investment, environment and democratic initiatives) included in RDO/C's mandate for the Guyana program. An efficiently functioning legal system with clearly ascertainable laws impartially adjudicated by fair arbiters is an indispensable ingredient to increased private sector investment as well as to popular confidence in Government's commitment to the rule of law and civic participation in public policy formulation. The poorly functioning Supreme Court Registry, which includes the Deeds Registry, has been identified as a major impediment to increased investment in the natural resource based industries that account for most foreign exchange earning.

Similarly, the project contributes to the Agency policy priorities of democracy, environment and economic growth. It will provide assistance to the Government of Guyana to: 1) help reform and revise outdated laws to reflect a free market approach to economic development, especially in the areas of commerce, trade and investment; and 2) improve the management of the court registries which contain the information needs of the Guyana court system, including such business related areas as company registrations, patent, copyright and trademark registrations, and land title registrations.

Detailed project design actions are scheduled for the first Quarter of FY 1994. Expected outputs are: 1) the Court Registries will be streamlined for management and operational efficiency; 2) the law reform commission will have the capacity to revise and harmonize all civil legislative enactments which impede the conduct of commercial activities; and 3) the Ministry of Legal Affairs will have strengthened capacity to direct long-term and self-sustaining further development of the legal system.

Specific indicators of performance progress include: a decrease in the lead-time required to effect company, patent, copyright and trademark registrations; a computerized, easily accessible land titling system; the retention of more qualified staff in critical areas of the justice system; and revised and harmonized laws which improve the climate for the conduct of commerce, trade and investment. Other indicators will be developed as part of the project design.

## CONCEPT PAPER - FY 1994 START

## GUYANA: TITLE III FOOD FOR DEVELOPMENT PROGRAM

The Guyana PL 480 Title III Program is proposed as a multi-year program at a \$10 million annual level. This is the estimated cost of continuing to cover the costs of Guyana's total wheat import needs plus transportation. The purpose of the program is to contribute to improvements in key dimensions of food security and nutrition.

The proposed program is consistent with the strategic objectives mandate given to RDO/C for the Guyana program, particularly with regard to trade and investment. It is designed to support the development of a more vibrant private sector, especially in the agriculture sector. The major thrust of the policy reform element of the program together with the local currency expenditures is to remove or mitigate those constraints that are preventing Guyanese farmers from responding in a more vigorous fashion to the improved structure of incentives now in place as a result of the country's new economic policy framework. It also relates to the environment objective in that improved administration of the country's productive infrastructure and land resources are of strategic concern in the program's policy agenda. With respect to the democratic initiatives objective, the program will promote the recent election's mandate for greater degrees of government responsiveness to its constituencies, citizen involvement, and accountability.

The program similarly contributes to all four Agency policy priorities--economic growth, health, environment and democracy. It will: provide commodity imports (wheat), reducing the strain on the country's balance of payments and freeing foreign exchange for productive sector imports; support a policy reform agenda including nutrition, food security, agricultural land resources and physical infrastructure, and agricultural policy coordination; and provide local currency generations in support of development projects.

The expected outputs will be: 1) increased iron content in the flour produced by the National Milling Corporation; 2) an improved health and nutrition surveillance system including provisions for monitoring the prevalence of anemia; 3) changes in the tariff, licensing and consumption tax systems to reduce their impact on basic food prices; 4) legal and institutional reforms with respect to rehabilitation and maintenance of sea walls, drainage and irrigation; and 5) a clearly defined policy for long-term leasing and/or titling of state-owned lands, institutional and administrative reforms and action plans for their privatization.

The principal performance indicators will include: a reduction in the prevalence of anemia; a reduction in the upward pressures on food prices due to the impact of tariffs and taxes and maintenance of overall price stability; and increases in agriculture sector GDP, foreign exchange earnings from agriculture, and per capita calorie availabilities.

## CONCEPT PAPER - FY 1995

**GUYANA: NATURAL & ENVIRONMENTAL RESOURCES DEVELOPMENT SYSTEMS**

The purpose of the proposed Natural & Environmental Resources Development Systems Project is to improve public and private sector forestry and natural resources management in Guyana. The project will focus on identifying and developing management systems which provide positive financial returns while ensuring long-term sustainability of the resources. Initial areas of consideration are the timber and wildlife export industries, and small and medium scale gold dredging operations.

The critical assumption that links the proposed project to RDO/C's mandate for the Guyana program strategy is that demonstrated and sustainable financial benefits are critical to assuring private and public sector investment in, and cooperation on, protecting environmental resources over time.

The project directly contributes to the Agency policy priorities with regard to protection of the environment and to sustainable economic development. Within the framework of multi-donor assistance for Guyana's National Environmental Action Plan (NEAP, in process), the project will support public and private sector efforts to develop a scientific base to strengthen the policy and regulatory framework for natural resources management in Guyana. Assistance will be focused on identifying long-term financially and scientifically viable management systems for high value commodities with export markets, including timber, gold, and selected fauna that meet criteria of the Convention on International Trade in Endangered Species (CITES). Demonstrated financial returns from environmental management will lead to a longer-term commitment to such management.

Project development is tentatively scheduled to begin in the third quarter of FY 1994, coinciding with completion of the NEAP. Preliminary outputs, which are subject to change as design progresses, include: 1) the Guyana Natural Resources Agency, or its equivalent successor, will have increased capacity to provide necessary oversight in granting and monitoring timber, gold, and wildlife licenses/concessions based on sustainable management principles; 2) non-governmental and private sector organizations and individual businesses will have increased capacity for self-regulation; and 3) both the public and private sectors will have increased access to information on modern management systems and technologies appropriate to Guyana's natural resource base.

Specific indicators of performance progress include an increase in application of international standards for commodity management (e.g., CITES applications and review), and an increase in scientifically sound management recommendations. Other indicators will be developed as part of project design.

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08/30/93

**FY 1994 PROGRAM BY STRATEGIC OBJECTIVE (\$000)**

Strategic Objective	Policy Area	FY94 Congressional Presentation Level	
		100%	75%
1. Increased and Diversified Trade *	Growth*	4,521	3,651
	Environment	499	374
2. Improved Natural Resource Management	Growth	0	0
	Other Activities	300	225
	Health	1,680	1,000
	Democracy**	1,000	750
TOTAL		8,000	6,000

\* Includes \$2.0m for GUYANA - Legal Reform & Business Environment Enhancement Projects

\*\* Includes \$1.0m for GUYANA - Democratic Initiatives. This will become Strategic Objective (S.O. 3) when the Guyana strategy is developed.

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## FY 1995 PROGRAM BY STRATEGIC OBJECTIVE (\$000)

Strategic Objective	Policy Area	BASE: 100% FY 1994 CP Level					
		50% of BASE		75% of BASE		100% of BASE	
		Ongoing	New	Ongoing	New	Ongoing	New
1. Increased and Diversified Trade *	Growth*	2,254	0	2,120	0	2,625	
2. Improved Natural Resource Management**	Environment**	163	500	244	750	325	1,000
	Growth	83	0	124	0	165	0
3. Other Activities				225		300	
	Health	0	0	1,097	0	1,383	0
	Democracy***	1,000	0	1,500	0	2,000	0
<b>TOTAL</b>		<b>3,500</b>	<b>500</b>	<b>5,250</b>	<b>750</b>	<b>7,000</b>	<b>1,000</b>

\* Includes \$2.0m for GUYANA - Legal Reform & Business Environment Enhancement Projects

\*\* Includes \$1.0m for GUYANA - Forestry Policy & Management

\*\*\* Includes \$2.0m for GUYANA - Democratic Initiatives; This will become Strategic Objective (S.O. 3) when the Guyana strategy is developed.

FY 1994 ANNUAL BUDGET SUBMISSION

TABLE XI : PRADO TITLE II:

(Dollars in Millions, Tonnage in Thousands)

	ESTIMATED FY 1993		PROPOSED FY 1993		REQUESTED FY 1994	
	\$	MT	\$	MT	\$	MT
WHEAT	\$170/MTM					
	0.0	0.0	7.0	36.0	10.0	50.0
TOTAL	0.0	0.0	7.0	36.0	10.0	50.0

TABLE V : PROPOSED PROGRAM RANKING

RANK	PROJECT	TITLE	PROGRAM FUNDING	
			APPROX	INCR
<b>WCC LEVEL</b>				
	530-033	SMALL ENTERPRISE DEVELOPMENT	30	1,307
	530-0163	WEST INDIES TROPICAL PRODUCE	FM	1,000
	530-0181	HEALTH CARE POLICY PLANNING & MANAGEMENT	4E	1,000
	530-0000	PROGRAM DEVELOPMENT AND SUPPORT	30	50
	530-0005	SPECIAL DEVELOPMENT ACTIVITIES	30	393
		<b>TOTAL WCC REQUEST</b>		<b>3,750</b>
<b>INCREMENT LEVEL</b>				
1	530-0163	WEST INDIES TROPICAL PRODUCE	FM	513
2	530-0181	HEALTH CARE POLICY PLANNING & MANAGEMENT	4E	600
3	530-0000	PROGRAM DEVELOPMENT AND SUPPORT	30	50
4	530-0005	SPECIAL DEVELOPMENT ACTIVITIES	30	?
		<b>TOTAL INCREMENT REQUEST</b>		<b>1,250</b>
		<b>TOTAL REQUEST</b>		<b>5,000</b>

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FY 1994 ANNUAL SUBJECT SUBMISSION

TABLE V : PROPOSED PROGRAM BANKING

RANK	PROJECT	TITLE	PROGRAM FUNDING (0000)	
			APPROP	INCP
MCC LEVEL				
	504-0105	DEMOCRATIC INITIATIVES	50	750
	504-0107	BUSINESS ENVIRONMENT ENHANCEMENT PROJECT	50	900
	504-0109	LEGAL REFORM	50	600
		TOTAL MCC REQUEST		2,250
INCREMENT LEVEL				
1	504-0105	DEMOCRATIC INITIATIVES	50	250
2	504-0107	BUSINESS ENVIRONMENT ENHANCEMENT PROJECT	50	100
3	504-0109	LEGAL REFORM	50	400
		TOTAL INCREMENT REQUEST		750
		TOTAL REQUEST		3,000

**FY94 & FY95 BUDGET USAID RDO/CARIBBEAN**  
**SUMMARY OF FY94 OPERATING EXPENSES**

09/02/93

FC	DESCRIPTION	FY94			FY95		
		FY93 BUDGET	FY94 100.00%	FY94 75.00%	FY93 BUDGET	FY95 100.00%	FY95 75.00%
106	EDUCATION ALLOWANCE	169,300	81,500	81,500	169,300	25,200	25,200
108	COLA	44,500	35,600	35,600	44,500	26,400	26,400
110	OTHER MISSION CD12	105,100	17,500	17,500	105,100	22,500	22,500
111	POST ASSIGNMENT TRAVEL	10,600	500	500	10,600	0	0
112	POST ASSIGNMENT FREIGHT	113,400	12,600	12,600	113,400	0	0
113	HOME LEAVE TRAVEL	22,200	14,000	14,000	22,200	16,600	16,600
114	HOME LEAVE FREIGHT	10,600	7,900	7,900	10,600	11,200	11,200
115	EDUCATION TRAVEL	7,500	5,000	5,000	7,500	2,500	2,500
116	R&R TRAVEL	12,400	18,700	18,700	12,400	8,800	8,800
117	OTHER CODE 215 TRAVEL	12,300	12,200	12,200	12,300	12,200	12,200
	<b>TOTAL SERIES 100</b>	<b>507,900</b>	<b>155,500</b>	<b>155,500</b>	<b>507,900</b>	<b>123,400</b>	<b>123,400</b>
201	FSN BASIC PAY	844,500	829,100	712,900	844,500	826,600	826,600
202	FSN OVERTIME PAY	10,700	10,600	8,800	10,700	7,750	7,750
203	ALL OTHER CODE 11 - FSN	6,000	6,000	4,000	6,000	6,000	6,000
204	ALL OTHER CODE 12 - FSN	65,900	61,800	54,000	65,900	49,300	49,300
205	BENEFIT - FORMER FSN	0	118,000	83,000	0	50,000	50,000
	<b>TOTAL SERIES 200</b>	<b>926,800</b>	<b>1,025,500</b>	<b>842,700</b>	<b>926,800</b>	<b>739,650</b>	<b>739,650</b>
302	US PERSONAL SERVICE CONTRA	188,200	178,200	163,700	188,200	151,000	151,000
304	FSN PERSONAL SERVICE CONTRA	466,500	450,400	307,700	466,500	338,300	338,300
305	BENEFITS - FSNPSC PERSONNEL	9,000	50,000	14,000	9,000	44,570	44,570
	<b>TOTAL SERIES 300</b>	<b>663,700</b>	<b>678,600</b>	<b>485,400</b>	<b>663,700</b>	<b>533,870</b>	<b>533,870</b>
401	RESIDENTIAL RENT	24,000	24,000	24,000	24,000	24,000	24,000
402	RESIDENTIAL UTILITIES	4,800	4,800	4,800	4,800	4,800	4,800
403	RESIDENTIAL MAINTENANCE	9,200	9,200	7,600	9,200	11,100	11,100
404	QUARTERS ALLOWANCE	200,900	209,700	182,200	200,900	148,100	148,100
407	RESIDENTIAL SECURITY	5,000	5,000	5,000	5,000	5,000	5,000
408	OFFICIAL RES. ALLOWANCE	300	300	300	300	300	300
409	REPRESENTATION ALLOWAN	2,000	2,000	2,000	2,000	2,000	2,000
	<b>TOTAL SERIES 400</b>	<b>246,200</b>	<b>255,000</b>	<b>176,900</b>	<b>246,200</b>	<b>195,300</b>	<b>195,300</b>

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**FY94 & FY95 BUDGET USAID RDO/CARIBBEAN**  
**SUMMARY OF FY94 OPERATING EXPENSES**

09/02/93

FC	DESCRIPTION	FY94			FY95		
		FY93 BUDGET	FY94 100.00%	FY94 75.00%	FY93 BUDGET	FY95 100.00%	FY95 75.00%
501	OFFICE RENT	210,300	210,300	182,630	210,300	182,630	182,630
502	OFFICE UTILITIES	49,400	49,400	41,720	49,400	41,720	41,720
505	BUILDING MAINTENANCE	4,500	4,500	3,800	4,500	3,800	3,800
508	FURNITURE/VEHICLE REPAIR	21,700	26,700	19,430	21,700	19,430	19,430
509	COMMUNICATIONS	96,400	129,600	128,300	96,400	128,300	128,300
510	SECURITY	22,700	22,700	22,700	22,700	23,300	23,300
511	PRINTING	3,600	3,600	2,900	3,600	4,000	4,000
513	SITE VISITS - MISSION PERSONNEL	124,700	124,700	108,680	124,700	115,000	115,000
514	SITE VISITS - AID/W PERSONNEL	14,100	14,100	14,100	14,100	12,700	12,700
515	INFORMATION MEETINGS	11,900	11,900	11,900	11,900	10,000	10,000
516	TRAINING ATTENDANCE	8,200	20,000	30,000	8,200	20,000	20,000
517	CONFERENCE ATTENDANCE	21,700	21,700	17,900	21,700	17,250	17,250
518	OTHER OPERATIONAL TRAVEL	8,900	8,900	8,900	8,900	7,500	7,500
519	SUPPLIES & MATERIALS	29,900	29,900	29,900	29,900	29,900	29,900
521	CONSULTING SERVICES	36,900	25,000	0	36,900	0	0
524	MISC CONTRACTUAL SERVICES	23,500	23,500	23,500	23,500	23,500	23,500
<b>TOTAL SERIES 500</b>		<b>688,400</b>	<b>728,500</b>	<b>646,360</b>	<b>688,400</b>	<b>639,030</b>	<b>639,030</b>
601	VEHICLES	0	18,000	0	0	0	0
602	RESIDENTIAL FURNITURE	14,000	23,000	5,000	14,000	5,000	5,000
603	RESIDENTIAL EQUIPMENT	3,000	9,000	5,000	3,000	5,000	5,000
604	OFFICE FURNITURE	3,000	0	0	3,000	0	0
605	OFFICE EQUIPMENT	1,000	5,000	5,000	1,000	3,000	3,000
606	OTHER EQUIPMENT	3,000	4,000	4,000	3,000	4,000	4,000
607	ADP HARDWARE PURCHASES	32,000	35,000	6,000	32,000	0	0
608	ADP SOFTWARE PURCHASES	0	0	500	0	1,500	1,500
698	TRANS/FREIGHT - US00	11,000	16,000	5,000	11,000	4,000	4,000
<b>TOTAL SERIES 600</b>		<b>67,000</b>	<b>111,000</b>	<b>30,500</b>	<b>67,000</b>	<b>22,500</b>	<b>22,500</b>
<b>GRAND TOTAL</b>		<b>3,100,000</b>	<b>2,952,100</b>	<b>2,936,460</b>	<b>3,100,000</b>	<b>2,253,750</b>	<b>2,253,750</b>
<b>BUDGET CONTROL LEVELS</b>			<b>3,100,000</b>	<b>2,925,000</b>		<b>3,100,000</b>	<b>2,325,000</b>
<b>BUDGET SURPLUS (DEFICIT)</b>			<b>147,900</b>	<b>(11,460)</b>		<b>848,250</b>	<b>71,250</b>

Note: Due to already programmed mission down-sizing, RDO/C will not require more than the 75% level in FY 1995.

SEE ATTACHED TABLE FOR THE FTE LEVEL

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3 9-7-93 11:2:08PM

U. S. A. I. D/RDO/C

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FY94 & FY95 BUDGET

09/02/93

SUMMARY OF FY94 OPERATING EXPENSESGUYANA

FC	DESCRIPTION	GUYANA FY94 BUDGET			GUYANA FY95 BUDGET		
		OE FUNDING	TRUST FUNDING	TOTAL	OE FUNDING	TRUST FUNDING	TOTAL
103	POST DIFFERENTIAL	0	0	0	0	0	0
106	EDUCATION ALLOWANCE	27600	0	27600	27600	0	27600
108	COLA	3000	0	3000	3000	0	3000
110	OTHER MISSION CD12	10900	0	10900	0	0	0
111	POST ASSIGNMENT TRAVEL	2000	0	2000	0	0	0
112	POST ASSIGNMENT FREIGHT	13900	0	13900	0	0	0
113	HOME LEAVE TRAVEL	0	0	0	0	0	0
114	HOME LEAVE FREIGHT	0	0	0	0	0	0
115	EDUCATION TRAVEL	0	0	0	0	0	0
116	R&R TRAVEL	0	0	0	3400	0	3400
117	OTHER CODE 215 TRAVEL	4900	0	4900	4900	0	4900
	<b>TOTAL SERIES 100</b>	<b>62,300</b>	<b>0</b>	<b>62300</b>	<b>38,900</b>	<b>0</b>	<b>38900</b>
201	FSN BASIC PAY	0	0	0	0	0	0
202	FSN OVERTIME PAY	0	0	0	0	0	0
203	ALL OTHER CODE 11 - FSN	0	0	0	0	0	0
204	ALL OTHER CODE 12 - FSN	0	0	0	0	0	0
205	BENEFIT - FORMER FSN	0	0	0	0	0	0
	<b>TOTAL SERIES 200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
302	US PERSONAL SERVICE CONTRACTS	0	18000	18000	0	18000	18000
304	FSN PERSONAL SERVICE CONTRACTS	0	23300	23300	0	29200	29200
305	BENEFITS - FSN/PSG PERSONNEL	0	0	0	0	0	0
	<b>TOTAL SERIES 300</b>	<b>0</b>	<b>41300</b>	<b>41300</b>	<b>0</b>	<b>47200</b>	<b>47200</b>
401	RESIDENTIAL RENT	0	0	0	0	0	0
402	RESIDENTIAL UTILITIES	0	0	0	0	0	0
403	RESIDENTIAL MAINTENANCE	0	0	0	0	0	0
404	QUARTERS ALLOWANCE	15000	0	15000	21500	0	21500
407	RESIDENTIAL SECURITY	0	3700	3700	0	4800	4800
408	OFFICIAL RES. ALLOWANCE	0	0	0	0	0	0
409	REPRESENTATION ALLOWANCE	500	0	500	500	0	500
	<b>TOTAL SERIES 400</b>	<b>15500</b>	<b>3700</b>	<b>19200</b>	<b>22000</b>	<b>4800</b>	<b>26800</b>
				0			0

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## FY94 &amp; FY95 BUDGET

09/02/93

## SUMMARY OF FY94 OPERATING EXPENSES

## GUYANA

FC	DESCRIPTION	GUYANA FY94 BUDGET			GUYANA FY95 BUDGET		
		OE FUNDING	TRUST FUNDING	TOTAL	OE FUNDING	TRUST FUNDING	TOTAL
501	OFFICE RENT	0	3500	3500	0	3900	3900
502	OFFICE UTILITIES	0	3500	3500	0	3900	3900
503	BUILDING MAINTENANCE	0	0	0	0	0	0
508	FURNITURE/VEHICLE REPAIR	0	1300	1300	0	1500	1500
509	COMMUNICATIONS	0	1800	1800	0	1900	1900
510	SECURITY	0	4400	4400	0	4800	4800
511	PRINTING	0	0	0	0	0	0
513	SITE VISITS-MISSION PERSONNEL	15000	3600	18600	15000	4000	19000
514	SITE VISITS-AID/W PERSONNEL	5000	0	5000	5000	0	5000
515	INFORMATION MEETINGS	3000	0	3000	3000	0	3000
516	TRAINING ATTENDANCE	4000	0	4000	4000	0	4000
517	CONFERENCE ATTENDANCE	3000	0	3000	3000	0	3000
518	OTHER OPERATIONAL TRAVEL	0	0	0	0	0	0
519	SUPPLIES & MATERIALS	15800	1800	17600	15800	1900	17700
521	CONSULTING SERVICES	0	0	0	0	0	0
524	MISC CONTRACTUAL SERVICES	6800	300	7100	6800	300	7100
TOTAL SERIES 500		52600	20200	72800	52600	22200	74800
601	VEHICLES	0	0	0	0	0	0
602	RESIDENTIAL FURNITURE	0	0	0	0	0	0
603	RESIDENTIAL EQUIPMENT	0	0	0	0	0	0
604	OFFICE FURNITURE	0	0	0	0	0	0
605	OFFICE EQUIPMENT	0	0	0	0	0	0
606	OTHER EQUIPMENT	0	0	0	0	0	0
607	ADP HARDWARE PURCHASES	0	0	0	0	0	0
608	ADP SOFTWARE PURCHASES	0	0	0	0	0	0
698	TRANS/FREIGHT-U600	0	0	0	0	0	0
TOTAL SERIES 600		0	0	0	0	0	0
GRAND TOTAL		130400	65200	195600	113500	74200	187700
BUDGET CONTROL LEVELS **		N/A	N/A		N/A	N/A	
BUDGET SURPLUS (DEFICIT)							

\* There was no USDH staff in Guyana in FY 1993 therefore no relevant OE Budget to use as baseline. consequently only one level is presented. Note: Guyana requirements can be covered from RDO/C surplus except at the 75% level in FY 1994.

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U. S. A. I. D./RDO/C

9-7-93 12:11PM

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**TABLE VIII(c)**  
**BPC:U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**  
**MISSION:REGIONAL DEVELOPMENT OFFICE/CARIBBEAN**

**RDO/C:**

WORKFORCE CATEGORY	FY 1994 @ 100%			FY 1994 @ 75%			FY 1995		
	OE	TF	TOTAL	OE	TF	TOTAL	OE	TF	TOTAL
U.S. Direct Hire	11.7	0.0	11.7	11.7	0.0	11.7	8.7	0.0	8.7
F.N. Direct Hire	26.0	0.0	26.0	23.5	0.0	23.5	20.0	0.0	20.0
U.S./PSC	3.0	0.0	3.0	3.0	0.0	3.0	2.0	0.0	2.0
FSN/PSC	20.0	0.0	20.0	17.6	0.0	17.6	15.0	0.0	15.0
OTHER U.S. GOVT.			0.0			0.0			0.0
OTHER INSTITUTIONAL			0.0			0.0			0.0
MANPOWER CONTRACTS			0.0			0.0			0.0
<b>TOTAL FTE</b>	<b>60.7</b>	<b>0.0</b>	<b>60.7</b>	<b>55.8</b>	<b>0.0</b>	<b>55.8</b>	<b>45.7</b>	<b>0.0</b>	<b>45.7</b>

**GUYANA:**

WORKFORCE CATEGORY	FY94			FY95		
	OE	TF	TOTAL	OE	TF	TOTAL
U.S. Direct Hire	1	0	1	1	0	1
F.N. Direct Hire	0	0	0	0	0	0
U.S./PSC	0	1	1	0	1	1
FSN/PSC	0	2	2	0	2	2
OTHER U.S. GOVT.	0	0	0	0	0	0
OTHER INSTITUTIONAL	0	0	0	0	0	0
MANPOWER CONTRACTS	0	0	0	0	0	0
<b>TOTAL FTE</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>4</b>

FY 1994 / 95 ANNUAL BUDGET SUBMISSION

PD-ABK-406

-- CARIBBEAN REGIONAL AND GUYANA :

1 OF 1 (24X)

CARIBBEAN REGIONAL

1993

ANNUAL BUDGET SUBMISSION (ABS)