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USAID/GUYANA

SEMI-ANNUAL PROJECT STATUS REPORT

APRIL 1, 1994 - SEPTEMBER 30, 1994



UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
REGIONAL DEVELOPMENT OFFICE/CARIBBEAN

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**MEMORANDUM**

**DATE:** December 20, 1994

**FROM:** RDO/C Director, Mosina H. Jordan

**SUBJECT:** RDO/C Semi-annual Reports for the Period April 1, 1994 through September 30, 1994

**TO:** LAC/SPM/PS, Susan Hill

Enclosed are the semi-annual reports for the period covering April 1, 1994 through September 30, 1994 for the Eastern Caribbean and Guyana programs. The package also includes the financial tables, diskettes and my narrative on our review of the portfolios.

MEMORANDUM

DATE: December 20, 1994  
FROM: Paul A. Bisek, Chief, Program Development Office  
SUBJECT: Project Status Report - Guyana  
TO: See Distribution

Attached is the subject report for the period, April 1, 1994 through September 30, 1994.

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REGIONAL DEVELOPMENT OFFICE/CARIBBEAN

Semi-Annual Portfolio Review

Guyana Program

April 1 to September 30. 1994

I. MISSION DIRECTOR'S OVERVIEW

A. Introduction

The Guyana program is continuing to take shape. During the reporting period, two new projects -- Building Equity and Economic Participation and Guyana Justice Improvement -- were authorized and obligated; the Guyana Economic Stabilization Program was successfully concluded; and the ongoing Agricultural Sector Reform Project and Title III Program continued to help Guyana implement reforms in the agricultural sector. The Mission strategy was laid out in the Project Objectives Document/Action Plan that was reviewed by USAID/W in June 1994. The Guyana program has two strategic objectives -- (SO1) expanded economic opportunities for the urban and rural poor, and (SO2) strengthened democratic and legal institutions and processes.

In January 1995, the RDO/C Mission Director will move to Guyana, where a USAID/Guyana office building is now being readied. Although the Guyana Mission will formally continue to have responsibilities regarding RDO/C (Eastern Caribbean) projects, in practice Guyana and RDO/C will be operationally distinct. The Mission Director will focus on activities in Guyana, while the close out of the RDO/C program will be handled separately from Barbados. Functional and budgetary responsibilities for the Mission project portfolio have already been split between RDO/C and Guyana.

The Guyana Mission has an approved staffing level of 12 FTEs. When fully staffed, the Mission will have two USDHs (the Mission Director and a GDO), two USPSCs, two TCNPSCs, and six FSNPSCs (two professionals and four support personnel). USAID/W has promised to furnish TDY assistance to help, as needed, with programmatic and operational matters. Contracting and controller support are being provided by USAID/Dominican Republic.

B. Significant Accomplishments

The Guyana program took a major step forward during the reporting period with the authorization and obligation of two projects. Supporting SO1, the four-year, \$4.5 million Building Equity and Economic Participation Project seeks to strengthen the business environment in Guyana in order to bring about economic growth with equity. Project implementation will start with the arrival of the institutional contractor in January 1995.

The Guyana Justice Improvement Project is a four-year, \$3 million activity supporting SO2 designed to improve the effectiveness and efficiency of the Guyanese justice system. The project will be implemented through a cooperative agreement with the University of the West Indies. Project implementation should begin early in CY 1995, though some limited refurbishing of court facilities through the use of counterpart funds could start before the arrival of the long-term technical advisors.

The Title III Program successfully completed the first year of a three-year program providing for the delivery of \$18 million worth of food aid (\$6 million a year) from FY 1994 to FY 1996. Through both policy conditionality and the use of counterpart funds, the program made a significant, measurable impact on achieving the overall objective of enhancing food security in Guyana. The counterpart generations provided a major source of funding for the Government of Guyana (GOG), supplying 100 percent of the government's budget for sea defenses and land titling, 90 percent for drainage and irrigation, and 64 percent for rural roads. In addition, the GOG used the counterpart funds to cover its contributions to projects funded by USAID and other donors.

The Guyana Economic Stabilization Program, a four-year, \$4.5 million undertaking supporting SO1, was successfully concluded during the reporting period. This cash transfer program made funds available to the GOG for the payment of debts and arrears to the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank and the Caribbean Development Bank. These payments allowed the GOG to devote its own resources to development activities and also made the government eligible for other assistance funds.

Technical assistance provided under PD&S-funded grants to the National Democratic Institute (NDI) and the International Foundation for Electoral Systems was instrumental in ensuring that elections for local/municipal governments were free, open and fair. A subsequent small grant to NDI funded short-term technical assistance to the GOG for the training of newly elected local/municipal government officials. The training, which took the form of workshops held at various sites outside the capital, was enthusiastically received by the participants.

### C. Problem Areas

As implementation of the Mission's two new projects has yet to get under way, there are no significant project-related problems or delays to report.

#### **D. General Portfolio Management Performance**

The most critical issue facing the Mission is the level of funding. USAID/Guyana requested \$3.2 million in development assistance (DA) funds for FY 1995. That is the minimum amount needed for implementing the Building Equity and Economic Participation and Guyana Justice Improvement Projects, as well as supporting other Mission activities.

As this narrative was being finalized, the Mission learned that there would be no Title III Program for Guyana in FY 1995 and that DA funding was being drastically cut. This reduction in funds will have catastrophic implications for the Guyana program unless other resources can be obtained.

USAID/Guyana has requested TDY assistance under the PRISM Project to refine its two strategic objectives, establish baselines and performance targets, and complete the monitoring and evaluation plan. It is anticipated that this work will be carried out in January 1995. Later in the year, TDY expertise from USAID/W will be needed for the development of the FY 1996-97 Action Plan, which will be reviewed in Washington during the summer.

#### **II. FINANCIAL SUMMARY AND PIPELINE ANALYSIS**

The USAID/Guyana program has no pipeline problems. The current amounts in the pipeline are modest and will be drawn down steadily as project implementation proceeds.

### III. INDIVIDUAL PROJECT SUMMARIES

Individual project summary reports are provided for the following projects:

#### GUYANA

504-0099	Guyana Economic Support Fund
504-0104	Agricultural Sector Reform
504-0109	Guyana Justice Improvement Project
504-0107	Building Equity and Economic Participation
504-0000	Title III Program*

- \* An individual project summary report has been prepared, but no Title III financial or pipeline analysis appears in the tables as the Mission does not track the financial data, which is available in USAID/W.

30-Sep-94

FINANCIAL SUMMARY OF USAID/RD/C PORTFOLIO  
(APRIL 1, 1994 THROUGH SEPTEMBER 30, 1994)  
GUYANA  
(\$000)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
PROJECT NO.	PROGRAM/PROJECT TITLE	CATE-GORY	DATE OF INIT. OBLIG.	LAST REVISED PACO	% OF LOP ELAPSED	% OF OBLIG. EXPEND.	AUTH. LOP AMOUNT	CURRENT FY OBLIG. TO DATE	CUMUL. AMOUNT OBLIG.	MORTGAGE PIPELINE	BEGINNING FY PIPELINE	PLANNED SEMESTER EXPEND.	ACCRUED SEMESTER EXPEND.	ACCRUED AS % OF PLANNED	CUMULATIVE ACCRUED EXPEND.	ENDING PIPELINE	PLANNED EXPEND. (NEXT SEM.)	
ACTIVE PROJECTS																		
STRATEGIC OBJECTIVE 1																		
504-0099	Guyana Economic Support Fund	B	11-Apr-90	31-Mar-94	100%	100%	4,447	0	4,447	0	2,000	2,000	2,000	100%	4,447	0	0	
504-0104	Agricultural Sector Reform	A	29-Jan-93	30-Jan-96	56%	0%	550	200	550	0	239	200	80	40%	0	550	100	
504-0109	Guyana Justice Improvement Project	B	30-Sep-94	30-Sep-98	0%	0%	3,000	860	860	2,140	0	0	0	0%	0	860	100	
504-0107	Building Equity & Econ. Participation	B	04-Aug-94	31-May-98	4%	0%	4,500	900	900	3,600	0	0	0	0%	0	900	300	
504-0000	Title III Program																	
SUBTOTAL STRATEGIC OBJECTIVE 1							66%	12,407	1,900	6,757	5,740	2,239	2,200	2,080	95%	4,447	2,310	500

PIPELINE ANALYSIS

USAID/RDO/C/GUYANA

September 30, 1994

PROJECT NO.	PROGRAM/ PROJECT TITLE	CUMULATIVE OBLIGATION (3)	OBLIGATION BY FY (4)								PIPELINE (5)	PIPELINE BY FY (6)							
			1982-87	1988	1989	1990	1991	1992	1993	1994		1982-87	1988	1989	1990	1991	1992	1993	1994
ACTIVE PROJECTS																			
STRATEGIC OBJECTIVE 1																			
504-0099	Guyana Economic Support Fund	4,447				995	300	0	3152	0	0	0	0	0	0	0	0	0	0
504-0104	Agricultural Sector Reform	550							350	200	550	0	0	0	0	0	0	350	200
504-0109	Guyana Justice Improvement Project	860	0	0	0	0	0	0	0	860	860	0	0	0	0	0	0	0	860
504-0107	Building Equity & Econ. Participation	900	0	0	0	0	0	0	0	900	900	0	0	0	0	0	0	0	900
504-0000	Title III Program																		
SUBTOTAL STRATEGIC OBJECTIVE 1		6,757	0	0	0	995	300	0	3,502	1,960	2,310	0	0	0	0	0	0	350	1,960

PROJECT STATUS REPORT  
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**IA. BACKGROUND DATA**

Project Title: Guyana Economic Stabilization Program  
Project Number: 504-0099  
Date of Authorization: original 04/11/90 amendment #3: 09/30/93  
Date of Obligation: original 04/11/90 amendment #3: 09/30/93  
PACD: original 09/30/93 amendment PIL#4: 09/30/94  
Implementing Agencies: Ministry of Finance  
Major Contractors:  
AID Project Manager: Vernita Fort  
Status of CPs/Convenants: All CP's were met.  
Date of Last Evaluation: N/A Next Evaluation: N/A  
Planned Number of Non-Federal Audits during Fiscal Year: None  
The Number of such Audits Contracted for/Completed: None  
Date of Last Audit: None (Only financial reviews scheduled) Next Audit: N/A

**1B. FINANCIAL DATA**

Amount Authorized:	DA/ESF Grant: original	\$ 995,700	amended to \$ 4,447,219
Amount Obligated:	DA/ESF Grant: original	\$ 995,700	amended to \$ 4,447,219
Amount Committed:	Period:	\$ 2,000,000	
	Cumulative:	\$ 4,447,219	
Accrued Expenditures:	Period - Projected:	\$ 2,000,000	
	Period - Actual:	\$ 2,000,000	
	Cumulative:	\$ 4,447,219	
	Period - Next:	\$ 0	
Counterpart			
Contribution:	Planned:	\$ 0	
	Actual:	\$ 0	
% LOP Elapsed:		100%	
% of Total Auth. Oblig.		100%	
% of Total Oblig. Exp.		100%	
% of Total Auth. Exp.		100%	

**IIA. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES**

**Specific Linkage to Strategic Objectives:**

The ESF program supports the strategic objective of expanded economic opportunities for the urban and rural poor. The ESF money is used to pay off debt, which releases GOG funds for investment in Guyana's Economic Recovery Program (ERP). Supporting the ERP is the ESF Program's fundamental objective.

Percent of LOP Funds Relating to Strategic Objectives: 100 %

**IIB. PROJECT PURPOSE**

To assist the Government of Guyana to pay external debt and arrears to the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), the Inter-American Development Bank (IDB) and the Caribbean Development Bank (CDB). By so doing, the GOG will be able to direct other central funds to actual development initiatives and become eligible to receive development support funds.

**III. PROJECT DESCRIPTION**

The project is an ESF cash transfer program. The two policy related conditions required for the disbursement under the original Grant Agreement were: 2.1(c) that the Grantee provide a letter describing the Government of Guyana's progress in implementing its Economic Recovery Programme, and its planned policy actions and quantitative targets for the period 1990 and 1991, and 2.1(d) that evidence be provided within the context of the Support Group arrangements to clear Guyana's arrears, that Guyana had secured adequate external assistance that would enable it, immediately upon disbursement of this Grant, to repay arrears to the IMF, IBRD and CDB.

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The economic and policy conditions under Amendment Nos. 1, 2, and 3 of the Grant are consistent with conditions 2.1(c) and 2.1(d) of the original Grant Agreement. For Amendment No. 3, the GOG (1) developed a performance matrix for the ERP to receive the first tranche of US\$1 million; and (2) used the matrix to report 1993 performance and 1994 projections to receive the second tranche of US\$1 million.

**IV. PROJECT STATUS**

	<u>Planned EOPS</u>	<u>Progress To Date</u>
1.	Arrears to IMF, IBRD and CDB identified by the Support Group, and paid	Specified arrears cleared
2.	Reports received on implementing the Economic Recovery Programme	Reports, documenting excellent progress, have been received.
3.	Performance Matrix and a report on 1993 performance and 1994 ERP performance projections received.	All documentation submitted as required.

**B. Major Outputs**

	<u>Planned</u>				<u>Accomplished</u>		
	LOP	Period	Cum.	Next Period	Period	Cum.	% of LOP
1.	US\$995,700 per original Grant Agreement disbursed for debt arrears payment.			Paid during Support Group exercise in 1990			100
2.	US\$300,000 per Amendment No. 1 disbursed for debt arrears payment.			Disbursed			100
3.	US\$1,151,519 per Amendment No. 2 disbursed for debt arrears payment.			Disbursed			100
4.	US\$2,000,000 per Amendment No. 3 disbursed for debt arrears payment.			Disbursed			100%

**C. Other Accomplishments and Overall Status**

1. Since 1991, Guyana's economy has grown approximately 7 per cent per annum in real terms. In 1993, the economy grew 8.3 per cent surpassing the IMF's projected benchmark of 7.8 per cent. Since the launching of the Economic Recovery Program in 1988, the GOG has:

- a. eliminated major distortions in commodity and factor markets with the removal of virtually all price controls and consumer subsidies;
- b. improved public sector management; reduced the size of the public sector; increased wages in 1993 by 30 per cent from 1992; markedly decreased the overall deficit from G\$5,301 million in 1992 to G\$1,153 million in 1993.
- c. implemented social programs such as the Basic Needs Trust Fund, the Social Impact Amelioration Program, the Amerindian Development Program, and those supported by the EEC and others to mitigate and prevent some of the social costs of adjustment;

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d. restored relations with the international community as shown by the re-establishment of credit worthiness (the EXIM bank and others have resumed coverage) and by donors reconfirming commitments in 1993 exceeding US\$320 million through 1997.

2. Few countries have moved so far so fast.

D. Problems and Delays

Disbursement under Amendment No. 3 was delayed due to State's requirement that PUC legislation regarding rights and responsibilities be passed by the GOG. Revised rate structures were established following lengthy negotiations between the telephone company and the GOG.

E. Major Activities or Corrective Actions During the Next Six Months

None

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**IA. BACKGROUND DATA**

Project Title: Agriculture Sector Reform  
Project Number: 504-0104  
Date of Authorization: original 01/04/93 amendment  
Date of Obligation: original 01/29/93 amendment  
PACD: original 01/30/96 amendment  
Implementing Agencies: N/A  
Major Contractors: Thomas Whitney, PSC  
AID Project Manager: Patrick McDuffie, GDO  
Status of CPs/Covenants: Legal Opinion; designation of Representatives; met  
Date of Last Evaluation: N/A Next Evaluation: 03/00/95  
\*Planned Number of Non-Federal Audits during Fiscal Year: One  
The Number of such Audits Contracted for/Completed: One  
Date of Last Audit: 07/94 Next Audit: 03/95

\*Audits pertain to Title III program.

**1B. FINANCIAL DATA**

Amount Authorized:	DA/ESF Grant:	original	\$ 550,000	amended to \$
Amount Obligated:	DA/ESF Grant:	original	\$ 350,000	amended to \$ 550,000
Amount Committed:	Period:		\$	
	Cumulative:		\$ 293,453	
Accrued Expenditures:	Period - Projected:		\$ 200,000	
	Period - Actual:		\$ 80,500	
	Cumulative:		\$ 191,500	
	Period - Next:		95,000	
Counterpart				
Contribution:	Planned:		\$ 180,000	
	Actual:		\$ 120,000	
% LOP Elapsed:			58%	
% of Total Auth. Oblig.			100%	
% of Total Oblig. Exp.			29%	
% of Total Auth. Exp.			29%	

**IIA. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES**

**Specific Linkage to Strategic Objectives:** The Agriculture Sector Reform Project contributes to strategic objective No. 1 (expanded economic opportunities for the urban and rural poor) by focusing on reforms of key GOG policies in the areas of taxation, tariffs and investment to promote the rehabilitation of the agricultural sector. Both strategic objectives (2nd strategic objective is to strengthen democratic and legal institutions and processes) are supported through the use of counterpart funds to rebuild the economic infrastructure, to provide credit to small and micro-enterprises, and to support governance programs.

**Percent of LOP Funds Relating to Strategic Objectives:** 100%

**IIB. PROJECT PURPOSE** The purpose of the project is to assist Guyana to implement agriculture sector reforms, leading to enhanced food security. The project supports the Title III program and Guyana's effort to increase food security through policy and institutional reforms in the agricultural sector.

**III. PROJECT DESCRIPTION**

The Project provides long-term technical assistance (one LT advisor) to the GOG on agricultural policy and institutional reforms and the means to achieve them. The advisor coordinates and monitors the implementation of the Title III Program and works closely with

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other donors to ensure complementarily of projects and conditionality. Additionally, short-term technical assistance is made available to advise on specific areas of reform, to evaluate the Title III program and to assist with the strengthening of accountability for program-generated local currencies.

**IV. PROJECT STATUS**

Planned EOPS

Progress To Date

- |   |   |
|---|---|
| <p>1. Multi-year Title III program with specific benchmarks (10) for economic and sectoral policies (5) related to food security.</p> <p>2. Implementing GOG and private sector agencies develop and use necessary systems to ensure financial accountability.</p> <p>3. Food security is increased</p> | <p>Multi-year Agreement signed in Jan. 94. Nine out of ten of the first year policy benchmarks were fully satisfied on time. The tenth benchmark, re land tenure, was met but not as fully as planned.</p> <p>Financial accountability systems have been reviewed, modified and approved to handle Title III local currencies. First annual outside audit completed.</p> <p>Key constraints to enhanced food security have been identified, and a program to alleviate these constraints is underway.</p> |
|---|---|

**B. Major Outputs**

	LOP	Planned			Accomplished		% of LOP
		Period	Cum.	Next Period	Period	Cum.	
1. Policy reforms lead to enhanced food security	*3	1	1	0	1	1	33
2. Financial tracking and accountability are improved	**3	1	1	0	1	1	33
3. Agricultural production and household incomes are increased	*3	1	1	0	1	1	33

\* refers to satisfaction of yearly conditionality for the three years necessary to achieve output.

\*\* refers to adequate progress as measured by annual audits necessary to achieve output.

**C. Other Accomplishments and Overall Status**

All but one policy conditions were fully satisfied on time. The condition which was not fully satisfied, dealing with land tenure, will be modified to a more feasible and realistic reform. Failure to fully address the land tenure reform was due in part to the delay in startup of two projects to be funded by other donors. The issues involved in land tenure reform are also more complex than originally thought. GOG project proposals continue to improve in quality and the

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rate of project implementation has improved significantly over the reporting period. Agricultural production continues to increase, attributable in part to projects financed under the Title III Program.

Problems and Delays

1. Lack of qualified GOG personnel continues to be a major problem in the formulation and implementation of policy reforms and Title III funded projects. Targets are being met but human resource constraints jeopardize implementation.
2. Support to indigenous NGO's is behind schedule, due mainly to the infancy of the NGO/PVO sector in Guyana.

E. Major Activities or Corrective Actions During the Next Six Months

- Assist the GOG in the completion of project profiles for activities to be funded under Title III by the end of the calendar year, which corresponds to the beginning of the Guyana fiscal year.
- Continued monitoring of projects and activities funded under Title III.
- Continued assistance to the GOG to in meeting policy conditions under the Agreement.
- Concentration of efforts to find a means to support the development and activities of indigenous NGO's.
- Conduct evaluation and annual audit of the Title III Program.

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**IA. BACKGROUND DATA**

Project Title: Guyana Justice Improvement Project  
Project Number: 504-0109  
Date of Authorization: original 09/08/94            amendment  
Date of Obligation: original 09/12/94           amendment  
PACD: original 09/30/98                    amendment  
Implementing Agencies: University of West Indies, Ministry of Legal Affairs, University of Guyana  
Major Contractors: N/A  
AID Project Manager: Dennis Darby  
Status of CPs/Convenants: CP re designation of a GOG Project representative met.  
Date of Last Evaluation: N/A    Next Evaluation: 09/96  
Planned Number of Non-Federal Audits during Fiscal Year: none  
The Number of such Audits Contracted for/Completed: none  
Date of Last Audit: N/A    Next Audit: 12/96

**1B. FINANCIAL DATA**

Amount Authorized:	DA/ESF Grant:	original	\$ 3,000,000	amended to \$
Amount Obligated:	DA/ESF Grant:	original	\$ 860,000	amended to \$
Amount Committed:	Period:		\$ -0-	
	Cumulative:		\$ -0-	
Accrued Expenditures:	Period - Projected:		\$ -0-	
	Period - Actual:		\$ -0-	
	Cumulative:		\$ -0-	
	Period - Next:		\$ 100,000	
Counterpart				
Contribution:	Planned:		\$ 1,000,000	
	Actual:		\$ -0-	(ProAg Signed 9/94)
% LOP Elapsed:			3%	
% of Total Auth. Oblig.			28.6%	
% of Total Oblig. Exp.			0%	
% of Total Auth. Exp.			0%	

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**IIA. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES**

**Specific Linkage to Strategic Objectives:**

The project directly supports SO(2) - strengthened democratic and legal institutions and processes - and advances USAID's other strategic objective - expanded economic opportunities for the urban poor - by fostering a more transparent and effective legal and regulatory business regime.

**Percent of LOP Funds Relating to Strategic Objectives: 100 %**

**IIB. PROJECT PURPOSE**

To improve the effectiveness and efficiency of the Guyanese justice system.

**III. PROJECT DESCRIPTION**

Technical assistance, training, and commodities are being provided with the principal objectives of helping the justice system to (1) restore its infrastructure and services to an acceptable, sustainable condition, and (2) introduce new, sustainable court administration and management systems to improve effectiveness and efficiency. The Project has four primary components: court management, facilities refurbishment, access to law reference materials, and training. Court management focuses on improving judicial efficiency by removing obstacles which contribute to case delay; refurbishment includes repairs and furnishings for urban and rural court facilities; access to law reference material will be improved by refurbishing the Central Law Library, publishing the laws of Guyana, providing books and periodicals, and linking libraries and; short-term training will be provided to both the public and private sectors to improve professional, technical, and organizational skills. The project will also provide support to the local Bar Association to mobilize more private resources in support of legal aid, continuing legal education, and public education.

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IV. PROJECT STATUS

	<u>Planned EOPS</u>	<u>Progress To Date</u>
1.	Court caseload and administrative support structure proactively managed by the judiciary relying on professional court managers.	No progress has been made to date as the ProAg was just signed in September 1994
2.	Refurbished court facilities	"
3.	Improved access to law through a sustainable current library collection, and the sustainable current publication of case and statutory law.	"
4.	Guyana Bar Association more effective in supporting the justice system.	"

B. Major Outputs

	<u>Planned</u>				<u>Accomplished</u>		
	LOP	Period	Cum.	Next Period	Period	Cum.	% of LOP
1.	6	0	0	0	0	0	0
	Systems developed and implemented for improved court management (records mgt., case mgt., fee-based services, case assignment system, jury utilization system, and inventory control)						
2.	10	0	0	0	0	0	0
	Justice bldgs re-equipped for improved court management.						
3.	3	0	0	0	0	0	0
	Systems/structures developed for improved access to law (functional central library linked to regional libraries, statutory compilation, and case publication)						
4.	1	0	0	0	0	0	0
	Qualified court manager reporting to Chief Justice						
5.		Targets to be established upon completion of training needs analysis.					
	Training						

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6.	Special feasibility studies/analyses (administrative authority, court rules, family/night/small claims courts, law education, and legal aid/public defender services).	7	0	0	0	0	0	0
7.	Court facilities repaired and refurbished.	12	0	0	0	0	0	0
8.	Bar Association more active in raising prof. stds., educating the public, and promoting reform.	1	0	0	0	0	0	0

**C. Other Accomplishments and Overall Status**

None - ProAg was signed in September, 1994.

**D. Problems and Delays**

Most project activities will not be initiated until a Cooperative Agreement is executed with the University of the West Indies and staff are recruited. This will probably not be until April, 1995. In the interim, the possibility of utilizing counterpart funds for court facility refurbishment will be explored.

**E. Major Activities or Corrective Actions During the Next Six Months**

1. Execute a Cooperative Agreement with the University of the West Indies and a sub-agreement between UWI and the University of Guyana.
2. Execute a contract with an individual to provide USAID with project management services.
3. If possible, initiate court facilities refurbishment with counterpart funding.
4. Establish Project Steering Committee.
5. GOG to provide \$190,000 in counterpart funding, designate a Project representative, and appoint an individual to serve as Chief Court Manager. The latter individual is to be appointed prior to UWI contracting a long-term court administration adviser.

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**IA. BACKGROUND DATA**

Project Title: Building Equity and Economic Participation  
Project Number: 504-0107  
Date of Authorization: original 05/10/94 amendment 00/00/00  
Date of Obligation: original 05/31/94 amendment 00/00/00  
PACD: original 05/31/98 amendment 00/00/00  
Implementing Agencies: Ministry of Finance, Ministry of Trade, Tourism and Industry  
Major Contractors: To be selected  
AID Project Manager: Patrick McDuffie  
Status of CPs/Convenants: Sole CP (designation of representative) has been met.  
Date of Last Evaluation: N/A Next Evaluation: 04/00/96  
Planned Number of Non-Federal Audits during Fiscal Year: None  
The Number of such Audits Contracted for/Completed: None  
Date of Last Audit: N/A Next Audit: 00/00/98

**1B. FINANCIAL DATA**

Amount Authorized:	DA/ESF Grant:	original	\$ 4,500,000	amended to \$
Amount Obligated:	DA/ESF Grant:	original	\$ 900,000	amended to \$
Amount Committed:	Period:		\$ -0-	
	Cumulative:		\$ -0-	
Accrued Expenditures:	Period - Projected:		\$ -0-	
	Period - Actual:		\$ -0-	
	Cumulative:		\$ -0-	
	Period - Next:		\$ 300,000	
Counterpart				
Contribution:	Planned:		\$ 1,600,000	
	Actual:		\$ 300,000 (first tranche)	
% LOP Elapsed:			8%	
% of Total Auth. Oblig.			20%	
% of Total Oblig. Exp.			-0-%	
% of Total Auth. Exp.			-0-%	

**IIA. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES**

**Specific Linkage to Strategic Objectives:**

A. The project directly supports strategic objective #1 - expanded economic opportunities for the urban and rural poor.

Percent of LOP Funds Relating to Strategic Objectives: 100 %

**IIB. PROJECT PURPOSE**

To strengthen the business environment in Guyana to bring about economic growth with equity.

**III. PROJECT DESCRIPTION**

The project strategy is to increase implementation capacity for measures which will produce growth with equity, and the establishment of mechanisms that assure broad-based inclusion of the urban and rural poor in the Economic Recovery Program (ERP) process. The project has public and private sector components, with assistance under the public sector component intended to strengthen the capacity of the Ministries of Finance (MOF), and Trade, Tourism and Industry (MTTI) to implement their responsibilities under the ERP. Technical assistance, training, and limited commodity support is to be provided to (1) establish a strategic planning and management system in each ministry, (2) strengthen the management of the public sector investment program management (MOF), and policy analysis and guidance capacities (MOF and MTTI), and (3) improve operational support subsystems (MOF and MTTI). Training and technical assistance will also be provided to private sector organizations (PSOs) and NGOs to foster more broad-based, inclusive, and articulate participation in national and sectoral policy/regulatory formulation and implementation processes.

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**IV. PROJECT STATUS**

Planned EOPS

Progress To Date

- |    |   |  |
|----|---|--|
| 1. | Increased capacity to implement economic policy for growth with equity.               | N/A - ProAg signed May, 1994. Contractor not yet on board. |
| 2. | Broadened participation in dialogue between the public and private sectors.           | "  |
| 3. | Increased services available to support small, micro and non-traditional enterprises. | "  |

**B. Major Outputs**

	<u>Planned</u>				<u>Accomplished</u>		
	<u>LOP</u>	<u>Period</u>	<u>Cum.</u>	<u>Next Period</u>	<u>Period</u>	<u>Cum.</u>	<u>% of LOP</u>
1. Increased MOF capacity.							
a. MOF develops and uses annual strategic management plans.	4	0	0	1	0	0	0
b. MOF staffers trained.	250	0	0	0	0	0	0
c. Beginning in year 2, 3 operational/technical systems analyses conducted annually.	9	0	0	0	0	0	0
2. Increased MTTI capacity.							
a. MTTI develops and uses annual strategic management plans.	4	0	0	1	0	0	0
b. MTTI staffers trained.	50	0	0	0	0	0	0
c. Beginning in year 2, 2 operational/technical systems analyses conducted annually.	6	0	0	0	0	0	0
3. Development and implementation by PSOs of processes for broader participation.							

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a. PSOs implementing strategic plans emphasizing inclusion and dialogue.	8	0	0	0	0	0	0
b. Beginning in year 2, 4 topic-specific fora/colloquia held annually.	12	0	0	0	0	0	0
c. Position papers developed.	12	0	0	0	0	0	0
<b>4. Increased capacity of NGOs working with micro- and non-traditional enterprises.</b>							
a. Typology of micro-enterprises established and needs assessed.	1	0	0	0	0	0	0
b. NGOs establish TA and training programs.	3	0	0	0	0	0	0
c. Market information and linkage systems established.	1	0	0	0	0	0	0

**C. Other Accomplishment and Overall Status**

None - implementation has not yet been initiated.

**D. Problems and Delays**

It had been anticipated that the institutional contractor could be on board by September, but January 1995 is the most reasonable target date at this time.

**E. Major Activities or Corrective Actions During the Next Six Months**

1. Execute a contract with a firm to implement the project.
2. Execute a contract with an individual to provide USAID with project management services.
3. Contractor to submit inception report identifying any GOG deviation to conditionalities, recommending areas for priority attention, assessing MOF and MTTI institutional strengths/weaknesses, and analyzing MOF/MTTI/PSO technical/institutional plans. The Inception Report will also include the Contractor's first detailed workplan.
4. Contractor to establish local project liaison office.
5. Organize Project Steering Committee, Donor Coordinating Committee, PSO Consultative Council, and a Public Sector-Private Sector Coordinating Committee.
6. Conduct baseline surveys of MOF/MTTI/PSO systems, methodologies, personnel constraints, etc. and develop methodology for measurement and evaluation of BEEP progress.
7. Conduct first strategic retreats for MOF and MTTI.
8. Develop MOF/MTTI/PSO training plans.

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**IA. BACKGROUND DATA**

Project Title: Title III Program  
Project Number:  
Date of Authorization: original amendment  
Date of Obligation: original 01/13/94 amendment  
PACD: original amendment  
Implementing Agencies: Ministry of Finance  
Major Contractors: Thomas Whitney, PSC  
AID Project Manager: Patrick McDuffie, GDO  
Status of CPs/Covenants: N/A  
Date of Last Evaluation: N/A Next Evaluation: 03/00/95  
Planned Number of Non-Federal Audits during Fiscal Year: one  
The Number of such Audits Contracted for/Completed: one/one  
Date of Last Audit: 7/94 Next Audit: 3/95

**1B. FINANCIAL DATA**

Amount Authorized:	DA/ESF Grant: original	\$ 18,000,000	amended to \$
Amount Obligated:	DA/ESF Grant: original	\$ 6,000,000	amended to \$
Amount Committed:	Period:	\$	
	Cumulative:	\$ 6,000,000	
Accrued Expenditures:	Period - Projected:	\$ 6,000,000	
	Period - Actual:	\$ 5,994,445.03	
	Cumulative:	\$ 5,994,445.03	
	Period - Next:	\$ 0	
Counterpart			
Contribution:	Planned:	\$ 0	
	Actual:	\$ 0	
% LOP Elapsed:		%	
% of Total Auth. Oblig.		33%	
% of Total Oblig. Exp.		99.9%	
% of Total Auth. Exp.		33%	

**IIA. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES**

**Specific Linkage to Strategic Objectives:** The Title III program contributes to strategic objective No. 1 (expanded economic opportunities for the urban and rural poor) by freeing foreign exchange for productive investment and advancing policy reforms, and to both strategic objectives (objective No. 2 is to strengthen democratic and legal institutions and processes) by providing counterpart funding for USAID's projects, and local currency for investment in economic infrastructure, credit for micro-enterprises, and governance programs.

**Percent of LOP Funds Relating to Strategic Objectives:** 100%

**IIB. PROJECT PURPOSE** The purpose of the program is to contribute to improvements in key dimensions of food security and nutrition, including (1) a reduction in the prevalence of anemia, (2) an increase in household purchasing power through policy reform and (3) an improvement in the ability of the agricultural sector to contribute to sustainable food availability.

**III. PROJECT DESCRIPTION**

The PL 480 Title III program includes three elements: (1) balance of payments support and commodity import support; (2) policy reforms affecting nutrition, food prices, and the physical and institutional infrastructure basic to sustainable growth in agriculture; and (3) local currency generations for sector programs. This three-year program provides \$6 million annually which, including transportation, finances approximately 60% of Guyana's total wheat import needs. The policy reform element focuses on reforms related to maintenance of an appropriate macro-economic environment, trade and taxation policy, and policies essential to sustainable growth in the agricultural sector over the longer-term. This element is highly consistent and supportive of the policy reform agendas of other donors, most specifically the IMF and the World Bank. The major foci of activities funded through local currency are to: (1) assist the GOG to rehabilitate infrastructure (e.g., sea defenses, road rehabilitation, and drainage and irrigation) in the main agricultural regions, (2) provide counterpart funding support for USAID projects in economic development, justice improvement, and the

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strengthening of democratic processes and institutions, and (3) promote NGO development and environmental awareness/education.

**IV. PROJECT STATUS**

Planned EOPS

Progress To Date

- |    |   |   |
|----|---|---|
| 1. | The economic environment is improved and disposable incomes increased through tax and tariff reforms. | GOG met all policy reform targets for first project year.   |
| 2. | Agricultural production is increased, thereby increasing both incomes and food availability.          | Precise impact specific to program is difficult to measure, but agricultural production has significantly increased and disposal income has risen by 20% in some project zones. |
| 3. | Improved health and nutrition   | Flour is now fortified and a nutrition surveillance system has been developed   |
| 4. | Food security increased   | Agricultural production has increased, and foreign exchange reserves for imports have increased from 2 months to 7 months   |

**B. Major Outputs**

	LOP	Planned			Accomplished			% of LOP
		Period	Cum.	Next Period	Period	Cum.		
1. increased iron content in flour	*3	1	1	0	1	1	33	
2. improved health and nutrition surveillance system, including anemia monitoring	*3	1	1	0	1	1	33	
3. tariff, licensing, and consumption tax systems revised to reduce impact on food prices	*3	1	1	0	1	1	33	
4. legal and institutional reforms re sea defenses and irrigation rehab and maintenance	*3	1	1	0	1	1	33	
5. Land leasing policies, insti'l and admin reforms, and action plans for privatization of state lands	*3	1	1	0	1	1	33	

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\* refers to satisfaction of yearly conditionalities for the three years necessary to achieve output

**C. Other Accomplishments and Overall Status**

Of the five major reforms, four were fully met. The remaining policy reform, land tenure, was achieved, but not to the full satisfaction of either USAID or the GOG. Overall, however, progress in meeting conditionality has been excellent. Local currency funded activities have also had a major impact at both the macro and micro levels. Significant increases in agriculture's contribution to GDP, crop production, and cultivated land can be traced to the Title III Program. The program has had a major impact at the national level, and the lives of thousands of disadvantaged, rural families have been improved in a remarkably short period of time.

Problems and Delays

1. Due to weak institutional capacity, the follow-up of GOG implementing agencies on specific tasks (e.g., adopting/implementing acceptable accounting procedures, providing timely budgets and project profiles, and conditionality) has been slow.

2. Support to NGO's has proved to be problematic, in that the development of NGO's and PVO's in Guyana is in its infancy. This lack of a vibrant PVO sector is attributable in large part to the almost omnipresent role of the former government in all facets of Guyanese life.

3. The policy reform dealing with land tenure was not fully met to the satisfaction of USAID and the GOG, due in part to the delay in startup of two projects to be funded by other donors. The issues involved in land tenure reform are also more complex than originally thought.

4. Overall funding shortages for Title III jeopardize the continuation of this very successful program. If funding at the requested level is not provided, there will be major negative ramifications on food security, the USAID DA project portfolio, other donor infrastructure activities, NGO development, and the GOG's capacity to comply with its agreement with the IMF.

E. Major Activities or Corrective Actions During the Next Six Months

Corrective Actions:

1. A Ministry of Finance accountant, funded through Title III is now working directly with the implementing agencies to ensure and better verify that the proper accounting procedures are followed. Dates for submission of funding proposals have been moved up by several months to enable earlier approval of projects and disbursement of funds.

2. USAID is currently seeking a mechanism to support the strengthening of the nascent PVO/NGO sector. Two specific proposals are being considered. The first would provide institutional strengthening and educational programs dealing with the environment through an existing NGO. The second would provide training in such areas as bookkeeping, planning, project implementation and monitoring to NGO's.

3. The land tenure conditionalities will be modified to incorporate more realistic goals and be timed to parallel the start-up of projects funded by other donors.

Major Activities for the Next Six Months:

- Assist the GOG in the completion of project profiles for activities to be funded under Title III by the end of the calendar year, which corresponds to the beginning of the Guyana fiscal year.

- Continued monitoring of projects and activities funded under Title III.

- Continued assistance to the GOG in meeting policy conditions under the agreement.

- Concentration of efforts to find a means to better support the development and activities of indigenous NGO's.

- Conduct program evaluation and annual audit.