

QUARTERLY REPORT
Guyana Building Equity and Economic Participation (BEEP) Project
November 1995 - December 1995

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The Guyana Building Equity and Economic Participation (BEEP) Project provides 54 Person Months of long-term assistance, 60 person months of local short-term technical assistance, and 50 person months of off-shore short-term technical assistance. The total project allocation is US \$3,682,472, programmed to run through a 27-month period from November, 1995 to February, 1998. The allocation includes \$125,000 in expendable procurement and \$240,000 in non-expendable procurement.

The purpose of the project is to strengthen the business environment in Guyana in order to bring about economic growth with equity. The business environment is defined as the macroeconomic and fiscal policies, and the legal/regulatory/judicial (LRJ) and institutional framework that govern all public and private sector investment activities.

At the end of the project, the following performances targets should be achieved:

- 1 The GOG will have increased capacity to implement economic, financial and other business-related policy and regulatory reforms to produce greater growth with equity;
- 2 The private sector will expand participation of urban and rural poor and exhibit broader-based, inclusive, articulate participation in national and sectoral policy and LRJ formulation and implementation process; and
- 3 Small, micro, and non-traditional enterprises will have increased access to investment opportunities (e.g. increased skills, increased information, increased access to capital).

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Introduction

The following Quarterly Report lists key tasks for each Long-term Advisor in a format consistent with the report requirements as defined in the BEEP Project Scope of Work and the IGI International contract. Task assignments, accomplishments, problems encountered, lessons learned, and solutions implemented are included in table form to facilitate review. Also included is a budget summary for the project with a summation of funds expended to date in each budget line item. Tables are included which show the person months for long-term and short-term technical assistance and training conducted during the reporting period and the amount of each remaining.

Due to a USAID-approved delay in completion of the Project Inception Report, the annual work plan was completed at the end of January, 1996. For this reason, the first quarterly report covers only the first two months of the project which includes all start-up activities in the months of November and December. Task assignments for the first two months are drawn from the project scope of work in the contract. Future Quarterly Reports will be submitted based on calendar year quarters and will draw upon the approved work plan in the Inception Report for the task assignments to be completed and reported.

The recently submitted Inception Report also includes plans for use of short-term technical assistance, training and procurement to assist implementation of work plans for the Ministry of Finance and the Ministry of Trade, Tourism and Industry. No short-term technical assistance (STTA) was used in the first two months nor was training conducted. In the future, use of STTA and training will be determined primarily by the work plans in the Inception Report, as modified from time to time based in consultations with MOF, MTTI and USAID.

Tasks and Accomplishments of Macroeconomic Policy Advisor

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TASK ASSIGNMENT	ACCOMPLISHMENTS	PROBLEMS	LESSONS LEARNED	SOLUTIONS
<p>A. Report to and take assignments directly from the Minister, or his designate; act as the Minister's advisor; and provide a second opinion to the Minister, as requested, on all subject areas within the Ministry's purview and within the Project's parameters.</p>	<p>a) Participated and contributed to the policy dialogue in the IMF/world Bank/Government of Guyana Policy Framework Paper (PFP). Some of the key areas covered were: (i) <u>Wages/personal emoluments</u>: Reviewed with the Minister an ODA consultant report on wage/salary increases for 1996. In this context, assistance was provided to the Minister to determine the level of wage increases that would be consistent with the 1996 budget projections. Also provided the Minister with background material to negotiate with IMF. (ii) Provided assistance to the Minister to review the assumptions underlying the IMF Balance of Payments, and GDP growth projections. The consistency of these assumptions were essential in setting the monetary and inflation targets for 1996</p> <p>b) Contributed to the policy analysis and drafting of the 1996 Government of Guyana Budget. Contributions included: (i) Developing broader framework for economic policies and programmes over the medium term. (ii) analyzing developments in the economy over the previous year. (iii) Coordinating the drafting of the State Planning Secretariat component of the budget. (iv) Assisting in completing the final draft.</p>	<p>Low capacity for analytical work within the Ministry of Finance (MOF)</p> <p>Absence of a database for macroeconomic policy framework</p>		<p>Development of a macro-economic division at MOF. Training will be essential.</p>

TASK ASSIGNMENT	ACCOMPLISHMENTS	PROBLEMS	LESSONS LEARNED	SOLUTIONS
<p>B. Be assigned to work from the MOF Office of Planning and Policy Development and work progressively with the following divisions: (1) Project Cycle Management and PSIP Divisions,</p>	<p>Assisted the Project Cycle Division to develop the 1996 - 98 Public Sector Investment Program (PSIP) and the analysis for inclusion in the PFP. This consisted of: (i) Liaising with the donor communities to determine their project pipelines over the next three years. (ii) Determine the amount of counter-part funds necessary for project disbursement. (iii) Developing a three year rolling investment program for inclusion in the PFP. (iv) Developing a quarterly investment program for 1996.</p>	<p>Weak database management of the Investment Program</p>	<p>So far, the assistance given in project management to the Government does not seem to be working</p>	<p>Have set up an adhoc database for the PSIP. Long-term plans for sustainability are included in the Inception Report.</p>

Recommended Changes in Scope of Work

Recommended changes are fully detailed in the Inception Report

Tasks and Accomplishments of the Business and Enterprise Development Advisor

TASK ASSIGNMENT	ACCOMPLISHMENTS	PROBLEMS	LESSONS LEARNED	SOLUTIONS

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TASK ASSIGNMENT	ACCOMPLISHMENTS	PROBLEMS	LESSONS LEARNED	SOLUTIONS
<p>A. Report to and take assignments directly from the Minister, or his designate; act as the Minister's advisor; and provide a second opinion to the Minister, as requested, on all subjects areas within the Ministry's purview and within the Project's parameters.</p>	<p>Minister Shree-Chan was ill from around mid December and only available for limited periods between then and year-end. In November and early December, advice was given to him on a range of issues affecting his Ministry, as raised by him. These included:- a) the issues of public sector remuneration and its effect on staffing levels at the Ministry.</p> <p>- reviewed with him the general remuneration proposals being contemplated by the Ministry of Finance for the 1996 budget, as well as limited, potential help on a selective staff basis being proposed for 1996, with ODA and IDB assistance.</p> <p>Agreed that, given current fiscal constraints, this was as much as was possible at present.</p> <p>b) the problems of poor internal layout and inadequate physical facilities at the Ministry and their effect on staff morale.</p> <p>- agreed with the Minister and the Deputy Permanent Secretary, some measures within the Ministry 's regular maintenance budget which would provide immediate limited relief; examined the possibility of BEEP - assisted consultant help in 1996 to prepare a short/medium term of action for the Ministry and the site at Sophia, assuming GOG or other donor capital resources would be available to implement it - discussed the possibility of relocating - the Ministry and the three public sector agencies it supervises to the Sophia site. One agency - the Guyana Export Promotion Council (GEPC) is already located there and another, the Guyana National Bureau of Standards (GNBS) is to move there in early 1996.</p>			

TASK ASSIGNMENT	ACCOMPLISHMENTS	PROBLEMS	LESSONS LEARNED	SOLUTIONS
(A) continued	<p>c) the need for better internal staff communications Advisor suggested a resumption of senior staff meetings with the Minister and the PS and Dep PS at which the Advisor would sit in and help to facilitate. In turn, this would lead to regular meetings at lower levels in the Ministry.</p> <p>Agreed. The initial meeting, planned for mid-December was postponed because of the Minister's illness but was held early in 1996.</p> <p>d) a review of a number of possible eco-tourism initiatives.</p> <p>These were discussed with a view to seeing which ones could be included in a 1996 BEEP programme of activities and which left for other existing /potential donors to undertake.</p> <p>2) These specific, one-on-one sessions apart, the Minister requested assistance on a range of 'fire-fighting' activities. These took the form mainly of sitting in on discussions he held with a number of visiting delegations from CDC, a CARICOM trade consultant, UNDP, personnel from the Center for Imports from Developing Countries in Holland, a visiting OAS eco-tourism -team etc.</p> <p>In addition, meetings with some existing or potential investors and some private sector and NGO groups who the Minister could not see personally because of scheduling problems or due to his illness.</p>	<p>(a) to (d)</p> <p>No special problems</p> <p>Many of these requests were at short notice, precluding adequate preparation for the meetings. In some cases they clashed with other appointments previously made by the Advisor.</p>	<p>The need to coordinate my own appointment schedule better with the Minister's</p>	<p>Discussed and agreed that Minister's secretary would give better advance notice in future of his projected schedule of appointments.</p>

TASK ASSIGNMENT	ACCOMPLISHMENTS	PROBLEMS	LESSONS LEARNED	SOLUTIONS
<p>B. Assist the MTTI to increase capacity to administer, improve, and monitor key sectoral economic variables consistent with the overall macroeconomic policy framework.</p>	<p>In this initial period, work was still in progress (Carter Center Project) on a redefined overall, macro-economic policy framework, on aspects of which (notably the eco-tourism and private sector components), limited help was given by the Advisor.</p> <p>MTTI was heavily involved in work on Ministry submissions to the 1996 budget and limited assistance to them was provided, as feasible.</p> <p>Advisor coordinated a Ministry/GO-Invest response to the Ministry of Finance on possible expansion of the duty-free eligibility list.</p>	<p>On arrival at the Ministry, work on the preparation and submission process for the 1996 budget was already well underway.</p> <p>No basic capacity improvement was possible in this period.</p>	<p>Better to provide the immediate, operational assistance requested and await a more receptive climate in 1996 for capacity improvement work.</p>	<p>As stated.</p>
<p>C. Assist in putting into place a strategic planning and management system consisting of a nine step process:</p>	<p>For the reasons given in “B” above, work on helping MTTI put a strategic planning and management system in place could only be discussed in general outline.</p>	<p>As for “B” above</p>	<p>Need to await the post-budget period in 1996 and the Ministry’s development of a work plan for 1996.</p>	<p>As stated</p>
<p>D. Develop and implement an action plan to establish the strategic planning and management system including off-site retreats, workshops, task forces, group reviews and other available options depending on effectiveness.</p>	<p>As for “C” above. It was only possible to explore in a preliminary way at the meeting held with senior staff, the concept of an action plan to establish the strategic planning and management system.</p>	<p>As for “C” above</p>	<p>As for “C” above</p>	<p>As stated</p>

Recommended Changes in Scope of Work

Recommended changes are fully detailed in the Inception Report

Long Term Advisors

TOTAL PROJECT PERSON MONTHS	TOTAL LONG TERM USED IN QUARTER	TOTAL CUMULATIVE LONG TERM USED	REMAINING LONG TERM IN PROJECT
54 P.M.	4	4	50

Short-Term Technical Assistance: Local

TOTAL PROJECT LOCAL STTA Days and Person Months	TOTAL STTA USED IN QUARTER	TOTAL CUMULATIVE STTA USED	REMAINING STTA IN PROJECT
1300 P.D./ 60 P. M.	0	0	0

Short Term Technical Assistance : Off Shore

TOTAL PROJECT LOCAL STTA Days and Person Months	TOTAL STTA USED IN QUARTER	TOTAL CUMULATIVE STTA USED	REMAINING STTA IN PROJECT
1083 P.D. / 50 P. M.	0	0	0

Training: In Guyana

TOTAL PROJECT PERSON MONTHS	NUMBER OF PEOPLE TRAINED THIS QUARTER	TOTAL PERSON MONTHS THIS QUARTER	TOTAL CUMULATIVE PERSON MONTHS	REMAINING PERSON MONTHS
150 P.M.	0	0	0	0

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Training: U.S. and Third Country

TOTAL PROJECT PERSON MONTHS	NUMBER OF PEOPLE TRAINED THIS QUARTER	TOTAL PERSON MONTHS THIS QUARTER	TOTAL CUMULATIVE PERSON MONTHS	REMAINING PERSON MONTHS
12 P.M.	0	0	0	0

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