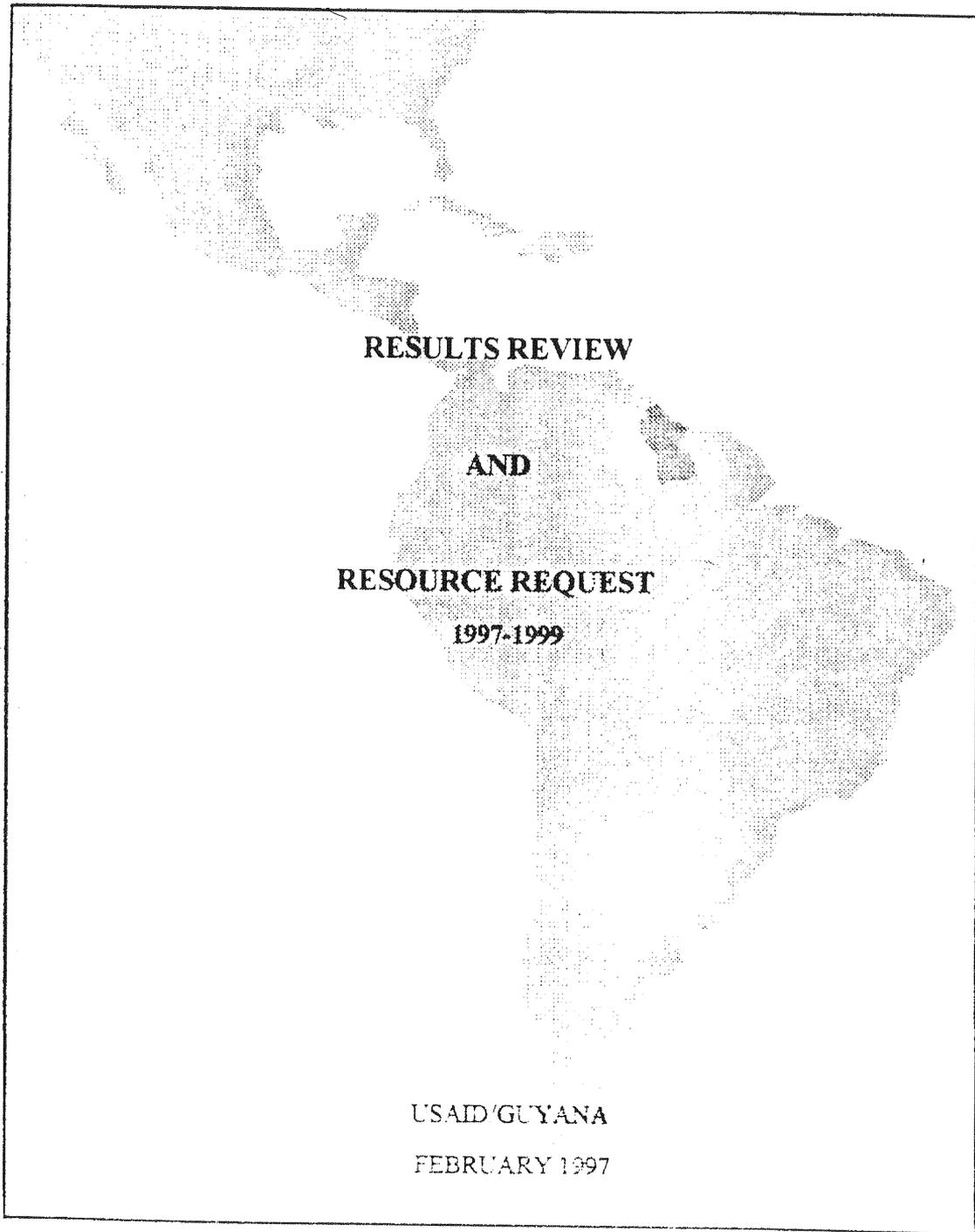


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## **I. Overview and Factors Affecting Performance**

Guyana has undergone an extraordinary transformation in only a few short years. In 1989 the economy was on the verge of collapse, emigration had depleted the country of most technical skills, and authoritarian rule was deeply entrenched. Since then, the political and economic changes have been dramatic. Guyana's progress under an Economic Recovery Program has been nothing short of spectacular, with major improvements recorded in all macroeconomic indicators. The first free and fair presidential elections in almost three decades were held in 1992, followed by local and municipal elections in 1994. Preparations for the next national elections are well in hand; the media are increasingly open and independent; NGOs are reappearing after a hiatus of almost three decades; and there is free, active debate on important issues.

Responding to the new political and economic opportunities, the goal of the Mission's Program is increased broad-based participation in the economy and in the democratic process. The Mission has two Strategic Objectives: SO1 Expanded Economic Opportunities for the Urban and Rural Poor, and SO2 Strengthened Democratic Institutions and Processes. Increasing economic opportunities for the poor is a critical element in creating and sustaining economic development. Decreasing poverty and improving the quality of life are also essential for better ensuring the sustainability of democracy. A functioning, if not vibrant, democracy is also critical to better ensure an equitable distribution of the benefits of economic development. The two SOs are clearly interdependent. Although one alone may be attainable in the short term, the sustainability of each requires the other.

Both SOs also support key U.S. foreign policy goals: assisting Guyana's transition to an open, free-market economy; strengthening democracy; and promoting U.S. business interests. Activities under SO1 are also linked to several principles under the Summit of the Americas Declaration of Principles: the liberalization of capital markets, tourism development, encouragement of microenterprises and free trade, and increased economic integration. SO2 activities further four initiatives of the Summit: increased dialogue among social groups and assistance to national electoral organizations, programs to inform people of their rights, broadened participation in debating public issues, and improved administration of justice.

USAID/Guyana, with the excellent cooperation and participation of the Government of Guyana (GOG), was very successful in achieving its 1996 targets. Of the seven performance indicators under SO1, the targets for five were either met or exceeded. The two which were not met do not represent significant impediments to SO achievement and corrective action has been taken. For SO2, only one of the eight performance indicators was not met, and that was primarily due to a shifting of resources to other higher priority activities. In summary, of the 15 performance indicators covering seven IRs, the Mission met or exceeded 12. Also, there were major achievements under each SO which are not reflected by indicators but which significantly contribute to SO achievement. The prospects for continued progress are good for several reasons: the USAID program enjoys strong political and public support, Guyana continues to satisfy conditionalities of the international financial institutions, the pace of reform in key areas has been stepped up, and the draft National Development Strategy is in line with Mission objectives. USAID/Guyana was also effective in promoting linkages

among different agencies of the USG providing assistance to Guyana. Examples are the linkage with the U.S. Army Corps of Engineers to promote infrastructure rehabilitation, USAID assistance with the USDA PL480 Title I Program, and the use of Title III funds to support Peace Corps activities. Increased interest in Guyana's development was also indicated by its acceptance in other USAID programs. 1996 witnessed the initiation of a Farmer to Farmer Program (BHR/PVC), a microenterprise credit program (G/EG), and a grant under the Biodiversity Support Program (G/ENV).

Although progress has been impressive, the transition to a market economy and a democracy is not complete and it will be years before full benefits of the transformation will be realized. Despite a cumulative growth in GDP of over 44% since 1989, on a per capita basis, Guyana is the third poorest country in the hemisphere. Real GDP has only now returned to levels of the early 1980's. Institutions which are essential to democracy remain fragile and in desperate need of assistance. The rebirth of democracy and the opening up of the economy have raised expectations that do not match the realities of everyday life. Low public sector wages, poor health and educational systems, higher prices for basic services, and an uncertain future are the realities faced by the majority of people.

Several events occurred during 1996 which will impact on continued economic growth and political stability. Positive events include a Paris Club debt restructuring package and an acceleration of the privatization program. While the external debt remains staggering at \$1.5 billion, the Paris Club reduction of \$600 million should give the GOG greater budgetary flexibility. After a period of reassessment, the privatization program has also taken on new life. This should improve the GOG's fiscal balance through reduced subsidies and could serve as an incentive to additional investment. With the assistance of the Carter Center, the GOG also completed a draft National Development Strategy, which provides an excellent roadmap for addressing Guyana's economic and social development priorities over the next decade. The election planned for late 1997/early 1998 is anticipated to be free and open, but racial polarity and ethnic voting are expected to continue. The possibility of unrest as the elections approach is cause for concern as it would jeopardize economic recovery and put Guyana's nascent democracy at risk.

Ethnic relations became more tense in late 1996 as some political figures used inflammatory language to expand or solidify their constituencies. While offers of assistance from USAID and other donors, such as UNDP, to help improve ethnic relations were not accepted, new indirect opportunities were identified. When the Mission's democracy strengthening activity heightened interest in constitutional reform, emphasis was given to the protection of rights for minorities. As part of the electoral assistance program, particular attention is given to ensuring the rights and needs of all ethnic groups are respected. These indirect approaches resulted in increased, informed public discussion on the need for better ethnic relations. The Mission also takes special care to ensure its activities benefit all ethnic groups.

## **USAID/GUYANA MAJOR ACCOMPLISHMENTS**

### **SO1: Expanded economic opportunities for the urban and rural poor**

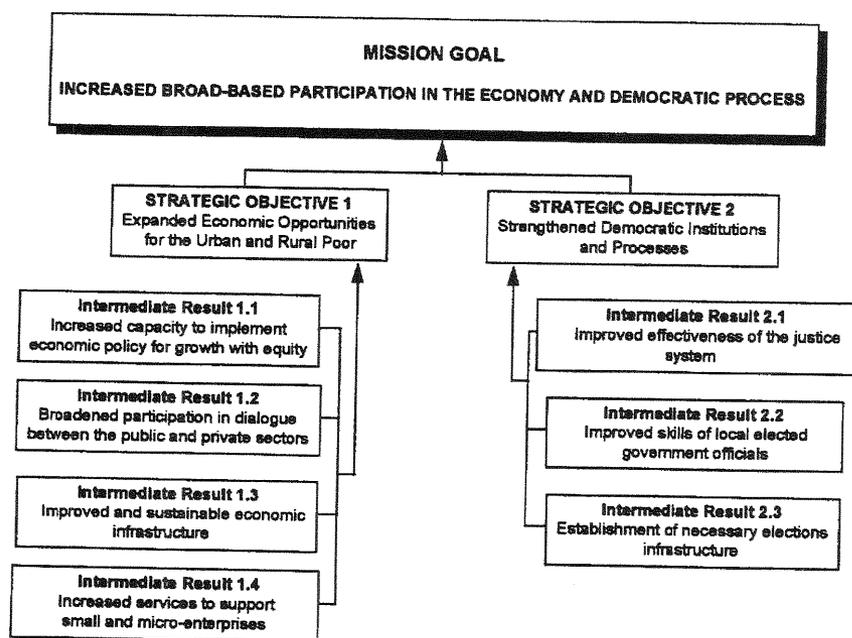
- The Ministries of Finance and Trade now develop and follow strategic plans.
- Position papers drafted for Paris Club negotiations led to a \$600 million reduction in the country's external debt.
- Removal of bottlenecks accelerated implementation of the Public Sector Investment Program from a completion ratio of 85% in 1995 to 95% in 1996.
- The GOG now frequently consults with the private sector on the formulation and implementation of economic policies.
- The GOG completed a draft National Development Strategy detailing objectives, priorities, and policies to achieve rapid, equitable growth and firmly establish democracy.
- Improved economic analysis and budgeting resulted in significantly higher funding for programs benefitting the disadvantaged.
- Targets for the rehabilitation of key infrastructure were exceeded.

### **SO2: Strengthened democratic institutions and processes**

- New electoral legislation greatly expanded the authority of the Elections Commission and preparations for the next elections are on track.
- New opportunities to strengthen democracy were identified as a result of an intensely consultative approach.
- The backlog of criminal cases was reduced by 20%, and the number of legal professionals who believe the legal system is more efficient increased by 37%.
- Law revision and the printing of judicial case reports have recommenced after a lapse of over 20 years.
- The LOP target for rehabilitation of courts has already been exceeded by 33% and will be more than doubled by the PACD.
- The Guyana Legal Aid Society expanded its services, particularly to women, and cooperation between the GOG and USAID resulted in ensuring its operation for the next three years.

## II. Progress Toward Objectives

Through its two inter-related strategic objectives, the Mission's program contributes to reduced social and ethnic tensions, to strengthened internal stability, and to the establishment of a climate conducive to expanded economic activity. USAID's activities, as measured by IR targets and other achievements, were very successful during FY96. As a result of dialogue with partners and from customer feedback, adjustments were made as necessary to reflect changing needs. The meeting and surpassing of almost all IRs, the ability to adapt to the needs of our partners and customers, and the capacity to respond to unexpected opportunities, combined to result in impressive achievements in 1996. The Mission's Strategic Framework is shown below.

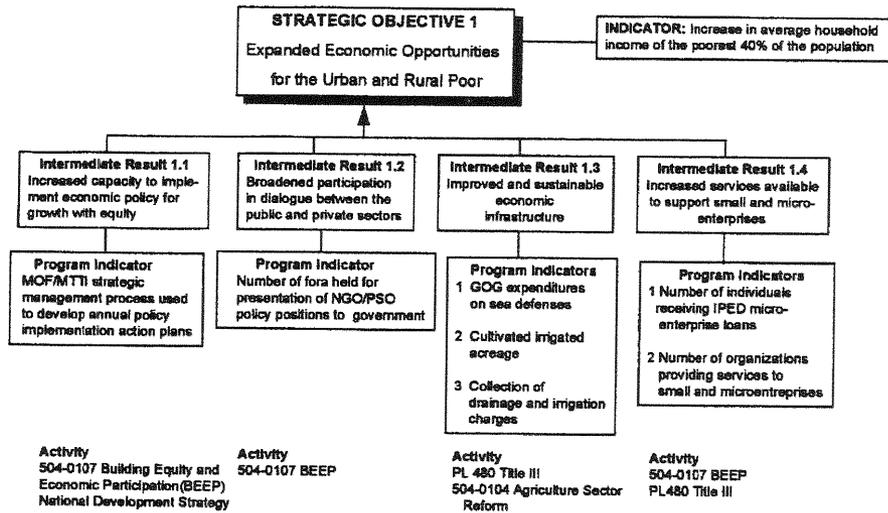


### A. Strategic Objective 1: Expanded Economic Opportunities for the Urban and Rural Poor

USAID's activities under this SO focus on increasing the capacity of key ministries to implement economic policy for growth with equity, broadening dialogue between the public and private sectors, improving economic infrastructure, and increasing services to support small and micro-enterprises. Recognizing that an increase in wealth does not guarantee equity, USAID's activities stress improving the economic conditions of the urban and rural

poor. The USAID program has three activities which contribute to SO1: agricultural sector reform, assistance in improving the business environment, and support in formulating a national development strategy. A small (\$350,000), new microenterprise credit program will begin in early 1997 through funding provided by Global's Microenterprise Innovation Program. Figure 1 presents the Results Framework for SO1.

FIGURE 1: RESULTS FRAMEWORK - STRATEGIC OBJECTIVE 1



### Overall Performance under SO1

Performance during FY96 in moving toward achievement of SO1 was excellent. To more accurately measure progress, the indicator for SO1 was changed from the share of total consumption of the poorest 40% of the population to the percentage increase in average household income for that stratum. The income stratum of the lowest 40% was chosen because this group, according to a 1993 survey, lives below the poverty line. Although data to measure progress are not yet available, other economic data suggest that the SO will be met within the projected timeframe. Growth in real GDP was 7.9% in 1996, continuing the trend which has seen an average increase of 7.5% per year since 1992. Nominal GDP per capita increased by 12.6% last year, while the rate of inflation was a respectable 4.5%. Although economic indicators show a solid upward trend, they do not reflect the distribution of benefits across income strata. The continued growth in the economy, new private sector investment (\$197 million last year), and other indicative data suggest that the SO1 target will be met. For example, growth in the agricultural sector (a 68% increase in agricultural GDP since 1991), and a 35% increase in public sector wages over the past two years indicate important progress for public sector employees and rural farmers, two groups which were

cited in the 1993 survey as being among the poorest in Guyana. It is anticipated that the next survey will be undertaken no later than 1998.

**Intermediate Result No. 1.1: Increased Capacity to Implement Economic Policy for Growth with Equity**

As targeted, a strategic planning process was established in the Ministries of Finance and Trade, revitalizing the Ministry of Trade, Tourism and Industry (MTTI) and more sharply focusing the Ministry of Finance (MOF) on priority areas. The resulting plans were developed through a consultative process based on customer feedback from the public and private sectors. Activities designed to strengthen critical departments in the MOF will increase capacity to better implement business related policy and reforms, and improve efficiency in program implementation. Assistance to MTTI has focused on better trade policies, greater private sector participation and the promotion of tourism. Other major initiatives include tender reform, strengthening the budget process, the enactment of an investment code, ministerial restructuring to better utilize human resources, improved information systems, and preparation of an investors' guide.

**Other Significant Achievements**

Other activities and their impacts are as follows,

- Under the supervision of a USAID Advisor, position papers drafted for Paris Club negotiations resulted in a reduction in the country's external debt by over \$600 million. This will greatly enhance the ability of the GOG to meet fiscal objectives and to access foreign loans, both of which will lead to greater investment.
- Recommendations resulting from a USAID study to reform the Tender Board will be implemented in 1997. The recommendations will make the system more transparent and efficient, and reduce delays in program implementation and resulting cost overruns.
- Removal of bottlenecks accelerated implementation of the Public Sector Investment Program (PSIP) from a completion ratio of 85% in 1995 to 95% in 1996. The result is improved infrastructure and expanded employment.
- Recommendations resulting from a USAID study to improve trade policy will lead to the establishment of a Trade Policy Unit, better trade policies, improved policy implementation and new outside investment.
- Activity advisors assisted the GOG in preparing for Guyana's participation in the Free Trade Area of the Americas.
- The recommended merger of two public sector entities which promote exports will result in a single, more efficient organization.

**Intermediate Result No. 1.2: Broadened Participation in the Dialogue between the Public and Private Sectors**

Six rather than the targeted five fora between the public and private sectors were held to discuss policy and regulatory constraints. The private sector is now frequently consulted by the GOG on the formulation and implementation of economic development policies. Assistance in identifying constraints resulted in the elimination or reduction of certain export taxes, import duties, and consumption taxes, and an increase in some export allowances. These measures will increase exports, foreign exchange earnings and employment; expand growth in the non-traditional sectors; and increase private investment.

Another significant achievement was the establishment of a micro and small business development advisory council to promote small business development.

**Intermediate Result No. 1.3: Improved Economic Infrastructure**

While all activities under SO1 are intended to improve the conditions of the poor, economic infrastructure activities have a more immediate impact on increasing the incomes of the rural poor. The rehabilitation of economic infrastructure remains a condition precedent to Guyana's continued growth and development. Since 1993, USAID has played a leading role in the rehabilitation of infrastructure in the agricultural sector, which accounts for almost 50% of all economic activity. Although its Title III Program was abruptly eliminated, the Mission has continued its role in providing policy and financial assistance to the GOG through the Agriculture Sector Reform Activity and its stewardship of USDA's PL480 Title I Program. Excellent results were achieved during 1996, the trend continues to increase, and the activity remains critical to meeting SO1.

Sea Defenses

The Mission target of GOG expenditures of US\$12 million on sea defense rehabilitation in 1996 was exceeded by 7%. This is particularly significant considering the delay in the startup of a large multi-donor funded sea defense project planned for CY96 and the transfer of sea defense responsibility from one ministry to another. Despite the excellent performance during 1996, important issues need to be addressed: cumbersome tender procedures, the excessive cost of sea defense construction, and the limited capacity of private sector firms. The Sea Defense Policy Board (on which USAID sits) is seeking solutions to these problems. USAID's BEEP activity is assisting in the reform of the tender board and tender procedures. The recent slippage of newly reconstructed sea defenses is also of some concern. In response, the Mission has arranged for the U.S. Army Corps of Engineers to assist the GOG to assess the causes, to evaluate alternative sea defense designs, and to recommend remedial measures.

Cultivated Irrigated Acreage

The Mission target for acreage cultivated on irrigated lands was also exceeded during 1996, even after increasing the target level for this indicator by 25%. Actual acreage harvested was 332,000 acres and would have been higher if not for severe flooding of 20,000 acres.

Previous studies have shown that improved drainage and irrigation have increased family farm income by up to 15%. Although the quantity and value of rice exported continued to increase during 1996, a leveling off of acreage sown is expected if world prices continue to fall.

#### Cost Recovery for Drainage and Irrigation (D&I)

The 1996 target of assessing the capabilities of regional and local government to set D&I rates and collect charges, and manage maintenance programs was not met. This assistance was delayed due to the unexpected startup of an IDB project (after a four year delay) which included some of the same activities planned by USAID. Consequently, USAID's assistance was partially reformulated and activities planned for FY96 will now be implemented in 1997. This delay is not critical and its postponement will not impact on the Mission's ability to achieve SO1.

#### **Other Significant Achievements**

A major achievement has been the Mission's success in ensuring USDA's Title I Program supports goals and objectives common to all parties. Working closely with the Embassy, USDA, and the GOG, a program has been developed responding to the priority concerns of each. Though not a USAID program, Title I provides benefits similar to the defunct Title III Program. Title I reaches a key target group of SO1 (the rural poor), and it provides local currency for other USAID activities and greater leverage with the GOG and donors. In 1996 Title I helped leverage an additional US\$6 million in assistance by providing GOG counterpart funds.

The Mission was also instrumental in enlisting the services of the U.S. Army Corps of Engineers to train sea defense coastal engineers in Guyana. The Corps has also been contracted by the GOG under World Bank funding to install and train sea defense personnel in the operation of equipment to better predict coastal sedimentation and shifting sand and mud flats. Again at the encouragement of the Mission, the Corps is assessing and mapping Guyana's water resources.

#### **Intermediate Result No. 1.4: Increased Services Available to Support Small and Micro Enterprises**

The 1996 target of 3,000 microenterprise loans by the Institute of Private Enterprise Development (IPED) was not met as only 1,780 loans were made. Unacceptable delinquency rates in the first six months of 1996 necessitated the introduction of a longer waiting period, improved screening, and more extensive training for clients. The result has been fewer but better clients, more successful loans, and a higher probability of repayment. Although the target was not met, the share of total loans made to women in 1996 increased to 75% from 63% in 1995. Based on customer feedback, beginning this year IPED will make loans to itinerant traders, most of whom are female and usually single parents living in urban areas. The Mission is confident the target for 1997 will be achieved.

The second indicator of one additional organization providing services to small and micro-

enterprises was achieved with the launching of the Commonwealth Youth Credit Initiative.

### **National Development Strategy**

A major achievement in early 1997 was the completion by the GOG, with assistance from the Carter Center, of a draft National Development Strategy (NDS) defining long-term national goals, objectives, and priorities, and the policies and programs required for their achievement. Review of the strategy has just begun but it describes an excellent plan for achieving its four objectives: rapid income growth, poverty alleviation/reduction, satisfaction of basic social and economic needs, and sustainment of a democratic and fully participatory society.

In the first part of 1997, a consultative process will be used to solicit the views and reactions from a wide spectrum of Guyanese society to revise and finalize the NDS. Although full participation of all opposition parties is not expected, there are invaluable benefits: for the first time in several decades Guyana has clearly defined goals and objectives, donors will be able to identify where assistance is warranted, and the several hundred Guyanese who formulated the NDS have a far greater understanding of Guyana's development constraints. This educational process will continue in the consultation phase. Elements of the NDS will be implemented no matter which party is in power. Indeed, there is now far greater agreement, if unstated, of what must be done.

### **University Development Linkages Project**

The purpose of this five-year (1994/1998), \$500,000 project managed by Global is to promote institutional development of four GOG technical institutions by enhancing the training skills of Guyanese educators through internships and workshops. Although it is expected that better training results in more and better employment, to date project reports do not provide qualitative or quantitative data.

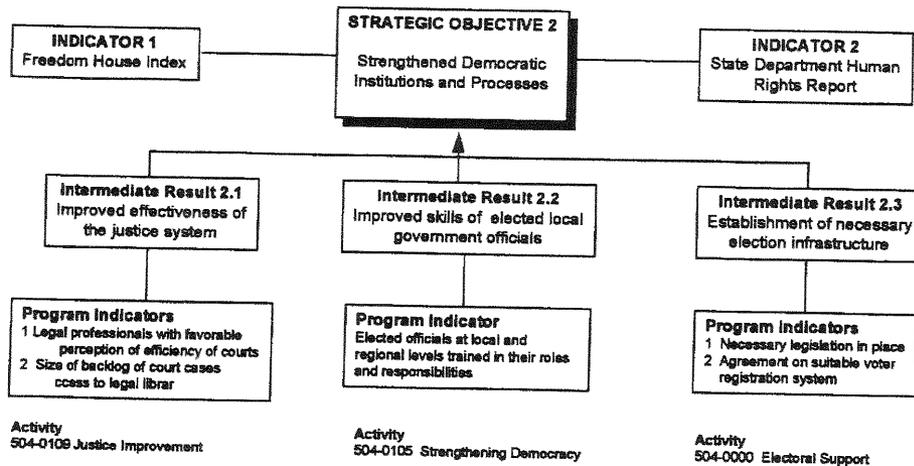
### **B. Strategic Objective No. 2: Strengthened Democratic Institutions and Processes**

Activities under this objective are designed to promote a more pluralistic, responsive, and open government by strengthening democratic institutions and processes. They also strongly support the Mission's other SO since an open, responsive government and an active civil society encourage equitable economic growth. The program and implementation reflect feedback from partners and customers in the public, private, NGO, and donor communities. The program includes two activities; one focuses on improving the judicial system and the other on promoting a pluralistic society and a responsive, open government.

### **Overall Performance**

The Mission is very pleased with progress made under SO2. Two indicators are being used to measure progress toward achievement of this SO, the Freedom House Index and the State Department Human Rights Report. The targets for 1996 were a stable Freedom House rating and a qualitative improvement in the State Department Human Rights rating. Both targets were achieved. As in 1995, Guyana received a rating of "2" by Freedom House for both

FIGURE 2: RESULTS FRAMEWORK - STRATEGIC OBJECTIVE 2



political and civil rights. The 1996 State Department Human Rights rating is generally more favorable than that of 1995, with particular improvement noted in freedom of the press. With just one exception, all 1996 targets were met and the one target that was missed was due to a shifting of resources to higher priority new opportunities. Developing good democracy indicators has been difficult for the Mission and our indicators and targets do not tell the full story of our excellent achievements and real impact. Important progress was made under both the justice and democracy activities in areas not reflected by the indicators.

The success of the justice improvement activity is particularly impressive since a recent evaluation noted its design had overestimated the GOG's implementation capacity and underestimated the degree of deterioration of the judicial sector and the time required to achieve objectives. The activity's achievements are due primarily to the consultative process used in its design and implementation, and the outstanding performance of the USAID activity manager. Our partners are committed to the activity and there is strong political support, resulting in a renewed sense that the justice system can be rejuvenated. A great deal of work must be accomplished in the activity's remaining 15 months, but trends to date indicate the objectives can be met.

The strengthening democracy activity exceeded expectations in identifying opportunities to promote a pluralistic society and a more open responsive government. Political and public sensitivity to assistance in this sector is understandable, but it has been largely overcome because of the Grantee's (the National Democratic Institute, NDI) intensely consultative

approach. This relationship has enabled NDI to become a key advisor to the Elections Commission, to prod the moribund debate on constitutional reform into life, and, through assistance in establishing a parliamentary library, to open the door for other more sensitive forms of parliamentary assistance. Achievements during 1996 indicate that even stronger progress will be possible in the future. The election planned for late 1997/early 1998 may affect implementation but NDI is well placed to adjust its program accordingly. Recognizing the need to measure actual impact of activities and the perspectives of partners and customers, NDI will initiate an evaluative process this year.

Progress toward SO2 achievement is measured by three Intermediate Results.

**Intermediate Result 2.1: Improved Effectiveness of the Justice System**

A properly functioning judicial system is essential for a stable, sustainable democracy and this IR is intended to establish a more effective and efficient judicial system. Three indicators measure progress toward IR achievement.

Perception of Legal Professionals

A baseline survey conducted in 1995 showed that 40% of legal professionals had a favorable perception of court efficiency. USAID's target for 1996 was an increase to 50% and a recent survey showed a favorable perception of 55%. Customer interviews indicate that the increasing favorable perception is not due solely to increased efficiency but also to initiatives such as court reporting, law revision, legal aid, and infrastructure improvement which demonstrate that the judicial system is being fundamentally transformed.

Backlog of Court Cases

The backlog of criminal cases was reduced from 3,506 in 1995 to 2,941 last year, exceeding USAID's target of 3,000 cases. While court management has improved, only the first steps have been taken. Other initiatives in law revision, court reporting, and improved registry management, as described below, will have increasing effect beginning later this year.

Access to Legal Library Documents

Timely access to a good legal library is critical to judicial efficiency. Poor access to legal references and court decisions slows the judicial process, reduces the effectiveness of legal representation, and weakens the foundation of decisions and judgments. USAID's target was an increase in the number of requests for legal materials from 295 in 1995 to 340 in 1996. The actual number of requests for such materials was 350. Following consultations with LAC and Global, this indicator was modified to adjust targets upwards, and to clarify that the unit of measure is requests for documents only from judges and magistrates.

## **Other Significant Achievements**

### Infrastructure

The infrastructure rehabilitation program is funded entirely by the GOG from Title III proceeds. The purpose of the rehabilitation program is to improve efficiency through better working conditions and to enhance the public's perception of the legal system. Two more magistrate's courts were rehabilitated in 1996 and work commenced on the renovation of the High Court Library. Over the activity's life, 14 magistrate's courts will be rehabilitated, more than doubling the planned number of 6.

### Access to Law

For justice to be effectively dispensed, certain basic needs must be satisfied. Among the most important are an adequate legal library and a coherent set of laws, which are regularly updated. Actions and results to satisfy these basic needs are as follows:

- Rehabilitation of Guyana's main law library was initiated, additional law books were purchased, two law librarians received training, and library management plans were developed.
- Under Title III funding, one participant completed a Master's program in Legislative Drafting and a second has commenced training. This assistance will almost double the GOG's capacity to prepare legislation for consideration by Parliament.
- The Laws of Guyana have not been revised for 21 years, many are outdated, and others have been amended so often it is difficult to determine their exact status. To remedy this chaotic situation, a long-term law revision commissioner was recruited by USAID to revise and consolidate the Laws of Guyana. The result will be updated, coherent laws which will facilitate both adherence to the rule of law and the dispensation of justice.

### Efficiency and Effectiveness

Justice unreasonably delayed is justice denied; this is a chronic condition in Guyana. Constraints to efficiency have been identified and corrective measures are now being undertaken. The most important results will be in the following areas:

- Preparatory work was completed which will permit the introduction of modern court reporting practices in 1997 to replace the current practice of taking written notes. Equipment is to be procured using Title III resources and a court reporting program is to be established at the University of Guyana. The resulting increase in efficiency is expected to be enormous.
- A docket audit of the Court Registry was undertaken to identify obstacles to greater efficiency and the problems are now being systematically addressed. For example, the Rules Committee, which oversees the operations of the Registry, has been reactivated after

three years of dormancy.

- Lobbying contributed to an increase in salaries for judicial personnel in 1996. The increases, while still modest relative to actual need, improve the GOG's ability to attract and retain qualified staff. Lobbying also helped lead to higher fees and fines, which will increase cost recovery.
- To improve performance and efficiency of Registry staff, training programs have been initiated and a certification process has been reinstated for certain personnel categories.

#### Building Private Sector Support

Private sector support for the judiciary largely disintegrated during the 20 plus years of governmental manipulation. An activity objective is to begin to rebuild that support.

- The printing of case reports, discontinued by the GOG twenty years ago, should be completed in 1997 by the Lions and Rotary clubs. The results are better reference material for the judiciary and a stronger partnership between the private and public sectors.
- The activity's infrastructure rehabilitation program encouraged the Guyana Bar Association to mobilize its own resources to repair two courtrooms in the main law court.
- The Guyana Legal Aid Society, established over twenty years ago, has not functioned continuously due to the lack of funds. More than two-thirds of all persons seeking assistance are women, many of whom are the victims of domestic violence. Since 1994, over 1,200 women have received legal assistance. The GOG recently agreed to a Mission proposal to provide \$70,000 in Title III funds over a three-year period. With this support, the Society has gained time to develop and implement a program which will lead to greater sustainability.

#### **Intermediate Result 2.2: Improved Skills of Elected Local Government Officials**

USAID did not meet the 1996 target of providing training to 644 local and regional elected officials. Only 321 actually received training. In retrospect, the target was unrealistically high due to the shortage of good trainers. Additionally, effort in this area was decreased to respond to other priorities (elections assistance) and unexpected opportunities (constitutional reform). Corrective action was also taken to resolve the problem of an insufficient number of trainers. Forty-five staff members from seven different NGOs were trained as instructors and subsequently contracted by the GOG to provide training. A manual, developed by NDI, is used by the GOG for training local officials. After consultations with LAC and Global, the indicator was modified to reflect both absolute numbers and the percentage of officials trained. Given NDI's increased election focus, the GOG will now shoulder more responsibility for planning and executing the training programs. Consultations with the GOG and NDI also resulted in reducing targets to more accurately reflect priority needs and capacity. While targets have been reduced, using indigenous capacity to provide training is of

higher immediate importance. Consultations with both locally and nationally elected female officials did not result in the identification of any specific barriers to access or participation.

### **Intermediate Result 2.3: Establishment of Necessary Election Infrastructure**

The Mission targets during 1996 under IR 2.3 were the passage of enabling legislation for the 1997 election and the establishment of a suitable voter registration process. Both targets were met.

The legislation to establish an elections commission for the next elections was passed in late 1995, and other essential legislation was adopted in 1996. Due to time, financial, and human resource constraints, the legislation is not as comprehensive as desired. It does, however, provide for key reforms: (1) expanded authority and power of the Elections Commission (EC), (2) removal of GOG authority over the EC, and (3) new and/or amended procedures for registration, identification cards, the voters list, scrutineers, and local observers. The changes also establish a permanent administrative structure for the EC. Other legislative and constitutional changes are required in the long-term, but priority was understandably given to changes critical for the next election.

### **Other Significant Achievements**

- The procurement of and staff training in the use of computer equipment were undertaken to enable the compilation of a complete and accurate voters list.
- For the first time in Guyana's history, the voter registry will serve as the basis for a new national identification system.
- A national voter education program was developed to explain the rights and responsibilities of voters. The program will be implemented by the EC with assistance from NDI. For the first time, the EC has been empowered to educate voters.
- Study and observation visits to other countries were provided to enable EC and party representatives to view successful electoral management practices and processes first hand.
- Assistance was provided to a local NGO for the preparation of a proposal to train up to 2,000 election monitors.
- A retreat was held for members of the EC and experts from North America and Latin America/Caribbean to share ideas and plan for the next election. This was a "first" in Guyana - members of various political parties meeting together to discuss issues and develop a vision and goals for an upcoming election.

### **Legislative Support**

- Technical guidance and information were provided to establish a parliamentary library. There is currently no library, reference documents are scarce, and document management

is haphazard. Reference materials are being procured, a new librarian is being trained, a fund raising program has been developed, and linkages have been made with other libraries. Parliament's approval of \$150,000 for library construction demonstrates its commitment as a partner.

- Following the GOG's establishment of a Constitutional Reform Committee, constitutional reform materials were provided and potential areas of assistance were identified.
- Two parliamentarians from South Africa were brought to Guyana to advise the Constitutional Reform Committee, to conduct public fora, and to advise on the constitutional reform process. The visit resulted in renewed debate and interest in constitutional reform.

### **C. Expected Progress through FY99 and Management Actions**

As demonstrated by this R4, a great deal of progress has been made since the SOs were established and the Mission re-opened in 1994. The Mission expects to meet its SO and IR targets by the termination dates for SO activities. Despite achievements to date and promising trends, neither SO will at that time be fully achieved and sustainable. Although economic opportunities for the poor will have been expanded and democratic institutions will have been strengthened, more will remain to be done to better ensure sustainability. Constraints and expected achievements for each SO are discussed below.

#### **Strategic Objective 1**

The Mission strategy to achieve SO1 has been based on obtaining immediate results from agriculture infrastructure activities and laying the foundation for longer-term results through better GOG planning and expanded capacity to implement economic policies with equity. The success of this strategy has been proven. That economic opportunities have been greatly expanded by the agricultural infrastructure program cannot be doubted. Similarly, the basis for longer-term achievements has been established and major achievements can already be noted. Insufficient time, however, has been programmed to fully achieve the longer-term objectives. FY97/98 is a turning point for both arms of this strategy.

The USPSC who manages the Agriculture Sector Reform Activity and coordinates Title I implementation will depart Guyana when the activity terminates in November 1997. Consequently, the Mission's role in the infrastructure rehabilitation program will be significantly reduced. The GOG, however, now has far greater capacity to manage PL 480 programs and it is hoped that, even with less oversight, implementation will continue with little disruption. Targets for agriculture infrastructure have consequently not been revised.

The technical assistance contract for the BEEP activity is scheduled to terminate in February 1998. There have been and there will continue to be additional significant achievements. However, by the end of the present contract only two years of assistance will have been provided to the two targeted ministries, to the private business sector, and to PVOs. (The first contract was terminated after nine months due to the contractor's failure to satisfy

financial management requirements, unrelated to BEEP). In Section III the Mission recommends that assistance provided for economic growth be continued beyond the current termination date.

By the current PACD, the Mission expects the following significant achievements:

- Through the use of and adherence to a strategic planning process, the two key ministries of Trade and Finance will,
  - increase private sector investment in productive sectors
  - enact an investment code
  - develop a trade policy
  - improve public sector budget management
  - enhance Guyana's ability to participate in the FTAA
  - restructure to increase efficiency
  - improve the collection, analysis and use of economic and trade data
- Dialogue with the private sector on issues affecting the business environment is expected to be institutionalized.
- Leading private sector business organizations will have a greater capacity to represent their constituents and provide support and advisory services.
- Selected PVOs which are concerned with economic development will have an expanded voice in economic policy formulation, and be better able (through strengthened institutions) to serve the needs of the disadvantaged.
- The Micro and Small Business Advisory Council will play an important role in influencing GOG economic policy, providing training and technical assistance, and ensuring complementarity of programs.
- Microenterprise targets will have been met and new loans will emphasize both the productive and service sectors. It is anticipated that over 80% of the beneficiaries will be in rural areas and that the trend of women as the main beneficiaries will continue.
- The draft NDS will be finalized and implementation will have begun.

### **Strategic Objective 2**

The Mission expects to meet its SO and IR targets by the time the activities end. The justice improvement activity terminates in September 1998 and the democracy strengthening activity in December 1998. Democratic institutions and processes will undoubtedly have been strengthened but the effect of decades of neglect and abuse cannot be erased in a few short years. The Mission has initiated a process which must be continued for several more years if the SO is to be sustainable. In Section III the Mission recommends that continued assistance be provided to this sector.

The Mission expects the following to have been achieved by the PACDs of its two activities under SO2:

- The legal community will have far greater access to legal information and reference materials, a new law library will have been established, the Laws of Guyana will have been revised, and case reports will have been updated.
- New, sustainable court management systems will have been introduced and become standard operating procedure.
- Major courts will have been renovated and refurbished.
- The private sector will be playing an increasing role in supporting the justice system.
- The 1997/1998 elections will have been freely and fairly held and major progress realized in institutionally strengthening the EC.
- Recommendations will have been provided for constitutional reform, a process established, and national consultations will be well underway.
- Political parties and the general public will have been exposed to programs and activities designed, if indirectly, to reduce ethnic tensions.
- Parliamentarians will have the resources necessary to more fully consider the merits of proposed legislation.

#### D. Data Tables SO1

<b>STRATEGIC OBJECTIVE 1:</b> Expanded economic opportunities for the urban and rural poor			
<b>APPROVED:</b> 11/08/94		<b>Country/Organization:</b> USAID/Guyana	
<b>RESULT NAME:</b> Expanded economic opportunities for the urban and rural poor			
<b>INDICATOR:</b> Increase in average per household income of the poorest 40% (SO 1)			
<b>UNIT OF MEASURE:</b> U.S. dollars	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1993(B)		\$850
<b>SOURCE:</b> GOG Living Standards Measurement Surveys (1993 and 1997)	1994		
	1995		
<b>INDICATOR DESCRIPTION:</b>	1996		
	1997(I)	\$1,244	
<b>COMMENTS:</b> The indicator was changed from share of total consumption accounted for by the poorest 40% of the population because GDP per capita could rise in real terms with size distribution staying the same. Target represents an average annual increase of 10%.			

<b>STRATEGIC OBJECTIVE 1:</b> Expanded economic opportunities for the urban and rural poor			
<b>APPROVED:</b> 11/08/94 <b>Country/Organization:</b> USAID/GUYANA			
<b>RESULT NAME :</b> Increased capacity to implement economic policy for growth with equity (IR 1.1)			
<b>INDICATOR:</b> MOF/MTTI strategic management process used to develop annual action plans			
<b>UNIT OF MEASURE:</b> Plans developed	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1994(B)		0
<b>SOURCE:</b> Project Reports	1995	2	0
	1996	2	2
<b>INDICATOR DESCRIPTION:</b>	1997	2	
	1998(T)	2	

<b>STRATEGIC OBJECTIVE 1:</b> Expanded economic opportunities for the urban and rural poor			
<b>APPROVED:</b> 11/08/94 <b>Country/Organization:</b> USAID/Guyana			
<b>RESULT NAME:</b> Broadened participation in dialogue between the public and private sector (IR 1.2)			
<b>INDICATOR:</b> Number of fora held for presentation of NGO/PSO policy positions to government			
<b>UNIT OF MEASURE:</b> Number of fora held	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1994(B)		0
<b>SOURCE:</b> Project reports and press reports	1995	3	4
	1996	5	6
<b>INDICATOR DESCRIPTION:</b>	1997	6	
	1998(T)	6	

<b>STRATEGIC OBJECTIVE 1:</b> Expanded economic opportunities for the urban and rural poor			
<b>APPROVED:</b> 11/08/94		<b>Country/Organization:</b> USAID/Guyana	
<b>RESULT NAME:</b> Improved and sustainable economic infrastructure (IR 1.3)			
<b>INDICATOR 1:</b> GOG expenditures on sea defenses			
<b>UNIT OF MEASURE:</b> Dollar expenditures	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1993(B)		\$ 2 Million
<b>SOURCE:</b> Quarterly and annual Ministry of Finance reports	1994		\$ 3.9 Million
	1995	\$5 Million	\$ 9.1 Million
<b>INDICATOR DESCRIPTION:</b>	1996	\$12 Million	\$13.1 Million
	1997	\$12 Million	
<b>COMMENTS:</b>	1998(T)	\$12 Million	

<b>INDICATOR 2:</b> Area of food crops cultivated on irrigated lands			
<b>UNIT OF MEASURE:</b> Acres harvested	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1993(B)		201,000 acres
<b>SOURCE:</b> Reports of Min. of Agriculture	1994		246,000 acres
	1995	250,000 acres	328,000 acres
<b>INDICATOR DESCRIPTION:</b>	1996	330,000 acres	332,000 acres
	1997	350,000 acres	
<b>COMMENTS:</b>	1998(T)	375,000 acres	

<b>INDICATOR 3:</b> Collection of drainage and irrigation charges			
<b>UNIT OF MEASURES:</b> Fees collected	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1992(B)		\$230,00
<b>SOURCE:</b> Ministry of Agriculture data	1996		
	1997		
<b>INDICATOR DESCRIPTION:</b>	1998(T)		
<b>COMMENTS:</b> Targets will be set following assessment of local government.			

<b>STRATEGIC OBJECTIVE 1:</b> Expanded economic opportunities for the urban and rural poor <b>APPROVED:</b> 11/08/94 <b>Country/Organization:</b> USAID/GUYANA					
<b>RESULT NAME :</b> Increased services available to support small and microenterprises (IR 1.4)					
<b>INDICATOR 1:</b> Number of individuals receiving IPED microenterprise loans.					
<b>UNIT OF MEASURE:</b> Number of individuals	<b>YEAR</b>	<b>PLANNED</b>		<b>ACTUAL</b>	
		(M)	(F)	(M)	(F)
<b>SOURCE:</b> Records of the Institute of Private Enterprise Development	1994(B)			139	117
	1995	615	885	744	1274
	1996	1050	1950	445	1335
<b>INDICATOR DESCRIPTION:</b>	1997	570	2040		
	1998(T)	610	2450		
<b>COMMENTS:</b> Targets for 1997/98 have been reduced as a result of more rigid screening and training to reduce delinquency rates. The previous figures for 1997 and 1998 respectively were 1200 and 2800, and 1125 and 3375.					
<b>INDICATOR 2:</b> Number of organizations providing services to small and microenterprises					
<b>UNIT OF MEASURE:</b> Institutions providing services	<b>YEAR</b>	<b>PLANNED</b>		<b>ACTUAL</b>	
<b>SOURCE:</b> Project and press reports	1994(B)			6	
	1995		7		7
	1996		8		8
<b>INDICATOR DESCRIPTION:</b>	1997		9		
<b>COMMENTS:</b>	1998(T)		10		

**Data Tables SO2**

<b>STRATEGIC OBJECTIVE 2:</b> Strengthened democratic institutions and processes <b>APPROVED:</b> 11/08/94 <b>Country/Organization:</b> USAID/Guyana					
<b>RESULT NAME:</b> Strengthened democratic institutions and processes					
<b>INDICATOR 1:</b> Freedom House Index					
<b>UNIT OF MEASURE:</b> Freedom House Index Numerical Rating	<b>YEAR</b>	<b>PLANNED</b>		<b>ACTUAL</b>	
<b>SOURCE:</b> Freedom House Annual Report	1994(B)			2	
	1995		2		2
	1996		2		2
<b>INDICATOR DESCRIPTION:</b>	1997		2		
	1998		2		
<b>COMMENTS:</b>	1999(T)		1		

<b>INDICATOR 2: State Department Human Rights Report</b>			
<b>UNIT OF MEASURE:</b> Qualitative Rating	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1994(B)		=
<b>SOURCE:</b> U.S. Department of State	1995	+	+
	1996	+	+
<b>INDICATOR DESCRIPTION:</b>	1997	+	
<b>COMMENTS:</b>	1998(T)	+	

<b>STRATEGIC OBJECTIVE 2: Strengthened democratic institutions and processes</b>			
<b>APPROVED:</b> 11/08/94			
<b>Country/Organization:</b> USAID/Guyana			
<b>RESULT NAME:</b> Improved effectiveness of the justice system (IR 2.1)			
<b>INDICATOR 1: Legal professionals with favorable perception of efficiency of courts.</b>			
<b>UNIT OF MEASURE:</b> Percent of professionals with a favorable perception	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995(B)		40%
<b>SOURCE:</b> Annual Survey	1996	50%	55%
	1997	70%	
<b>INDICATOR DESCRIPTION:</b>	1998(T)	75%	

<b>INDICATOR 2: Size of backlog of court cases</b>			
<b>UNIT OF MEASURE:</b>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
Number of criminal cases in the backlog	1995(B)		3,506
<b>SOURCE:</b> High Court Registry Reports	1996	3,000	2,951
<b>INDICATOR DESCRIPTION:</b>	1997	2,000	
<b>COMMENTS:</b>	1998(T)	1,000	
<b>INDICATOR 3: Access to legal library</b>			
<b>UNIT OF MEASURE:</b> Requests made for library records by judges and magistrates	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995(B)		295
<b>SOURCE:</b> Law Library records.	1996	340	350
	1997	385	
<b>INDICATOR DESCRIPTION:</b>	1998(T)	425	
<b>COMMENTS:</b> Targets for 1997 and 1998 were increased from 360 and 380 respectively.			

<b>STRATEGIC OBJECTIVE 2:</b> Strengthened democratic institutions and processes					
<b>APPROVED:</b> 11/08/94 <b>Country/Organization:</b> USAID/Guyana					
<b>RESULT NAME:</b> Improved skills of local elected government officials (IR 2.2)					
<b>INDICATOR 1:</b> Elected officials at local and regional levels trained in their roles and responsibilities					
<b>UNIT OF MEASURE:</b> Persons trained.	<b>YEAR</b>	<b>PLANNED</b>		<b>ACTUAL</b>	
		(M)	(F)	(M)	(F)
	1994 (B)			468 (36%)	57 (40%)
<b>SOURCE:</b> Project Reports, Government of Guyana Reports.	1995	135 (10%)	15 (10%)	99 (8%)	11 (8%)
	1996	580 (45%)	64 (44%)	221 (17%)	100 (69%)
<b>INDICATOR DESCRIPTION:</b>	1997	220 (17%)	100 (69%)		
	1998 (T)	220 (17%)	100 (69%)		
<b>COMMENT:</b> The absolute number and percentage of officials receiving training are shown. The original indicators for FY97 (total of 700 officials) and FY98 (750 officials) were overly optimistic and were reduced to more realistic levels.					

<b>STRATEGIC OBJECTIVE 2:</b> Strengthened democratic institutions and processes				
<b>APPROVED:</b> 11/08/94 <b>Country/Organization:</b> USAID/Guyana				
<b>RESULT NAME:</b> Establishment of necessary election infrastructure (IR 2.3)				
<b>INDICATOR 1:</b> Necessary legislation in place				
<b>UNIT OF MEASURE:</b> Legislation passed	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>	
	1996		Achieved	
<b>SOURCE:</b> Legislative record	1998		Achieved	
<b>INDICATOR 2:</b> Agreement on suitable voter registration system				
<b>UNIT OF MEASUREMENT:</b> System Approved/Implemented	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>	
	1996		Achieved	
<b>SOURCE:</b> Quarterly consultations, Elections Commissions Reports, Press Reports	1997		Achieved	

### III. Status of the Management Contract

#### A. Strategic Objective Changes or Refinements

Following last year's R4 the Mission began a dialogue with the Bureau and Global to change or refine certain indicators. The Results Framework, indicators, and targets for each SO were also periodically reviewed during 1996. The dialogue and reviews resulted in the modification of indicators and targets as described below.

- To more accurately reflect actual income gains, the indicator for SO1 was changed from an increase in "the share of consumer expenditures accounted for by the poorest 40% of the population" to "the increase in average household income of the poorest 40%".
- For SO1, Indicator 1 for IR 1.4 was modified to reduce the targeted number of individuals receiving microenterprise loans. The original targets were too optimistic and it was necessary to correct a growing repayment delinquency problem of the Mission's partner, IPED.
- For SO2, Indicator 3 under IR 2.1 was modified to increase the targeted number of requests made by judges and magistrates for legal library documents since the Mission considered the original targets to be too low.
- For SO2, Indicator 1 for IR2.2 was modified to reduce the numbers of elected local officials to receive training. The original targets were too optimistic and other activities, e.g., elections, are of higher priority.

The Mission will continue to review and, if needed, refine indicators to better measure impact. The Mission is not satisfied with its IRs and indicators in strengthening democracy because they do not adequately reflect actual progress. A review of literature on democracy indicators, provided by AID/W, did not help identify better IRs or indicators, especially for use by small missions with limited resources. Assistance by the Bureau is requested in this area.

#### B. Special Concerns and Issues

Special concerns and issues are the same as those raised in last year's R4. They include adequate program support and the future of the USAID program. Each is discussed below.

##### 1. Support Services

The Mission is staffed by one USDH, three activity managers, two secretaries, and a driver. One activity manager, who has also provided excellent program assistance, will depart no later than November 1997. His departure will put additional burdens on the remaining staff, which is already stretched too thin. In the absence of a controller and executive officer, the two secretaries are responsible for a variety of additional administrative and financial management tasks.

The Mission receives program support from the Bureau and financial management and contract support from USAID Dominican Republic. The Mission anticipates requesting additional program support from the Bureau in 1997 in areas such as strategy design. The Mission also anticipates continued support from USAID Dominican Republic for financial management and contracting services. Executive office functions will be handled in-house with the support of the USAID Dominican Republic controller.

## **2. Future of the Guyana Program**

At last year's R4 Review, the Mission was requested to begin planning a new strategy which would continue the program through FY 2000. In January 1997 the Mission was advised that the strategy should further either or both SOs at an annual funding level of \$2.9 million.

The Mission's progress in achieving its SOs has been excellent and trends clearly indicate that the prospects for further, sustainable change are also excellent. Targets have been achieved at low cost, with minimum staff, and despite continuous, drastic budget cuts. The Bureau can continue to make enormous contributions to strengthening Guyana's nascent democracy and in providing more economic opportunities, at an annual investment of approximately \$2.9 million. This cost far outweighs the potential cost of doing less. As described in Section IV, the Mission considers SO1 and SO2 to be inseparably linked and that a decreased effort in one jeopardizes the other. Further adjustments cannot be made without putting the program at risk. The Mission understands the Bureau's budgetary constraints. But, it also believes that progress to date, prospects for the future, and the low cost merit a commitment by the Bureau to provide adequate funding to continue both SOs through FY2000. The savings which could be realized by the Bureau in reduced assistance to Guyana are relatively small. The cost to Guyana, on the other hand, would be enormous.

## **3. Planned and Recommended Management Actions**

### **Planned Management Actions**

The Mission does not anticipate any implementation difficulties which could not be satisfactorily addressed and full achievement of IRs and targets is expected. The only staffing actions necessary will be to extend two PSCs to the activity PACDs.

### **Proposed Management Actions**

The Mission has been directed to prepare a strategy which would continue its program beyond 1998 - the year when all current Mission activities will have ended. Guidance provided by the Bureau also indicated that the two SOs should be maintained through FY99, and that priority should be given to program activities that promote democracy, reduce ethnic tensions, and, within a participatory context, remove policy constraints to economic growth.

The Mission proposes, also in adherence to Bureau guidance, that a small strategy design team be fielded in the fourth quarter of this FY to (1) analyze progress toward achieving current SOs, (2) determine the perspectives of other donors, the public sector, and a cross

section of Guyanese society, and (3) using a funding level of \$2.9 million a year, prepare a strategy which furthers either or both SOs. The new strategy would be submitted to the Bureau in early 1998 for review. The Mission would then finalize the strategy and prepare necessary documentation to begin a new program in FY99.

The PACDs for SO2 activities are September and December 1998 so new democracy activities could be started as the current ones end. The PACDs for SO1 activities are November 1997 (Agriculture Sector Reform) and May 1998 (Building Equity and Economic Participation). An extension of the Agriculture Sector Reform activity is not planned. The Mission proposes to extend the termination date for BEEP from May 1998 to September 1998, and the BEEP technical assistance contract from February 1998 to August 1998. The extensions would enable continued implementation of BEEP, and the initiation of a new activity in FY99 if recommended by the strategy exercise. The Mission recommends that BEEP be extended to August even if a similar follow-on activity is not approved. The additional six months would add greatly to what is already a very successful activity.

#### IV. Resource Request

##### A. Financial Plan

##### 1. Program Resources

The budget tables in this section show the funding levels for FY97 and FY98 specified by the Bureau, and the table for FY99 provides the requested level.

In the most recent budget submission, the Mission had requested \$3.050 million for FY97. In response to the Bureau's budget crisis, the Mission proposed a minimum budget of \$2.813 million, and the Bureau later established a level of \$2.763 million. The Bureau's outstanding support in the face of many competing needs is appreciated. The Mission will attempt to partially absorb the \$50,000 deficit by sharing costs of certain electoral activities with other donors, but some activities in elections assistance or justice improvement will likely be cancelled.

The Mission had requested \$2.9 million for FY98 in its budget submission, and then proposed a minimum level of \$2.5 million in response to the Bureau's constraints. The Bureau's specified level for FY98 is only \$2.2 million. The Mission will be able to continue both SOs at this level but only by reducing the scope of assistance under each SO. This is particularly troublesome for SO2 as the elections will be over and there will certainly be new opportunities to further key programs such as constitutional reform and institutionalizing the electoral process (local government elections will be held in the summer of 1998). Even with reducing activities, the pipeline at the end of FY98 will be dangerously low to ensure program implementation until FY99 funding becomes available. FY98 will obviously be a difficult year for the Bureau. However, the Mission requests that the FY98 level be increased to the minimum level of \$2.5 million to ensure that program objectives can be met.

The Mission is requesting \$2.9 million for FY99. This level will enable the Mission to implement a program which adequately responds to both the economic and democracy strengthening aspects of the Mission strategy. Specific areas of assistance will be identified in the strategy design to take place in late FY97.

##### 2. Workforce and OE

The Mission staffing requirements for FY97-FY99 are presented below. The levels for FY97 and FY98 remain unchanged from the levels in last year's R4, and one internationally recruited position will be eliminated in the second quarter of FY98.

Mission Staffing Requirements			
Staff Classification	FY97	FY98	FY99
USDH	1	1	1
Internationally Recruited	2	2	1
Local Hire	4	4	4
Program Funded	3	3	2

The Mission's OE funding requirements for FY97-FY99 are presented in the table below. Increases from estimates provided in last year's R4 are due almost entirely to the higher cost for security services as a result of a new contract executed by the Embassy.

**OE Funding Requirements (\$000s)**

	FY97	FY98	FY99
11 Personnel	34.2	35.1	36.1
21 Travel & Tran	45.2	69.0	42.5
23 Rent	26.2	26.3	26.3
25 All Other	142.4	145.6	152.1
25 FAAS/ICASS	6.6	9.9	10.3
31 NXP	3.0	3.0	3.0
<b>TOTAL</b>	<b>257.6</b>	<b>288.9</b>	<b>270.3</b>

### 3. Prioritization of Objectives

The Mission continues to maintain that its SOs are inseparably linked and each is required to ensure the achievement and sustainability of the other. Guyana is a nascent democracy and the institutions and processes necessary for democracy to survive, let alone thrive, are weak. While the transition from a closed economy to a market oriented system has created economic opportunity, it has also caused uncertainty and hardship. Broad-based economic growth with equity (SO1) is critical to the establishment and strengthening of democratic institutions and processes (SO2). At the same time, democratic institutions are critical to ensuring better equity in economic growth.

The Mission has the only democracy strengthening program in Guyana which focuses on more than just electoral support. There are other donors in economic development, but USAID is the only donor with technical advisors who essentially serve as *de facto* deputy ministers in the two key ministries responsible for economic growth. Abandoning or decreasing support for either SO would put the other at risk.

Progress under each SO has been equally good, the trends are equally positive, both are equally important to goal achievement, and neither could be sacrificed without seriously compromising the Mission's strategy.

### 4. Field Support, Title II, and Title III

The Mission does not anticipate field support, Title II, or Title III assistance for the period covered by this R4.

### 5. Environmental Compliance

In 1996 assistance was provided by LAC/RSD-E in updating the FAA-required Tropical Forestry Biodiversity Analysis and completing the environmental impact analysis for agricultural infrastructure activities. There are currently no environmental issues. One IEAA may be required in FY98.

USAID FY 1997 Budget Request by Program/Country  
(\$000)

Country/Program: USAID/Guyana

S.O. #	Title	Est. SO Pipeline at end of FY 96	FY 1997 Total Request	FY 1997 Request								Est Expend. FY 97	Est Total cost life of SO	Mortgage at end of 1997	
				Basic Education for Childm	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G				
SO 1: Expanded Economic Opportunities for the Urban and Rural Poor															
	Bilateral	2,312	1,135		1,135	0	0	0	0	0	0	0	2,480	26,300	5,300
	Field Spt	0	0		0	0	0	0	0	0	0	0			
	Total	2,312	1,135		1,135	0	0	0	0	0	0	0	2,480	26,300	5,300
SO 2: Strengthened Democratic Institutions and Processes															
	Bilateral	1,221	1,628	0	0	0	0	0	0	0	0	1,628	2,259	9,750	5,600
	Field Spt	0	0	0	0	0	0	0	0	0	0	0			
	Total	1,221	1,628	0	0	0	0	0	0	0	0	1,628	2,259	9,750	5,600
SO 3: (Type in approved full title of SO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0			
	Field Spt	0	0	0	0	0	0	0	0	0	0	0			
	Total	0	0	0	0	0	0	0	0	0	0	0			
SO 4: (Type in approved full title of SO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0			
	Field Spt	0	0	0	0	0	0	0	0	0	0	0			
	Total	0	0	0	0	0	0	0	0	0	0	0			
SSO (Type in approved full title of SO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0			
	Field Spt	0	0	0	0	0	0	0	0	0	0	0			
	Total	0	0	0	0	0	0	0	0	0	0	0			
SSO (Type in approved full title of SO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0			
	Field Spt	0	0	0	0	0	0	0	0	0	0	0			
	Total	0	0	0	0	0	0	0	0	0	0	0			
SPO 1 (Type in approved full title of SPO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0			
	Field Spt	0	0	0	0	0	0	0	0	0	0	0			
	Total	0	0	0	0	0	0	0	0	0	0	0			
SPO 2 (Type in approved full title of SPO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0			
	Field Spt	0	0	0	0	0	0	0	0	0	0	0			
	Total	0	0	0	0	0	0	0	0	0	0	0			
Total Bilateral		3,533	2,763	0	1,135	0	0	0	0	0	0	1,628	4,739		
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL PROGRAM		3,533	2,763	0	1,135	0	0	0	0	0	0	1,628	4,739	26,050	10,900

FY 97 Budget Request by Appropriation - (\$000's)	
Development Assistance	2,763
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

USAID FY 1998 Budget Request by Program/Country  
(\$000)

Country/Program: USAID/Guyana

S.O. #	Title	Est. SO Pipeline at end of FY 97	FY 1998 Total Request	FY 1998 Request								Est. Expend. FY 98	Est. Total cost life of SO	Mortgage at end of 1998	
				Basic Education for Children	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G				
SO 1: Expanded Economic Opportunities for the Urban and Rural Poor															
	Bilateral	967	1,000	0	700	0	0	0	0	0	0	300	1,370	26,300	4,300
	Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	967	1,000	0	700	0	0	0	0	0	0	300	1,370	26,300	4,300
SO 2: Strengthened Democratic Institutions and Processes															
	Bilateral	500	1,200	0	0	0	0	0	0	0	0	1,200	1,394	9,750	4,400
	Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	500	1,200	0	0	0	0	0	0	0	0	1,200	1,394	9,750	4,400
SO 3: (Type in approved full title of SO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 4: (Type in approved full title of SO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO (Type in approved full title of SO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO (Type in approved full title of SO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 1 (Type in approved full title of SPO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 2 (Type in approved full title of SPO here)															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Field Spt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		1,557	2,200	0	700	0	0	0	0	0	0	1,500	2,764		
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL PROGRAM		1,557	2,200	0	700	0	0	0	0	0	0	1,500	2,764	38,050	8,700

FY 98 Budget Request by Appropriation - (\$000's)	
Development Assistance	2,200
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

USAID FY 1999 Budget Request by Program/Country  
(\$000)

Country/Program: USAID/Guyana

S.O. #, Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 98	FY 1999 Request								Est. Expnd. FY 99	Est. Total cost life of SO	Mortgage at end of 1999		
				FY 1999 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ				D/G	
<b>SO 1: Expanded Economic Opportunities for the Urban and Rural Poor</b>																
	Bilateral		597	1,300	0	1,300	0	0	0	0	0	0	0	1,200	26,300	3,000
	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>		<b>597</b>	<b>1,300</b>	<b>0</b>	<b>1,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,200</b>	<b>26,300</b>	<b>3,000</b>
<b>SO 2: Strengthened Democratic Institutions and Processes</b>																
	Bilateral		396	1,600	0	0	0	0	0	0	0	1,600	1,300	9,750	2,800	
	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>Total</b>		<b>396</b>	<b>1,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,600</b>	<b>1,300</b>	<b>9,750</b>	<b>2,800</b>	
<b>SO 3: (Type in approved full title of SO here)</b>																
	Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0	
	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>SO 4: (Type in approved full title of SO here)</b>																
	Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0	
	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>SSO (Type in approved full title of SO here)</b>																
	Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0	
	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>SSO (Type in approved full title of SO here)</b>																
	Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0	
	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>SPO 1 (Type in approved full title of SPO here)</b>																
	Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0	
	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>SPO 2 (Type in approved full title of SPO here)</b>																
	Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0	
	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Bilateral</b>			<b>993</b>	<b>2,900</b>	<b>0</b>	<b>1,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,600</b>	<b>2,500</b>			
<b>Total Field Support</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>TOTAL PROGRAM</b>			<b>993</b>	<b>2,900</b>	<b>0</b>	<b>1,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,600</b>	<b>2,500</b>	<b>36,050</b>	<b>5,800</b>	

FY 98 Budget Request by Appropriation - (\$000's)	
Development Assistance	2,900
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

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