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**Country review report for Guyana\***

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\* The present report contains a summary of the findings of the review. The full text is available in the language of submission from the Executive Board secretariat.



## Introduction

1. The first country cooperation framework (CCF) for Guyana lasted from 1997 to 1999, but was extended to the end of 2000. A review mission took place 12 to 19 February 2001, consisting of a government representative, a representative from UNDP headquarters and a consultant acting as team leader. The views and interpretations of the review report are those of the mission and should not be attributed to UNDP, the Government of Guyana or any other organization, as the content of the review report does not imply their official policy or endorsement.

2. The main purpose of the country review was to assess performance at the country level in the implementation of the first CCF, identify constraints and bottlenecks, provide an assessment of results, and make forward-looking recommendations for the preparation of the next CCF.

### I. The national context

3. The inappropriate policies implemented during the 1970s and 1980s, together with large external and internal imbalances, severely constrained development, leading to negative real growth, which averaged 3 per cent during the period 1980-1990. The decline manifested itself in the decay of economic and social infrastructure, the deterioration of social services, and increased levels of poverty, estimated at 43 per cent of the population in 1993. About 29 per cent of the population was classified as extremely poor. Although a Living Conditions Survey undertaken in 1999 revealed a decrease in the number of poor, the level of poverty remained high, at 35 per cent of the population, with 21 per cent living in absolute poverty.

4. To reverse the declining trend, the government, in mid-1988, launched an Economic Recovery Program, the centerpiece of which was to establish a market-oriented economy. The economy responded positively. Real gross domestic product (GDP) grew by an average of 7.4 per cent year between 1991 and 1996, and per capita income increased from \$430 to \$750. Growth in output was sustained by access to preferential markets and large capital inflows. Internal and external imbalances were eliminated and assistance from the donor community was also forthcoming. These factors facilitated rehabilitation of the economic and social infrastructure.

5. During the period 1997 and 1998, however, the economy suffered severe set backs, owing to a number of factors, such as a prolonged drought in 1997 and 1998 brought about by the El Nino weather phenomenon. Traditional commodities, sugar, rice, bauxite and gold, which together account for 70 per cent of export earnings, remain vulnerable to the vagaries of the international market place, in terms of uncertainties in preferential export markets, and price volatility.

6. Furthermore, political instability arose as street demonstrations were launched by the main opposition party to protest the results of the December 1997 presidential and parliamentary elections. However, these demonstrations were temporarily halted by the signing of two agreements in the first half of 1998, between the Government and the main opposition party. The tense political climate shifted the Government's priority to governance issues. The political instability resulted in a sharp fall in public confidence, which had an adverse impact on investment and economic performance. Thus, the combination of adverse weather conditions, price volatility for primary commodities, and political instability, contributed to the sharp decline in GDP in 1997 and to negative growth of some 2 per cent in 1998. This negative trend continued into 2000, with real GDP growth recorded at -1.7 per cent.

7. Guyana qualified for debt relief from the international community under the Highly Indebted Poor Country debt relief facility of the World Bank and the International Monetary Fund for heavily indebted low-income developing countries, and is currently engaged in finalizing a Poverty Reduction Strategy Paper (PRSP) and programme to address the critical levels of poverty affecting a significant percentage of the population. It was against this background that the first CCF was formulated, revised, and implemented, and which also provides the context for the second CCF.

## II. The first country cooperation framework

8. The first CCF (1997-1999) was prepared on the basis of an UNDP advisory note and was approved by the Executive Board at its third regular session 1997. The CCF focused on four programme areas: capacity-building for poverty eradication and sustainable human development; governance, institutional development and consensus-building; productive employment, income generation, and skills-training for sustainable livelihoods; and coordinated policy formulation, appropriate regulatory frameworks, and institutional and human development for environmental stability. These broad areas of intervention responded to Government's development objectives and were consistent with the commitments made by the country at global United Nations conferences. Increased emphasis was placed on the areas of governance and poverty in 1999 and 2000, to respond to the new priorities of the Government, given the political and reality of Guyana.

9. The overall programme strategy for implementing UNDP assistance was based on advocacy, support to consensus-building activities, and assistance in the development of strategies. The programme implementation rate was very low during 1997 and 1998, below 30 per cent in most cases. The tense political situation in 1997 and 1998 shifted the Government's priority to governance issues, and accordingly, projects responded to the new realities.

10. The CCF is essentially project-based, with the projects clustered around the Government's national development goals. This approach is appropriate for the reasons already cited. It is, however, desirable that attempts should be made to integrate individual projects across thematic areas.

11. The CCF also uses the policy demonstration and capacity-building approach, combining upstream sustainable human development (SHD) policy interventions with downstream demonstrations of improved national programme implementation approaches, and capacity-building to ensure self-reliance. This approach is appropriate and concrete results have been achieved.

## III. Programme performance

### A. Capacity-building for poverty reduction and SHD

12. At the time of the formulation of the CCF, poverty eradication was viewed as the central priority and overriding objective. At the same time, it was recognized that national capacity was inadequate to formulate, develop and implement projects to help meet the objective. Capacity-building was seen as fundamental to the success of the programme and indispensable to avoid a return to dependency. Interventions in this programme area included a project whose objective was to develop national strategies and programmes to attack poverty in Guyana, also leading to improved definitions of poverty, a gender-sensitive approach to interventions for poverty alleviation, a stronger database, a consultative process and focused targeting of the most vulnerable groups. Other interventions included: providing support for the finalization of the PRSP; building capacity in the health sector; enhancing capacity for gender equity in governance and providing skills training for poor and disadvantaged women; the establishment of a sustainable development networking programme; and support to the local standards organization. Notable results under this programme area include the conduct of a poverty survey in 1999-2000, whose results formed the database for the preparation of an Interim Poverty Reduction Strategy Paper (I-PRSP) for Guyana; the establishment of the Guyana Women's Leadership Institute; certification of the Guyana National Bureau of Standards and introduction of the International Standards Organization 14,000 series of standards to guide production in the manufacturing and mining sectors.

### B. Governance, institutional development and consensus-building

13. The Government's objective, as expressed in the CCF, was to improve institutional and other arrangements, as well as to foster democratic participation, social harmony and inclusion towards ensuring good governance. While most of the entry points defined are still relevant, they have been redefined to overcome the political impasse in light of the events described above. A more global goal in the area of governance is to strengthen Guyana's commitment to inclusive democracy and the rule of law, through greater respect for human rights. Specifically, the current UNDP contribution aims at: (a) establishing a

stronger democratic system in Guyana and supporting the national consultation process that will lead Guyana to adopt a new Constitution in 2001, favouring the participation in the consensus-building process of a full range of civil society organizations; (b) strengthening the Guyana Elections Commission and contributing to its transformation into an autonomous institution; and (c) reinforcing and democratizing the principles of gender equity, and community participation. In addition, UNDP has engaged in advocating and promoting respect for human rights, most notably through the launch of the 2000 national human development report, with advice to the Oversight Committee and through the United Nations Development Assistance Framework (UNDAF). Most of these interventions are process-oriented and therefore results are difficult to quantify. However, both the impact as well as the UNDP role as neutral broker and coordinator of the donor/lender group is well recognized and praised. Major donors in the country will continue to be active in this area and this will create the opportunity for UNDP to continue to play an important role in facilitating coordination of the efforts of the international community.

### **C. Productive employment, income generation, and skills training for sustainable livelihoods**

14. This programme area was intended to be the major area of focus in the CCF, accounting for close to one half of the target for resource assignment from the core allocation. Specific interventions were to be formulated to respond to particular needs of identified populations of the poor and disadvantaged. In this respect, indigenous populations, poor smallholders, youth and women were specifically targeted in the CCF. The flagship programme under this programme area is the North Rupununi Poverty Alleviation Programme, under which the Northern Rupununi Credit and Development Centre was established as a community micro-credit scheme. The micro-credit scheme promotes the development of small-scale enterprises, income-generating activities and employment opportunities, by using the funds provided by UNDP as small start-up loans, requiring non-traditional securities and community pressure. The project is coordinated by the Ministry of Amerindian Affairs and implemented by the Institute of Private Enterprise Development. Through the project, income-generating and employment opportunities are becoming available for some of the poorest of the population. The activities being financed are those identified by the beneficiaries themselves. The team was of the view that the success achieved has been due to the fact that the project not only responded to the needs identified

by the communities, but the communities have played a leading role in the planning, implementation and monitoring of the project. UNDP also supported the implementation of a Poor Rural Farmers Support Programme, funded by the International Fund for Agricultural Development and the Caribbean Development Bank. Other programmes targeting youth, women and small businesses are currently being finalized for implementation under the second CCF.

### **D. Strengthening national capacity for environmental protection, conservation and management**

15. The Government's overall objectives for the sector are to: (a) strengthen national capacity for environmental monitoring and management, including improved collaboration and coordination among all stakeholders; (b) strengthen the capacity of the natural resources commissions and responsible agencies, including Environmental Protection Agency, the GUYANA Geology And Mines Commission and the Guyana Forestry Commission, to effectively monitor and regulate activities within their respective areas of responsibility; (c) establish a well-structured regime of institutions, legislation, policies, strategies and action plans, regulations, and incentives for protecting and conserving the country's biodiversity and other natural resources; (d) increase national consciousness by strengthening environmental education and information; and (e) promote the elaboration of acceptable environmental standards for the country including rural and urban habitats. UNDP responded with a number of projects, including support for the establishment of the Iwokrama Rainforest Programme and the Education Awareness and Capacity-Building Programme, and support to enabling activities projects in the areas of biodiversity and climate change. The Iwokrama International Centre for Rain Forest Conservation and Development was established with funding from the Global Environment Facility; a Biodiversity Action Plan was completed, in satisfaction of the country's commitment under the Biodiversity Convention; Guyana's First Communication to the Conference of the Parties under the Climate Change Convention prepared; and an environmental education and public awareness campaign were launched, all under this programme area.

## **E. Findings, recommendations and agreed actions**

### **Findings**

16. The focus of UNDP assistance is on SHD through poverty alleviation, employment creation, and capacity-building for economic management, good governance and gender empowerment. This reflects the Government's development objectives and is also consistent with the United Nations approach to development assistance. This emphasis is viewed as appropriate.

17. In the absence of clearly stated outputs and outcomes for the various programme areas, it is difficult to understand the level of success or failure and consequently the responsible factors for each. This would be corrected through the use of a results-based management approach for the future.

18. The rate of programme implementation was very low during 1997 and 1998. The implementation rate was below 30 per cent in most cases. In one case, the implementation rate was below 2 per cent. A contributory factor to this development was the dismantling of the aid coordination machinery in the ministry of Foreign Affairs and the consequent loss of expertise in that area. Responsibility for aid coordination was then split between the Ministry of Foreign Affairs and the Ministry of Finance; as a consequence, the decision-making process was slow.

19. The tense political situation in 1997 and 1998 shifted the Government's priority to governance issues; accordingly, projects responded to this changed environment. The projects that were introduced to respond to the new realities were in the following areas: the Guyana Election Commission; constitutional reform; poverty eradication; micro-credit; national capacity-building; and drought emergency.

20. The strengthening of the capacity of the Ministry of Foreign Affairs to supervise project implementation made possible by the national capacity-building project, coupled with the prompt response of UNDP for assistance in the governance area, strengthened relations between the Government and UNDP. The effect has been acceleration in the pace of project implementation. The project implementation rate exceeded 80 per cent in 1999 and 2000.

21. The programmes assisted by the UNDP were a combination of upstream and downstream activities. Upstream activities included advocacy in the governance area. An example of downstream activities is the micro-credit scheme under the North Rupununi Poverty Eradication Programme.

22. The area of governance at large provides great visibility and opportunities to UNDP. It has also become a major point of collaboration with major donors in the country as they recognize the comparative advantage of UNDP in terms of its neutrality. Given that the establishment of harmonious race relations is a fundamental requirement for economic and social development in the current national context, UNDP should build on the results achieved to muster donor support for the proposed Race Relations Commission.

23. The greatest achievement of UNDP has been in the area of governance and advocacy for achieving SHD. UNDP has been extremely successful in coordinating the assistance of all donors in the area of governance, with the result that resources have been available in a timely manner. The political tension has thus been largely contained. Advocacy for the production and dissemination of socio-economic data has been impressive. The data produced under the poverty eradication project were essential inputs to the I-RPSP, which enabled Guyana to meet the requirements for debt relief under the HIPC initiative.

### **Recommendations**

24. Future assistance should be concentrated on a few programmes, in view of the declining level of resources and weak capacity for programme implementation. In addition, the Government must lead the process of project selection, design and implementation.

25. The Government must play the leading role in the formulation of the second CCF. There should be full participation of government agencies in the identification of programmes, to ensure relevance and ownership and thereby enhance the prospects for their implementation.

26. One of the difficulties of the present cycle is weak linkage between projects and activities. Advocacy for the programme approach should be intensified to encourage the Government to adopt the strategy for the next programming cycle.

27. Programmes that have had a positive impact on poverty reduction are those that are community-based, with a focus on income-generating activities. Opportunities to replicate the North Rupununi project should be explored the selection of projects for the next cycle.

28. The strategy being used to improve programme implementation that involves the setting up of an implementation unit in the Ministry of Foreign Affairs is appropriate. For the future, however, the possibility of establishing an autonomous programme implementation unit should be explored, to strengthen capacity for national execution (NEX). As the NEX modality is not limited to implementation by government agencies, opportunities for the involvement of local institutions and expertise in project implementation could also be examined.

#### **Agreed actions**

29. The Government led the process of formulation of the new CCF, which was presented to Cabinet for endorsement. The recommendation to narrow the focus and to utilize the programme approach has also been accepted. The new CCF is organized around three programme support areas, for which programme support documents will be prepared. As recommended in the review report, civil society actors will be utilized as executing agencies to supplement weak implementation capacity within the Government. Also, the Government and a few donors have indicated an interest in continuing support to the North Rupununi Programme and similar poverty reduction initiatives, as well as replicating the approach and methodology utilized in that Programme.

### **IV. UNDP support to the United Nations**

30. Four agencies are represented in Guyana – UNDP, the United Nations Children’s Fund (UNICEF), the World Health Organization (WHO)/the Pan-American Health Organization (PAHO) and the International Monetary Fund. Other agencies, such as UNFPA and the World Food Programme (which closed its programmes in 1999), are represented by UNDP and provide assistance to Guyana within the context of regional or subregional projects. The United Nations Volunteers programme intensively supports the health sector programme. A World Bank liaison officer, funded by the United Kingdom’s Department for International Development, has been established in the

country, and is hosted by UNDP. UNDP also provides support to non-resident United Nations system agencies.

31. The United Nations Country Team finalized the Common Country Assessment (CCA), thereby creating an effective platform for United Nations system programming, based on a shared database and analysis. Given that data is a very sensitive area for the Government, the CCA was undertaken primarily as an internal exercise, and was then endorsed by the Government.

32. The UNDAF, which was recently finalized, centred on a human rights approach to poverty reduction. It has been drafted in full awareness of the National Development Strategy and as an input to support the PRSP. It provides a common understanding of the country reality and a basis for establishing benchmarks to meet the targets set in the Millennium Summit for 2015.

33. It is expected that the United Nations Development Group agencies will harmonize their programming cycle in 2001. The first CCF CCF has been extended from 1999 to 2001 to that purpose.

34. The most remarkable feature of collaboration is the United Nations Country Team joint management of the Resident Coordinator funds, based on jointly planned activities towards the implementation of commitments under global conferences and the advocacy of United Nations themes. To properly advocate and engage in joint activities of common concern to the United Nations agencies, the amount allocated should be significantly increased and ideally cost-shared by all agencies. The mandates and initiatives of United Nations agencies are fully supported by UNDP.

35. The United Nations system theme group for HIV/AIDS is currently chaired by UNICEF, and has become the basis for a national HIV/AIDS mechanism supported by the United Nations and other bilateral and multilateral donors. A gender theme group is also in place and is actively focusing on violence against women. It has facilitated the establishment of partnerships with both the Government and civil society, as well as the development of programmes separately funded but set on common objectives. The poverty group was subsumed into the wider donor/lender group supporting the finalization of the I-PRSP.

36. While there is a common understanding and

agreement on the benefits of common premises, there are space limitations in the capital, Georgetown, to appropriately house all United Nations agencies.

### **Recommendations**

37. The country office should vigorously pursue the proposal that United Nations Country Team members cost-share activities supported by the Resident Coordinator supplement, to ensure greater synergy with individual agency programmes, engagement by the agencies and the impact of the United Nations Country Team work plan.

### **Agreed actions**

38. United Nations Country Team members have agreed to support and complement activities currently included in the United Nations Country Team work plan, in the process creating greater synergy and complementarities between the United Nations Country Team work plan and individual agency programmes. This is particularly so in the area of HIV/AIDS, where WHO/PAHO and UNICEF are supporting complementary initiatives for agreed activities in the United Nations Country Team work plan, and in the area of domestic violence, where UNICEF is providing additional support to activities commenced under the United Nations Country Team work plan.

## **V. Programme management and operation**

### **A. Management**

39. The country office has used United Nations agency, NEX and direct execution modalities. The direct execution modality was used for the 1997 post-elections audit and to respond to El Nino flood emergency. In terms of numbers, 87 per cent of projects are currently executed nationally and 13 per cent by United Nations agencies. In terms of resources, 95 per cent are managed under NEX and about 5 per cent under United Nations agency execution. The priority is clearly on national execution and it is the modality for projects supervised by the Ministry of Foreign Affairs. NEX has allowed UNDP to work with a wide range of ministries and therefore to realize the urgent need for a broader capacity-building programme across the board. The role of the country office in supporting NEX is therefore substantial. To address this issue, a Project Implementation Unit (PIU), funded by UNDP, has been established within the Ministry of Foreign Affairs.

### **Findings**

40. The strengthening of capacities in the other ministries, government agencies and civil society to ensure that the NEX modality is used in the implementation of all projects has not materialized, largely because of concerns of the Government.

### **Recommendations**

41. The establishment of a PIU should ultimately seek to build such capacity in the Government and not in the country office. This needs to be carefully considered, since PIUs, while they may expedite project tasks in the short run, often jeopardize local ownership, sustainability and replicability.

42. A hand-in-hand participatory and learning process ensuring involvement of the national executing agencies in decision-making will allow a progressive transfer of responsibilities and therefore a strengthening of local capacities.

43. While NEX should continue to be the preferred execution modality, its limitations are quite clear and some innovative variations on capacity-building and, for example, public-private partnerships would be required.

### **Agreed actions**

44. The country office is pursuing discussions with their government counterpart with respect to establishing an autonomous PIU. It is agreed that the PIU would build capacity within Government and not the country office, to ensure national capacity-building and sustainability. This approach will also be pursued with respect to the NEX modality, where the objective will be to transfer such responsibilities to governmental and civil society entities, to ensure ownership and sustainability. The private and non-governmental organization sectors will be maximally involved in implementing UNDP-supported programmes and projects to foster broad-based capacity-building, involving a wider array of national partners.

### **B. Programme approach**

45. There are serious obstacles to the adoption of the programme approach in Guyana. These include capacity constraints, shared responsibility for aid coordination between the Ministry of Finance and Foreign Affairs, and the absence of a national development strategy. The successful completion of the I-PRSP by the Government,

the finalization of the National Development Strategy document, together with the Government's expressed need for the strengthening of its data gathering and management capacity, leading to the production of development indicators to monitor programmes on the implementation of the full PRSP, present opportunities for movement towards a programme approach to development assistance.

### **Recommendations**

46. The Review Team had an opportunity to meet with the Adviser in the Office of the President in the course of the mission and used the opportunity to suggest the value added that UNDP could bring to the national data gathering and information management exercise. UNDP should use the opportunity to intensify its advocacy for the use of the programme approach.

### **Agreed actions**

47. The programme approach will be used more resolutely in the next CCF. Three project support documents will be prepared for the areas of poverty reduction, governance and environmental management. There will be need for greater support from appropriate corporate software for programme monitoring and financial/budget management.

## **C. Monitoring and evaluation**

48. The country office has a monitoring plan, which involves site visits to projects by programme officers and finance staff once a year. In addition, each programme is subjected to an annual tripartite review. Tripartite reviews have been done for all programmes. In the case of evaluations, all projects over \$1 million, such as the Iwokrama International Rain Forest Conservation and Development Programme, are subject to external evaluation. Two other projects under \$1 million were evaluated in 2000, because the country office thought there were interesting lessons to be learned. The Review Team is of the view that the monitoring and evaluation arrangements are adequate.

## **D. UNDP office management and operations**

49. Women represent about 65 per cent of the country office staff, occupying most of the assistant and secretarial posts. The programme staff is adequately qualified and there is constant review to ensure the effective use of each

individual's skills. Management practices are in place. The management team, which includes Programme Officers and the Senior Finance and Administrative Assistants, meets on a weekly basis, to review both programme and operational issues. The minutes of these meetings are circulated to all staff. Accordingly, staff morale is good, with full commitment to the work of the country office. There is a staff association, which meets regularly.

50. The country office is organized in two major sections, covering programme and operations (finance and administration), with 7 and 13 staff, respectively. It has established sound procedures for essential administrative and financial functions. The latest management audit was held in 1999; it identified no serious issues.

51. The Resident Representative and the Deputy Resident Representative play an active role in programme planning and management. There is frequent and direct interaction between programme staff, the Deputy Resident Representative and the Resident Representative. The Resident Representative and Deputy Resident Representative are also involved in day-to-day programme operations, as well as administrative and financial matters. The average cost of the administrative budget is about \$360,000, and covers essentially personnel costs. It does not include the cost of international staff. The Government provides free office accommodation and a cash contribution for other related costs. The percentage of programme delivery to administrative costs has been reduced to 15 per cent. The establishment of the proposed regional business centre could help to rationalize costs further.

### **Recommendations**

52. The re-profiling exercise and related initiatives should be grasped as opportunities for re-engineering the country office structure and profile behind a reinvigorated vision and purpose for greater efficiency and effectiveness.

### **Agreed actions**

53. The country office is in process of implementing the recommendations of the re-profiling mission report, particularly with reference to upscaling the substantive work of the programme section, and strengthening capacity accordingly. The country office is also pursuing a first round of actions to rationalize the operations section as per the report, to ensure adequate capacity to support its current and immediate future needs. The structure of the operations section will be further reviewed early next year, within the



context of the establishment of a business centre to support the needs of the country offices in the Caribbean region.

## **VI. Principal findings and recommendations**

### **Programme focus and relevance**

54. The focus of UNDP assistance is on SHD, through poverty reduction, employment creation, capacity-building for economic management, good governance, and gender empowerment. This reflects the Government's development objectives and is also consistent with the United Nations approach to development assistance. This emphasis is appropriate.

55. Future assistance should be concentrated on a few programmes, in view of the declining level of resources and weak capacity for programme implementation, and that the Government must lead the process of project selection, design and implementation.

### **Programme performance**

56. The Government must play the leading role in the formulation of the next CCF. There should be full participation of government agencies in the identification of programmes, to ensure relevance and ownership and thereby enhance the prospects for their implementation.

57. One of the difficulties of the present cycle is weak linkage between projects and activities. Advocacy for the programme approach should be intensified to encourage the Government to adopt the strategy for the next programming cycle.

58. Programmes that have had positive impact on poverty reduction are those that are community-based, with focus on income-generating activities. In the selection of projects for the next cycle, opportunities to replicate the North Rupununi project should be explored.

59. The strategy being used to improve programme implementation involving the setting up of an implementation unit in the Ministry of Foreign Affairs is appropriate. For the future, however, the possibility of establishing an autonomous programme implementation unit should be explored to strengthen capacity for NEX. As the NEX modality is not limited to implementation by government agencies,

opportunities for the involvement of local institutions and expertise in project implementation could also be examined.

### **Aid coordination**

60. Aid coordination in Government is weak because responsibility for aid coordination is split between the Ministry of Foreign Affairs and the Ministry of Finance. Weak coordination has had a negative impact on project implementation.

61. The Government should develop a more coherent and streamlined aid programme that takes into account national priorities as well as donors' concerns. In particular, the Government could mirror the donor/lender arrangement currently pursued by the donors with their own core group and line ministers overseeing thematic groups.

### **Resource mobilization**

61. Based on the partnerships that have been established in the area of governance, the country office should explore the possibility of mobilizing additional resources through managing large multi-donor projects. Other avenues to be considered include access to Global Environment Facility resources and implementing Caribbean Community projects. Partnership with the World Bank in the environmental area could also be explored.

### **Recommendations**

62. The country office should develop a resource mobilization strategy and action plan to support, expand and deepen partnerships, as well as programming initiatives, especially the PRSP process.

### **Agreed actions**

63. A resource mobilization mission is being fielded to the country office, with support from the Regional Bureau for Latin America and the Caribbean, to advise on an appropriate strategy and provide training/coaching to staff in resource mobilization modalities.

### **Future CCF**

64. UNDP has been successful in its support for critical SHD issues, such as governance, gender, poverty, environment, and long-term strategic planning. In the area of governance, for example, UNDP has earned the

confidence of both the Government and the donor community. In spite of its limited resources, UNDP has emerged as a major player. Given the declining resources available through UNDP, advocacy for SHD issues should continue as the future focus, complemented by a catalytic role in resource mobilization, assisting the Government with strategic planning and vision, and support for implementation.

65. In keeping with the UNDP mandate and given the high incidence of poverty, building capacity for poverty reduction should continue to be a major area of focus for the second CCF. However, poverty reduction projects must be community-based, participatory and focused on income-generating activities.

66. Environmental management is another area for future focus, especially since the Government has decided to extend the protected areas of the country from 2 per cent to 8 percent. In this regard, the country office needs to develop a strategy and action plan for an enhanced programme in the environment focus area under the next CCF, and for forging partnerships and mobilizing non-core resources.

67. The second CCF should clearly indicate how UNDP has narrowed and will narrow its focus to points of greatest local comparative advantage within the focus areas of the CCF, and what specifically is being dropped, with a view to enhancing impact of the CCF and reducing transaction costs.

68. The overall challenge of the next CCF will lie in the broad area of how it contributes to arresting and rebuilding the eroding national capacity for development. A consolidated systems approach rather than the current piecemeal approach will have to be adopted. This will include action at the enabling environment, the institutional, organizational, group and individual levels, and especially the interfaces among these. Rebuilding social capital in the country is perhaps the key development outcome required at this time. It is within such a development outlook that UNDP will be able to define policy and project interventions to assist with practical SHD outcomes, within a programme approach.

69. Given the national context as described by the mission, the need for civil society involvement in the preparation of the next CCF is very important. Hopefully, the opening paragraph of the second CCF will reflect this as well as government and UNDP ownership.

70. It is important that any new programme formulation involves a national process and uses a programme approach, shows clear policy and governance linkages to any downstream activities, and identifies innovative strategic partnerships for both programme development and resource mobilization. One such possibility is interested elements of the Guyanese diaspora.

## Annex

## Financial summary

Country: Guyana CCF period: 1997-2000 Period covered by the country review: January 1997-December 2000			
	<i>Amount assigned for the full period of the CCF</i>	<i>Amount actually made available for the period under review</i>	<i>Estimated expenditure for the period under review</i>
<i>Regular resources</i>	(Thousands of US dollars)		
Estimated IPF carry-over	136	136	136
TRAC 1.1.1 and TRAC 1.1.2 (66.7 per cent of TRAC 1.1.1)	4 820	4 820	1 997
Other resources (SPR)	25	25	25
SPPD/STS	333	333	47
<i>TRAC 1.1.3 Elections Audit and El Nino</i>	265	265	265
<b>Subtotal</b>	<b>5 579<sup>a</sup></b>	<b>5 579</b>	<b>2 470</b>
	<i>Amount targeted for the full period of the CCF</i>	<i>Amount actually mobilized for the period under review</i>	<i>Estimated expenditure for the period under review</i>
<i>Other resources</i>	(Thousands of US dollars)		
Government cost-sharing	6 000	2 451	2 451
Third-party cost-sharing	2 921	1 191	545
Funds, trust funds and other	2 336	2 666	1 507
Of which:			
PSI	129	129	1 507
GEF	1 000	1 308	1 229
EU	1 207	1 229	167
<b>Subtotal</b>	<b>11 257</b>	<b>6 307</b>	<b>4 503</b>
<b>Grand total</b>	<b>16 836<sup>a</sup></b>	<b>11 886</b>	<b>6 973</b>

<sup>a</sup> The total includes SPPD/STS as reflected in the CCF resource mobilization target, but not included in the summary of programme outline in the financial information table.

*Abbreviations:* EU = European Union; GEF = Global Environment Facility; IPF = indicative planning figure; PSI = Poverty Strategy Initiatives; SPPD = support for policy and programme development; SPR = special programme resources; STS = support for technical services; and TRAC = target for resource assignment from the core.