



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
20 July 2005

Original: English

Second regular session 2005
6-9 September 2005, New York
Item 4 of the provisional agenda
Country programmes and related matters

Draft country programme document for Guyana (2006-2010)*

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* The compilation of data required to present the Executive Board with the most current information has delayed submission of the present document.

I. Situation analysis

1. Despite being a country of enormous economic potential, Guyana is currently a small Highly Indebted Poor Country (HIPC). During the past five years the economy experienced only slow growth, estimated at 0.65 percent¹ and the per capita gross domestic product (GDP) at the end of 2004² was merely \$857. This GDP level is likely to be even lower at the end of 2005 as a result of devastating floods in January, which affected 20 percent of the population, with damage and losses estimated to be around 60 percent of GDP³.

2. Between 1992 and 2000 the percentage of persons living in poverty was seen to decline from 43 percent to 35 percent⁴. No later data on poverty are available, and in the absence of robust GDP growth, it is unlikely that the poverty levels would have continued to drop over the past five years. The absence of consistent, reliable time series data continues to be a major impediment in the capacity to monitor and evaluate progress in the country. As a result, the Government of Guyana has placed a high priority on strengthening capacity in reliable data gathering and maintenance.

3. The data from two surveys by the Bureau of Statistics (BOS) show that growth in the economy has not increased the number of available jobs. The Labor Force Survey of 2000, measured the rate of inactivity of the working age population at around 45 percent. Such high levels of economic inactivity have the likelihood of increasing economic vulnerability, especially among women and youth, which in turn could contribute to higher crime and HIV/AIDS rates, as well as social tensions, resulting in distrust and lack of social cohesion between and among communities.

4. Migration out of Guyana has been high – averaging about two percent of the country's population per year. More than 83% of the country's university graduates have migrated to take jobs with the Organization of Economic Co-operation and Development and to the

Caribbean Community and Common Market countries (CARICOM). Moreover, according to the 2002 Census, population growth has remained steady. Therefore, the ongoing migration of skilled professionals and entrepreneurs in the last 20 years, has hampered the Government's efforts to reach sustainable economic growth, and has also limited its capacity to implement programmes. These factors have combined to slow the achievement of the Millennium Development Goals (MDGs).

5. Investments by the private sector have been somewhat constrained and the official development assistance (ODA) has been on the decline for several years, though it now shows signs of reviving. Consistent with the efforts to create a broad-based job-creation-oriented economic growth policy, an Investment Law and a Small Business Act were passed to stimulate investments, particularly in the hinterland regions, where extreme poverty exceeds the national average. In addition, comprehensive reforms in fiscal policy, including the passage of the Fiscal Enactments Law, the Organic Budget Law and consideration of the VAT, currently being undertaken by the Parliament, will further enhance the investment framework and may encourage private investment.

6. Due to the perceived political and social instability in the country, efforts to attract foreign investment have not been very successful. Stimulating private investment will take more than laws and regulations. An enabling investment climate will require a stable political environment, efficient bureaucracy, law and order and the expeditious resolution of business conflicts. Unfortunately, political instability exacerbated by pockets of organized and violent crime persists in Guyana, and this will impact existing and future investments.

7. Analysis contained in the draft 2005 Poverty Reduction Strategy Paper (PRSP) Progress Report also acknowledges the importance of political stability, internal security, sound infrastructure and efficient conflict resolution mechanisms as essential blocks to building confidence in the economy.⁵

¹ Computations from Budget Speeches 2002-2005

² 2005 Budget Speech, which can be found at

<http://www.gina.gov.gy/publications.htm>

³ ECLAC: Guyana Flood Disaster Assessment Report see it 'Documents, Publications' at -

<http://www.sdn.org.gy/undp/>

⁴ Guyana: Living Conditions Survey 2000

⁵ PRSP Progress Reports can be found at:

<http://www.povertyreduction.gov.gy/>

8. In short, Guyana faces three obstacles in its efforts to achieve the MDGs: (i) constraints on people's choices and interventions; (ii) the prevailing political culture; and (iii) vulnerability to economic, environmental and social hazards. Further and immediate threats to the achievement of the MDGs include the presence of HIV/AIDS, flooding during heavy rains, changes in the European Union trade agreement on sugar, low activity rates and unemployment.

9. Keenly aware of these problems, the government is making efforts to reduce their negative impact. This has resulted in improvements in the infrastructure, education and health sectors. Recent developments also suggest that direct foreign investment will start to increase.

II. Past cooperation and lessons learned

10. Till now the key *governance* interventions carried out by the United Nations Development Programme (UNDP) have been in coordinating donor inputs to strengthen the Elections Commission, facilitating Constitutional Reforms, facilitating political dialogue and building social cohesion and peace, as well as supporting the preparation of national reports under the human rights conventions. In the area of *poverty reduction* the UNDP interventions have taken the form of supporting the preparation of a Poverty Reduction Strategy Paper (PRSP⁶) including coordinating donor support, preparation of PRSP progress reports in 2004 and 2005, preparation of a MDG Report⁷, capacity building for monitoring the MDGs and the PRS and a public/private partnership demonstration project. In the area of *energy and environment*, the country office has supported the raising of awareness on environmental matters, management of the environment, and demonstration projects for renewable energy for the hinterland regions. It has also been instrumental in building monitoring capacities at the community level, and increasing flows of Global Environment Facility (GEF) resources to the country.

11. Assessments of the Government of Guyana/UNDP programme of cooperation found that with the amount of resources at its disposal, both financial and human, and with the need to focus on results, the country office was involved in too many outcomes. The consensus is that it is important to narrow the focus of the programme and work towards a smaller number of outcomes. Therefore, in order to maximize impact, five or six outcomes would be identified for the new programming cycle in Guyana.

12. In assessing the implementation of projects and programmes it was found that capacity for national execution is extremely weak. This has often placed the country office in the position of leading project design, albeit in collaboration with Government, thus diluting national ownership and the national capacity. Maintaining human resource capacity continues to be a major challenge for any development initiative in Guyana, and the result has been very slow rates of implementation of several projects. Efforts are being exerted by the Government and country office to ensure that positions remain attractive to nationals, and thus old salary scales are being revised progressively and new schemes put in place.

13. As ODA resources shrank, implementation of the changed UNDP policy from provider of project inputs to policy advisory type of programmes produced many tensions. Another learning for the country office was that shifting focus onto sensitive national level processes and policies required UNDP to reduce its visibility, (since they can be seen to be impacting on national sovereignty), in order to preserve the appearance and fact of national ownership.

14. The national authorities have recognized the need to be more pro-active in implementing projects and programmes supported by UNDP, and also recognized the importance of UNDP's corporate mandates as drivers in the whole process.

III. Proposed programme

15. The Common Country Assessment (CCA)⁸ sees the challenges to Guyana's progress in the context of human development. It identifies three groups of

⁶ PRSP can be found at: <http://www.povertyreduction.gov.gy/>

⁷ MDG Report for Guyana can be found under Documents, Publications at: <http://www.sdn.org.gy/undp/>

⁸ CCA can be found under Documents at: <http://www.sdn.org.gy/undp/>

challenges: (i) those related to human capabilities (including education, health, living conditions and access to clean water and sanitation); (ii) those related to human empowerment (empowering individuals and groups, and political and social stability); and (iii) those related to creating opportunities for people (vocational training and re-training; diversifying of production and sectoral mobility of workers, thus improving and sustaining growth of the economy and of jobs). The United Nations Development Assistance Framework (UNDAF)⁹ Outcomes also follow this logic and are focused on contributing to the achievement of the national priority areas of: (a) eliminating poverty by investing in people and requisite physical capital; (b) building an inclusive system of governance based on the rule of law, in which citizens and their organizations participate in the decision-making processes that affect their well-being; and (c) creating a macroeconomic framework and sustainable economic base conducive to elimination of poverty.

16. The proposed programme is influenced by national priorities, by the UNDAF, by corporate frameworks set out in the Multi-Year Funding Framework (MYFF), the Millennium Declaration, the MDGs and the comparative advantages of the country office. It also attempts to mainstream a number of key cross-cutting themes: Human Rights, Conflict Prevention, Disaster Management, Gender, and HIV/AIDS.

17. Responding to the key issues raised in the situation analysis, the country programme identifies eight UNDP MYFF action areas. These are: 1.Pro-poor policy reform to achieve MDG targets; 2.Local poverty initiatives with emphasis on the role of the private sector; 3.Public administration reform and anti-corruption; 4.Access to sustainable energy services; 5. Sustainable development achieved through renewable energy supply and sound environmental management; 6.Social cohesion and peace building; 7.Natural disaster reduction; and 8.Development planning, implementation and HIV/AIDS.

18. Continued focus will be placed on: (i) *Social infrastructure* and the facilitation of communal activities for rural areas, such as the ongoing heart-of-palm project where indigenous groups are directly

involved in income-generating initiatives. (ii) *Life skills education* (with special emphasis on youth employment initiatives), training and access to basic technology. These programmes will be based primarily on partnerships and networking with the small and medium private sector enterprises operating outside the city. The MDG Business Initiative of the country office supported by the Government of Guyana and the private sector, has enhanced the latter's role in the country. (iii) *Investing in national youth capacity* by creating an environment conducive to skills development through the Social Cohesion Programme that will continue through the next cycle. This component of the programme aims to train one hundred and twenty youth representing thirty-nine Neighborhood Democratic Councils (NDCs) across the Regions in areas such as Civic Education, Leadership, Human Rights, Conflict Transformation and Project Proposal writing/development. Additionally, this component seeks to engage the youth in post-training project development and implementation activities that will contribute to social cohesion at the community level.

19. The Programme will produce the following outcomes: participatory preparation of the Poverty Reduction Strategy Paper; mainstreaming HIV/AIDS into development plans; replicable local poverty initiatives; improved access to renewable energy in rural areas; improved institutional capacity for disaster management and recovery; environmental management mainstreamed into National Plans and Strategies; national and local governments empowered to manage biodiversity; frameworks established to promote improved governance of the public sector; and enhanced social cohesion and peace building.

20. Steps are being taken to create synergies between the MDGs and other programmes such as "Empretec" which essentially promotes the strengthening of institutional capacity and skills for private sector development. Intensive efforts and resources are being put towards strengthening national statistical systems and databases. Particular attention will be given to building up a strong base for human rights and gender. Under the joint programming modality, these country programme outcomes will be supported in conjunction with programmes of other United Nations agencies.

21. The outputs anticipated from UNDP's engagement in the above areas are intended to improve the country's chances of achieving the MDGs. This

⁹ UNDAF can also be found at: <http://www.sdn.org.gy/undp/>

approach is designed to tackle development through strengthening the capacity to develop evidence-based policies; improved monitoring and evaluation, and hence improved strategic planning and implementation, at both the national and regional levels; promoting development of systems and institutions of governance; enhancing people's involvement in determining development directions; and improved capacity to respond to disasters.

reported through the ROAR, the mid-term review of the UNDAF and in Outcome Evaluations.

IV. Programme management, monitoring and evaluation

22. The national execution modality is expected to be deployed in the activities of the 2006–2010 programme cycle. Coordination of initiatives supported by UNDP and those undertaken by the national government and other development partners will be carried out by the Ministry of Finance. The Ministry is also expected to provide UNDP with the information needed to avoid duplication and redundancy, and to facilitate the catalytic deployment of the resources made available through UNDP. Broad based consultations will be conducted to ensure that project design and implementation gain national ownership.

23. Annual work plans be formulated for each project, against which resources will be advanced to the designated agency responsible for national execution. Quarterly Progress Reports will be prepared by project managers and submitted to the country office for analysis. Regular reviews of progress will be conducted to determine the appropriateness of allocations and the feasibility of projects. At the end of each year, the Results Oriented Annual Report (ROAR) and an Annual Review of the Country Programme Action Plan will be prepared to reflect the results achieved on the MYFF goals.

24. Monitoring of the country programme will be carried out at several levels. At the highest level, the performance will be evaluated in the context of the UNDAF and the Millennium Development Goals, using the agreed indicators of progress. At the secondary level, monitoring activity will focus on achievement of the strategic results framework and outcomes using the outcome indicators selected; and at the operational level, Project Staff will focus on progress in the context of the Annual Work Plan inputs and outputs. The findings of the monitoring and periodic review and evaluation exercises will be

Annex: Results and resources framework for Guyana (2006-2010)

Programme component	Programme outcomes	Programme outputs	Output indicators, baseline and targets	Resources by goal (in thousands \$)
UNDAF Outcome 3: Poverty reduced to 28 percent through stimulation of growth and job creation				
Achieving the MDGs and reducing human poverty. Responding to HIV/AIDS.	<p>PRS/PRSP prepared to ensure participatory process with civil society in policy formulation and programming. PRSP prepared taking into consideration clear linkages with human development and the MDGs.</p> <p>Broad-based, multi-sectoral and multi-level response generated, integrating HIV/AIDS into national development plans and mainstreaming HIV/AIDS into key sectors and ministries.</p>	<ul style="list-style-type: none"> - Strengthened capacity to collect, analyze and disseminate key economic and social data. - Systems developed to ensure feedback from civil society on policy framework and programming. - Advocacy and support for the formulation of a National HIV/AIDS Strategic Plan. - Implementing major grants to scale up national response to the AIDS epidemic. - Technical capacity strengthened to manage and coordinate donor assistance. 	<p>PRSP 2006 and subsequent Progress Reports incorporate:</p> <ul style="list-style-type: none"> - institutionalized role for civil society in policy, programming and monitoring & evaluation. - customized targets and indicators for the MDGs. <p>Specific Action Plans for HIV/AIDS incorporated into PRSP and in Sector Plans.</p>	<p>Regular: \$ 1,000 Other: \$ 1,350</p> <p>Regular: \$ 172 Other: \$ 500</p>
	<p>Replicable local poverty initiative(s) linked to policy change undertaken. Community and regional development strategies will take into consideration national, sectoral and external trade policies.</p>	<ul style="list-style-type: none"> - Capacity built to develop decentralized poverty reduction strategies, incorporating disaster management strategies. - Capacity built for increased job creation at the community, regional and local levels. - Institutional capacity built to market local products internationally. - Capacity of private sector built to improve business processes toward the achievement of the MDGs, including engaging in partnerships for development. 	<p>Key decentralized planning instruments (including PRSP) for three regions/communities, including area specific poverty initiatives prepared.</p>	<p>Regular: \$ 370 Other: \$ 1,641</p>
UNDAF Outcome 3 and Outcome 1: An increase of at least 10 percent in the proportion of Guyanese accessing quality services in education, health, water and sanitation, and housing with capabilities enhanced to maximize available opportunities.				
Energy and environment	<p>Access to energy services, electricity or cleaner fuels in rural areas increased.</p>	<ul style="list-style-type: none"> - Capacity built in the use of renewable energy technologies in two pilot rural communities. 	<p>Two Amerindian villages have access to renewable energy.</p>	<p>Regular: \$ 190</p>

sustainable development and crisis prevention and recovery (including natural disaster reduction).		- Lessons learned from introduction of renewable energy in hinterland communities.		Other: \$ 1,050
	Value of biodiversity factored into national planning. Government and local communities empowered to better manage biodiversity and the ecosystem.	- Data on the capacity needed to manage the environment and natural resources. - Capacity built in 12 communities, relevant Ministries, Environment Protection Agency (EPA) and the other natural resources agencies to manage the environment and natural resources.	Key National Planning Instruments (PRSP, Sector Plans etc) incorporate biodiversity policies and indicators at national and decentralized levels.	
	Sector-specific national and local expertise developed, covering disaster-preparedness planning and mitigation of risks and vulnerabilities with specific attention to gender.	- Capacity built in the Civil Defense Commission and other relevant national agencies to reduce and manage environmental risk. - Capacity built in 5 communities and the relevant national agencies to respond to natural disasters.	Number of personnel trained at national and community levels.	Regular: \$ 69 Other : \$131
UNDAF Outcome 2: Empowered individuals and groups, strengthened institutions and an enabling constitutional and human rights framework				
Fostering democratic governance and crisis prevention and recovery.	Institutional/legal/policy frameworks established to promote and enforce accountability, transparency and integrity in public service. Social cohesion and peace-building approaches factored into national development frameworks, and integrated into programmes designed and implemented at the national and local level. Due regard paid to the promotion of human rights.	- Elections held to international standards. - Government's ability to promote and protect human rights and the rule of law strengthened. - Access to, and quality of, justice improved. - National capacity to implement human rights supported by the operationalizing the rights-based constitutional Commissions. - Capacity built in institutions, civil society organizations and political parties in social cohesion and peace-building. - Political dialogue and inclusivity in governance strengthened.	Objections raised by political parties during electoral process. Number of personnel trained in human resources. Speed with which cases are brought before the Courts. Key national planning instruments incorporate social cohesion and peace-building. The number of training programmes conducted in social cohesion and peace- building.	Regular: \$ 100 Other: \$ 4,328 Total regular (estimated carry-over included): \$ 1,901 Total other: \$ 9,000