

DELEGATION OF THE EUROPEAN COMMISSION
TO GUYANA, SURINAME, TRINIDAD & TOBAGO, ARUBA & THE NETHERLANDS ANTILLES

CO-OPERATION

BETWEEN

THE EUROPEAN UNION

AND

THE CO-OPERATIVE REPUBLIC OF
GUYANA

JOINT ANNUAL REVIEW
2002



Joint Annual Review on the implementation of the ACP-EU Conventions and other co-operation activities.

It should be noted that since the previous report covered the period of 1.1.2001-31.5.2002.

This report covers the period of 1.6.2002-31.12.2002

TABLE OF CONTENTS

1	Executive Summary	p 3
2	The policy agenda of the partner country	p 5
3	Update on the political, economic and social situation	p 6
4	Overview of past and on going co-operation	p 10
4.1	Focal sectors and macroeconomic support, 8th EDF	p 11
4.1.1	Focal sector 1: Rehabilitation of the social and economic infrastructure	p 11
4.1.2	Focal sector 2: Private sector development	p 14
4.1.3	Macroeconomic support	p 15
4.2	Projects and programmes outside focal sectors	p 16
4.3	Utilisation of resources for non-State actors	p 17
4.4	Other instruments	p 17
4.4.1	EIB	p 17
4.4.2	Regional co-operation	p 18
4.4.3	YSMIN	p 19
4.4.4	Community Budget lines	p 20
5	Programming perspectives for the following years	p 21
6	2003 Annual Operational review	p 23
6.1	The Speeding up of the use of old EDF resources	p 23
6.2	Setting indicators and targets for measuring focal sectors	p 23
6.3	Dialogue in country with the NAO and non-state actors	p 24
7	Conclusions	p 26
	List of annexes	p 32
1.	Intervention framework including an overview of policy measures and indicators (updated)	p 33
2.	Chronogramme of activities (updated)	p 39
3.	Indicative timetable for commitments and disbursements (updated)	p 40
4.	Financial situation for 8 th EDF (grants)	p 42
5.	Financial situation for 7 th EDF (grants)	p 43
6.	Financial situation for 6 th EDF (grants)	p 45
7.	Regional projects	p 47
8.	EIB projects	p 48

JOINT ANNUAL REVIEW

1. Executive Summary

The political situation in the country remained tense through out 2002 as the political stalemate continued. Initiated by President Jagdeo after the last general elections (March 2001), the inter-community political dialogue was short-lived. The demise of the former President and Leader of the opposition, Mr. Hoyte, end of December, added to the woes and calls for a new leadership of the PNC/R. The year under review will be remembered by its wave of violence and criminality, which disrupted social and economic activity. However, since the nomination of Mr Corbin as the new leader of PNCR in early 2003 the dialogue has been relaunched.

The economic situation has not improved in 2002 although some sectors as sugar did relatively well. Growth is projected to be minimal in 2002 reflecting the adverse impact of the domestic security situation on services and construction. The PRSP was approved by IMF and WB in September 2002 and at the same time the IMF Board approved a new 3 years PRGF in the amount of 73 Million USD.

EC Cooperation

The 9th EDF Country Support Strategy (CSS) was signed in September 2002. Guyana was provisionally allocated € 34 million (A envelope) and € 14 million (B envelope). The CSS identifies two sectors of concentration:

(a) *Infrastructure*: € 19 million for Sea Defences and (b) *Macro-economic support*: € 14.9 million for social sectors (housing / health). Additional funds have been earmarked for the development of a comprehensive Transport Sector strategy (€ 1 million), micro-projects (€ 3 million) and Institutional strengthening of the NAO (€ 1 million). Preparation of feasibility studies is under-way in practically all the a.m. sectors in order to ensure the passage of all related financing proposals in 2003 and 2004. In January 2003, the EC approved the allocation of €8.4 million from the B-envelope under the FLEX provisions to be disbursed as part of the Budgetary Support Programme, thus bringing the total of this programme to €23.3 million.

Under the 8th EDF, Guyana received its full EDF allocation of € 32 million + SYSMIN funds equivalent to € 12.9 million + Debt relief € 10.9 million. These amounts are distributed as follows:

(a) *Economic & social infrastructures*: € 20,5 million for sea defences and low income housing (€ 9,1 million) and (b) *Private sector development*: Guyana Training Agency-GTA- (€ 1.8 million), Linden Economic Advancement Program (LEAP) € 12,5 million.

The implementation of the sea defences project is taking longer than anticipated due to design problems and preparation of the tender document for civil works. The institutional strengthening part is progressing satisfactorily although at a slow pace. The low-income housing program (EDF second tranche) was finally approved in October 2002. Although GTA is progressing satisfactorily, the LEAP has experienced various problems, which are being addressed. In February 2002, interest of the counterpart funds of SASP IV (Structural Adjustment Support Program) have been allocated to finance the creation of a Task Force to assist the NAO in program monitoring and coordination. An effort has been made to reduce to a minimum the uncommitted balances and speed up disbursements.

2. The policy agenda of the partner country

After two decades of socio-economic decline, the Government launched an economic recovery programme (ERP) in mid-1988, to reorient economic management away from centralised administrative controls. In 1996, Guyana approached the Paris Club to request debt relief and was granted "Naples Terms", consisting of a 67% reduction in net present value (NPV) on eligible debt, with the remaining one-third of the debt to be rescheduled over 23 years. The positive macro-economic trend was slowed down in 1998, but recovered significantly in 1999, attaining 3% growth, however in 2002 it was down again to an average of 1%. Despite the partially positive trends, a household survey carried out in 1999 showed that 35% of the population lived below the poverty line, with 19 % living under conditions of extreme poverty. The per capita income in 2002 was estimated at about US\$750.

Guyana became eligible for debt relief under the original HIPC initiative in 1999, paving the way for a cumulative US\$440 million debt relief in nominal terms. Although not all program targets were met, donors agreed to provide debt relief because the factors that prevented achievement of programme targets were largely beyond government control. As a result, the debt service ratio fell from 19 % in 1998 to 11 % in 1999. In October 2000, Guyana became eligible for debt relief under the E-HIPC initiative, paving the way for an additional US\$590 million of debt relief in nominal terms. Pending the completion point of the E-HIPC, the creditors are providing interim debt relief to Guyana, amounting to about US\$15 million per year. When Guyana does achieve E-HIPC completion, the two HIPC initiatives together will have eliminated more than half of the country's future debt service, and its outstanding debt in net present value terms will have been reduced by 54%.

The relief package goes hand in hand with a poverty reduction strategy (PRSP) and the implementation of an agreed programme of social and administrative reform. The interim PRSP, which builds on the National Development Strategy prepared in 1996 and revised in 1998/99, was approved in December 2000 after which a wide participatory consultation was launched. A National seminar was held in the end of October 2001 and the WB and IMF Boards were due to discuss the final PRSP in June 2002, but this was deferred and eventually the PRSP was approved in September 2002.

The main goals laid out in the PRSP are:

1. Sustained economic expansion within the context of a deepening participatory democracy
2. Access to social services, including education, health, water and housing
3. Strengthening, and where necessary expansion, of social safety nets.

To achieve this the PRSP rests on seven pillars:

- Maintenance of sound macro-economic, trade and investment framework, so as to improve the business environment, which will lead to broad-based, jobs-generating economic growth
- Environmental protection
- Stronger institutions and better governance

- Investment in human capital, with emphasis on basic education and primary health
- Investment in physical capital, with emphasis on better and broader provision of safe water and sanitation services, farm-to-market roads, drainage and irrigation systems, and housing
- Improved safety nets, and
- Special intervention programs to address regional pockets of poverty.

In the context of the HIPC exercise, over the next twenty years, US\$329 million of debt will be relieved and spent instead on the government's poverty reduction programme. The proposed allocation of the enhanced HIPC funds is as follows:

- 48 % to social sectors,
- 35 % to finance infrastructure projects to support growth
- 11 % to support private sector, investment, export promotion
- 6% to institutional strengthening and
- 5 % to special programmes to reduce poverty in certain localities.

3. Update on the political, economic and social situation

Type	Indicator	2000	2001	2002	2003	2004	
Impact	1. Proportion of below National Poverty line USD1.40/day *	35.1	34.9	34.0	33.1	32.2	
	2. Prevalence of underweight children under-five years of age **	15.7	N/a	N/a			
	3. Under-five mortality rate**	37/1000	N/a	N/a			
Outcome	4. (Net enrolment ratio in Pr. Education) Gross primary school enrolment *	110	107	105	102	100	
	5. Primary completion rate (Pr school entrants reaching grade 6 *	83.4	83.5	84.6	85.7	86.9	
	6. Ratio of girls to boys in **** - primary education - secondary education - tertiary education	1.03/1 1.3/1	N/a	N/a	N/a	N/a	
	7. Proportion of births attended by skilled health personnel **	86 %	N/a	N/a			
	8. Proportion of 1 year old children immunised against measles *	88.9	90.2	93.3	95.5	97.1	
	9. HIV prevalence among 15-24 year old pregnant women ***	N/a	N/a	N/a			
	10. Proportion of population with access to safe water*	92.0	93.2	94.1	95.0	96.0	
	11. No. of house lots issued	17 105	975	4195	5000		
	Economic *****	12. GNI per capita USD	750	750	750		
		13. GDP growth (annual %)	-0.8	1.9	0		
14. Inflation		5.9	2.5	3.8			

Sources

* PRSP (It should be noted that all figures on health beyond 2000 are estimates and thereafter targets. For education all figures beyond 2001 are targets)

** Multi-indicator Cluster Survey conducted by the Bureau of Statistics 2000 (latest data, even PAHO has nothing more recent)

*** No data available. Unofficial figure from Pilot HIV/AIDS Prevention of Mother to Child Transmission Programme is 5 % amongst all pregnant women participating in the programme (2002)

**** Ministry of Education. It should be noted that even though entrance rates are more favourable for boys, completion rates favour girls.

***** All economic figures for 2002 are estimates from IMF or WB documents.

Political

The dialogue process which had been established between the President and the opposition leader Mr Hoyte to address issues raised by the opposition came to a halt in March 2002 because of differing views concerning the implementation of jointly taken decisions. Since March PNCR has also been boycotting the parliament. Different civil society groupings tried through the year to re-launch the process without success. Mr Hoyte passed away in December 2002. This created a new situation and the election of his successor has been seen as an opportunity to be used to re-launch the dialogue and constructive cooperation between the two main parties. The dialogue is seen as necessary to decrease ethnic tensions, even though this will require progress in many areas. Since the nomination of Mr Corbin as the new leader of PNCR in early 2003 the dialogue has been relaunched.

Economic

Based on World Bank and IMF forecasts, the average real GDP growth rate for Guyana is estimated to be at about 2.7% a year in 2002-2005 and about 5% a year thereafter. Growth in the production of traditional crops is expected to pick-up with the recovery of the agricultural sector due to increased production of sugar and rice. It is also forecasted that growth in the non-traditional sectors - especially light manufacturing - and expansion in gold and timber production would provide the impetus for continued high growth in future years. Investment by the public sector is projected to be particularly robust during 2002-2005 because of the restructuring of the sugar sector and the sharp increase in the public investment program. Inflation is projected to average about 3.8% per year during 2002-2005 to reflect a moderate easing of monetary policy in support of the growth objectives. There after, inflation is projected to grow at 5.0 percent on average over 2006-2010. All these estimates are somewhat less favourable than what were originally foreseen in the PRSP. Reasons for these readjustments were: the deleterious effects of the September 11, 2001 terrorist attacks on the United States; lower than envisaged external financing; and lower and uncertain timing of enhanced debt relief. It should also be noted that actual estimates for 2002 made in December by IMF would indicate that despite strong sugar production, growth in 2002 is projected near zero, reflecting the adverse impact of the domestic security situation on services and construction, a continued deterioration in bauxite production, weak rice and timber exports, and lower gold mining activity. Based on present figures, inflation is projected to about as programmed.

In September 2002, the IMF Board approved a new three-year PRGF in an amount of US\$ 73 million. The World Bank has approved a PRCS credit in the amount of 16.8 million to support the implementation of the PRSP. The approval of the PRSP fulfils one of the prerequisites of the completion point under the E-HIPC. However, an IMF mission in December 2002 highlighted the risk of slippages especially in the structural performance criteria (NFPS wages, restructuring of Linmine, tax reform). It is now likely that the date of the completion point be pushed to the 3rd quarter of 2003.

Guyana is highly dependant on trade. The major exports are sugar, rice, gold and bauxite. Both sugar and rice have enjoyed preferential access to the EC market. However, these preferences are changing. The Everything but Arms initiative (EBA) will allow free access to EC for sugar and rice originating from least developed countries from 2009 onwards, thus creating competition for Guyanese exports. In the meantime, the quota increase gradually and from 2006 onwards tariffs on trade outside the quota will decrease gradually. To facilitate the transition funds have been identified from the EC for the rice sector. The Government has also requested assistance to prepare itself for the Economic Partnership Agreement negotiations. Concerning bauxite, the world prices remain low and the government has tried for some years now to privatise its bauxite industry without success. Negotiations are also on going for Guyana to join the FTAA by 2006 and the implementation of a Caricom single market by 2005. Guyana has also negotiated a trade agreement with Brazil and is negotiating trade agreements with its other neighbours - Surinam and Venezuela. In addition, Guyana is presently also in process of WTO "Trade Policy Review" and a national trade strategy has been prepared with the help from USAID.

Social

Guyana ranks 103 in the UNDP under the UNDP 2002 Human Development Index. Thirty-five percent of the population are classed as poor and 19% as living under conditions of extreme poverty. Despite the fact that health statistics for the country are scarce (CIDA and IDB) will be assisting the Government to improve this), Guyana is undoubtedly facing some severe challenges in the sector: HIV/AIDS levels are estimated to be the highest in the region after Haiti at 3.5-5.5. % for adult population and contrary to many countries in the region, the epidemic is generalised in Guyana and not concentrated to some specific groups. And worryingly only 20% of those infected are aware of it. A National strategy against HIV/AIDS has been formulated and work is being done to integrate it into the national health plan and more specifically into the plans concerning the fight against tuberculosis and malaria. A proposal by the Ministry of Health has been submitted to the Global Fund Against Aids for consideration. Imbalances of resources between different care levels, with a high proportion of expenditure and resources directed towards the main tertiary facility and difficulties staffing lower level facilities, especially in remote areas is a continuous problem. There is also a generalised loss of doctors and nurses through emigration to the Caribbean islands and North America. The relatively low morale and patient service standards are also of concern. The present health sector reform programme is trying to address these issues. There is general agreement to focus on fewer, better-staffed health facilities at all levels. It is envisaged that four to five Health Boards be established. This will provide flexibility. The model has already been used for

the Georgetown Public Hospital and will now be implemented in Region 6. The government expenditure in health for 2002 was 6.0 % and is budgeted to be 6.6 % for 2003.

Education, and in particular basic education, has been identified as a national priority in the PRSP. The gross enrolment rate at present for primary education is 102% and net enrolment is 84% based on estimations made by UNDP. The national completion rate for grade 6 is 85.4%. Problems facing the sector are similar to those facing health: significant differences in access between the coastal zone and the hinterlands, difficulties to find and maintain staff in the remote areas, and constant loss of qualified staff through emigration. A Functional Literacy Survey of out-of-school youth ages 14-25 years found that 89 % were operating at below acceptable levels of functional literacy. The Government has made a request to the "Fast Track Initiative" for the amount of US\$ 45 million. The request has been favourably assessed and at present it seems that the Netherlands is willing to finance some part of this request. None of the donors present in the country (DFID, US, Canada, EC) have uncommitted funds to be allocated to this initiative. The sector is however benefiting from donor support from IADB, CDB, WB, CIDA, DFID, Unesco and Unicef. The EC Delegation has been active in the Thematic group for donor coordination in education and has provided comments at all stages of the FTI process. However, education was not identified as a focal sector in the present Country Support Strategy. This decision was made between the Government and the Commission based on the assessment of needs and availability of resources: it is clear that needs both in health and education are important; however, education has more donors addressing the most urgent needs as the only major donors in basic health are IADB and CIDA.

Since February 2002 the security situation has dramatically changed in Guyana. Three types of criminal acts, often by violent criminals using assault rifles and other weaponry, have surfaced: drug-related crime between gangs or gangs and police, racially motivated acts and poverty related acts. It is often difficult to distinguish which of the above is the motive of a specific act. The police and the army have been trying to come to grips with this new level of criminality, firepower and technology used by the criminals as well as the boldness of the criminals. Many bystanders have been killed and injured, and several law enforcement officials targeted and killed.

Concerning human rights, freedom of press and opinion are respected. However, the police force has been criticised locally and internationally (Amnesty International) for alleged extra-judicial killings.

Discussions and programmes concerning public sector reform are underway with IDB (local government), CIDA (public finances), WB (procurement) and UK (judiciary, police). Discussions on fight against corruption have become more open, and this issue is partially being addressed in the above-mentioned projects.

The Government is aware of the necessity to protect environment and the Environmental Protection Agency (EPA) was established in 1996. However, EPA and both the Forestry Commission and Guyana Geology and Mines Commission will need further capacity building in order to fully implement their roles as controlling bodies. In addition, sea defences remain

an essential element in the protection of the coastal zone where 90% of the population live. However, in the long-term, climate change will probably induce a rise in the sea level to such levels that it will no longer be possible to efficiently defend this zone from the sea.

Regional

Concerning regional politics, the border issues with Suriname and Venezuela still exist, but a dialogue process is on-going with both of the neighbouring countries. President Jagdeo has visited Suriname and a number of committees have been set up to try to enhance co-operation between the two countries. The ties with Brazil are becoming closer and a number of co-operation agreements have been signed between Guyana and Brazil ranging from police co-operation to agricultural development.

As far as integration into the CARICOM is concerned, some progress has been made in a number of areas, the establishment of the Caribbean Court of Justice being among the most recent and of concrete importance to the region.

4. Overview of past and on going co-operation

The limited institutional and absorptive capacity of the national administration has necessitated the recruitment of ad hoc technical assistance to the NAO office. To do this, a Memorandum of Understanding was signed with the Government, in February 2002, to establish a NAO Task Force at the Ministry of Finance to facilitate the programming, implementation and monitoring of EC financed projects. The Task Force is financed from interest of SASP IV counterpart funds. The staff has participated in courses on EDF procedures and Work Programmes, and on the job training has been arranged through the year especially in payment procedures. Over the period in review, the Task Force has increased its involvement in the areas of project monitoring and planning - however, the Task Force still requires supervision and assistance from the Delegation.

The departure in rotation of the technical advisor from the Delegation in June 2001 without a replacement has caused problems in the follow up of all infrastructure programmes. Also the departure of the regional advisor in rotation in October 2001 and his non-replacement; the closure of the EC Office in Curacao and the downscaling of the Delegation in Trinidad and Tobago into an Office; and the transfer of the responsibilities of covering these two countries to the Delegation in Guyana; and non-replacement of the advisor post which was transferred from Curacao to Guyana has resulted in important amounts of extra work for every one working at the Delegation and the necessity to constantly have negative priorities. Delays in project implementation have also been created by repeated changes in AIDCO of officials in charge of specific projects. As a result, response times from AIDCO have sometimes extended over a period of several months and meanwhile blocking the implementation or programming process.

Albeit some delays in project preparation and implementation, which cannot always be imputable to the Guyanese authorities, EU cooperation with Guyana has been satisfactory.

Past co-operation of 6th and 7th EDF

The National Indicative Programmes of Guyana have always concentrated on infrastructure. Over 70 % of all programmable funds have gone to infrastructure. Within infrastructure sea defences, water and sanitation and transport have dominated. If also housing is included, the part of infrastructure goes up to 79 %. Starting from the 7th EDF budgetary support, first in the form of General Import Programmes and later as Structural Adjustment Programmes, has become important.

The NIP under Lomé III (6th EDF) allocated Euro 22.1 million to Guyana, 90 % of which to be concentrated on economic and social infrastructure. All major projects have come to completion and were closed before the beginning of 1998. The 6th EDF was closed during 1999 and outstanding funds, all resulting from savings after closure of projects, transferred to the 8th EDF.

The NIP under the Lomé IV Protocol (7th EDF) was signed in April 1991 and allocated EURO 26 million to Guyana in the form of grants, 85 % of which to be concentrated on economic and social infrastructure. In recognition of the high commitment rate achieved, a supplement of EURO 6 million was later approved. Guyana also benefited from three Structural Adjustment Support Programmes, totalling Euro 8.6 million, of which Euro 7.8 million funded under the Structural Adjustment Facility and Euro 0.8 million as an additional supplement to the NIP, thus bringing the total of the 7th EDF NIP to Euro 32.8 million.

At present the 7th EDF is 100 % committed and 97 % disbursed.

During the reporting period the financial liabilities under the New Amsterdam and Pouteroyen, water supply and rehabilitation projects; the only 7th EDF projects not yet closed, were resolved. All payments have either been made or are in the process of being paid. The inaugurations of these two water projects are expected to take place in March 2003.

The NAO Task Force with the Delegation has put in a lot of effort to clear the RAC/RAL situation and by the end of 2002 requests for all technically closed projects had either been made or the process of compiling all the necessary documents for closure was well under way.

4.1 Focal sectors and macroeconomic support, 8th EDF

4.1.1 Focal sector 1: Rehabilitation of the social and economic infrastructure

Within this focal sector three areas have been identified as priority: rehabilitation of sea defences, water supply and transport, however during programming for the 8th EDF only sea defences was maintained as a sector of concentration. Low-income

housing was introduced as a new sector of concentration after the approval of the 2nd tranche.

Sea Defence Programme

a) Objectives and Results

This is the major action to be funded under the 8th EDF. It represents over 90% of the first tranche and 63% of the total NIP and reflects the importance of sea defences to Guyana, which constitutes the backbone of the country given its low-lying coastal plain. The project objective is, in the long-term, the improvement of the security of the coastal zone against the dangers of sea incursion and flooding. This programme encompasses the rehabilitation of hard structures (rehabilitation of approximately 5 km of sea defences), the institutional capacity building of the sector and support for the implementation in a pilot area of an integrated coastal zone management programme. The latter component will promote the awareness and involvement of the population monitoring and early warning activities. The Financing Agreement was signed in March 2000 for an amount of Euro 20 million.

In relation to the national Sector policy on sea defences, progress is being made in meeting the national needs. However, it should be kept in mind that based on a 1996-97 comprehensive survey carried out by the Project Execution Unit out of the 264 km of sea defences, over 20 % (about 53 km) were urgently or critically in need of repair. The survey divided the state of sea defences into critical, urgent and other. Emergency reconstruction work, essentially donor financed, and a significantly improved maintenance effort by the governments since the early 90s, has resulted in lowering annual breaches to single figures. Although the situation has been significantly improved, the latest available figures indicate that 22 km in Regions 2, 3 and 4 are still in critical state.

b) Activities

The tender for the Institutional Capacity Building component of the Sea Defences project has been received. The technical evaluation of the offers has been carried out. The Delegation has followed closely the independent evaluation of the bids and has offered a 'no objection' to the Central Tender Board in order to expedite the procedure and enable a smooth and rapid passage to contract signature. It is expected that the result of the tender be finalised during the first quarter of 2003.

Due to the inter-relation the Capacity Building component and the Socio-economic survey, the Socio-economic survey has been held back until the second quarter of 2003. It is intended to recruit the consultants under the framework contract in order that a team can be in place early. It is also important that cross-linkages can be made easily with the capacity building team.

The Sea Defence Works tender continues to be problematic and slow moving due to the nature of the soil and the resulting differences of view between the Government and the consultants concerning the appropriateness of the design. Negotiations have been ongoing since the last annual review and it now appears likely that a new contract with the Consultant ADK, who prepared the design, will be ready for signature in April 2003. The output from this consultancy will be a set of tender documents to launch a tender competition that will result in civil works on the Sea Defences.

c) Degree of integration of cross cutting themes

The 8th EDF project includes institutional capacity building of the sector and support for the implementation in a pilot area of an integrated coastal zone management programme, which is also important from the point of view of environmental management and protection. The project will also carry out a socio-economic survey, which will look at socio-economic impact of the rise of sea levels, the study will also take into account gender related issues.

Low Income housing

a) Objectives and Results

Low-income housing has been introduced as part of the first sector of concentration: Rehabilitation of the social and economic infrastructure as a result of the allocation of the second tranche of the 8th EDF for Guyana. The objective of the programme is to decrease the shortage of housing created by a long period during which house construction was not facilitated. The project will contribute to the affordability of housing lots with basic infrastructure (roads, water, drainage); improvement of community facilities and income generation. It will benefit 5,000 low-income families in need of housing lots and 1,500 families living in squatter areas. The project will be implemented in tandem with Guyana's Low-Income Settlement Programme (LIS) in a way that stresses complementarity and avoids overlap. The Inter-American Development Bank (IDB) and the EC are the main International Agencies assisting the Government of Guyana (GOG) in achieving its housing objectives. The IDB has provided a loan of US\$ 27.0 million through the LIS programme.

b) Activities

The financing proposal for the Low-Income Housing programme was finally approved by the EDF committee in October 2002 in the amount of €9.1 million. It is intended that a signing ceremony will take place in early March. Consultations on the terms of reference for the technical assistance have been ongoing with the Government and are at an advanced stage. It is anticipated that the tender for the TA can be launched in May 2003.

c) Degree of integration of cross cutting themes

This project operates under a number of areas. There is a clear link with the PRSP process and poverty reduction - namely that poor people, among which the number of female single headed households form an important part, get improved access to housing and thus reduce other social problems. Additionally the Central Housing and Planning Authority will benefit in the areas of Institutional Capacity Building through improvements in their administrative capabilities.

4.1.2 Focal sector 2: Private sector development

For the country to increase the national production and reduce poverty, it is imperative that the private sector continues to develop dynamically. Therefore, 8-10 % of the 8th EDF NIP was to be allocated to projects and programmes in favour of the development of the private sector. One project, the Guyana Training Agency has been approved under this focal sector.

Under SYSMIN funds a project for the economic advancement of Linden (LEAP) has been approved in the amount of Euro 12.5 million. (see details under SYSMIN 4.4.3).

Guyana Training Agency

a) Objectives and Results

The objective of this project is to contribute to the strengthening of the private sector's capacity of production, which is necessary for employment creation and poverty reduction. The project will contribute to the increased production capacity by facilitating an improvement in a more adequate supply of skilled workers. In order to achieve this a Training Agency will be created which will identify training needs and enable technical/vocational training for companies, facilitate qualification of trainers, design courses on identified needs and improve in-plant training facilities.

b) Activities

The project was designed following consultations with both Government and Private Sector representatives. After a short pre-feasibility study, an identification study was carried out in October 1998. Following extensive consultations, a draft Financing Proposal was submitted to the QSG in January 2000. The Commission approved the project in May and the Financing Agreement was signed in July 2000. The Technical Assistance contract was awarded to GTZ in the end of December 2000, but due to the turmoil created by the pre- and post-elections period, it was decided that the expert take up his post only in May 2001.

The project experienced delays in its planning, approval and in its start up phase. Specifically, there were difficulties in deciding on the building to house the Agency. Eventually a solution was found to house the Agency in the same building as the PSC. The fact that this project is in Guyana the first project where NIP funds are

channelled through a private sector entity, the procedures are new to all the partners: Government, PSC and the Delegation. As a result, delays were experienced in establishing a smooth modus operandi between the different stakeholders. Also it has been difficult to identify qualified local staff due to the lack of qualified human resources in Guyana in general. The second year Work Programme was approved in June 2002. Since January 2002 the project has been fully operational: training needs assessments in 30 companies have been carried out and 11 short term vocational training courses have been organised. Due to changes in the economic environment since the identification of the project, the willingness of companies to invest in training has decreased. As a result, some problems have been experienced in attracting participants to long-term courses and in the enrolment of companies to become members of GTA and to pay membership fees. An audit of the first year work programme was carried out in December 2002. Based on the results of this audit, some adjustments are being made to improve the monitoring and financial management of the project. The mid-term evaluation will be carried out in February 2003 and will provide more detailed information on the achievements of the project so far.

c) Degree of integration of cross cutting themes

The main objective of the project is to contribute to the strengthening of the private sector through capacity building of human resources especially on the technical level in existing firms. Institution building is a major component of the project: first establishing the Guyana Training Agency with the Private Sector Commission and secondly to strengthen the private sector institutions through training programmes. Special attention is given to ensure women's participation in the courses.

4.1.3 Macroeconomic support

Structural Adjustment Support Programmes (SASP) IV and V, both from the 8th EDF

a) Objective and Results

The programme had two components with distinct objectives: (1) macroeconomic stabilisation, through assistance to the balance of payments by provision of foreign exchange and (2) poverty alleviation, through assistance to the social sectors with counterpart funds (CPF) generated by the foreign exchange component. The support to the Government's budget in the education, health and housing sectors has as priority maintenance, training and supplies. The foreign exchange component of SASP IV (Euro 5.29 million) was totally disbursed before 1999 and the CPF were exhausted by the end of December 2000. The SASP V (Euro 5.7 million) financing agreement was signed in August 1999. A monitoring mission in 2001 concluded that the SASP funds have contributed in creating higher standards and more stable social services especially in education and health.

b) Activities

The final payment under SASP V was made in January 2002, as a result SASP V funds have now been fully disbursed.

In addition, € 6.44 million was given in 2000 as direct debt relief under the HIPC initiative. At the end of 2001 the Commission informed the Government that a further € 8.44 million would be provided under the enhanced HIPC initiative at a later stage, and this was done during the course of 2002.

Several activities have been financed from the interest of SASP IV and V counterpart funds: Support to the organisation of national elections; Support to the NAO task force; Rehabilitation of Business Incubator of LEAP; and Rehabilitation of the water supply system of Linden. For details see 4.2) The amount remaining of the interest of the counterpart funds from SASP V will be GYD 31 million after the signature of the Linden water supply rehabilitation project. It should be noted that apart from the World Bank and IMF, the Commission has so far been the only donor providing budget support, this is also likely to remain so.

4.2 Projects and programmes outside focal sectors

Several activities have been financed from the interest of SASP IV and V counterpart funds:

1. GYD 220 million (1 MEURO) was allocated in 2001 to support the organisation of national elections of 2001, specifically to support the training of polling staff. This support came to an end during 2001. In addition to this, an amount of € 314,000 was allocated from the Human Rights and Democratisation Budget Line to finance one long-term observer, who was integrated into the Guyana Long Term Observation Group as the Deputy, and 30 short-term observers. Both of these amounts were channelled through UNDP. Elections were held on 19 March 2001 and most international observers concluded that they were fair and transparent.

2. 30 Million GYD was allocated for the financing of support to the NAO task force for a period of two years starting from February 2002 onwards. The national administration has limited institutional and absorptive capacity and this requires the recruitment of ad hoc technical assistance, in particular within the NAO office. Following the conclusion of the technical assistance contract with a previous consultant at the end of July 2000, recruitment of a two-expert team with secretarial support for these specific functions was foreseen. In February 2002 a Memorandum of Understanding was signed with the Government to establish a NAO Task Force (NTF) at the Ministry of Finance to facilitate the programming, implementation and monitoring of EC financed projects.

The Task Force is in place since February 2002. Training in EDF procedures and Work Programmes has taken place. On the job training has been arranged by the Delegation through out 2002, especially on payments, but also on other EDF procedures. By the end of

2002 the NTF was, with close assistance from the Delegation, preparing payment orders for non-infrastructure projects for endorsement by the Delegation. However, further training is still needed for the NTF to be able to process the POs independently. As the 8th EDF infrastructure projects start, it is envisaged that also the processing of payments for these projects be transferred to the NTF. Concerning the monitoring of on-going projects, the NTF has gradually become more and more involved. The NTF has worked closely with the Delegation to clear the RAC/RAL situation of Guyana. This situation for Guyana is positive and the process to close the one remaining project is well under way. The NTF is also gradually starting to take over more responsibility in the preparation of new projects under the 9th EDF (organisation of missions). However, draft TORs are still prepared first by the Delegation. As the NTF becomes strengthened, it should also take over the initiative related to project planning, preparation and implementation - during the period under review this process was ongoing.

3. 15 million GYD has been allocated for the rehabilitation of the building identified by the Government to be used as the Business Incubator by the LEAP project (8 ACP GUA 009). This amount and the works are to be managed the LEAP project management unit in Linden.

4. 200 million GYD is foreseen for the rehabilitation of the water supply system of Linden. It is planned to finalise the Memorandum of Understanding by March 2003. The funds will be managed by Guyana Water Incorporated GWI.

4.3 Utilisation of resources for non-State actors

Under the 8th EDF it was agreed with the Government that 8-10 % of the NIP was to be allocated to projects and programmes in favour of the development of the private sector. These funds would be channelled through non-State actors, namely through the Private Sector Commission, an umbrella organisation representing the private sector. One project has been approved: the Guyana Training Agency. Further details of this project can be found under chapter 4.1.2. A € 3million micro-projects programme is foreseen under the 9th EDF project. This project will be working directly with non-state actors. A formulation mission of the project will be carried out in March 2003.

4.4 Other instruments

4.4.1 EIB

The EIB indicated an amount of Euro 10 million for loan financing of investment projects from the 7th EDF. At the end of 2001, a loan to the Institute of Private Enterprise Development (IPED) for on-lending to small businesses (Euro 0.5 million) was operational. The works at Rose Hall water supply project (Euro 9.2 million) had been finalised.

In 2001, a second loan from EIB to the Institute of Private Enterprise Development for on-lending to small businesses (Euro 0.5 million) was granted from the 8th EDF. Also an amount

of €20 million as a loan to Guyana Power and Light was approved in 2001. However, these funds will only be disbursed once GPL matches the amount from other sources, which has not yet taken place.

4.4.2 Regional co-operation

Guyana is benefiting directly and indirectly from a number of projects implemented under the framework of "all ACP" co-operation and the Caribbean Regional Indicative Programme (CRIP). Of particular relevance to Guyana are:

Under the 7th EDF

- ↳ The Regional Airports Programme, Phase I: The Provision of aeronautical and communication equipment for the Cheddi Jagan International Airport. The solar-powered non-directional beacon has been procured and the final installation and training are underway. The lightening protection works have been completed and discussions are on-going to settle the final account with the contractor. EC support has contributed to both the Institutional and the Physical Capacity of the Civil Aviation Department in Guyana. The project has been in support of the overall NIP objective of the 7th EDF for the transport sector: open the country for socio-economic development and in particular to facilitate the movement of persons.
- ↳ The Regional Agriculture and Fisheries Programme (CAFP), whose CRIDNET component (Caribbean Rice Industry Development Network) is managed from Guyana by the Caribbean Rice Association, with CARDI. This latter started its activities in early 2000. The Caribbean Agribusiness Research and Training Fund (CARTF) was also active in Guyana during the 2002.

Under the 8th EDF

Preparations are under way for starting Phase II of the Regional Airports Programme, which would bring improvements, above all, to air navigation in Guyana and Suriname. A draft financing proposal is presently under consideration with the Governments of Guyana and Suriname.

The Caribbean Tourism programme was approved by the EDF Committee in November 2002 and it is expected to be signed in the beginning of 2003.

Based on the contents of the Joint Declaration on Rice, attached to the Cotonou Agreement, the EC financed a diagnostic study of the CARIFORUM rice industry in May to July 2001. Following this, a Feasibility Study of the CARIFORUM rice Industry was carried out during April -October 2002. A draft Financing Proposal for the amount of €24 million was also prepared at the same time. This draft is currently being revised by CARIFORUM to incorporate comments of the Commission. It is expected that this proposal be submitted for approval to the EDF Committee in July 2003.

The European Commission has given approval for a € 70 Million grant to support rum producers in Cariforum Countries. The 4 year project, "Integrated Development Programme for the Caribbean Rum Sector", started in June 2002 and will assist WISRPA (West Indian Spirits and Rum Producers Association) members to be able to regain markets lost through liberalisation and to create new ones.

Guyana also benefits from Programmes managed from other Cariforum countries:

- ↳ Students from Guyana received scholarships for Masters' Programmes at the University of the West Indies (UWI) and Dominican Republic Universities under the Caribbean University Level Programme (CULP),
- ↳ Guyanese businesses received grants under the Caribbean Export Competitiveness Scheme, part of the Trade Programme, based in Barbados,
- ↳ Police, judiciary and banking Officials received training under the Anti-Money Laundering Programme, based in Trinidad.

In addition, outside the CRIP, at the very end of 2000 the Caribbean component of the all-ACP HIV/AIDS/STIs Programme was initiated with CARICOM as implementing agency. This Programme was designed to help build the capacity of regional institutions to combat the epidemic. Guyana is benefiting directly from several components of this programme.

4.4.3 SYSMIN

Linden Economic Advancement Programme's (LEAP), funded from SYSMIN funds, objective is to assist the Government of Guyana, the Linden community and Region 10 to create conditions likely to attract new businesses, as an alternative to the declining bauxite industry in order to increase employment. Priority shall be given to sustainable labour intensive economic activities, creating jobs and thus combat poverty. The improvement of the living conditions in Linden and Region 10 should also contribute in addressing the political divisions the country is facing since the December 1997 general elections.

Following the identification mission fielded in September 1999 the draft-financing proposal was submitted to the EDF Committee for approval in September 2000. The technical assistance component was tendered during 2001 and in December 2001 the contract was awarded to a consortium lead by TRANSTEC. The team leader took up his duties in January 2002. However, he resigned in August 2002 and was replaced by his deputy. By November it had become clear that the deputy did not wish to continue in this post and resigned. A replacement process was launched by the consulting company. The new team leader is expected to take up her position in March 2003, meanwhile the previous team leader agreed to stay until January 2003.

Despite these problems in the project leadership, the project has advanced: the local team is in place and work has been carried out to assess the needs and opportunities of business development in the Region. Seminars and workshops have been organised, business advice is

being provided to existing and potential entrepreneurs and the assessment of capacity building needs and options for the infrastructure component are being studied. However, important delays have been experienced in two components: Incubator and Leaf Credit Fund. The building originally identified by the Government for the incubator, was redirected for other activities. At the end of 2002 the Government identified another building, a school, which will become available in late March 2003, after which refurbishment works will have to be carried out. These works will be financed by the EC from SASP IV interests (see 4.2.). Concerning the LEAF credit fund, a mission to elaborate the details of this component was carried out in March 2002. Since then the dossier has been at the Headquarters waiting for clarifications on the tendering process to be followed for the contracting of the financing institution, which would manage this component. At the end of the year the headquarters services were studying the possibility to authorise direct negotiations between the NAO and a number of financing institutions, since only a small number of institutions capable of managing a microcredit facility exist in Guyana and there is a great risk that a tender would not be successful.

4.4.4 Community Budget lines

The Iwokrama Rain Forest Project, co-financed from the Budget-Line for support of Tropical Forests in the amount of € 1.46 million, after a slow start, is advancing well, but slowly (other major donors are Canada, UNDP and UK). This was confirmed by an evaluation made by DFID and another evaluation by UNDP. Also the EC monitoring mission of May 2002 concluded that so far the main benefits of the projects have gone to the local Amerindian people who have gained employment through this project and are expectant of future benefits as the forest is exploited more through the use of its products and eco-tourism. Also unforeseen impacts are emerging: the University of Guyana is gaining in reputation through the research linked to the project but taking place at the University. The project is drafting intellectual property legislation for the exploitation of the forest, when approved by the Government, this will be a large step forward in the development of intellectual property law in Guyana.

However, despite these successes the project is facing financing problems. Most donor funding will end in early 2003, including EC funding. In May 2002 a donor meeting was organised in London by the Centre to present a draft work plan for the period of 2002-2007 and to seek information on possible donor support. No firm commitments were made. If no funds are found urgently, the Centre faces severe cuts in staff and activities starting in the first quarter of 2003.

Approved in 1999, AIFO, an Italian NGO, received funds (€ 435 528) through the NGO budget line to assist handicapped persons in the integration to society. The project will provide support to community-based groups and will establish a vocational training centre to provide training for handicapped persons. Overall the project has been implemented with success: vocational training courses are on-going and the community-based groups are functioning well. The handing over of the project to the Government was done at the end of 2002 when the EC funding ended. The project has played a key role in promoting the

status of handicapped persons in Guyana and the costs of the Centre have been integrated into the Government budget.

5. Programming perspectives for the following years

The CSS was approved by the EDF Committee in September 2002. The indicative amounts allocated are: A-allocation €34.0 million and B-allocation € 14.0 million. The B-envelope includes €4.9 million from the 8th EDF Sysmin resources and these funds can be programmed for with the A-envelope. As a result the amount of 38.9 million can be programmed immediately. The CSS identifies two focal sectors:

1. Infrastructure: sea defences and coastal management €19 million
2. Macro economic support for social sectors (health and housing) €14.9

Also an indicative amount of €5.0 million has been reserved for the following purposes:

- development of a comprehensive Transport Sector Strategy €1.0 million
- support to the NAO €1.0 million
- Micro-project Programme €3.0 million

In October 2002, the Government applied for Guyana to be considered for funds under the FLEX provisions from the B-envelope. In January 2003, the EC concluded that the amount of €8.4 million from the B-envelope will be released and that this amount should be disbursed as part of the Budgetary Support Programme foreseen under the 9th EDF. This will bring the total for Budgetary Support to €23.3 million.

Preparation of Terms of References for the feasibility studies and project formulation, to be financed from the 8th EDF, for the 9th EDF Sea Defences, micro-projects' programme, budget support, and transport sector study are on-going. Concerning support to the NAO, the preparations for this project will start in March. The mission to formulate the Micro-projects programme is foreseen for March and it is anticipated that a draft Financing Proposal be submitted to Headquarters in June 2003. The contract to carry out this study was signed in December 2002. The feasibility study to prepare the Budget Support programme for social sectors was foreseen for March 2003, but due to delays in having the DAG approved it is more likely that the first mission takes place in May 2003 and the second mission sometime after that, possibly in July. It is still hoped that the draft financing proposal could be submitted to the Headquarters in September 2003. It is planned that the formulation mission for Support to the NAO take place in May and that the draft Financing Proposal can be submitted to the Headquarters in July. Concerning the Transport sector study, a workshop with the stakeholders is planned for May to prepare the Terms of Reference for the Study. It is anticipated that a draft Project proposal be submitted to Headquarters in July. The Sea and River Defence Division of the Guyana Government has prepared draft Terms of Reference for a pre-feasibility study to assess the options of the 9th EDF Sea Defence programme. This pre-feasibility study is expected to take place in June 2003.

Work on the clearing of RAC/RAL will continue. It is planned that the transition phase of the Guyana Training Agency (BACP GUA 008) to phase out EC support be finance from the de-committed 6-8 EDF funds, and that the remainder be allocated during the Annual Review meeting to one of the following: water sector, budget support, micro projects programme. The total amount of de-committed funds stands at about €2.0 million. A feasibility and project formulation mission to prepare a draft-financing proposal for the transition phase of GTA should take place in September 2003.

Concerning sea defences financed from the 8th EDF, it is anticipated that the Capacity building component contract be awarded in April 2003 and that the team be in place by June. The Socio-economic survey could then be tendered in May and launched in July. Concerning the final design, it is expected that the consultants carry out their mission in April and finalise the final design of the works by September 2003.

The other major project to be financed under the 8th EDF " Low income housing" was approved in October 2002. It is planned that the Financing Agreement be signed in March 2003. The Terms of Reference for the Technical Assistance are under preparation and it is expected that the tender for the TA can be launched in May 2003.

The Guyana Training Agency has reached full cruising speed. A mid-term review will be carried out in February 2003. Based on the findings of this evaluation, readjustment will be made where necessary and preparation for a project formulation mission for a transition phase will be launched. It is planned to organise this mission in September 2003.

A new team leader of the TA team for the Linden Economic Advancement (LEAP) is to take up her duties in mid-March. A backstopping mission from Transtec will be required to ensure smooth transition and that the project can pick up speed in its implementation. Rehabilitation works of the Incubator are to be carried out during the second quarter of 2003. Concerning the credit component LEAF, it is anticipated that with guidance from the Headquarters the identification of the financing institution to manage this component can be started in the second quarter and that a contract can be reach by mid-2003.

Concerning the coherence and consistency of the EC response strategy vis-à-vis Guyana, the strategy agreed in the present CSS still remains valid. Concerning fisheries, an inspection mission to Guyana by the European Commission Health and Consumer Protection Directorate General was carried out during the period 27 January to 3 February 2003 in order to assess if Guyana will be authorised to start exporting fish to Europe. The assessment was relatively positive and it is possible that Guyana be cleared to start exporting fish to the European Union by the end of 2003. As far as trade is concerned, the Government is preparing itself for the EPA negotiations and has requested funds from the Capacity Building in Support of EPA -programme, based at the ACP secretariat, to support this process. In order to adjust to the changes in trade agreements by 2009, specifically concerning preferential treatment, a regional programme is under preparation to facilitate Caribbean rice producers in this process.

6. 2003 Annual Operational review

6.1 The speeding up of the use of old EDF resources

Concerning 6th and 7th EDF, all project activities under these NIPs have come to an end and most projects have also been closed. For the one remaining project to be closed the process is well under way. The NAO is gathering the necessary documents needed to close it. As a result of the closures, the amount of about €2.0 million will be available for recommitment. It is foreseen that most of this amount be used to finance the transition phase of the Guyana Training Agency project (BACP GUA 008). Any funds not needed for this could be then allocated to the water sector/budget support/micro projects programme. A feasibility and project formulation mission to prepare a draft Financing proposal for the transition phase of GTA should take place in September 2003.

By the end of 2002 all Financing Agreements foreseen under the 8th EDF had been approved by the EDF Committee. The Guyana Training Agency Project (GTA) and Linden Economic Advancement Programme (LEAP) are both on-going. GTA is disbursing as planned and the first phase is due to end in late 2004. LEAP is a seven-year programme, which started in January 2002. The programme is a complex approach to private sector development in Region 10 of Guyana. To get the seven different components of the programme in place has been a tedious effort, but on the scale of a seven-year programme the project is still on schedule. The First work programme has been approved and the second one is under preparation. However, the credit component has not yet been launched due to delays in receiving instructions and clarifications from the Headquarters on the tendering and contracting procedures to be followed. It seems now that the NAO will be authorised to enter into direct negotiations with a limited number of financing institutions in order to establish an agreement on the management of this credit component of €1.9 million. By the end of 2003 also this component should be under implementation.

Concerning the Low-income Housing project (8 ACP GUA 15), this project was submitted to Headquarters for approval in February 2001, but was only approved by the EDF Committee in October 2002. It is expected that the tender for TA component can be launched in June 2003. After the tender disbursements will follow.

As for the Sea Defence Programme (8 ACP GUA 5), it is expected that disbursements on the Capacity Building will start in June 2003. The socio-economic survey to be carried out under this project will be tendered in May and the survey started in July, so that first disbursements will be done in 2003. Concerning the works themselves, it is anticipated that the final design be ready in September 2003, after which a tender would be organised to carry out the works. Disbursement on this component will start in 2004.

6.2 Setting indicators and targets for measuring results in focal sectors

The feasibility studies for the 9th EDF projects are presently being prepared for both the sectors of concentration. The pre-feasibility study for the Sea Defences is foreseen to take place in June 2003 and the pre-feasibility study for the Budget Support programme

for social sectors in May. During both of these missions a set of SMART indicators will be developed. The development policy conditionalities will be elaborated and further specified on the basis of the studies.

Concerning the budgetary support to social sectors (health and housing), the recently approved EC Guidelines for budgetary support will be used as the basis for choosing the relevant indicators. The recently approved National Health Strategy, prepared by the Government during 2002, will be used as a basis to identify which indicators are the best suited for the monitoring and analysis of the impact of the EC support for the health sector. As far as housing is concerned, the consultants will use the "white paper" prepared by the Government in 2002 to identify relevant indicators for monitoring. As a result of the elaboration study for the 9th EDF Budget Support programme due in July, the targets and indicators for both health and housing will be established with the assistance from the consultants between the NAO and the EC by the end of September 2003.

For the Sea Defences the Capacity Building component (8th EDF) will be in place and ongoing by mid-2003. Relevant measurable indicators for the sector will be identified by the Capacity building team and agreed upon before the end of 2003. In general, input, output and outcome indicators will centre around the improvement of the security of the coastal zone against the dangers of sea incursion and flooding, the rehabilitation of hard structures (rehabilitation of approximately 5 km of sea defences), and the institutional capacity building of the sector to improve maintenance.

In the end of 2002, under the World Bank support for the monitoring of the PRSP process, a monitoring unit was established at the Office of the President. This unit is to further develop the indicators identified in the PRSP document and to put in place mechanisms or reinforce existing ones to ensure the effective monitoring of these indicators. Once this unit is fully operational, it will facilitate the identification and monitoring of the specific indicators EC needs for the follow up of its projects. By the time the mission to carry out the pre-feasibility study for the Budgetary Support will take place, the unit should have advanced in its work of specifying indicators for the different sectors of the PRSP. All EC sectors of concentration are also those of the PRSP.

6.3 Dialogue in country with the NAO and non-state actors

During 2002 dialogue on the policy level between the Government and the Delegation was open. Unfortunately at times it has been difficult to organise meetings with the NAO or DNAOs on a timely basis, often due to numerous missions of the relevant Government officials. Already during the review of 2001 the need to strengthen the dialogue between the two parties was identified as an important issue and the idea of establishing two-monthly meetings on a high level between the two parties was brought forward for consideration. However, this recommendation has not been implemented.

On the level of project implementation regular, almost daily open and constructive contacts take place with the NAO Task Force and the EC Delegation. Contacts with line ministries

implementing projects are also regular and frank. Access to technical level officials is in general easy.

Representatives of the civil society are regularly invited to participate in meetings, which centre on specific issues as for example in discussions concerning the preparation of the CSS and as is foreseen to be done during the formulation of the Micro projects Programme: it is envisaged that two general seminars open to all interested civil society representatives be organised and that a joint working group to guide the consultants be established during their mission.

The relatively negative political, economic and social trends during 2002 has made access of donors to policy decision makers much more difficult than in the earlier years. The high level coordination between the Government and donors has suffered from this. However, coordination among donors is good.

7. Conclusions

The political situation in the Guyana remained tense through out 2002 and even though sugar did relatively well, the economic situation did not improve during the year. Both of these aspects impacted on the social situation which remains fragile. The PRSP document was approved by the World Bank and IMF boards in September 2002. This document forms the basis for Government efforts related to poverty reduction. At present Guyana ranks 103 in the UNDP 2002 Human Development Index and 35 % of the population are classed as poor and 19% as living under conditions of extreme poverty.

Under the 8th EDF, the implementation of the sea defences project is taking longer than anticipated due to design problems. The institutional strengthening part is progressing satisfactorily although at a slow pace. The low-income housing program was finally approved in October 2002. Although Guyana Training Agency is progressing satisfactorily, the Linden Economic Advancement Programme has experienced various problems, which are being addressed. In February 2002, funds from the SASP IV counterpart interests were allocated to finance the creation of a Task Force to assist the NAO in program monitoring and coordination. An important effort has been made to reduce to a minimum the uncommitted balances and speed up disbursements.

Concerning the 9th EDF programming, preparation of the feasibility studies and project formulation, to be financed from the 8th EDF, for the 9th EDF Sea Defences, micro-projects programme, budget support, and transport sector study are on-going: the elaboration study for the Support to the NAO will take place in May-June. The mission to formulate the Micro-projects programme took place in March. The 1st mission of the feasibility study to prepare the Budget Support programme for social sectors took place in May 2003 and the second mission is due in June-July. Concerning the Transport sector study, a mission including a workshop with the stakeholders is planned for June to prepare the Terms of Reference for the Study. The pre-feasibility study to assess the options of the 9th EDF Sea Defence programme is expected to take place in June 2003.

As far as the identification of indicators is concerned, a monitoring unit was established in the end of 2002 under the World Bank support for the monitoring of the PRSP process at the Office of the President. This unit is to further develop the indicators identified in the PRSP document and to put in place mechanisms to ensure the effective monitoring of these indicators. This will facilitate the identification and monitoring of the specific indicators EC needs for the follow up of its projects. By the end of May the Unit intends to present a detailed workplan for the development of indicators included in the PRSP document. These indicators should be fully detailed before the end of 2003. Indicators relating to the interventions under the Budget Support Programme will be finalised by the consultants carrying out the elaboration study and agreed upon between the Commission and the Government by the end of September 2003. The quality and scope of the indicators should closely follow the Commission guidelines. For the Sea Defences, the Capacity Building component and the socio-economic study (8th EDF) will be in place and on-going by mid-2003. The Draft Financing Proposal for the 9th EDF Sea Defences Programme should also

be completed by mid-2004. Relevant measurable indicators for the sector will be identified by the Capacity building team and agreed upon before the end of 2003.

The Joint Review meeting took place on the 16th of June 2003. The meeting first analysed the status of the implementation of the recommendations made during the previous review, which took place in July 2002. The table below indicates the recommendations, the status of their implementation and further recommendations where necessary:

Recommendations made in 2001 Review	Status of implementation of recommendations
Focal Sector 1: Rehabilitation of social and economic infrastructure	
Infrastructure	
1. Acceleration of evaluation system. The Delegation "no objection" can be presented to the CTB with the evaluation report.	Improvements have been made - most notably the 'no objection' procedure. Further improvements can be made - perhaps in line with the new Procurement Agency regulations.
2. Resuscitation of Monthly technical meetings. The NAO taskforce should be a party to these meetings. A list of contact persons should be maintained.	Meetings are now held at least every two months and often more frequently. The planning is done on an ad-hoc basis. Meetings with the Minister of Public Works take place in conjunction with the thematic working group on Infrastructure.
3. An indicative timetable of actions along with allocation of responsibilities should be agreed in order that parties can monitor progress.	The PRSP coordination, monitoring and evaluation unit is in place and performing this task since end 2002. (PRSP, policy issues). The NAO Task Force is in place and is carrying out day-to-day follow-up of projects.
4. Under the Euro 80000 procedure an expert should be retained to reinforce the coastal zone management strategy as it relates to the 9 th EDF sea defence project.	No longer required.
5. The financing proposal for the 9 th EDF sea defence programme should be in place by mid-2003.	Reservation of funds made to enable an 80K procedure. Consultant to visit Guyana in June 2003.
6. The Work Services Group should be involved in the programme referred to above.	The Government has decided moving the Sea Defence Division into the WSG during the 9 th EDF.
7. The transport sector study terms of reference should be prepared by the end of October. The Suriname model should be shared with the Ministry in this preparation. The Infrastructure theme group should also be used as a resource.	ToR to be developed at a stakeholder workshop. Reservation of funds made to enable this to take place in May 2003.

8. This transport plan should be shared with other donors in order to avoid overlapping.	Close coordination already in place with IDB.
9. Legislative plan to be considered when identifying priority projects and to be consistent with PRSP and NDS.	Coordination with PRSCME unit and close relationship with Ministry of Public Works already a reality.
Housing and Water	
1. The TA tender for the low-income housing project should be prepared by the end of November - with a view to arranging an appraisal mission before the end 2003.	FA signed in March 2003. ToR being finalised. After tendering for the TA, the project is expected to commence in October 2003.
2. The Government expressed a desire that Water related projects should be retained for consideration under the 9 th EDF - although they are not present in the current CSS. The EC wished to make clear that this would be subject to performance - for example the mid-term review.	GYD 200 million has been committed to the water sector for the Linden Water Supply rehabilitation project from SASP IV counterpart fund interests. Further consideration may be given at a later stage. In addition the Delegation proposed to include Guyana in the EU Water Initiative.
Focal Sector 2 - Private sector development and macroeconomic support.	
1. The synergies between LEAP and GTA should be fully exploited.	Projects are in regular contact and exploring possibilities of cooperation
2. The Government recommended the revival of the Business Forum and the President's Business summit.	A person has been identified by the President to review these two fora.
3. The Government requested that their role in GTA should be fully recognised.	This has been recognised.
4. The Private Sector expressed a specific desire for training in respect of equity financing.	Not feasible under the present NIP.
5. Concerning macro-economic support short-term consultancy should be mounted to determine whether the support to be targeted on non-targeted.	Pre-feasibility study to determine this due may 2003, second mission due June 2003.
Regional Co-operation	
1. The EC made a specific recommendation that the NAO's from Suriname and Guyana should endeavour to meet twice yearly.	First contacts have been taken between the NAOs, but no formal meeting has been arranged yet.
2. As a part of the Cariforum radar installation programme, to speed up the installation phase of the project.	Financing proposal to be submitted to EDF by mid-2003

Operational recommendations	
1. The NTF and the Delegation will determine availability of funds under the 6, 7, 8 EDF.	Done in connection to the RAC/RAL closure exercise
2. The preparation in of the 9 th EDF projects to be started immediately. Terms of reference should be prepared for the Transport Sector study. The feasibility studies and project formulation missions for the Sea Defence project, the budgetary support for the social sectors and the micro-projects should be undertaken as a matter of urgency with a view to programming 9 th EDF.	Transport Sector: Mission due June Sea Defences: Pre-feasibility study to take place in June Budget Support: 1 st mission took place in May, 2 nd due in June Micro projects: Formulation study took place in March Support to NAO: Formulation mission to take place May/June.
3. The need for strengthening the NAO taskforce was identified. It was agreed that the NAO taskforce should be properly accommodated by the end of September.	Task force accommodated. Further capacity building of the Taskforce needed.

In addition, the following recommendations were made jointly for the NAO Taskforce and the Delegation concerning the programming and implementation of different sectors of concentration and projects:

Focal Sector 1: Rehabilitation of social and economic infrastructure

1. Low-income Housing Project (8th EDF): It is necessary to finalise the Terms of Reference for the TA as soon as possible in order to be able to launch the tender in May 2003 and commence the project in November 2003. It is also necessary that the government approve the White paper on housing as soon as possible and that it contains clear guidelines for its implementation. Also, it is important that the areas for housing settlements be agreed between the Delegation and the Government as soon as possible.

2. Sea Defences (8th EDF): The NAO should ensure that the contract for the Capacity building component be awarded in April and the team will start work in June. The tender for the Socio-economic survey should be launched under the "framework contract procedure" in June and the Survey should start in September. Concerning the final design, the consultants are expected to carry out their mission in July. It is essential that the Government ensure smooth working of this mission and full cooperation of all stakeholders so that the final design is established by the end of 2003. Preparations to launch the tender for works should start immediately after the design is approved. Closer attention is to be paid to the impact of the Sea Defences project on poverty reduction and more data on this aspect shall be provided in the mid-term review of 2004.

3. Sea Defences (9th EDF): The Terms of Reference for the pre-feasibility study were finalised and the study will take place in June 2003. Full co-operation of all stakeholders is essential to ensure that the preparation of the final project document stays on schedule, finalisation foreseen by mid-2004.

4. Transport Sector Study (9th EDF): Using the 80 000-procedure a workshop with stakeholders including representatives of other ministries should take place in June to prepare the Terms of Reference for the study. The draft Project proposal should be ready for submission to Headquarters in August.
5. Linden Water Supply (SASP IV CPF interest): The Memorandum of Understanding was signed in March and works start soon after. However, an agreement has to be found between the Delegation and the Government on the source of funding to ensure adequate power supply to the project and a rider to the MoU needs to be prepared to reflect these developments.

Focal Sector 2 – Private sector development and macroeconomic support

1. LEAP (8 EDF): The Government should ensure that the building foreseen for the incubator is vacated by the end of March 2003. Concerning LEAF, once clearance has been received on the procedure to be followed for the contracting from Headquarters, the NAO and the Delegation should put in every effort to ensure that the contracting is done without any further delay and that this component be operational before the end of the year 2003. There should be close follow-up to ensure that the new team leader will get all the components of the project running smoothly by the end of the year. Close contact with the Advisory group is to be continued. Also the project should endeavour to establish closer working relationships with the NAO, the local and regional authorities.
2. GTA (8 EDF): A mid-term evaluation took place in February. It is important that all stakeholders consider the recommendations and act upon them where necessary. The preparation of the transition phase to phase out donor funding should start after the finalisation of the evaluation, so that a formulation mission could take place in September. The 1st year Work programme audit needs to be brought to an end urgently and recommendations implemented. A new audit is due before the end of the year for the 2nd WP. It is important that the TVET bill be passed in order for recognition to be given to GTA certificates. It is also important that the Ministry of Education become more actively involved in the project. Concerning the future of the project, GTA is required to put forward a proposal for the new vision of the project by the end of July. This will be reviewed by the NAO and the Delegation with a view to determine the future sustainability of GTA and, if feasible, to ensure a smooth transition from a donor financed project to a sustainable private sector driven organisation.
3. Budget support for social sectors (9 EDF): The HQ has mobilised a team of consultants for the feasibility/elaboration study and the 1st mission took place in May, second mission is due in June. During the missions close collaboration from the Ministry of Finance, Housing and Health needs to be ensured and comments on the report need to be provided by all concerned swiftly in order to ensure that the draft Financing proposal is submitted to HQ in September. During this second mission the consultants should work closely with the Government and the Delegation to establish the targets and indicators for the health and housing sectors.
4. Micro-projects Programme (9 EDF): The formulation mission took place in March. It is necessary to ensure that comments are provided on a timely basis to ensure that the draft Project proposal can be submitted to Headquarters in June. The Government is requested to clarify the issue regarding the proposed increase in the budget from 3 MEURO to 4 MEURO as soon as possible. The additional 1 MEURO would come from decommitted 6-8 EDF funds.

5. Support to NAO (9 EDF): The formulation mission is due May/June. It is necessary to ensure the full participation of all stakeholders, especially that of the Ministry of Finance so that the draft Financing proposal can be submitted to HQ in July.

Operational recommendations

1. The NAO taskforce and the Delegation will continue in clearing the RAC/RAL situation and request the closure of the remaining 1 project by the end of 2003. All present projects will in the future be closed on a timely basis as their activities come to an end.
2. The re-programming of the de-committed 6-8 EDF funds should be launched after the annual review and the finalisation of the GTA evaluation, so that a mission to formulate the transition phase of GTA could take place in September. The majority of the funds will be used for the transition phase of GTA and other 9th EDF sector of concentration / cross cutting principles (i.e. micro-projects).
3. The need for further strengthening of the NAO taskforce was emphasised. A modus operandi internal to the ministry should be put in place to facilitate decision-making, signature of letters, reporting etc. Also a system of alternates should be established so that dossiers do not have to experience undue delay during the absence of individual ministry officials. Concerning the contracts of the present staff, financed under SASP IV CPF interests, the contracts of the junior and support staff should urgently be extended until the end of 2003. Concerning the two senior staff and considering the delays this process has taken, the contract of the senior accountant should be extended to the end of 2003 using the new draft Terms of Reference prepared by the Delegation.

List of Annexes

It should be noted that since the previous report covered the year 2001 and the first half of 2002 until the end of May 2002, this report covers the second half of 2002.

1. Intervention framework including an overview of policy measures and indicators (updated)
2. Chronogram of activities (updated)
3. Indicative timetable for commitments and disbursements (updated)
4. Financial situation for 8th EDF (grants)
5. Financial situation for 7th EDF (grants)
6. Financial situation for 6th EDF (grants)
7. Regional projects
8. EIB projects

Annex 1A Intervention Framework Including Government Commitments and Sectoral Policies for the 8th EDF

SECTORS and OBJECTIVES	MEASURES TO BE TAKEN	DATE	INDICATORS OF ACHIEVEMENT	SOURCES OF VERIFICATION	STATUS
REHABILITATION OF SOCIAL AND ECONOMIC INFRASTRUCTURE					
a. SEA DEFENCES					
Rehabilitation and maintenance of existing sea defence network	Mobilisation of required financial resources from domestic and external sources	98-97 98-99	Increased Government Budget and secured donor participation	Government's annual budget and account.	Accomplished
	Project Management capacity strengthening; review of project management and implementation arrangements with the participating donors; training of staff	98/2	Project implementation according to schedule	Project reviews and evaluations by Government and donors.	Assessment of Tenders for FA in process
	Measures to encourage new investments from the private sector into the quarry sector.	98/2	Uninterrupted supply of essential quarry material to rehabilitation operations	Periodic implementation progress reports.	Part of the works contract, to be tendered in 2003-2004
Establishment of a long-term and sustainable shore zone management system	Finalise and adopt shore zone management plan based on the IDB financed feasibility study and secure/commit required financing	98/1	Initiation of shore zone management plan activities	Related TA and/or study contracts concluded.	This will be done with the assistance of the TA under the Capacity building FA contract which is presently being tendered
	Adopt structure of shore zone management system; define inter-institutional responsibilities; enshrine adopted shore zone management system in appropriate government legislation	98/2	Shore zone management programme formalised	Relevant Government policy and legislation.	As above
	Strengthening of institutions participation in the shore zone management programme	98-99	Relevant institutions strengthened according to plans	Progress reviews	As above
	Improvement of human resources required by the shore zone management programme	98-99	Recruitment of staff and training of existing staff in accordance with HRD schedule adopted under the finalized Shore Zone Management Plan.	Progress reviews	As above

b. WATER SUPPLY						
Improvement of water supply services	Implementation of the on-going and planned programmes for the rehabilitation and/or replacement of existing water supply facilities with particular emphasis on the priority facilities identified in the World Bank Water Supply Technical Assistance and Rehabilitation Project	96-99	Substantial completion of the priority water supply facilities and particularly the EDF Funded Poudroyen and New Amsterdam projects	Monitoring and completion reports and evaluations by EC and other donors contributing to the sector.	All EC funded projects completed	
	Strengthening of the institutional capacity of GUYWA; training of staff; completion of a study (*) into the possible modalities of the privatization of GUYWA and/or the increased participation of the private sector in the provision of water supply related services	96-99	-stronger management capacities; -improved human resources; -improved customer related services; -improved capabilities to manage the implementation of the facilities rehabilitation programme	Programme reviews by the World Bank and other donors, evaluations and surveys	On-going under a DFID project. Management contract to be in place during fourth quarter 2002.	
	Phasing in of periodic water tariff adjustments with a view to achieving operating cost coverage by the year 2003	1998/2	Periodic tariff adjustments and increased efficiency in billing and collection.	GUYWA's audited accounts.	On-going under a DFID project.	
c. TRANSPORTATION SECTOR						
Rehabilitation and improvement of the transportation network	Update of Transport Plan (existing)	96-2003	Transport Plan updated	Enrichment in appropriate level of Government decision	Proposed under 5 th EDF.	
	Implementation of the on-going and planned programmes and projects for rehabilitation of the transportation network including road, river, sea and air transportation	96 - 98/2	Projects successfully implemented and/or showing planned progress levels, particularly the EDF funded Regional Airports Project and Guyana Suriname Ferry Project. Adequate Gov't budget and secured donor participation	Progress reports by Government and participating donors and ex-post evaluations of EDF funded projects. Gov't annual budget and accounts	Substantially completed.	
	Institutional strengthening to improve the capacity to plan, implement and maintain transportation infrastructure; strengthening of the Transport Planning Unit with assistance from IDA and IDB	98/2	Improved performance of related Government agencies	IDA and IDB reports	Substantially completed.	
	Establishment of an Airports Authority and a Civil Aviation Authority	98/2	Bodies established	Relevant Government legislation	Accomplished.	

d. PRIVATE SECTOR DEVELOPMENT					
Increase and strengthen the role of the private sector in the country's economy through the pursuit of structural and sectoral policies creating an environment conducive to the development of the sector	Implementation of the structural and sector measures concerning the support to the private sector included in the Policy Framework Paper 96-98 in the context of the ESAF	96-98	Significant progress in the implementation of the PFP with particular emphasis on those measures relating to the private sector	IMF periodic reports	Programmed rolled over to 1998-2000. Policy slippages in 1 st quarter 2001. A new programme negotiated early 2002, approved in September 2002. New slippages foreseen for 2003.
	Supply adequate resources for the building of institutional capacity to GO-INVEST in its investment advisory role to the private sector	96-98	Adequate budget and human resources for GO-INVEST	Reports of GO-INVEST	Capacity building efforts on-going. Client satisfaction survey done in 2001: 94% of clients satisfied, recommendations are being implemented.
	Enhancement of the legal framework in which the private sector operates	1998	Approved regulations for the new Companies Act	Government legislation	Has been tabled, but not yet approved by Parliament. No indication of when this would happen.
	Enhancement of human resources pool and development of entrepreneurial capacity	97-99	Satisfactory implementation of on-going HRD and management skills development programmes with assistance from IDA (SME), USAID (Beep), etc.	Programme progress report	Several projects by EC, DFID, IDB, CIDA, USAID are on-going, but lack of human resources will remain a critical issue for years to come.

Annex 1B Intervention framework for the 9th EDF

Infrastructure: Sea Defences

	Performance indicators	Sources of Verification	Assumptions
<p>Long term national sector targets:</p> <p>Economic growth and poverty reduction through assured protection of the coast from the sea</p>	<ul style="list-style-type: none"> • GDP • Value added in agriculture • Investment in agriculture • Property insurance rates • Damage to infrastructure averted 	<p>Statistics:</p> <ul style="list-style-type: none"> - National accounts statistics - Agricultural Production stats. 	
<p>Intervention objective:</p> <p>Improving the sea-defences and their maintenance</p>	<p>Length of seawall in good and serviceable condition</p>	<p>Ministry of Public Works</p>	
<p>Results:</p> <ul style="list-style-type: none"> • Study of effects of sea level rise on infrastructure and economy completed • Planning, Accounting and reporting consistent with requirements for Budgetary support. • Life of sea-wall effectively extend • Capacity for effective maintenance system in place • Financing of maintenance activities secured in a sustainable manner. • Alternative means of coastal defence evaluated 	<ul style="list-style-type: none"> • Number of staff trained • Length of sea-wall rehabilitated • Financial procedures in place to carry out maintenance • Annual estimate for maintenance required • Alternative sea defence measures being tried out 	<p>Ministry of Public Works</p>	<ul style="list-style-type: none"> - Sea level does not rise in the period - There are sufficient trained staff to carry out the work - Govt. develops adequate funding for sustainable maintenance

Macro-economic Support (to Social Sector)

	Performance Indicators	Sources of Verification	Assumptions
Long term national sector targets: Poverty reduction	<ul style="list-style-type: none"> - Distribution of wealth statistics - Employment statistics - Migration statistics 	<ul style="list-style-type: none"> - Government statistics - Monitoring of budgetary execution - Reviews by IMF and IDB 	
Intervention objective: To assist the government in meeting its budgetary objectives as set out in the PRSP	<ul style="list-style-type: none"> - Government expenditure - Size of funding gap 		
Results: PUBLIC FINANCE MANAGEMENT <ul style="list-style-type: none"> • Planning, Accounting and reporting consistent with requirements for Budgetary support • Increase in qualified govt. professionals HOUSING <ul style="list-style-type: none"> • Poor people have better access to housing • Crime rate reduced • Reduced ethnic tensions • Management capacity in CH&PA strengthened HEALTH <ul style="list-style-type: none"> • Development of a strategic health sector plan • Reduction in mother & child mortality in regions • Improved conditions of service for medical staff • Reduction illness and death from major diseases • Increase in average life-expectancy in regions • Reduction in deaths by major diseases 	<ul style="list-style-type: none"> - Selection system Number of houses built each year - Number of poor people housed in new houses - No of poor people given housing lots and obtaining mortgages - Crime reduced - Political reports - No of houses built by govt, NGO and private sector - Regular & Proper reporting and monitoring reports <ul style="list-style-type: none"> - Strategic Health plan - Targets in reduced mortality met - Staff turnover, change in benefits 	<ul style="list-style-type: none"> - Govt. statistics bureau - Inter-party Parliamentary Committee on housing - NGOs - Other Donor reports - NAO office reports Ministry of Housing and Water	<ul style="list-style-type: none"> - PRSP adopted and budget implemented according to schedule - Adequate impact monitoring indicators developed to trigger funding

Annex 2 Chronogramme of activities (updated)

EDF	Guyana	Total	Identification	Appraisal	Financing Decision	Secondary Commitment
9 th	Sea Defences Transport Sector Study	€ 19,0	June 2003	Nov 2003	End 2004	end 2004
	Bud. Support Social Sector	€ 1,0	Jan 2003	May 2003	Oct 2003	early 2004
	Support NAO	€ 23,3	Feb 2003	May 2003	Jan 2004	mid 2004
	Micro-projects Programme	€ 1,0	Feb 2003*	May 2003	Oct 2003	end 2003
	Sea Defences	€ 3,0	Feb 2003*	March 2003*	Oct 2003	early 2004
	Low Income Housing	€ 20,5			Dec 1999*	3 rd quarter 2003
8 th	Guyana Training Agency	€ 0,1			Oct* 2002	end 2003
	Linden Economic Advancement Programme (SYSMIN)	€ 1,8			May 2000*	Dec 2000*
	2 nd phase GTA**	€ 12,5			Sept 2000*	Dec 2001*
De-com mitted funds 6-8 th EDF**	Remainder to water/Budgetary Support or Micro projects programme**	+/- € 1,0	May 2003	Sept 2003	Early 2004	mid 2004

* = actual ** = decision on the use of these funds will be taken during Annual Review 2003. If funds to go to Budgetary Support or Micro-projects programme, then these extra funds are to be allocated according to the planning of these projects as indicated above.

Annex 3 Indicative timetables for commitments and disbursements (updated)

Indicative Primary Commitments Timetable 2002-2004

EDF	Guyana	Total	2002		2003		2004	
			1 st	2 nd	1 st	2 nd	1 st	2 nd
g th	Sea Defences	€ 19,0						19,0
	Transport Sector Study	€ 1,0					1,0	
	Macro-econ support to Social Sector	€ 23,3					23,3	
	Support to economic actors NAO office	€ 1,0				1,0		
	Micro-projects Program	€ 8,0				3,0		
g th	Low Income Housing	€ 9,1		9,1				

Indicative Disbursements Timetable 2002-2005

EDF	Guyana	Indic. Total	2002		2003		2004		2005	
			1 st	2 nd	1 st	2 nd	1 st	2 nd	1 st	2 nd
9 th	Sea Defences	€ 19,0					0,50		2,75	2,75
	Transport Sector Study	€ 1,0				0,20		0,40	0,40	
	Macroeconomic support to Social Sector	€ 14,9				1,5		1,5	2,5	2,5
	<i>Support to economic actors:</i>									
	NAO office	€ 1,0				0,12		0,12	0,12	0,13
	Micro-projects Program	€ 3,0				0,50		0,50	0,50	0,50
8 th	Sea Defences	€ 20,5	0,06*	0,15*	1,0	0,75	0,75	0,50	0,50	0,70
	Low Income Housing	€ 9,1				0,90	1,00	1,20	1,20	1,10
	Guyana Training Agency	€ 1,8	0,113*	0,08	0,59	0,24	0,44			
	Linden Economic Advancement Programme	€ 12,5	0,93*	0,14	1,44	0,60	0,93	1,32	0,93	1,32

* = Actual disbursement

Annex 4 Financial situation for 8th EDF (grants): National Indicative Programme and Non-Programmable Funds

Account No	Title of Project	Date of Decision	Loan/Grant	Amount of Financing Agreement	PREVIOUS	Payments		% Cumulative amount To FA
						Jun-Dec 2002	CUMULATIVE	
	INDICATIVE PROGRAMME							
	1ST AREA OF CONCENTRATION: INFRASTRUCTURE							
B.ACP.GUA.005	Guyana Sea Defences	12/21/99	G	20,000,000.00	202,981.25	146,049.00	349,030.25	1.75
B.ACP.GUA.007	Guyana Sea Defences-ADK	1/28/00	G	520,000.00	406,706.33	-	406,706.33	78.21
B.ACP.GUA.003	2 nd area of concentration: Private Sector Development	15/07/98	G	80,000.00	73,056.60	-	73,056.60	91.32
B.ACP.GUA.006	ID Study: Human Resource Development Programme	17/9/99	G	4,500.00	1,160.23	-	1,160.23	25.78
B.ACP.GUA.008	Technical Assistance- Feasibility Study	5/22/00	G	1,795,000.00	422,854.98	84,585.19	507,540.18	28.28
B.ACP.GUA.010	Guyana Training Agency	30/11/00	G	79,999.00	79,990.00	-	79,990.00	100.00
B.ACP.GUA.011	Preparation of Country strategy paper for 8 th EDF	13/12/01	G	19,998.00	19,562.58	-	19,562.58	97.82
	Country support strategy							
	Low Income Housing Programme							
	Sub total			31,589,488.00	1,208,411.98	230,634.19	1,437,046.17	4.55
	NON PROGRAMMABLE FUNDS							
B.ACP.GUA.001	Structural Adjustment Support IV	10/4/98	G	4,600,000.00	4,600,000.00	-	4,600,000.00	100.00
B.ACP.GUA.002	Structural Adjustment Support IV	10/5/98	G	690,000.00	690,000.00	-	690,000.00	100.00
B.ACP.GUA.004	Structural Adjustment Support V	7/20/98	G	5,700,000.00	5,400,000.00	-	5,400,000.00	94.74
B.ACP.GUA.009	Linden Economic Enhancement Programme	7/28/00	G	12,500,000.00	1,072,564.00	143,843.00	1,216,407.00	9.73
B.ACP.GUA.011	IPED, 11 Loan from EIB	22/10/02	L	500,000.00	41,000.00	-	41,000.00	8.20
	TOTAL NON PROGRAMMABLE FUNDS			23,990,000.00	11,803,564.00	143,843.00	11,947,407.00	49.80
	TOTAL OF NATIONAL PROGRAMMES			55,589,488.00	13,009,975.98	374,477.19	13,384,453.17	24.08

Annex 5 Financial situation for 7th EDF (grants): National Indicative Programme

Account No	Title of Project	Date of Decision	Loan/Grant	Amount of Financing Agreement	PREVIOUS	Payments Jun-Dec 2002	CUMULATIVE	% cum. amount To FA
	INDICATIVE PROGRAMME							
	FOCAL AREA: Rehabilitation of Economic Infrastructure							
7.ACP.GUA.006	TA-Sea Defence Rehabilitation	5/24/83	G	747,958.02	747,958.02	-	747,958.02	100.00
7.ACP.GUA.007	New Amsterdam Water Supply (Phase 11)	11/10/83	G	4,500,000.00	4,159,981.22	-	4,159,981.22	92.44
7.ACP.GUA.011	Rehabilitation of Sea Defences	12/20/83	G	11,100,000.00	10,958,312.36	-	10,958,312.36	98.72
7.ACP.GUA.012	Rehabilitation of Demerara Harbour Bridge	12/20/83	G	8,400,000.00	8,321,487.12	-	8,321,487.12	99.07
7.ACP.GUA.017	Pouderoyen Water Supply Rehabilitation Project	7/14/85	G	6,500,000.00	6,061,563.75	-	6,061,563.75	93.25
	OUTSIDE OF FOCAL AREA							
7.ACP.GUA.002	TA-Setting up of Private Sector Centre	1/18/83	G	13,196.88	13,196.88	-	13,196.88	100.00
7.ACP.GUA.005	Development of Small Business Credit Initiative	4/16/83	G	219,239.00	219,239.00	-	219,239.00	100.00
7.ACP.GUA.014	TA-Establishment of Private Sector Centre	2/22/84	G	454,111.55	454,111.55	-	454,111.55	100.00
7.ACP.GUA.024	Technical assistance to the NAC's Office	3/15/89	G	33,500.00	31,504.24	-	31,504.24	94.04
7.ACP.GUA.025	Study- Economic Appraisal of Sea Defences	7/28/88	G	20,785.25	20,785.25	-	20,785.25	100.00
	TRANSFERRED FROM THE 5TH EDF							
7.ACP.GUA.008	East Bank Berbice culverts	12/3/93	G	322,071.43	218,345.51	-	218,345.51	67.79
7.ACP.GUA.016	Development of Small Business Credit Initiative	11/24/84	G	571,686.57	571,686.57	-	571,686.57	100.00
7.ACP.GUA.027	General elections 2001: Financial Needs assessment	1/25/00	G	53,000.00	49,997.75	-	49,997.75	94.34
	Sub total			32,935,548.70	31,828,149.22	-	31,828,149.22	96.64

No	Title of Project	Decision	Grant	Financing Agreement	PREVIOUS	Jun-Dec 2002	CUMULATIVE	% curruh. amount to FA
NON PROGRAMMABLE FUNDS								
7.ACP.GUA.003	General Import Programme 1	4/13/92	G	4,479,657.72	4,479,657.72	-	4,479,657.72	100.00
7.ACP.GUA.015	General Import Programme 11	5/17/94	G	2,000,000.00	1,952,955.00	-	1,952,955.00	97.65
7.ACP.GUA.019	Support Structural Adjustment Programme/ GIP 111	1/11/96	G	800,000.00	800,000.00	-	800,000.00	100.00
7.ACP.GUA.020	Support Structural adjustment programme	1/11/96	G	1,300,000.00	1,264,996.98	-	1,264,996.98	97.31
7.ACP.GUA.026	Debt Relief (HIPIC)	28/10/99	G	6,440,000.00	6,440,000.00	-	6,440,000.00	100.00
SYSTEM Operations								
7.ACP.GUA.009	SYSTEM	12/3/93	L	3,825,821.46	3,230,478.41	-	3,230,478.41	84.44
7.ACP.GUA.013	Feasibility study- Guyana/Brazil road	5/12/98	G	150,000.00	124,457.86	-	124,457.86	82.97
7.ACP.GUA.022	Ta- Examining SYSTEM request	6/21/96	G	17,342.65	17,342.65	-	17,342.65	100.00
7.ACP.GUA.023	Study- Economic Diversification of Linden	7/28/98	G	136,000.00	101,225.84	-	101,225.84	73.35
	Regional Development of the Rupununi - Identification	7/28/98	G	250,000.00	50,000.00	-	50,000.00	20.00
LOANS FROM THE EUROPEAN INVESTMENT BANK								
7.ACP.GUA.004	Bauxite Rehabilitation	3/18/93	L	5,000,000.00	5,000,000.00	-	5,000,000.00	100.00
7.ACP.GUA.018	IPED Global loan	10/4/95	L	500,000.00	500,000.00	-	500,000.00	100.00
7.ACP.GUA.021	Rosehall Water Supply Rehabilitation	12/14/95	L	9,200,000.00	6,949,410.69	1,782,332.0	8,731,742.69	94.91
	TOTAL OF NON PROGRAMMABLE FUNDS			34,100,821.83	30,910,525.15	1,782,332.0	32,692,857.15	95.87
	TOTAL OF NATIONAL PROGRAMMES			67,036,370.53	62,738,674.37	1,782,332.0	64,521,006.37	96.25

Annex 6 Financial situation for 6th EDF (grants): National Indicative Programme

Account No	Title of Project	Date of Decision	Loan/ Grant	Amount of Financing Agreement	PREVIOUS	Payments Jun-Dec 2002	CUMULATIVE	% of cumulat. amount To FA
	INDICATIVE PROGRAMME							
	FOCAL AREA: Rehabilitation of Economic Infrastructure							
6.ACP.GUA.002	Sectoral Import Programme	4/6/87	G	242,990.31	242,990.31		242,990.3	100.00
6.ACP.GUA.003	River Ferry Services-Immediate Action Programme	4/8/88	G	2,824,575.16	2,824,575.16		2,824,575.1	100.00
6.ACP.GUA.006	Infrastructure Rehabilitation	5/20/89	G	16,955,779.31	16,955,779.31		16,955,779.3	100.00
6.ACP.GUA.014	Pre-Feasibility Study- Demerara Harbour Bridge	5/13/92	G	110,242.71	110,242.71		110,242.7	100.00
6.ACP.GUA.015	TA-New Amsterdam Water Supply Project	6/4/92	G	59,930.97	59,930.97		59,930.9	100.00
6.ACP.GUA.016	Lome IV Sea Defence Study	6/9/92	G	197,751.02	197,751.02		197,751.0	100.00
6.ACP.GUA.020	Pouderoyen Water Supply Project-Appraisal	1/17/94	G	23,120.00	23,120.00		23,120.0	100.00
6.ACP.GUA.023	TA-PEU Sea Defence Rehabilitation Programme	12/27/95	G	378,596.27	378,596.27		378,596.2	100.00
6.ACP.GUA.024	TA-Investigation In Sea Defences	3/26/96	G	36,571.14	36,571.14		36,571.1	100.00
6.ACP.GUA.025	TA-NAO's Office	11/19/96	G	166,224.06	166,224.06		166,224.0	100.00
6.ACP.GUA.028	Programme Appraisal/Prep.Financing.Prop. Sea Defence	1/6/98	G	66,836.23	66,836.23		66,836.2	100.00
6.ACP.GUA.029	TA- Low Income Housing (KAMPAX)	3/7/00	G	80,000.00	73,289.07		73,289.0	91.61
	OUTSIDE OF FOCAL AREA							
6.ACP.GUA.004	TA-Oriental Fruit Fly	12/23/87	G	114,568.97	114,568.97		114,568.9	100.00
6.ACP.GUA.007	TA-Tourism Development	7/11/88	G	64,195.98	64,195.98		64,195.9	100.00
6.ACP.GUA.010	TA Rehabilitation of Toxicology Unit	4/11/89	G	14,435.87	14,435.87		14,435.8	100.00
6.ACP.GUA.011	Dairy Development Preparatory Study	7/3/89	G	56,832.00	56,832.00		56,832.0	100.00
6.ACP.GUA.013	Preparation of General Import Programme	12/14/90	G	43,350.00	43,350.00		43,350.0	100.00
6.ACP.GUA.018	TA- Establishment of Private Sector Centre	4/22/96	G	100,000.00	100,000.00		100,000.0	100.00
6.ACP.GUA.019	ID Study: Lome IV 2nd Financial Protocol	7/13/94	G	61,680.91	61,680.91		61,680.9	100.00
6.ACP.GUA.021	Small Business Credit Initiative (SBCI)	12/20/95	G	105,776.68	105,776.68		105,776.6	100.00
6.ACP.GUA.022	Study: Drug Traffic/Abuse	12/18/94	G	28,628.39	28,628.39		28,628.3	100.00
6.ACP.GUA.026	Mid Term Evaluation - SBCI	6/18/97	G	42,015.10	42,015.10		42,015.1	100.00
6.ACP.GUA.027	Study of HRD needs in Private Sector	11/25/97	G	4,610.97	4,610.97		4,610.9	100.00
	Sub Total (NIP)			21,778,712.05	21,772,001.12		21,772,001.1	99.97

Account No	Title of Project	Date of Decision	Loan/ Grant	Amount of Financing Agreement	Payments		% of cumult. Amount to FA
					PREVIOUS	Jun-Dec 2002 CUMULATIVE	
6.ACP.GUA.017	TRANSFERRED FROM 4TH EDF Development of Small Business Initiative	11/24/84	G	4,333.50	4,333.50	4,333.5	100.00
6.ACP.GUA.001	NON PROGRAMMABLE FUNDS Emergency aid- Thallium Poisoning	3/20/87	G	27,893.00	27,893.00	27,893.0	100.00
6.ACP.GUA.005	Emergency aid-Malaria	12/28/87	G	217,559.58	217,559.58	217,559.5	100.00
6.ACP.GUA.009	EIB line of Credit	12/14/88	L	3,600,000.00	3,600,000.00	3,600,000.0	100.00
6.ACP.GUA.012	River Ferry Services-Compensation Rogan	9/29/90	G	62,319.00	62,319.00	62,319.0	100.00
	TOTAL OF NON PROGRAMMABLE FUNDS			3,912,105.08	3,912,105.08	3,912,105.0	100.00
	TOTAL OF NATIONAL PROGRAMMES			25,684,106.20	25,684,106.20	25,684,106.2	99.97