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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR GUYANA

UNDP assistance requested by the Government of Guyana for the period 1982-1986

Illustrative IPF for 1982-1986: \$US 8.5 million

INTRODUCTION

1. The third country programme for Guyana was prepared by the Ministry of Economic Planning and Finance, which is the Government's central planning and co-ordinating authority with respect to all development activities in the country. There has been close co-operation with the United Nations Development Programme (UNDP) in the elaboration of the contents and character of the programme, and other agencies in the United Nations system were consulted as required in this process.

2. While the focus and priority areas identified in the programme reflect the emerging developmental needs and evolving priorities as currently defined and determined by the Government in the context of facilitating and enhancing the process of national self-reliance, the proposed modality for the implementation of the programme attempts to respond in some measure to some of the enabling United Nations inter-governmental resolutions and guidelines on the important issues of making the United Nations development system much more compatible with the changing needs and realities

Note: In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, Annex I), the third country programme for Guyana is being submitted to the Council without an accompanying note by the Administrator.

The previous country programmes for Guyana and the accompanying notes by the Administrator were issued under the document symbols DP/GC/GUY/R.1-DP/GC/GUY/R.2 and DP/GC/GUY/R.1/RECOMMENDATION-DP/GC/GUY/R.2/RECOMMENDATION, respectively.

of the developing countries; among these, General Assembly resolution 2688 (XXV) and its annex, General Assembly resolution 3405 (XXX) and its annex, and corresponding UNDP Governing Council affirmations.

3. The third country programme for Guyana represents a clear shift from the preceding two programmes in terms of the specific measures which the Government has adopted to achieve the most rational and efficient utilization of the limited UNDP-IPF resources. Included in these measures are:

(a) Greater emphasis on Government execution of UNDP-assisted projects, to be facilitated by the recent establishment of a Government Central Office for Project Execution (COPE), which will be responsible for all new projects with the support of the appropriate United Nations specialized agency as required;

(b) Intensive use of national experts and consultants in the development, implementation and monitoring of individual projects, including expatriate nationals under the TOKTEN scheme;

(c) Greater use of United Nations Volunteers and associate experts as an integral part of the inputs of most UNDP-financed projects; and

(d) Intensive use of technical co-operation among developing countries on a bilateral basis or through regional functional organizations as a complement to or an integral part of selected areas of UNDP-supported activities.

4. The third country programme covers the third UNDP programming cycle (1982-1986). The resources available for the country programme were determined by decision 80/30 of the twenty-seventh session of the UNDP Governing Council approving illustrative indicative planning figure (IPF) for Guyana in the amount of US\$8.5 million.

5. In accordance with standing instructions, only 80 per cent of the illustrative IPF (US\$6.8 million) was programmed, after charging all costs related to approved ongoing projects which have slippages to the third programme cycle, as well as the amount which was borrowed from the same cycle to cover unforeseen costs in the second cycle. An annual programme reserve of US\$125,000 from the available net resources is set aside to meet unforeseen contingencies beginning 1983.

6. In addition to possible maximization of the benefits which could accrue by monitoring progress at both national and regional levels in those sectors enjoying similar priorities, the details of the anticipated UNDP assistance during the third programming cycle will be carefully designed to reinforce the traditional complementaries of the technical assistance which may be forthcoming from the regular programme resources of other United Nations agencies. Although the nature and scale of such resources could not be determined at this stage for the entire programming period, some projection could be made with respect to five agencies:

| | \$ |
|---|-----------------------|
| World Food Programme (WFP) | 6 500 000 (1982-1986) |
| World Health Organization (WHO)/ Pan-American Health Organization (PAHO) | 440 000 (1982-1986) |
| Food and Agriculture Organization of the United Nations (FAO) | 200 000 (per annum) |
| United Nations Children's Fund (UNICEF) | 380 000 (1982-1986) |
| United Nations (Voluntary Fund for the United Nations Decade for Women) (UN/VFDW) | 237 000 (1982-1986) |

7. To the extent that the estimated costs of some 22 pipeline projects over a period of three years exceed the estimated net IPF resources for the same period by over 500 per cent (US\$17.5 million as opposed to US\$3.3 million), third party cost-sharing will be sought with the major multilateral or bilateral donors, in order to ensure that selected priority projects will not be deferred for lack of sufficient IPF resources. This will involve consultation with, inter alia, principal donors currently active in support of Guyana's development efforts: the United States Agency for International Development (USAID), the Canadian International Development Agency (CIDA), the United Kingdom of Great Britain and Northern Ireland, the International Bank for Reconstruction and Development (IBRD), the Caribbean Development Bank (CARIBANK), the Inter-American Development Bank (IADB), the International Fund for Agricultural Development (IFAD), and the European Economic Community (EEC).

UNDP TECHNICAL CO-OPERATION ENVISAGED IN SUPPORT
OF NATIONAL DEVELOPMENT PRIORITIES

8. The development objectives of Guyana basically consist of the harmonization of the economy and the building-up of a national capacity for dynamic development. These objectives are to be attained through an economic programme which aims at resuming economic growth, generating employment and strengthening the balance of payments through the development and expansion of export-generating and efficient import-substituting activities. In the short run, the programme aims at improving utilization of existing productive capacity, especially of exportable goods, the execution of a production-oriented investment programme in both the public and private sectors, and a substantial increase in the level of national savings (e.g. from 8 per cent of the gross domestic product (GDP) in 1979 to 16 per cent by 1983). These efforts are to be accompanied by structural transformation required for the more efficient and effective management of the public sector investment programme which for 1981-1983 envisages an expenditure of about 1.6 billion Guyana dollars (\$G).

9. In order to relate UNDP technical assistance resources to the foregoing development strategies, the Government was guided by the considerations of three major inter-related factors: (a) the catalytic role of UNDP technical co-operation; (b) the need for concentrating on areas which constitute crucial factors for the increase of national self-reliance to formulate and implement development plans and policies; and (c) the need to ensure the optimum impact of the multiplier effect of the assistance provided through cost-effective measures applicable to limited IPF resources. Within this framework, the Government has identified the following main objectives as a focus for UNDP activities:

(a) Institutional strengthening in the planning and execution of UNDP and other externally assisted projects, thereby increasing self-reliance in these areas;

(b) Intensification of exploration of natural resources, particularly mineral deposits;

(c) Improved efficiency of public sector enterprises in the production of goods and services;

(d) Rational development of urban areas and geographical regions through improved planning and project preparation capacity;

(e) Strengthening of veterinary services for improved animal and human health;

(f) Intensification of the application of science and technology to the utilization of the country's natural resources for industrial and energy development; and

(g) Increased participation of women in the development process.

10. In delineating these areas, account has also been taken of the practical experience acquired in the planning and implementation of the Guyana country programme during the first and second programming cycles. Consequent to this, the Government wishes to utilize the UNDP technical assistance in the following manner:

A. General economic and social policy and planning

11. The recent merger of the Ministry of Finance with the Ministry of Economic Development and Co-operatives to form the present Ministry of Economic Planning and Finance has brought about the consolidation of the Government's central planning and co-ordinating functions. The fact that the work of the State Planning Commission also falls under the authority of the Vice President responsible for Economic Planning and Finance attests to the need for dealing with the problems of national development and prospects by rationalizing the process of decision making, not only in the formulation of development plans and strategies, but also in their actual implementation, monitoring and evaluation. The Government feels there is an urgent need for UNDP technical assistance in building national capabilities in these fields, which were not catered for in the past under UNDP technical co-operation.

12. The proposed UNDP institutional support will concentrate on ways and means of strengthening the Department for International Economic Co-operation (DIEC) within the Ministry of Economic Planning and Finance. The UNDP support is expected to provide structural capability for the newly established Central Office for Project Execution (COPE) within the same Ministry in the identification, design, appraisal, implementation and follow-up of development projects. COPE as the operational arm of DIEC for the direct execution and follow-up of UNDP-supported activities, expects to draw from the accumulated experience and knowledge of the agencies in the United Nations system in project management, while complementing and also benefiting from the recently approved IBRD and IADB technical assistance for structural adjustments (US\$2.7 million total), which include, among others, strengthening the monitoring of the execution of the public sector investment programme and improved expenditure control. COPE also serves as the vehicle for the promotion and implementation of TCDC activities, in addition to developing suitable mechanisms for the adoption and diffusion of technology through the use of expatriate nationals under the TOKTEN system as well as through the services of resident national experts.

UNDP contribution: US\$1,500,000 (1982-1986)

B. Natural resources

13. A recent preliminary survey has indicated a need to assess the manganese mining and processing potential in the North-West District, and to evaluate possible development projects for the Eagle Mountain complex for molybdenum, gold and copper deposit in the Potaro District. UNDP technical assistance, which will be geared to strengthening the capability for such an undertaking of the Guyana Geology and Mines Commission, within the Ministry of Energy and Mines, will comprise the services of short-term specialists in various disciplines related to mineral exploration and exploitation. The activities foreseen for UNDP support to this sector will be closely coordinated with the works of a larger-scale ongoing project (GUY/NR/78/001) for the discovery related to and evaluation of mineral deposits in areas of the country with the support of the United Nations Revolving Fund for Natural Resource Exploration (UNRFNRE) (US\$2.1 million).

UNDP contribution: US\$1,000,000 (1982-1985)

C. Industry

14. The manufacturing sector of Guyana is relatively small. The most important products exported at present include liquor, pharmaceuticals, garments and durable consumer goods; in addition, for the local market, a number of small industries produce furniture, prefabricated housing, building materials and paint, and textiles and do some food processing. Within the umbrella of the Guyana State Corporation (GUYSTAC), under which most of the industries are administered, UNDP technical assistance will be required to continue the management consultancy services currently being provided under an ongoing project which is scheduled to terminate in 1983. In addition, further technical assistance will be given in 1982 to complete the wood preservation and seasoning demonstration work under Guyana Timbers Ltd., which was an integral component of the large-scale forest industry project (GUY/75/004), for which UNDP support up to 1981 amounted to about US\$1.9 million.

Ongoing project: GUYSTAC Industrial Consultancy Unit (GUY/79/007)
(US\$558,000 committed for 1982-1983)

UNDP contribution: (additional) US\$278,800 (1984-1985)

Ongoing project: Forest Industry (GUY/75/004)
(US\$50,000 committed for 1982)

D. Transportation and communications

15. Improvement of existing infrastructure and services related to telecommunications and civil aviation through training, advisory and management services will be required. The telecommunications component of the foreseen UNDP support constitutes a follow-up of UNDP technical assistance (1977-1980) under the project, Telecommunications Development (GUY/76/008), which assisted in setting up a permanent training centre designed to train instructors and to develop training material best suited to local conditions. The civil aviation component will receive the same type of UNDP assistance, for which there has been a growing demand, particularly since the increased participation of the Government in the acquisition and management of national commercial air lines, which since mid-1981 have covered international routes.

UNDP contribution: US\$300,000 (1983-1986)

E. Human settlements

16. UNDP has been providing technical assistance since 1976 in support of the Government's effort to establish an effective regional and urban planning system in the country, as well as a training programme compatible with such a system. Although some results have been achieved, particularly in the formulation of urban plans for selected areas, a recent assessment of actual needs has indicated the need for instituting permanent training facilities within the faculties of the University of Guyana. In addition to the completion of urban plans for Georgetown, the need for undertaking regional development and housing has become more pronounced following the division of the country into ten regions in early 1981. The UNDP support will concentrate on building national capability within the Central Housing and Planning Authority to achieve the above objectives.

Ongoing project: Urban and Regional Planning (GUY/74/105)
(US\$5,700 committed for 1982)

UNDP contribution: (additional) US\$294,300 (1982-1984)

F. Health

17. Improvement of the health services, qualitatively and quantitatively by integrating the curative and preventive services, for both human and animals, is sought through training and research works in veterinary clinics and advisory services to the public health department in the Ministry of Health. UNDP assistance will be co-ordinated with anticipated assistance from WHO/PAHO, UNICEF and WFP, particularly in a potential area of integrated rural development.

Ongoing project: Veterinary Services (GUY/79/001)
(US\$370,900 committed for 1982-1983)

UNDP contribution: (additional) US\$84,100 (1983)

G. Science and technology and energy

18. The Government seeks to strengthen the scientific and technological basis of the national economy through the development of indigenous research capability in mineral science, alternative sources of energy, ceramics, analytical services, edible natural products. UNDP inputs, apart from being a follow-up to the activities initiated in 1980 with UNDP support, will complement the support already provided under Canada's bilateral programme. Moreover, the foreseen UNDP assistance will be meshed together with resources to be made available from the Interim Fund for the Science and Technology Development (IFSTD) and possibly other sources of funding.

Ongoing project: Institute of Applied Science and Technology (GUY/79/002)
(US\$11,000 committed for 1982)

UNDP contribution: (additional) US\$1.5 million (1982-1986)

H. Women in development

19. To integrate poor, marginalised women in the process of economic and social development, both as participants and beneficiaries. It is envisaged that the UNDP support will reinforce the assistance already being provided by other agencies in the United Nations system, namely, by the Voluntary Fund for United Nations Decade for Women in the field of production and marketing of tie-dye products and by UNICEF in the field of transfer of appropriate technology.

UNDP contribution: US\$200,000 (1982-1986)

20. As a founding member of the integration movement in the English Speaking Caribbean, there is strong interdependence between the national priorities identified above and intercountry programmes which are specifically designed to foster such movement through the Caribbean Community (CARICOM).

Annex

FINANCIAL SUMMARY

| | | | |
|----|-------------------------|--|-----------|
| A. | <u>Resources</u> | | \$ |
| | (a) | IPF and other resources | |
| | | (i) Illustrative IPF for programme period | 8 500 000 |
| | | (ii) Carry-over from previous IPF cycles | (142 000) |
| | | (iii) Other resources (indicate Government cost-sharing, trust funds, etc. as applicable) | - |
| | (b) | Provision for adequate programming | - |
| | | TOTAL | 8 358 000 |
| B. | <u>Use of resources</u> | | |
| | (a) | Programmed | |
| | | (i) Ongoing projects | 1 342 000 |
| | | (ii) New projects and new phases included in the country programme | 4 800 000 |
| | | (iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage) | - |
| | | Subtotal | 6 142 000 |
| | (b) | Reserve | 658 000 |
| | (c) | Unprogrammed balance <u>a/</u> | 1 700 000 |
| | | TOTAL | 8 500 000 |

C. Financial distribution of programme, by sector

| | <u>Sector^{b/}</u> | <u>Ongoing projects</u> | <u>New projects</u> | <u>TOTAL</u> |
|----|----------------------------------|-------------------------|---------------------|--------------|
| | | \$ | \$ | \$ |
| 02 | General development issues | - | 1 500 000 | 1 500 000 |
| 03 | Natural resources | - | 1 000 000 | 1 000 000 |
| 05 | Industry | 887 000 | - | 887 000 |
| 06 | Transport and communications | - | 300 000 | 300 000 |
| 09 | Human settlements | - | 300 000 | 300 000 |
| 10 | Health | 455 000 | - | 455 000 |
| 14 | Social conditions and technology | - | 200 000 | 200 000 |
| 16 | Science and technology | - | 1 500 000 | 1 500 000 |
| | TOTAL | 1 342 000 | 4 800 000 | 6 142 000 |

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming in accordance with the Administrator's instructions contained in UNDP/PROG/FIELD/111; UNDP/PROG/HQTRS/126.

b/ According to ACC classification.

