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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR GUYANA*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>\$</u>
1987-1991	UNDP IFP for 1987-1991	8 651 000
	Resources from the third cycle	496 000
	Other resources programmed	Nil
	Total	9 147 000

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* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under the authority of the Administrator; (e) distribution of new country programmes by sector.

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. The economy of Guyana continues to be affected by structural and accumulated external debt payment problems despite efforts aimed at resolving them. Viewed in historical perspective, the decade of the 1970s was characterized by an uneven pattern of economic development. During the first half of the decade, real gross domestic product (GDP) grew by about 4 per cent per annum, but by the second half of the decade, it had declined on the average by about 5 per cent per annum. This economic decline was precipitated by poor output performance in the two main productive sectors, namely bauxite and sugar, and was exacerbated by a dramatic worsening of the terms of trade which resulted from falling sugar prices and additional oil price increases.
2. In 1984 Guyana's economy was again beset by a disequilibrium in its external sector, a deterioration in its public finance and the inflationary pressures of earlier years. Notwithstanding these factors, the economy experienced a slight recovery. GDP, which was conservatively projected by the Government to grow by a modest 2 per cent, actually recorded a 5 per cent growth. This progress was attributed both to improvements in agricultural production and the recovery of the mining sector, where bauxite production increased by more than 40 per cent in response to high external demand. In addition, certain manufacturing industries such as beverages and textiles increased their output levels. However, the industrial sector as a whole, including the sugar industry, remained virtually stagnant. The construction sector also experienced similar problems. In the service sector, improvement was recorded only for distribution and transportation.
3. At the beginning of 1985, a further consolidation of previous efforts was envisaged. Specifically, measures were taken to reorganize the public corporations, remove ineffectual subsidies, introduce incentives for increased production and productivity and formulate criteria for determining investment. The objective was to stimulate increased output of the major sectors, thereby contributing to overall improvement in the growth performance of the economy.
4. The 1985 Half-year Review indicated that overall projected targets were not achieved. However, by the end of the first quarter, sugar had exceeded the established target by 21.4 per cent, while in mining and quarrying, there was an increase of 11 per cent when compared with the similar period during the previous year. Beverages and tobacco also experienced an improvement in performance by 10 per cent. In the second quarter, the economy slowed down somewhat and, as a consequence, real production for the first half of 1985 was quite similar to the corresponding period in 1984.
5. As a result of measures designed to improve tax administration and collection, central government current revenue was 28 per cent above the targeted amount. These efforts were enough to keep the current deficit of G\$ 14 million below the targeted amount, despite a 13.4 per cent increase in current expenditure.
6. Shortfalls in external financing accounted for reduced spending on the capital programme. As a consequence, the deficit of the Government was reduced by more than 45 per cent over the same period in 1984.

7. On the external front, the deficit on the current account of the balance of payments amounted to G\$ 220 million for the first half of 1985 or about 52 per cent of the deficit recorded for the first half of 1984. Prices of Guyana's principal exports continued to be depressingly low and, given the level of current imports, no improvement in the deficit is envisaged in the short term.

8. The total medium- and long-term debt of Guyana at the end of 1984 was conservatively estimated at \$US 692 million, or about three times its export earnings. Twenty per cent of the long-term debt was owed to private creditors as compared with 31 per cent a decade ago.

9. Annual debt service payments, principal and interest, increased from \$US 12 million in 1981 to \$US 44 million by 1984. Actual debt service payment on the external debt was \$US 31.0 million in 1984, of which \$US 16.0 million were interest charges absorbing about 13 per cent of export earnings, as compared with 20 per cent in 1983. These payments were, however, considerably below the scheduled debt service payment.

B. National development strategies

10. The national development strategies derive from the realization that the country has had to rely primarily upon its own efforts in an unfavourable international economic environment. The strategy elaborated in the 1983 Budget Speech consisted of the following major elements: emphasis on efficient production; a major production and export drive focusing on non-traditional agricultural and manufactured commodities; satisfaction of health and other basic needs; restructuring of corporate, administrative and regulatory bodies to facilitate production in both the public and private sectors; and accelerating the devolution of authority to the regions in order to improve decision-making and enhance the efficient use of resources for regional development on the basis of a system of local accountability.

11. That strategy has evolved in the light of the economic conditions which have ensued. The inhospitable trends in the international economy have persisted, while the steps identified in 1983 for executing the development strategy have taken time to produce the desired results. Moreover, the measures to effect institutional and structural changes with a view to achieving efficiency and the reduction of public sector deficits are still continuing.

12. The process of ensuring self-sufficiency and self-reliance has continued in the area of food production in the utilization of local resources and the derivation and adaptation of appropriate technology.

13. By 1985 the process of analysis and response carried out by the Government had thus resulted in the definition of national development and welfare priorities to be pursued. The process had also led to the identification of structural changes requisite for the task and the realization that resources would have to be more narrowly focused in order to achieve maximum developmental impact.

14. The immediate and critical task faced by the country was identified in the 1985 Budget Speech as the need to reduce progressively the overall public sector deficit while pursuing the national development priorities which include a politically acceptable level of welfare provision.

15. Experience gained in the pursuit of the development strategies adopted by the Government resulted in clear recognition of a number of specific constraints as well as an appreciation that self-reliance would need to match resources and means with effective policies aimed at resuscitating development.

16. The overall development priorities, expressed in the 1985 Budget Speech, comprise agriculture with special emphasis on food production; mining and quarrying; manpower training; export promotion; energy; technology; regionalism and co-operatives. These areas remain the main elements of the development thrust and are expected to continue to be valid in the foreseeable future. Within the constraint of inadequate foreign reserves, each of those priorities takes on a critical importance in contributing to the success of a development strategy aimed at the survival and recovery of the national economy.

17. The problem, more properly expressed, is one of resource allocation and requires the establishment of appropriate linkages between development and welfare. The national policies therefore take account of the level of benefits that can be foregone in the context of a situation of resource scarcity without consequent social disruption and the level of benefits which must be provided if the development thrust itself is not to be undermined.

18. Within the overall development process, some emphasis must therefore be placed on social requirements such as food and nutrition, health, education, housing, employment and recreation and culture. This emphasis will include consistent efforts to ensure that the resources committed to the social sector are efficiently utilized.

C. Technical co-operation needs and priorities

19. Technical co-operation is envisaged mainly as a catalyst for the exchange and transfer of technology, the development of human resources and the provision of expertise and equipment in support of national development strategies and programmes. Technical co-operation programmes will help to provide critical inputs in the process of translating development priorities into specific projects and programmes and will also be supportive of capital investment in the previously identified priority areas.

20. In preparation for the country programme exercise, a review was made of the technical co-operation needs relevant to major priority development areas identified on the basis of various sectoral studies carried out by the Government, by international development agencies such as the World Bank (IBRD), and the United Nations agencies and organizations. Valuable background inputs were the Annual Development Assistance Report compiled by the UNDP Resident Representative's office, as well as the list of current and proposed technical assistance activities

prepared by UNDP annexed to the IBRD Economic Memorandum on Guyana 1985. In view of the wealth of information contained in this documentation, a separate exercise to identify overall technical co-operation needs was not considered necessary. However, given the importance of the agricultural sector to the national economy and its potential contribution to the national economic recovery programmes as enunciated in the past three budget presentations (1983-85), it was decided to undertake a detailed review of this sector. The major objective was to identify development constraints and priority technical co-operation needs which could appropriately be addressed by external aid programmes, primarily UNDP and the Food and Agriculture Organization of the United Nations (FAO). Accordingly, under project GUY/85/001, FAO carried out a programming and formulation mission which reviewed the Agricultural Sector Plan 1986-1990. The mission agreed with earlier government findings that the shortage of skilled and experienced manpower constituted the major constraint on agricultural expansion and diversification. It has therefore been agreed that the activities to be supported in the next cycle should be concentrated in the domain of institution building and human resource development.

21. A major government concern has been to enhance the productivity of the productive sectors of the economy, of which the agricultural sector is currently the most important. Thus, the agro-based industry sector, including manufacturing, was seen to have a potential which needed to be further explored. An exercise similar to the one for the agriculture sector was therefore carried out by the United Nations Industrial Development Organization (UNIDO) under IPF project GUY/86/001 for the industrial and manufacturing sector. The mission reached similar conclusions in identifying institutional strengthening and human resource development as priorities for the next five years. Given the fact that Guyana's small population could become an important constraint on industrialization, the mission pointed to the need for plans and programmes that would address not only recovery measures in the short term, but also the future skill and technological parameters for long-term development.

22. The technical co-operation needs identified under these various initiatives far exceed the IPF resources available for the next cycle, and, indeed, the resources of the agencies of the United Nations system. Accordingly, to the extent that the activities that cannot be financed from the resources of the United Nations system satisfy necessary development criteria, assistance will be sought from other multilateral and bilateral donors for their implementation.

23. In terms of the utilization of UNDP resources programmed within the framework of the country programme document, a strategy has been adopted of making substantial resource allocations from this source to those development objectives and activities seen as critical to economic recovery and development over the next five years.

24. Complementary to this, programming discussions will continue with other organizations of the United Nations system, most notably the World Food Programme (WFP), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Children's Fund (UNICEF) and the Pan-American Health Organization of the World Health Organization (WHO/PAHO), regarding the use

of their regular programme resources to support the social and welfare sectors, where priority will be given to measures which will mitigate the impact which uncertain resource inflows are likely to have on the social services, especially as they affect the situation of the lower-income groups of the society. In this connection, maintaining the nutritional status of the population is becoming a major concern, although the extent of the problem has not yet been fully quantified.

25. It should be mentioned that WHO/PAHO, which is the only other organization of the United Nations system with a representative resident in Guyana, is administering a regular programme of assistance to Guyana in the health sector valued at over \$500,000 per year. Activities are concerned mainly with human resource development, supporting the Government's programmes for the upgrading of different categories of staff and health service personnel through the tertiary level. Other programmes include support to maternal and child health (MCH) programmes, nutrition, environmental health (including water and sanitation), and malaria control (with UNDP). In addition, assistance in the provision of materials and vaccines is given to programmes like tuberculosis and leprosy rehabilitation.

26. Uncertainty regarding resource availability has so far precluded joint programming with WFP, the United Nations Fund for Population Activities (UNFPA) and UNICEF. However, the UNDP Resident Representative has been and will continue to be closely associated with the programming activities of these agencies which are managed by the government co-ordinating authority. The prospects for UNFPA however, are not likely to extend much beyond the existing project, in view of its limited resource position.

D. Aid co-ordination arrangements

27. Aid co-ordination is an integral part of the functions of the Department of International Economic Co-operation (DIEC), in the Office of the President, which is the government co-ordinating agency for economic and technical co-operation activities. To strengthen the Department in the execution of its mandate, an institutional support project was initiated in the last year of the third cycle. It is designed to reinforce the co-ordination role of the Department through the establishment of an improved data and information base and the introduction of systems and procedures for monitoring and evaluating economic and technical co-operation programmes and projects.

28. The Government's primary responsibility for aid co-ordination and the corresponding responsibilities of the UNDP Resident Representative functioning as United Nations system co-ordinator have both been reinforced by informal sessions of the donor community which have been organized from time to time under the chairmanship of the UNDP Resident Representative. With the consensus of the donors and the agreement of the Government, these meetings are used as the vehicle for informal exchanges on activities in operation and in the pipeline, and also as the springboard for the preparation of the UNDP annual report on development assistance in Guyana.

II. THE COUNTRY PROGRAMME

A. Assessment of the current country programme

29. The third cycle country programme was formulated within an illustrative IPF of \$US 8.5 million but implemented at the 55 per cent IPF level of \$4.6 million. Since at the beginning of the cycle, allocations totalled \$4.5 million, there was little scope for the inclusion of new activities in the priority areas of urban and regional planning, transport and communications and women in development.

30. The country programme identified the following major areas as the 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.

31. By the end of the third cycle, it is estimated that the sectoral distribution of the programme will have been delivered largely as anticipated in the approved programme. There has, however, been some divergence. For example, general development issues, which was allocated some 21.4 per cent of resources, will have received 24.4 per cent; science and technology with an initial allocation of 24.4 per cent, was implemented at 33.6 per cent; natural resources planned at 16.3 per cent, delivered at 12 per cent; and industry, planned at 14.4 per cent, was delivered at 16.7 per cent. The divergence of emphasis arose from the implementation of urgent new requirements which were identified in the early years of the cycle (e.g., Assistance in Debt Restructuring - GUY/82/012), delays in project implementation under the project dealing with Institutional Support to DIEC (GUY/81/002), the late identification of specific project activities in the natural resources sector, and finally, as indicated earlier, no IPF projects in human settlement, transport and communication, and women in development. In addition, the overall implementation level has been lower than anticipated, largely because of the need to redesign certain major planned project activities (e.g. GUY/81/002 - DIEC I and GUY/83/001 - GUYSTAC II). However, the increase in project identification and approval in the last two years of the cycle 1985-86, has not only contributed significantly to improved delivery levels during those years, but will also have an impact on the Fourth Cycle when the level of available resources will be increased by 80 per cent.

32. In terms of the implementation of specific projects under the programme, the following observations are relevant.

33. In the area of general economic and social policy and planning, assistance was provided to three main projects, namely, GUY/81/002 - Assistance to DIEC; GUY/82/012 - Debt Restructuring and Resource Mobilization; and GUY/81/001 - TOKTEN (Transfer of Knowledge through Expatriate Nationals). However, the first project,

which was designed to strengthen the institutional capability of DIEC in the area of project identification, implementation and monitoring, encountered serious implementation difficulties, in part because of a failure to attract suitably qualified expatriate Guyanese as was originally envisaged. As a result, the project has been revised and now provides instead for the recruitment of international experts. The fact that few substantive activities took place under the project was largely responsible for the low delivery levels recorded under the programme in 1984 and 1985 and also the rather slow identification, approval and implementation of new project proposals.

34. The project on debt restructuring, which was financed jointly from IPF resources and cost-sharing from the United Kingdom, was aimed at determining the size of the external debt (both governmental and commercial) and also at supporting negotiations on debt rescheduling within the framework of the Paris Club. Although a profile of Guyana's external debt was prepared by the British merchant bank Morgan Grenfell, under a sub-contract from the executing agency, the United Nations Department of Technical Co-operation for Development (UN/DTCD), the other activities contemplated under the project have been held in abeyance pending the outcome of discussions between the Government and the International Monetary Fund (IMF) on a structural adjustment programme. However, the data produced by the project will be utilized by the Debt Management Unit to be established in the Ministry of Finance.

35. After a relatively slow start in the first three years of the cycle when only one consultant in the field of orthodontics was identified, the TOKTEN project gained momentum during 1985/86. Consultants in the fields of orthodontics, surgery, textiles, microbial diseases, education (the teaching of mathematics), mineral processing and renal dialysis provided services in 1985 and 1986. Specifically in the orthodontic field, the services of the TOKTEN consultant were used to upgrade the skills of dental auxiliaries by equipping them to identify and classify major orthodontic problems. This human resource/skill development programme has been so successful that there is now a fairly well-equipped and functioning orthodontic service. The Government is now giving consideration to locating an orthodontic specialist to manage the services full time.

36. In the area of natural resources development, the United Nations Revolving Fund for Natural Resource Exploration (UNRFNRE) project identified in the country programme for the exploration and evaluation of mineral deposits, particularly gold and base metals, was completed with inconclusive results in 1983 since no economically exploitable deposits were established in the project area. However, the upsurge of interest in exploration which has been stimulated by the liberalization of the Government's policy, particularly as it affects foreign direct investment, has brought into sharp focus the deficiencies of the local laboratory and analytical services which had deteriorated during the period of low exploration activity. Accordingly, UNDP has provided assistance to the Guyana Geology and Mines Commission (GGMC) in the modernization of its laboratory facilities and in the training of its staff in new mineral identification techniques. A parallel project was also designed to intensify the GGMC's promotional activities for attracting new private investment into the sector, particularly for investment in six gold-bearing areas representing over 100 prospects for gold exploitation.

37. The major intervention by UNDP in industry as foreseen in the country programme was directed to improving the management of some 31 state enterprises through assistance to the secretariat of the Guyana State Corporation (GUYSTAC). The project GUY/79/007 - GUYSTAC established a strong Industrial Consultancy Unit which, during the period of assistance 1980-83, undertook some 47 consulting assignments concerned with the management aspects of productivity and the evaluation of investment proposals. In the area of management, the project installed in all member corporations standardized maintenance management systems which are still in use, as well as energy audit and management programmes for the more efficient use of energy. The project also introduced production and planning and control systems in several of the corporations, but recommendations for a standardized management information system have not yet been completely implemented. Moreover, the effectiveness of the Consultancy Unit in the areas of management information systems and accounting has declined somewhat because of the loss of staff in these disciplines.

38. In the field of health, the upgrading of the Veterinary Diagnostic Laboratory Services was completed in 1984. There is now a well-functioning laboratory serving the coastal area and a satellite laboratory in the main ranching area in the interior savannahs. The building and some of the equipment for the main diagnostic laboratory were supplied by the Canadian International Development Agency (CIDA), while UNDP, through PAHO/WHO, undertook on-the-job upgrading of skills among the staff and the overseas training of three technicians. Through international consultants the staff were introduced to new diagnostic techniques so that the laboratory is now capable of diagnosing many animal diseases which could not previously have been identified in Guyana and the Caribbean. The establishment of this laboratory with its facility for the rapid and effective diagnosis of livestock diseases, has removed an important constraint on the expansion of the livestock sector.

39. A critical need which has recently arisen has resulted in the approval of emergency assistance under the IPF to re-equip the national Malaria Service to enable it to combat a resurgence of the incidence of malaria in the interior of the country and prevent its spread to the more densely inhabited coastal areas. Eradication, laboratory upgrading and training programmes are supported by an entomologist/malaria consultant provided by WHO/PAHO.

40. The intensification and application of science and technology to the utilization of the country's natural resources for industrial development has been addressed through a major IPF project (GUY/81/003 - Support to the Institute of Applied Science and Technology, Phase II). To date some \$US 2 million of IPF resources have supported the Institute's research and development programmes in the fields of ceramics, mineral sciences, analytical services and natural products, with significant results.

41. Human resource development has been a major component of this assistance which has enabled some 22 of the Institute's staff, through overseas and on-the-job training, to acquire additional skills and technologies which were required to execute the Institute's research and development activities. Only one trainee was lost to the Institute during the project period.

42. Utilization of the Institute's output has already yielded significant Inter-American Development Bank (IDB) supported investment - some G\$ 6 million in the ceramic industry for a tableware factory, which is currently producing for Guyana's local market, with expected expansion into the Caribbean market.
43. Overall, some 10 downstream export-oriented investment projects have been developed by the Institute, the most significant of which is in the area of silica sand production, which has attracted an initial investment of some \$US 800,000 in a joint venture with a Guyanese private investor and an external counterpart. Through its innovative research, the Institute of Applied Science and Technology (IAST) has also placed five applications for patents in the development of balata-based products (e.g. rubberized floor tiles, coir mattresses and adhesives). It should be noted that as a direct result of UNDP assistance and IAST's collaborative efforts in the industry, Guyana now saves a substantial amount of foreign exchange, specifically in the food-processing sector through the development of previously imported ingredients. Its analytical services are also in high demand. Moreover, with a well-equipped electronic servicing facility, IAST assists in the repair of faulty equipment used by industry, again saving foreign exchange and minimizing plant downtime.
44. In conclusion, it may be said that the overall impact of UNDP technical co-operation activities during the third cycle has been somewhat mixed. On the one hand, there have been implementation delays and consequently low delivery levels for most of the cycle. Faulty agency reporting has also introduced delivery distortions. However, improvements in project identification and approval in the last two years of the cycle have significantly increased overall delivery. The Government has long felt the need to improve its management of the project cycle, but, unfortunately, project activities designed to achieve this objective started only in the last year of the cycle.
45. On the other hand, the substantive impact of individual projects has been creditable, especially as they relate to supporting the productive sectors of the economy, for example by maximizing the use of indigenous materials for the development of new projects, saving scarce foreign exchange and opening possibilities for the export market; or, as in the natural resources sector, promoting new investments.
46. In all of these areas emphasis has been on human resource development and institution building and it is noteworthy that none of the institutions which have been recipients of United Nations technical assistance have been greatly or unduly affected by the brain-drain or by the attrition of trained personnel. In fact, it could be said that the technical co-operation inputs supporting skill development within the institutions have tended to compensate for the skill deficiencies which can be observed in the labour force at large.
47. It will be noted that, both as a result of this favourable experience and the technical co-operation needs analysis which took place in preparation for the fourth cycle, these aspects of human resource development and institution building will continue to be the main thrust of the fourth cycle programme. In this regard, the continuation of TOKTEN, as well as the fuller utilization of the United Nations Volunteer scheme will also be important in addressing skill and technical manpower deficiencies.

48. It will be recalled that in the third cycle several "new dimensions" modalities were to be employed both for cost-effectiveness and to promote the process of manpower development and national self-reliance. While the Government execution modality has not had the high level of application and success earlier anticipated, its continued selective use will be undertaken in the fourth country programme, supported by co-operative arrangements with the specialized agencies of the United Nations system. The Government also intends to make fuller use of existing bilateral technical co-operation arrangements in support of TCDC activities, utilizing in this regard both the UNDP Regional Project INT/83/904 as well as national projects supported by UNDP.

B. New programme proposal

49. The national development priorities identified earlier emphasize the promotion of effective management of existing infrastructural investment, as well as enhancing the productivity of the priority sectors and improving public sector management.

50. It is therefore envisaged that the UNDP technical co-operation programme will support the aforementioned policy in the areas of agriculture and food production; industry; manpower and training; science and technology; mining and quarrying; and public sector enterprises. However, emphasis will be given to programmes which support the expansion of agriculture and food production. It is hoped that through the development of supportive research and development and institution-building mechanisms, impetus will be given to the national development priorities of agricultural diversification and the enhanced productivity of the agricultural sector. The two main objectives which will therefore be addressed by UNDP technical co-operation resources for the fourth cycle can be briefly described as: (a) optimizing the output of the productive sectors, and (b) improving public sector planning and management.

Optimizing the output of the productive sectors

Agriculture, including food production

51. In terms of the national development strategies which were identified and detailed in the last three Budget Speeches, the agriculture sector has been identified to play a pivotal role in the achievement of self-reliance and economic recovery goals. Thus the agricultural sector (excluding forestry and fisheries) has been earmarked for the largest allocation of capital expenditure, i.e. G\$ 398 million from 1982-1984, with G\$ 126.5 million contributed from external sources. The achievement of the goals of this sector would depend on the effective utilization of previous large-scale investments, e.g., in irrigation and flood control systems, as well as the strengthening of the institutional mechanisms which support research and development, marketing and engineering activities.

52. In the context of the foregoing objectives the following project proposals have been developed for UNDP assistance during the fourth cycle:

Assistance to the National Agricultural Research Institute (NARI)

53. Sugar cane and rice dominate the production of the agricultural sector, but the Government is actively pursuing a policy of agricultural diversification which needs immediate research support in several fields including germplasm, tissue culture introduction for crop improvement, soil and land-use systems for crop production and protection, and a strong linkage between research and extension.
54. The project will support the Government's policies of expanded agricultural production to diversify the activities of the sector from the predominant production activities of sugar cane and rice.
55. The most critical area identified to achieve these goals is the development of a genetic resource unit for germplasm and tissue culturing facilities with the capability for rapid crop improvement.
56. UNDP assistance to NARI will also assist the development of its analytical and diagnostic laboratory capability for assessing the prevailing crop-growing environment and will focus on accelerating and maximizing crop production in the context of the country's natural resource base, particularly with respect to rice and other cereal crops, soybean, cowpea and other grain legumes, root and tuber crops, plantains, oleaginous annual and perennial crops, beverage crops, fruit crops and crops in forage-based systems for feeding livestock.
57. The following programmes of NARI will be given emphasis and support by the provision of international expertise, training and equipment inputs:
- (a) A genetic resource and tissue culturing unit: Facilities and capability will be introduced to establish a national germplasm bank for the crop improvement programme and to facilitate the rapid propagation of large quantities of disease-free, homogeneous planting material of non-seed crops;
 - (b) Analytical and diagnostic laboratories: Analytical and diagnostic laboratories will be updated to provide extended services to both field research effort and the agricultural sector;
 - (c) Information and documentation system: An agricultural research information and documentation system will be introduced to facilitate access to abstracts and other technical information relevant to the agricultural research programme of NARI and the agricultural sector;
 - (d) Technical support: Direct support will be provided to developing systems for utilizing and managing the low-fertility acid soils of the intermediate savannahs for open-row production;
 - (e) Research extension system: A research extension unit will be expanded and strengthened to facilitate the introduction of a uniform extension approach methodology permitting effective communication between farmers, extensionists and research workers. It will also promote NARI's work in the area of pre-release testing and farmer field evaluation of new varieties, cultural practices and agricultural technology in terms of their agronomic and socio-economic viability. The sum of \$US 2,500,000 is allocated to the above proposed assistance to NARI.

Assistance to the new Guyana Marketing Corporation (GMC)

58. This project will provide assistance to GMC's operations for the introduction of a market intelligence system for crops and livestock to attract domestic and export markets. Its activities will focus on the identification of non-traditional commodities and their requirements for post-harvest handling. The GMC will also formulate and recommend new legislation and regulations which will promote agricultural trade. In carrying out its activities, particularly in the field of market utilization, it will maintain close contact with the Caribbean Community (CARICOM) secretariat which is in the process of setting up, with assistance from the International Trade Centre (ITC) and CIDA, a regional marketing intelligence network. The sum of \$US 300,000 is allocated to the project.

Seed industry development

59. This project is designed to establish a National Seed Programme to upgrade seed production of improved varieties of rice, grain and legume crops as an integral component of large-scale production.

60. The project will also increase the quantities of locally produced seed through the establishment of a seed farm, seed conditioning and storage plant facilities and a seed laboratory. Collaboration with NARI is envisaged for breeder seed production, the establishment of a uniform system for seed certification and also in the drafting of appropriate legislation governing quality control in production, processing and marketing of seeds. The sum of \$US 1 million is allocated to the project.

61. UNDP support to the aforementioned research/extension, seeds and marketing programmes will develop an integrated approach to the achievement of the Government's long-term objectives to stimulate food production, agro-industry and export products, as well as to provide remunerative occupation for the population in the rural areas.

Industry and manufacturing

62. The following new projects have been identified:

Assistance to the Guyana Manufacturing and Industrial Development Agency (GUYMIDA)

63. Assistance to the industry and manufacturing sector will be largely channelled through the Guyana Manufacturing and Industrial Development Agency (GUYMIDA) which was recently established to promote the development of small and medium-scale enterprises with a view to stimulating production for export and satisfying domestic demand.

64. The project aims at strengthening the capacity of GUYMIDA to render assistance to small- and medium-size enterprises in such specialized areas as market research, project analysis and appraisal, data management systems and business development. The sum of \$US 1.2 million is allocated to this project.

65. The project will focus on programmes for the agro-industrial sector in the following areas: (a) resource and project identification for domestic and export markets based on local raw materials, including the efficient utilization of agro-waste as raw material inputs; (b) assistance to rural and small-scale enterprises through: the preparation of project profiles, market studies and preinvestment studies; investment promotion and provision of information and documentation for the guidance of potential investors; promotion of prototype development, technology transfer and greater utilization of installed capacity; provision of on-the-job training as well as the organization of training programmes aimed at developing the capabilities of small-scale entrepreneurs.

Research and development support to the agro-processing industries

66. Additional assistance to this sector will be channelled to upgrade the technology of the sugar and sugar by-product industries, with a view to expanding the capacity for creating value-added products. It is hoped to develop products such as animal feed from cane, hydrolized bagasse and molasses, feeds from molasses and high-grade starch from cassava. It is envisaged that specific arrangements for this programme will be formulated in collaboration with UNIDO, which had identified some preparatory assistance to these activities under the third country programme. A programme reserve of \$US 600,000 is allocated to finance activities relevant to the achievement of these objectives.

67. The following ongoing projects will be extended:

Science and technology

68. Previous UNDP assistance has enabled IAST to evolve as the principal development laboratory which translates project concepts from the research to the prefeasibility or developmental stage. These activities have already led to significant investments in the field of ceramics and have proved to be critical in the development of indigenous resource-based industries.

69. Continued support to IAST will, therefore, consolidate the achievements made in the areas of ceramics and mineral technology and also will focus on improving the operational viability of the Institute through the upgrading of its capability in management accounting, industrial engineering and information systems.

70. Technical support will be provided to the natural products and food technology programmes and will complement the Government's allocation of G\$ 1 million in 1986 to support the Institute's programme for the development of indigenous food products. In the first instance, IAST will concentrate its activities aimed at the full development and utilization of indigenous flours and the infrastructure of a Food Technology Department will be upgraded by inputs of international expertise and training provided by UNDP.

71. This assistance to the food technology and natural products programmes will complement the programme of activities envisaged for the agricultural sector and the developmental activities of the industry and manufacturing sector in respect of small- and medium-scale enterprises. The sum of \$US 800,000 has been tentatively allocated from the IPF to finance the aforementioned activities.

Mining and quarrying

72. Based on government expenditures of G\$ 183.0 million from 1983-1984, mining and quarrying was the second highest ranked priority sector. The 1985 half-year budget review recorded a significant improvement in the performance of this sector. Gold mining in particular has been earmarked for specific incentive policies which would provide additional freedom of access by miners to foreign exchange proceeds from official gold sales. These initiatives were taken to encourage increased production and official declarations of the gold.

73. That positive trend and the resulting increase in exploration activity emphasize the importance of ongoing UNDP assistance in upgrading the laboratory and analytical facilities of GGMC under project GUY/85/003. Another project, GUY/85/006 contributes to its institutional capability in the negotiation of exploration contracts. As these activities commenced only in 1986, their continuation and completion during the fourth cycle will require the following allocations: GUY/85/003 - \$US 370,000 and GUY/85/006 - \$US 74,000.

The improvement of public sector planning and management

74. The following ongoing projects will be extended:

Project planning

75. The primary objective to be achieved in the programming of the resources under the new country programme would be the identification of achievable targets and objectives for priority projects as well as the development of the Government's capability to monitor and evaluate operational activities in order to ensure that technical co-operation resources are effectively utilized.

76. The reformulated project GUY/85/009, Institutional Support to DIEC is intended to strengthen the administrative, managerial and technical capacity of DIEC in its pivotal role in the negotiation and utilization of technical assistance and related bilateral economic co-operation agreements. This will involve: (a) the identification, formulation, appraisal, monitoring and evaluation of projects and programmes for technical assistance and other economic co-operation activities; (b) the introduction of systems and procedures for monitoring the progress of such projects and programmes and for assessing the impact of technical co-operation programmes; (c) post-evaluation of projects and programmes as inputs to further planned activities; (d) further skill-formulation in the techniques of negotiation and the strengthening of the required data and information base; and (e) enhancing the project formulation and implementation capacities of sectoral ministries.

77. The sum of \$US 203,000 has been allocated for the continuation of this project into the fourth cycle.

Public sector enterprises

78. During the third cycle UNDP provided assistance to develop consultancy capabilities within GUYSTAC which were directed at improving the management accounting and technical resource of its constituent corporations. Additional assistance has been earmarked for GUYSTAC commencing in 1986 with commitments extending into the fourth cycle under project GUY/83/001 - Phase II.

79. GUYSTAC was established as a mechanism to exercise overall responsibility for the public sector corporations whose output constitutes approximately 80 per cent of GDP. The 1985 half-year budget review indicated that the status of capital expenditure for the public corporations continued to be a major concern and the reported deficit of the corporations pointed to the need for improvement in their productivity and profitability. Recognizing of this problem, the Government has introduced major changes in the overall management structure of GUYSTAC largely through the establishment of supervisory councils and the introduction of performance contracts which are designed to give the individual corporations greater autonomy and independence in operational decisions, while requiring increased accountability for achieving agreed goals and targets.

80. Within this framework, UNDP has been requested to provide assistance to GUYSTAC to assist the secretariat in servicing the supervisory councils and in designing performance-monitoring systems covering both financial and operational considerations. The resources earmarked for this project under the new cycle amount to approximately \$US 900,000.

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81. The programme of repatriating the skills of nationals living and working abroad has gained considerable momentum in the last two years of the third cycle. Accordingly, provision is being made for its continuation into the fourth cycle at the level of \$US 50,000 per year for four years, amounting to \$US 200,000.

Debt management

82. UNDP assistance during the third cycle under project GUY/82/012 has already been described under the section dealing with the assessment of the third cycle country programme.

83. The Government has recognized the continuing need to monitor the external debt situation, and as a follow-up, is establishing a Debt Monitoring Unit within the Ministry of Finance, for which it is seeking assistance from UNDP and the Commonwealth Fund for Technical Co-operation (CFTC). The sum of \$US 50,000 has been earmarked from the IPF for this purpose.

United Nations Volunteers

84. To assist certain government ministries and agencies with their problems in obtaining skilled manpower, a decision has been taken to expand the United Nations Volunteer programme. Accordingly, volunteers will be assigned to the health and forestry sectors. The project, initiated in 1986, will continue into the next cycle and involves an allocation of \$US 29,000.

Legislative drafting

85. An operational assistance (OPAS) legislative drafting expert was provided in 1985 to assist the Attorney General's Chambers in the actual drafting of priority legislation, as well as in building up the institutional capability of the department. This assistance, scheduled for two years, will carry over into the fourth cycle in the amount of \$US 73,000.

Manpower and training

86. Special consideration will be given during the fourth cycle to human resource development in order to improve the capabilities of the personnel involved in the management of development activities. An umbrella training project will be devised to cater to those areas not covered by specific project assistance as outlined earlier, but which nevertheless are considered supportive of the two main development objectives of the country programme. It will also address both the needs of the public and private sectors and will focus on areas of high demand, such as transport and communication, vocational and industrial training. Short-term consultancies for the manufacturing sector to solve unforeseen and immediate technical bottle-necks which may occur in the day-to-day operations of industries within the critical sectors of the economy will also be supported.

87. A specific area proposed for assistance under the new programme is the enhancement of public administration skills and techniques within the public service. The objectives of the public administration programme will be twofold: first, to improve the functioning of public service agencies, such as ministries and departments, through the application of more scientific methods of administration and management, thus making officials more responsive to national development policies; and, second, to increase the cadre of officials who are responsible for the implementation of the Government's plan for a decentralized administration at the regional level. Specific arrangements for such a programme will be formulated in consultation with UN/DTCD.

88. The sum of \$US 650,000 has been allocated as a programme reserve in order to finance activities which are appropriate to the above objectives.

C. Unprogrammed reserve

89. An unprogrammed reserve of \$US 198,000 is being held to address contingency requirements, either within or outside the priority sectors identified for assistance within the country programme.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

A. UNDP administered sources

Third cycle IPF balance	\$ 496 000	
Fourth cycle IPF	\$ 8 651 000	
Subtotal IPF		\$ <u>9 147 000</u>
Special Measures Fund for Least Developed Countries	\$	
Special programme resources	\$	
Government cost-sharing	\$	
Third-party cost-sharing	\$	
Operational funds under the authority of the Administrator	\$	
UNDP special trust funds	\$	
Subtotal, UNDP non-IPF funds		\$ <u>NIL</u>

B. Other sources

Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise	\$	
Parallel financing from non-United Nations sources	\$	
Subtotal, other sources		\$ <u>NIL</u>

TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

		\$ <u>9 147 000</u>
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II. USE OF RESOURCES

Ongoing projects	\$ 2 699 000	
New project proposals	\$ 5 000 000	
Programmed reserve	\$ 1 250 000	
Subtotal, programmed resources	\$ 8 949 000	
Unprogrammed reserve	\$ <u>198 000</u>	
TOTAL USE OF RESOURCES		\$ <u><u>9 147 000</u></u>