



DELEGATION OF THE EUROPEAN COMMISSION

TO GUYANA, SURINAME, TRINIDAD & TOBAGO, ARUBA & THE NETHERLANDS ANTILLES

CO-OPERATION

BETWEEN

THE EUROPEAN COMMISSION

AND

THE CO-OPERATIVE REPUBLIC OF

GUYANA

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1 UPDATE OF THE POLITICAL, ECONOMIC AND SOCIAL SITUATION

1.1 Update of the Political Situation

The political scene in Guyana is traditionally characterised by dominance of the two main political parties, respectively the People's Progressive Party and the People's National Congress. The results of the August 2006 general elections gave the Government of the PPP/C an absolute majority in Parliament. The elections did not result in a major change in the political situation as the PPP party has been governing the country since the 1992 elections. The emergence of a new political party, the Alliance for Change Party (AFC), whose leaders come from both dominating parties, has increased to some extent the openness of the political system. As the elections in 2006 were considered by international observers as free and fair, Guyana's political rights rating by the UNHCR improved from 3 to 2, and its status from partly free to free. In general the political situation in Guyana has been stable throughout the whole year of 2007.

Crime and law enforcement issues, however, continue to present significant challenges to the Government and stakeholders and have taxed the resources of security forces. The political climate was very tense between the main dominant parties around this subject. This contributes to the general lack of political support to remove capital punishment from legislation, although executions are not carried out.

Local elections, initially planned for December 2007 have been postponed. These elections have not taken place since 1998. As a consequence, local elected councils are losing members which are not replaced. Preparation for local elections has been a permanent topic in the parliament and political progress has been made throughout the year. The Task Force on Constitutional Reforms which was established to work on the implementation of the Herdmanson Accord (concluded with intervention by Carter Centre) to bring peace after the riots which followed 2001 elections, became finally operational in May. Operational delays, especially the house-to-house registration of voters, have pushed the election date into 2008. A final election date has not yet been officially announced.

Regarding regional integration, Guyana's relations with states within CARICOM remains solid, despite periodic disagreements; a major one to note being the Government's difficulty to agree on the EPA with CARICOM, finally initialled with the EU in December of 2007. The Government was concerned with the competitiveness of industry within CARICOM. Guyana continues to play an active role in making a reality of the CSME and was the first country to enact legislation in 2007 for the free movement of skills within member states. Guyana continues to hold the agriculture file within the sector councils. The Guyanese President, in 2004, introduced the 'Jagdeo Initiative', which offers Guyana's vast land resources to citizens of CARICOM member states, for investments in agricultural production for the region's benefit.

1.2 Update of the Economic Situation

Guyana's economy performed well during the review period, despite unexpected external shocks and adverse weather conditions. The domestic economy achieved real growth of 5.4 % in 2007, compared to the projected growth rate of 4.9%. This is a second consecutive year of 5% economic growth, which is in strong contrast with previous years

(2000-2005) of economic stagnation. Economic prospects for 2008 remain positive with an estimated 4.5% growth rate.

The general macro-economic framework continues to improve through prudent macro-economic policy by government. The budget deficit has been diminishing over recent years. From 14% of GDP in 2005, to 11% in 2006, the budget deficit attained 9% in 2007. This positive trend is to be continued in 2008 as government forecasted a 6% deficit for 2008. Revenues have increased over the years and expenditure has overall, remained within the projected limits. Central Government revenues increased in 2007 by 28.6% as a result of improved revenue performance for several categories of tax revenues, including the Value Added Tax introduced in the beginning of the year 2007.

Guyana's external debt has been significantly reduced due to the Inter American Development Bank's (IADB) decision to cancel debts incurred by Guyana with the institution prior to December 31, 2004 (MDRI initiative). As a result, Guyana's stock of external debt fell by 31% and debt service payments by 18%. Although the country's debt sustainability outlook has improved, a moderate debt distress risk remains, in light of its reduced access to concessional loans following the debt write-off. The government of Guyana is pursuing steps to further obtain debt relief of other donors.

The inflation rate increased significantly to 14.2%, compared to 4.2% for 2006. The sharp increase is mainly due to exponential increases in oil and food prices on the international market, compounded by bad weather locally. Opposition parties have pointed out the introduction of the Value Added Tax (VAT) in January 2007 as another main factor of the rise in inflation. Wage evolution has been moderate over 2007. It is expected that the inflation rate will decline to 6% next year.

In general economic prospects are favourable due to rising world market prices for food and other primary goods like bauxite and gold. The strong Euro is particularly important for the sugar sector which is undergoing an important restructuring. Long-term economic prospects were boosted by the arbitration of the International Tribunal for the Law of the Sea (ITLOS) on the offshore dispute over a potentially oil-rich zone, with Suriname. The ruling of the International Tribunal was accepted by both countries and companies have started test drilling after 7 years of interruption. A first study indicates the possibility of oil production as of 2012.

On the level of the economic sectors growth results are more diverse. During the second half of 2007 sugar production grew by 2.7% compared to 2006, and rice production declined by 2.9%. The forestry sector also declined significantly (11.1%) as a result of weather related reduced harvesting and reduction of demand by the construction sector. However, the 'other agriculture' sub-sectors attained positive growth of 4.6%; livestock 2% and fisheries 3.2%.

The mining and quarrying sector recorded a strong growth rate of 22.7%, due to a 50% increase in bauxite production and a two-fold increase in the price of gold on the international market. The manufacturing sector showed mixed performance, while engineering and construction activities grew by 5.7%. The service sector continues to show positive growth, increasing by a further 13% during the review period.

In January 2007, the government of Guyana introduced the controversial Value Added Tax (VAT) of 16% to replace the 30% consumption tax, along with other taxes, that was

applied prior to 2007. A number of basic food items and essential goods were '0' rated for VAT during enactment of the related legislation.

Although the Government of Guyana has initialled the EPA in December 2007, it is still not convinced that this Agreement is in the best interest of CARICOM. Local public consultations will be held in 2008 to guide Guyana's final position on this EPA.

In March 2007, the United Nations Office on Drugs and Crime and the Latin America and Caribbean Region of the World Bank - UNODC-World Bank - released the joint report on 'Crime, Violence and Development' in the Caribbean. The report suggests that the annual national economic growth rate of Guyana could be increased by as much as 1.7 per cent if the rate of homicide was reduced to the lowest one in the region, for example to that of Costa Rica. Crime rate in Guyana is a factor partially determining emigration.

A joint EU/WB/IDB mission established a draft Integrated Fiduciary Assessment Report which has been submitted to government for comments. A second mission is expected in 2008 to finalise the report and to draft an implementation plan. Preliminary results indicate that progress has been made in recent years although challenges remain.

1.3 Update on the poverty and social situation

With the help of the UNDP, Guyana has produced a progress report on the status of the Millennium Development Goals (MDGs), which was made public in 2007. The report states that the country made reasonable progress towards attaining most of the goals, but the pace of progress may be insufficient to meet some of the targets set for 2015.

Slow progress in reducing poverty during 1999-2006, despite a significant increase in social spending, could be attributed to sluggish growth (1% on year average), reflecting political instability, and the impact of external shocks and massive floods. Boosting growth is imperative for poverty reduction.

The most significant progress has been made in reducing hunger, promoting primary education, providing basic amenities to low income households, and empowering women. Progress related to health indicators has been less favourable. The report indicated reducing child mortality (goal 4), improving maternal health (goal 5) and Combating Malaria and other major diseases (goal 6, target 2) as unlikely to be met. All other goals are qualified as 'probably' or 'potentially' to be met by 2015.

The slow down of economic growth for the period 2000-2005 slowed achievements across all sectors. In addition, the actual data system does not allow a close monitoring of progress towards the MDG goals. An upgrade of the statistical system is needed to allow the required monitoring and programming of the 10th EDF, especially the general budget support programme. Two major surveys, the household Income and Expenditure Survey (HIES) and the Multiple Indicator Cluster Survey (MICS), with support of the World Bank, have been concluded and provide a clearer picture. The data of both surveys are analysed by government and conclusions will underpin the second Poverty Reduction Strategy Paper (PRSP). Both surveys as well as their analysis and conclusions by government, have not yet been made public. The second PRSP is expected to be final in 2008.

Migration of valuable skilled personnel continued to constrain desired progress with the MDGs. The continuing migration of skills from Guyana, including university graduates, significantly reduces the pool of local skills available to advance aspects of the MDGs. The main avenue through which Guyana is pursuing attainment of the MDGs is the Poverty Reduction Strategy Papers (PRSP). Government's review of the concluded PRSP 1 indicates that there were shortcomings in the attainment of poverty reduction targets. Guyana has embarked on the preparation of PRSP 2, targeted for completion in 2008, which is expected to speed-up the rate of progress towards the achievement of the 2015 MDGs.

2 OVERVIEW OF PAST AND ON-GOING COOPERATION

EU cooperation with Guyana continues to be satisfactory. The programmes being implemented with EC cooperation continue to make good progress. An IMF team, which was recently in Guyana to negotiate a new fund programme, requested the 'EU recipe' for implementation of projects and programmes. Although the implementation goes very well in general, infrastructural projects under the 8th and 9th EDF suffered considerable delays in previous years.

The 9th EDF strategy focuses heavily on macro-economic support (poverty reduction) and infrastructure (Sea Defences). In addition, two non-focal sectors received support to a lesser extent, those being the economic actors and the transport sector. The EU conducted a country review of EC/Guyana cooperation for the 1995-2005 period; the final report of this consultancy has underscored this continuing cordial relationship between the EU and Guyana. The conclusions of the End of Term Review (ETR) recommended maintaining the strategy and the 2 focal sectors of the 9th EDF National Indicative Programme (NIP). As suggested by the report, the funds in the A envelope have been increased by 12 million EUR, as a bridging between the 9th and the 10th EDF. In mutual agreement, all funds have been integrated into the macro-economic support component (general budget support to the poverty reduction strategy of Guyana).

Implementation of projects under previous EDFs and programming of the 10 EDF progressed well during the year. The NAO task force plays in this an important role. Monthly portfolio review meetings foster these processes, as it provides the opportunity for both the Delegation and Government representatives to discuss and agree on issues related to the various projects and programmes of the EDF. The NAO Task Force continued to provide the essential linkage between Government and the Delegation in the management of the EDF programmes, which progressed at a good rate during this review period. Assessment missions related to EDF programmes in Guyana were readily accommodated and assisted by the various stakeholders to complete their assignments. The NAO task force is very well integrated in the Ministry of Finance and has a direct liaison with the Programming Cycle Unit which is responsible for the coordination of donor activities in Guyana. The existing communication structure supports in an adequate manner the implementation aspects of EU development aid. However, it was felt that another forum would be needed to develop a more in-depth policy dialogue. To accommodate the need for more in-depth policy dialogue, the Minister of Finance and the Head of Delegation try to meet on a regular basis with a limited number of advisors, to discuss policy issues of interest to EU or Guyana.

Throughout the year, Guyana's 10th EDF Country Strategy Paper and National Indicative Programme (CSP/NIP) has been finalised. The allocation proposed for Guyana is €51.0 million, and includes an incentive tranche that is based on the EC's 2006 Governance report on Guyana. The 10th EDF strategy is a prolongation of the 9th EDF, keeping the focal sectors of the 9th EDF (infrastructure; macro-economic support).

Early 2007, the first financial agreement of the sugar accompanying measures programme was signed. After the ending of the sugar protocol, Guyana is one of the few countries that decided to stay in sugar production. On the basis of its "Guyana National Action Plan" to reform the sugar sector, a sugar accompanying measures programme was approved. Guyana was the first country to sign such a programme. The programme has had a good start and 89mio EUR have been allocated for the period 2006-2010.

2.1 Focal sector 1: Rehabilitation of Social & Economic Infrastructure

2.1.1 Guyana Sea Defences (8th & 9th EDF)

Completion of the works component of 8th EDF Guyana sea defence programme came to an end with an overall delay of 6 weeks. The works contract, for the rehabilitation of approximately 4 kilometres of sea defences, will be completed by February 2008. The institutional capacity building programme for the Sea and River Defence Division was completed, with one final mission outstanding for 2008 while the socio-economic study, to collect and analyse data relevant to the repair and maintenance of sea defences, will be completed by mid-2008. This study has pioneering character directly involving the population concerned and providing the basis for decision taking with regards to identification of sea defence section to be repaired / reconstructed. Two Financing Agreements, for the 9th EDF Guyana Sea Defence Programme, were finalised during this review period. The design FA of May 2007 (EUR 900.000) facilitated the launching of tender and award of contract for the design tender while the works and institutional support components were being refined. The design team has taken up duty in Guyana by end of 2007 and is expected to deliver designs and tender documents by mid 2008. The second financing agreement was endorsed by the relevant parties in December 2007. A total of Euro 17,918 million has been committed for this programme for works and services. The preliminary findings of the still ongoing impact evaluation have been taken into consideration with respect to weak institutional capacities of the Sea and River Defence Division and the subsequent institutional reform process that has commenced (merger of Works Service Group and Sea and River Defence Division under the Ministry of Public Works). This institutional reform process has been welcomed by the Commission.

2.1.2 Low Income Housing Programme (8th EDF)

Unexpected and unfortunate bottlenecks, mainly in the form of failed works tenders, affected planned progress of this Programme during the initial phase of the project. A rider was signed to the Financial Agreement to extend the programme with three years to allow a full implementation of the financial agreement. The increase in prices and tenders, way above the budget, has impacted the project and by consequence the initial amount of project sites had to be reduced from six to five.

The project is in the process of developing 4000 serviced lots in new settlement areas at Westminster, Onderneeming and Plantation Glasgow for occupation by low income groups. The project is also in the process of upgrading approximately 1650 existing

squatter settlement lots in the existing squatter settlements of Cummings Lodge C, Cummings Lodge Y and Sophia D.

The contract for the Westminster scheme was originally scheduled to end by December 2007 but has been extended until mid April 2008. Works contracts for the Glasgow and Cummings Lodge schemes have been awarded. The works tender for Onderneeming project site is underway and is expected to be awarded during the 1st semester 2008. The Government of Guyana is funding the Sophia 'D' scheme works contract due to shortfalls in the EC allocated budget. The supervision of works will however be done with project funds.

The Community Development Components of the LIHP are focused on providing, recreational and vocational services that are planned and managed as multi-purpose facilities (6 multi-purpose buildings are planned). Once finalised, they will be managed by the respective Community Based Organisations and will serve as a central point for other community activities and training in the areas of environment and sanitation, skills training and capacity development for income generation and incremental maintenance and improvement of other facilities and infrastructure available in the communities. Community groups have been established in all the areas targeted.

2.2 Focal sector 2: Macro-economic support (9th EDF)

2.2.1 Poverty Reduction Budget Support

This is the second focal sector under the 9th EDF EC-CSP. The revised allocation of Euro 23.3 million, was increased by euro 12.1 million, for a total of Euro 35.4 million, as a result of Guyana's good performance under the original programme, which officially came to an end in December 2006. The performance indicators for this bridging phase have been finalised and the initial tranche (fixed) was requested at the end of 2007. The final variable tranche payment under the original budget support programme was also processed during this review period. The Poverty Reduction Budget Support Programme is well on track.

Technical Assistance to develop a Medium Term Expenditure Framework (MTEF) for four pilot Ministries continued in 2007. Additionally, a consultancy on debt management was concluded, that provided Government with a procedures manual for aid and debt management processes, including an action plan for its implementation. The consultants also held a workshop for key stakeholders on a new financing strategy for the national debt. Technical Assistance also commenced during the last quarter of 2007 to enhance the Government of Guyana's capacity to implement the Paris Declaration on Aid Effectiveness.

2.3. Projects and Programmes outside the focal sectors, 9th EDF

2.3.1 Guyana Micro Projects Programme (9th EDF)

The Micro Projects Programme has exceeded the target in the Financing Agreement of 75 micro projects approved for funding, despite a delayed start-up. A total of one hundred and four (104) Micro Project grants, valued at G\$451 million (1.7 million euros, approx.), were approved for implementation by December 31, 2007. The programme estimate component of the project was extended by 6 months to facilitate the utilisation of all the grant funds. The sum of G\$108 million is still available for grants and must

now be fully disbursed by the extended date of August 17, 2008. The funding ceilings for social and educational programmes have already been reached since most communities were inclined to apply for grants related to these areas thus far in the programme. The funding ceiling of 20-25% of grants for rural/interior areas has also been surpassed. The Programme's focus now will be to encourage and approve applications from towns and coastal villages, in the area of employment/income generation.

For the second focal area of this Programme, structured dialogue between civil society and Government, the Contractor recruited a short-term consultant in June 2007 to plan and execute an appropriate and acceptable programme. A number of draft proposals were presented to stakeholders for review but delays in feedback have postponed the implementation. Full implementation of this component under the programme is unlikely.

2.3.2 Support to the Office of the National Authorising Officer (9th EDF)

The NAO Task Force continues to be the essential link between Government and the local EC Delegation that facilitates the resolution of bottleneck to the timely implementation of EU/Guyana programmes and the prevailing cordial relationship. This project will officially end in October 2008. A new NAO support programme has been agreed to for the 10th EDF cycle. The Ministry of Finance has taken full ownership of the current Task Force.

The unit continues to have a good working relationship with other Departments in the Ministry of Finance, PMUs and the Delegation of the European Commission. The external technical assistance aspect of the Financing Agreement was largely completed in 2007. The TA firm, MDF Training & Consultancy, conducted a course on Budgetary Support in October 2007 for local stakeholders, including staff of the Delegation. A final training programme on updated/advanced EU procedures and the delivery of other outstanding work from the TA are scheduled for the first half of 2008.

2.3.3 Technical Cooperation Facility (9th EDF)

Funds under the TCF have been utilised for studies and the third and final programme estimate commenced in April 2007. The Programme Estimate component of the TCF is to facilitate participation of national authorities in training activities and seminars. A new TCF Financing Agreement (drawing on funds from de-commitments of unused programme balances) was signed in August 2007. The main purpose of the TCF II is to cover the cost of feasibility studies for the various programmes under the 10th EDF.

2.4. Other instruments

2.4.1 Sysmin - Linden Economic Advancement Programme (LEAP)

LEAP commenced implementation of its 5th Work Programme Estimate, which is scheduled to end in June 2008. The full project will come to end in December 2008. LEAP, in this work Programme has placed more emphasis on completing/rehabilitating public works, in order to utilize the large budget for infrastructure which has been underutilized to date. The rate of implementation of infrastructural works has been extremely slow. LEAP had planned for the execution of most of the targeted infrastructural works during its 4th work programme estimate which ended on March 30th, 2007. The allocations have been transferred to the 5th work programme and the tender

issues are already well advanced. Additionally, the original design for the Inward Investment Facility (IIS) proved difficult to implement in accordance with EDF grant modalities and has been scrapped. LEAP now acts as a facilitator for businesses wishing to invest in Linden. The funds originally allocated for the IIS will be used to address public works and infrastructure programmes that will enhance the region.

LEAP has commenced planning for the closure of the project and the follow-up administrative entity that may replace it. In this regard a two- day 'retreat' was held in November 2007 to allow stakeholders to give inputs on options for a successor institution to the LEAP. The recommendations emanating from this retreat are currently under discussions. A new business advice expert will join LEAP early in 2008 to coordinate activities to find a successor to LEAP.

Linden Economic Advancement Fund (LEAF)

The problems surrounding the LEAF financial fund, which was put on hold, have been resolved. The EC Delegation agreed to continue to use GUYFLAG/Caricom General Insurance Inc. to manage the LEAF Financial fund. This decision followed the favourable international audit of the fund, which found no fraud with the LEAF, and the amicable resolution of some pending issues. The balance of EC funds (approx. 1,033,000 euros) will be released shortly for the benefit of small businesses in Region 10.

2.4.2 Sugar Accompanying Measures

The Financing Agreement to formalize the initial package of assistance by the EU to Guyana, under the new Sugar Accompanying Measures for ACP States, entered into force on February 28, 2007.

Guyana was allocated Euro 5.663 million for 2006, the year the price cuts commenced.

The allocations for the years 2007-2010 for Guyana were also finalized during this review period and are as follows:

2007: € 27,065,000

2008: € 21,000,000

2009: € 18,000,000

2010: € 18,105,000

The Sector Budget Support mechanism is the selected method through which the EU will transfer this aid to Guyana. For the 2006 allocation, Euro 4.900 million will be disbursed in two tranches, a fixed tranche and a variable tranche. The fixed tranche, amounting to euro 3.270 million, was paid on signing of the Financing Agreement after it was determined that Guyana's management of its public finances was satisfactory, and that implementation of the GNAP was progressing. The variable tranche of euro 1.630 million was officially requested in December 2007.

The financing agreement for the 2007 allocations was signed in December 2007, after Government and the EC reached agreement on the applicable indicators for this period.

Provisional Indicators for the period up to 2013, when the new protocol arrangements end, have also been determined.

A social impact assessment of the EU sugar price cut on Guyana was conducted by EU sponsored consultants during the last trimester of 2007. The report of the consultants was rejected by the Government of Guyana for several reasons, being the methodology chosen by the experts as well as the scope of the report which was considered far too wide compared to the initial objective. Government and the EC have ongoing discussions on a suitable social impact indicator for the variable tranche component, which will attract 25% of the proposed EC funding for Guyana.

The NAO is mandated to prepare regular 6-monthly progress reports on the status of implementation of the GNAP, including the payment of tranches. The first progress report was prepared in July 2007, for the GNAP implementation period of January-June 2007.

2.4.3 Financing for Short-term Fluctuations in Export Earnings (FLEX)

The Guyana Government submitted a FLEX application in 2007, on the assumption that additional funds may be made available by the E C. Based on the statistics submitted, the EC Headquarters (DG DEV) allocated 6.13M€.

In the context of the 9th EDF Sunset Clause, this additional fund had to be committed before the end of 2007. The Delegation was requested to prepare in collaboration with the NAO an Action Fiche and submit it HQ before the end of August 2007. It was agreed with the NAO that the entire 6.13M€ will go towards further topping up the 9th EDF GBS programme.

2.5 Regional Co-operation

Guyana continues to benefit from a number of projects implemented under the framework of the Caribbean Regional Indicative Programme (CRIP). Of particular relevance to Guyana are the following programmes:

2.5.1 Rice - The Regional Programme in support of the Competitiveness of the Caribbean Rice Sector (9th EDF)

This project which is designed to increase the trade competitiveness of rice production, primarily in Guyana and Suriname was approved by the EDF Committee in October 2003, and began operations in mid 2004.

The programme consists of three components, an umbrella work programme on the regional level implemented by Caribbean Rice Association and sub-components now being implemented in Guyana and Suriname.

Financial Facility: The manager of this facility, the Guyana Bank for Trade and Industry (GBTI) has only loaned a third of the first advance of 2 million euros to farmers. The momentum is expected to improve during 2008 and 2009 in order to lend the balance of 4 million euros.

Technical Assistance: The consulting firm is now providing the required technical assistance following a period of poor delivery.

Water Management: The water management facility entails the construction of 2 sea face sluices and the supply and installation of a drainage pump. Works progressed on schedule in 2007.

Training & Seminars: This component of the programme has always progressed well. The Project Management Unit has conducted several training sessions for stakeholders in regions 2,3,4,5 and 6. More than 1500 stakeholders have been trained to date. The stakeholders were trained in post harvest management, quality control, financial management & accounting, and seed technology.

2.5.2 The Regional Airports Programme, Phase II (9th EDF)

The tender documents for the extension of the Ogle runway to 4000 ft have been prepared to facilitate the launch of this tender and approved by the Delegation in May 2007. However, negotiations between Ogle Airport Inc. (OAI) and Government regarding equity issues are to be concluded before the works are done. These issues were still pending at the end of 2007.

2.5.3 Rum

The European Commission has also 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” will assist WISRPA (West Indian Spirits and Rum Producers Association) members to enable the producers to regain markets lost through liberalisation and to create new ones.

2.5.4 HIV/AIDS

In addition, outside the CRIP, at the very end of 2000 the Caribbean component of the all-ACP HIV/AIDS/STDs 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 important programme.

2.6 European Investment Bank

At the end of 2007, the EIB portfolio in terms of direct operations amounted to EUR 15.2m with a current outstanding amount of EUR 6.3m.

A loan to Guyana Power and Light of EUR 20m was signed in 2001, but GPL has since returned to public ownership, and as, inter alia, the EIB loan conditions did not comply with HIPC conditions the loan was cancelled in 2007. A EUR 5m facility for the creation of DFLSA, a private sector bank focusing on SME lending and microfinance operations in Guyana and Suriname and majority owned by Development Finance Limited based in Trinidad and Tobago, is currently under disbursement. In 2007, the Bank continued the discussions with Guysuco to identify possible areas for EIB assistance in the sugar sector.

Under the original Cotonou Agreement, the EIB was unable to provide financing which complied with HIPC conditionality criteria and as a result EIB funding for revenue generating public infrastructure such as water and power in Guyana was not possible.

However, under the revised Cotonou Agreement, EIB is now in a position to meet the HIPC conditionality criteria through interest subsidies and it is currently co-ordination possible action with other donors such as IDB.

Future operations in the financial sector will, as has been the case in recent years, mainly have a region wide focus.

2.7 DIPECHO Projects

The DIPECHO project “Strengthening disaster preparedness and reducing vulnerabilities in flood prone communities of Guyana” is currently under implementation. The project is implemented by Oxfam GB (grant, co-financing) and targets around 25,000 people living in conditions of high risk and vulnerability to recurrent floods along the East Coast Demerara in Region 4 of Guyana. This region was the worst affected during the flooding of 2005 and 2006. In most of the areas, the water level remained between 3 to 5 feet for several days. Most of these villages are under developed, close to conservancy, lack proper drainage system, have flat houses, situated next to draining canal, prone to overtopping of conservancy / canals, affected by unplanned water released from sugar estate, prone to affects of high tide, or affected by inadequate pumping station on drainage to sea.

3 POLICY COHERENCE FOR DEVELOPMENT

The 10th EDF programming cycle for Guyana for the period 2008-2013 has attributed Euro 51 million to Guyana. The support strategy has 2 focal sectors, Sea Defences/Coastal management and Macro-economic support to the Poverty Reduction Strategy of Guyana. Both focal sectors are a continuation of the focal sectors under the 9th EDF, but the new feature of the 10th EDF cycle will be the emphasis on budget support programme for sea defences/Coastal management in addition to the Macro-economic budget support programme.

Under the non-focal areas, the sum of 3 million euros is allocated for land use planning and each time 1 million EUR for governance, technical assistance and the NAO task force. The governance report (2006) on Guyana was used to increase the initial allocation by euro 11 million, in the form of an incentive tranche.

Sea Defences have been a focal sector throughout the successive EDF programmes in Guyana. These Sea Defences programmes do not only take into account the climate change challenges and the environmental impacts, but support the protection of the whole socio-economic system in Guyana, mainly situated in the low lying coastal areas. This includes the key agricultural sectors like sugar and rice.

Both the sugar and the rice sector are specifically supported by the EU to improve their competitiveness and long-term profitability. The Guyanese economy is up to a large degree dependent on the agriculture sector. With an allocation of 89 million EUR for the period 2006-2010, the sugar programme supports the reform of the sugar sector through the implementation of the Guyana National Action Plan, with particular attention to the mitigation of eventual negative impacts on the workforce/society.

Trade relations have been reshaped with the conclusion of the Economic Partnership Agreement negotiations, between the EU and the Caribbean Region. The Government of

Guyana has made its reservations towards the agreement arguing that it would relieve too much of the development features which have characterised the EU and Caribbean relations for so long.

Crime and law enforcement is an issue in Guyana. Through the macro-economic budget support programme, together with the low-income housing projects, the EU policy focuses on the alleviation of poverty, one of the major causes of the insecurity situation in Guyana.

As mentioned before, environmental aspects are an essential topic within the Sea Defences programmes. The Delegation is also supporting the implementation of three environmental programmes operated through centralised management: the "Ecological and financial sustainable management of the Guyana Shield eco region" programme, the "Developing alternatives for illegal chainsaw lumbering through multi-stakeholder dialogue in Ghana and Guyana" programme and the "All ACP Agricultural Commodities Programme".

Policy areas of the EU coherence policy for development, which are not covered by an aid programme, are taken up by the Delegation in its policy dialogue with government and in its general role as facilitator. Contacts have been established with the University of Guyana in relation to different education and research programmes like Erasmus Mundus. The delegation facilitated contacts for the European Investment Bank in relation to transport and energy initiatives in Guyana. Policy dialogue is ongoing with the government in relation to security and migration issues (Guyana has one of the highest migration rates in the world).

4. EU STRATEGY FOR THE CARIBBEAN

The EU strategy of the Caribbean focuses on three objectives. The establishment of a political partnership based on shared values (in particular good and effective governance); addressing economic and environmental opportunities and vulnerabilities; promoting social cohesion and combating poverty.

Throughout 2007, the political partnership was further fortified along the implementation of the general budget programme which pays particular attention to good governance of public finances (PFM). New objectives have been agreed with government at the end of 2007. A joint EU/WB/IADB evaluation mission on public finance management (PEFA/IFA study) noted progress in recent years although challenges remain. Addressing these challenges will be the objectives of an implementation plan, to be agreed in 2008. A governance programme was identified as part of the 10th EDF, focussing on the strengthening of the democratic process and to avoid political instability that has marked previous elections (except the last general election in 2006). Policy dialogue between the government and the EU delegation has been further strengthened.

Guyana's economic activities take place mainly on the coastal belt, which lies below sea level. This poses particular challenges to Guyana and makes it vulnerable to climate change. To help to address this issue, Sea Defences programmes have been a focal sector throughout the years and will be as well in the future. As mentioned before, several initiatives related to environmental and natural resources management have been launched. Specific programmes are ongoing to improve the competitiveness and long-

term profitability of the sugar and rice sectors. Support is also provided to strengthen the disaster preparedness and to reduce vulnerabilities in flood prone communities in Guyana. This project is implemented by the NGO Oxfam, GB.

Alleviation of poverty has been the second focal sector throughout the different EDF cycles. During the programming of the 10th EDF, it has been identified again as a focal sector. The General budget support programme is specifically supporting the national poverty reduction strategy. It focuses primarily on the improvement of the health care and housing situation of low-income households but it also foresees trade related assistance in order to facilitate the implementation of the new CARIFORUM EPA.

5 DONOR COORDINATION AND HARMONISATION

Donor coordination is well organised in Guyana. A number of thematic groups are operational, dealing with issues of relevance to poverty reduction, infrastructure development and governance issues. Each group is chaired by an international donor. The thematic group on National Competitiveness has been fully coordinated by Government. In addition, donors meet separately on a monthly basis to further coordinate actions and policies.

Furthermore, donors involve other donors in their programming exercise, organise regular information sessions concerning new programmes and discussion meetings between all donors are frequent. The EU Delegation is playing an active role in this and the Guyana Country Strategy Paper for the 10th EDF was established while involving closely the donor community via information and discussion sessions.

Donor meetings are especially useful for exchange of information between government and donors, and among donors. It fosters coordination and harmonisation of government and donors actions. If structural policy dialogue takes place, it is mainly at a bilateral level.

Due to the regular information exchange, donors are coordinating actions, avoiding overlap, building on previous work of other donors and respecting the lead role of a donor in a sector. Nevertheless, donors do not actively seek cooperation by matching or transferring funds. In that respect, the EU has taken the initiative to open discussions with the only EU MS represented in Guyana (UK), to verify all opportunities for a division of labour between both. These discussions are advanced and will be concluded in 2008. In relation to the Paris Declaration, government and donors are committed to implementing the principles of the Paris Declaration. Efforts are ongoing but the donors have the lead role in this process.

6 DIALOGUE IN COUNTRY WITH NSAS, LOCAL AUTHORITIES AND NATIONAL PARLIAMENTS

NSAs, local authorities and representatives of the national parliament were consulted in the preparation and finalisation of Guyana's 10th EDF Country Strategy Paper and National Indicative Programme, which is now ready for official endorsement.

Non State Actors (NSAs) also actively participated in the implementation of the Guyana Micro Projects Programme during this review period. As part of the GMPP two dialogues between Government and civil society were envisaged to discuss issues of mutual concern. These dialogues are still at the planning stage; at least one should be accomplished before the closure of this Programme in December 2008.

NSAs were regularly consulted during this year's consultancy to review the previous EDF cycles and also during studies related to the new EU sugar protocol arrangements for sugar.

In the preparation of the important second Poverty Reduction Strategy Paper a consultation process with NSA and directly with the population, is ongoing.

In the donor harmonization group on governance, a second report (following the Bradford report) is in its last stage to be finalised. Government and donors are working together, and its conclusions will be the basis for a second phase implementation plan agreed by government and supported by the donor community. Strengthening parliamentary functioning is an important part of it.

7 CONCLUSIONS

The relationship between the Government of Guyana and the Delegation of the European Commission remained cordial during this review period. The existing communication channels have been revised, to accommodate the need for more policy dialogue between government and the EU Delegation. Both parties have pledged to maintain continued cooperation and harmonised relations between Government and the EC in 2008 and beyond.

Guyana seems to have found a new economic growth path after a long period of stagnation during the period 2000-2005. In 2007, a second consecutive year of important economic growth was noted and mid term economic prospects are positive. In addition, the Government of Guyana is applying prudent macro-economic policies to create favourable conditions for the development of the private sector.

The general elections in 2006 were considered free and fair by international observers, and were the first to take place in the absence of violence. The political situation can be considered stable as the governing PPP party (since 1992) has an absolute majority in parliament. Nevertheless, tension between the two main political parties, which reflect the ethnic division in society, can mount, especially over security/crime issues. Local elections, not held since 1998, were postponed due to the slow pace of preparations. Guyana is in favour of the Regional (Caribbean) integration process.

Over recent years, reasonable progress has been made towards attaining most of the Millennium Development Goals, but the pace of progress may be insufficient to meet some of the targets set for 2015, mostly health related. Slow economic growth and a constant high migration rate are main causes. Relevant data availability is a major problem for programming and monitoring of the Poverty Reduction Strategy in Guyana.

Good progress has been made in the implementation of most ongoing EU projects and programmes. Particular obstacles, blocking the implementation of the Micro-projects Programme and the LEAF fund, have been removed. Infrastructural works have going on and measures have been taken in 2007 to avoid further delays. It is specifically worth to acknowledge that the 8th EDF sea defence programme has been successfully brought close to completion after a long period of delays.

The programming of the 10th EDF has been finalised. The focal sectors within the consecutive EDF programmes have been stable over time, being infrastructure (Sea Defences) and Macro-economic support to the Poverty Reduction Strategy of Guyana. Both focal sectors are very much consistent with the objectives of the policy for development coherence and the EU strategy for the Caribbean. Non covered objectives of both strategies are taken up as much as possible in the policy dialogue between the EU delegation and the government.

The exchange of information and coordination of activities between donors is well organised in Guyana. However, further steps are needed to implement a real division of labour, with consequently sharing or transfer of funds between donors. The EU delegation is engaged in discussions with the only represented member state in Guyana, British Government, to fully implement the division of labour principles. Conclusions are expected in 2008.

8. ANNEXES

A) General Annexes:

- A.1. Key macro-economic performance indicators
- A.2. Key MDG indicators

B) Annexes with a retrospective character: financial situation for:

- B.1 9th EDF and any previous EDFs as per closure of the financial year 2 2007
- B.2 Sector concentration of the engagements under the 9th EDF
- B.3 Regional projects
- B.4 EIB projects
- B.5 Budget lines

C) Annexes with a prospective character:

- C.1 Indicative time table for disbursements of 9th EDF and any previous EDFs (from 2008 onwards)

D) Aid Effectiveness

- D.1 EAMR aid effectiveness questionnaire
- D.2 donor matrices current and future financial support (2007-2008)
- D.3 donor matrices current and future financial support (2009-2013)
- D.4 donor matrices on current and future donor roles

Selected socio-economic indicators

	2003	2004	2005	2006
1.0 NATIONAL ACCOUNTS AGGREGATES				
1.1 Growth Rate of Real GDP	1.1	1.6	-1.9	5.1
1.2 GDP at factor cost (US\$M)	631.0	652.0	683.0	754.9
1.3 GNP at factor cost (US\$M)	588.4	621.1	663.5	698.1
1.4 Per capita GDP (US\$)	837.8	862.8	902.9	992.4
1.5 Per capita GNP (US\$)	781.2	821.9	875.1	917.7
1.6 Gross National Disposable Income (US\$M)	734.3	799.7	930.4	1,019.9
1.7 Private Consumption as % of Gross Domestic Expenditure	44.8	49.2	55.3	48.5
1.8 Public consumption as % of Gross domestic Expenditure	23.7	21.8	20.3	18.0
2.0 EXTERNAL TRADE AND FINANCE (US\$M)				
2.1. BOP Current Account balance	-60.6	-70.0	-157.5	-250.4
2.2 Imports of Goods and Non-Factor Services (G&NFS)	-671.7	-754.9	-984.6	-1,130.4
2.3 Exports of Goods and Non-Factor Services (G&NFS)	596.4	688.5	698.9	732.7
2.4 Resource Balance	-75.3	-66.4	-285.7	-397.7
2.5 Imports of G&NFS/GDP (%)	106.4	115.8	141.1	149.7
2.7 Exports of (G&NFS/GDP (%)	94.5	105.6	102.3	97.1
2.8 Net International Reserves of Bank of Guyana	176.1	136.6	160.5	221.5
2.9 External Public Debt Outstanding	1,084.5	1,071.1	1,214.6	1,043.2
3.0 PRICES, WAGES & OUTPUT				
3.1 Rate of Inflation /& changed in Urban CPI)	4.9	7.2	8.3	4.2
3.2 Public Sector Monthly Minimum Wage in G\$ (e.o.p)	22,099.0	23,204.6	24,828.9	26,070.3
3.3 % Growth Rate	5.0	5.0	7.0	5.0
3.4 Electricity Generation (in MWH)	488.9	514.9	528.4	534.6
4.0 POPULATION & VITAL STATISTICS				
4.1. Mid-Year Population ('000)	753.2	755.7	758.2	760.7
4.2 Population Growth Rate (e.o.p)	0.3	0.3	0.3	0.3
4.3 Net Migration ('000)	N.A.	-5.8	-15.2	-9.2
4.4 Visitor Arrivals ('000)	100.9	121.9	116.8	113.5
4.5 Crude Birth Rate (per 1.000 persons)	22.6	21.7	19.6	19.5
4.6 Crude Death Rate (per 1.000 persons)	6.6	6.8	6.9	6.6
4.7 Crude Marriage Rate (per 1.000 persons)	6.4	5.9	4.8	6.1
4.8 Infant Mortality Rate (per 1.000 persons)	17.0	20.7	22.0	15.6
4.9 Under 5 Mortality Rate (per 1.000 persons)	21.2	26.0	26.5	20.3
5.0 HEALTH AND EDUCATION				
5.1 Public Expenditure on:				
5.1.1 Education as % of National Budget	14.4	15.5	13.7	13.0
5.1.2 Health as % of National Budget	8.9	9.5	7.5	9.0
5.2 Number of Physicians per Ten Thousand Population	4.2	4.2	4.9	4.9
5.3 Number of Nurses per Ten Thousand Population	11.5	12.7	11.6	10.8
5.4 Number of Hospital Beds per Ten Thousand Population	25.0	25.0	24.9	24.1
5.5 Low birth-weight babies (<2500g) as a % of live births	11.9	11.6	11.7	10.8
5.6 Severely malnourished	0.6	1.0	0.6	0.4
5.7 Moderately malnourished	8.8	9.3	7.0	5.9
5.8 Overweight	4.7	5.2	4.7	3.9
6.0 IMMUNISATION COVERAGE				
6.1 1 year olds immunized against DPT/(Pentavalent) (%)	90.0	91.0	92.0	93.0
6.2 1 year olds immunized against MMR, Yellow Fever (%)	89.0	88.4	92.0	90.0
6.3 1 year olds Immunized against polio (%)	91.0	91.0	93.0	92.0
6.4 1 year olds Immunized against TB, BCG (%)	95.0	94.0	96.0	96.0
7.0 CRIME				
7.1 Reported Serious Crimes	2,941.0	3,450.0	3,270.0	2,756.0
7.2 of which Homicides	224.0	139.0	150.0	173.0

Table of indicators for the MDGs

	Indicator	1990	2000	2004	2005	2006	2007	2008	2009	2013	2015
Impact	1	Proportion of population living on less than USD 1 per day ¹		35%	--	--	--	--	--	--	--
	2	Prevalence of underweight children [under five years of age]		11.8%	9.3%	7.0%					
	3	Under five mortality rate									
Outputs	4	Net enrollment ration in primary education		96.6%	--	--	--	--	--	--	--
	5	Primary Completion Rate									
	6	Ration of girls to boys in - primary education – secondary education [tertiary education]		0.99%	--	--	--	--	--	--	--
	7	Proportion of births attended by skilled medical personnel		90.3	92.9	--	--	--	--	--	--
	8	Proportion of one-year-old children – immunized against measles		91%	96%	92%	--	--	--	--	--
	9	HIV prevalence among 15 to 24 year old pregnant women	--	--	--	--	--	--	--	--	--
	10	Proportion of population with sustainable access to an improved water source									

Data sources [s]

UNDP – MDG report – Guyana 2007

Guyana Statistical Bulletin – April 2007

(Completed by the NAO Taskforce)

¹ Indicator 1 may be replaced by an equivalent indicator based on national poverty thresholds, in which case a comment will be needed to permit consistent interpretation of data over time.

APPENDIX 1: Guyana MDGs - Status at a Glance

GOALS/TARGETS	WILL THE GOAL/TARGET BE MET?				STATE OF SUPPORTIVE ENVIRONMENT			
	Probably	Potentially	Unlikely	No data	Strong	Fair	Weak but improving	Weak
ERADICATE POVERTY Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day								
ERADICATE HUNGER Halve, between 1990 and 2015, the proportion of people who suffer from hunger								
UNIVERSAL PRIMARY EDUCATION Achieve universal primary education by 2015								
GENDER EQUALITY Achieve equal access for boys and girls to primary and secondary schooling by 2005								
CHILD MORTALITY Reduce under-five mortality by two-thirds by 2015								
MATERNAL HEALTH Reduce maternal mortality ratio by three-quarters by 2015								
HIV/AIDS Halt and reverse the spread of HIV/AIDS by 2015								
MALARIA AND OTHER DISEASES Halt and reverse the prevalence of other diseases by 2015								
BASIC AMENITIES Halve the proportion of people without access to safe drinking water and improved sanitation								
ENVIRONMENTAL SUSTAINABILITY Reverse loss of environmental resources by 2015								

APPENDIX 2: Current Capacity for Monitoring & Reporting MDG-progress

Goal	Quantity & Regularity of Survey Information			Quality of Survey Information			Statistical Analysis			Statistics in Policy-Making			Reporting and Dissemination of Information		
	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak
Poverty and Hunger															
Universal Primary Education															
Gender Equality															
Child Mortality															
Maternal Health															
HIV/AIDS															
Malaria Control															
Water and Sanitation															
Environmental Sustainability															

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APPENDIX 3: Guyana MDG Progress Report Core Technical Writing and data collection Team

GOAL	KEY AGENCIES	TECHNICAL OFFICER
1. Eradicate Extreme Poverty and Hunger	Bureau of Statistics	Mr. John Mensah Mr. Ian Manifold
2. Achieve Universal Primary Education	Ministry of Education	Ms. Evelyn Hamilton Ms. Nicole Warrinna-London Ms. Janice Clarke Ms. Janice Felix
3. Promote Gender Equality and Empower Women	Ministry of Labour and Human Services and Social Security	Ms Yvonne Stephenson Ms. Nalini Narine Ms. Hymawattie Lagan Ms. Carol Blenman
4. Reduce Child Mortality	Ministry of Health	Dr. Jennifer Woolford
5. Improve Maternal Health	Ministry of Health	Dr. Jennifer Woolford
6. Combat HIV, AIDS, Malaria and Other Diseases	Ministry of Health	Dr. Shanti Singh-Anthony Dr. Shamdat Persaud
7. Environmental Sustainability	EPA GEA Ministry of Housing and Water Guyana Water Inc Central Housing and Planning Authority Guyana Forestry Commission	Mr. Tim Laing; Ms Sharifa Razack Delroy O'Neal, Mr. Ramesh Lilwah Ms. Debra Montouth- Hollingsworth Mr. Altaf Gafoor Mr. Christopher Chan Ms. Leticia Ramjag Ms. Margo Boyce
8. Global Partnership for Development	Ministry of Foreign Trade and International Cooperation Debt Management Division, Ministry of Finance	Mr. John Isaacs Mr. Kevin Sears
Drafting, Coordination and Final Editing	M&E Unit, PRSP	Ms. Katherine Marshall Ms. Elsie Croal Ms. Fiona Etwaroo Ms. Penelope Parris Ms. Leta DeJonge

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Appendix 4: Statistical Tables

Table A1. Guyana: Selected Macroeconomic and Financial Indicators

	1991-1995	1996-2000	2001	2002	2003	2004	2005	2006
(Percentage change)								
Production and prices								
Real GDP (factor cost)	6.3	3.8	2.3	1.1	-0.6	1.6	-2.8	4.2
Nominal GDP (market prices)	54.6	8.2	0.3	3.3	4.4	8.3	1.3	8.2
GDP deflator (factor cost)	14.5	5.1	1.5	3.7	5.4	4.3	4.2	3.8
Real GDP per capita	7.6	2.5	1.3	0.4	-1.2	1.2	-3.1	3.9
Real Effective Exchange Rate	n/a	1.5	-4.2	-9.5	-8.7	-4.2
(In percent of GDP)								
National accounts								
Investment	38.1	27.1	20.8	20.9	21.0	22.1	31.2	34.2
Private sector	22.2	11.5	8.0	8.3	6.5	5.7	6.7	7.0
Public sector	15.9	15.6	14.0	12.6	14.5	16.4	24.5	27.2
National saving	7.9	14.7	2.8	7.6	12.1	17.5	12.4	11.9
Private sector	6.8	6.5	3.7	0.8	6.8	7.4	5.1	2.4
Public sector	1.1	8.2	-1.1	6.8	5.3	10.1	7.3	9.5
External current account balance (excl. transfers)	-30.2	-15.2	-19.2	-15.2	-11.8	-9.5	-22.6	-26.5
Nonfinancial public sector								
Revenue	27.4	34.9	33.5	32.3	35.0	37.6	37.2	37.5
Expenditure	38.4	42.8	48.6	46.4	48.4	48.6	60.3	61.1
Current	29.7	27.4	34.6	33.7	33.9	32.2	35.8	33.9
Capital	8.7	15.5	14.0	12.6	14.5	16.4	24.5	27.2
Saving	-2.3	7.5	-1.4	-1.3	2.3	5.4	1.9	3.6
Overall balance (before grants)	-11.0	-8.0	-15.4	-13.9	-13.3	-11.0	-24.8	-24.9
Grants (including HIPC relief)	8.0	4.8	8.4	8.2	4.6	6.5	9.7	8.0
Overall balance (after grants)	-3.0	-3.2	-7.0	-5.8	-8.7	-4.4	-13.4	-13.6
(In millions of U.S. dollars, unless otherwise indicated; end of period)								
External sector								
Resource Balance (GNFS)	-62.3	-62.2	-90.8	-68.1	-59.0	-57.0	-218.0	-224.0
External Current Account Balance	-130.0	-96.8	-130.9	-110.0	-88.0	-75.0	-176.0	-218.0
Gross official reserves	219.1	296.8	285.1	279.8	271.2	254.6	275.9	260.7
Months of imports	4.5	4.6	4.3	4.2	4.4	3.2	3.0	3.2
(In percent, unless otherwise indicated)								
Debt ratios								
NPV of external debt-to-export ratio	408.8	198.9	115.7	139.2	70.9	66.6	80.3	91.9
NPV of external debt-to-revenue ratio	1420.8	611.0	353.9	376.1	209.5	194.9	217.1	234.1
NPV of external debt-to-GDP ratio	463.5	196.0	112.6	126.0	66.0	66.0	76.7	83.4
Debt-service ratios								
Exports of goods and nonfactor services	20.0	15.0	8.0	8.3	7.2	5.6	3.5	4.9
Cent. government revenue	69.2	46.2	24.0	23.6	20.6	16.9	9.4	13.1
Memorandum items:								
Nominal GDP (G\$ billion)	61.7	113.5	130.4	137.7	143.8	154.6	157.4	166.2
Guyana dollar/U.S. dollar (period average)	129.5	158.9	187.1	190.6	193.0	198.3	200.1	202.3
GDP per capita (US\$)	615.2	937.5	942.3	965.0	991.0	1041.	1031.0	1082.0

Sources: Ministry of Finance and PCPMU, Office of the President

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Table A2. Guyana: Social Sector Spending

(Percent of GDP)	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
unless otherwise indicated										
Current	5.4	7.4	9.5	11.3	11.9	12.9	11.5	11.5	11.6	12.1
Personnel emoluments	4.2	3.8	5.6	5.5	5.7	6.2	6	5.8	6.0	6
Education	2.6	2.8	3.6	3.9	4	4.5	4.4	4.2	4.3	4.3
Health	1.6	1	2	1.6	1.7	1.7	1.6	1.6	1.7	1.7
Other	1.2	3.6	3.9	5.8	6.2	6.7	5.5	5.7	5.6	6.1
Education	0.2	1.4	1.5	1.6	2	2.3	2.4	2.7	2.7	2.8
Health	0.8	1.6	1.8	1.9	1.7	2.2	2.2	2.1	2	2.2
Poverty Alleviation 1/	0.2	0.6	0.6	2.3	2.5	2.2	0.9	0.9	0.9	1.1
Capital	8.3	6.4	6.1	7.1	7.3	5.6	5.6	5.6	7.3	7.5
Education	1.2	1.3	1.1	2.3	2.7	2.2	1.3	1.3	1.5	1.3
Health	0.4	0.1	0.3	0.2	0.1	0.2	0.8	0.6	0.6	0.7
Poverty Alleviation 1/	6.8	5.0	4.7	4.6	4.5	3.2	3.5	3.7	5.3	5.5
Housing and Water	1.5	1.6	1.5	1.9	1.6	1.6	3.2	2.8	3.0	3.3
Current	0.7	0.4	0.6	0.5	0.4	0.6	0.7	0.7	0.6	0.6
Personnel emoluments	0	0	0	0	0	0	0	0	0	0
Other	0.7	0.4	0.6	0.5	0.4	0.6	0.7	0.7	0.6	0.6
Capital	0.8	1.2	0.9	1.4	1.2	1	2.5	2.1	2.4	2.7
Public Service Reform 2/	0	0	0	0.3	0	0.8	1.1	0.1	0	0
Total Social Spending 3/	15.2	15.4	17.1	20.6	20.8	20.9	21.4	20.0	22.0	22.9
EHIPC CP Social Spending 4/	13.7	13.8	15.6	18.4	19.2	18.5	17.1	17.1	18.9	19.6
Total Current Spending	6.1	7.8	10.1	12.1	12.3	14.3	13.3	12.3	12.2	12.7
Total Capital Spending	9.1	7.6	7	8.5	8.5	6.6	8.1	7.7	9.8	10.2
Personnel emoluments/SS	27.6	24.7	32.7	26.7	27.4	29.7	28.0	29.0	27.3	26.2
Education	17.1	18.2	21.1	18.9	19.2	21.5	20.6	21.0	19.6	18.8
Health	10.5	6.5	11.7	7.8	8.2	8.1	7.5	8.0	7.7	7.4
Nominal GDP at market prices in billions of Guyana Dollars	106.7	108	120.7	130	133.4	137.8	143.8	154.6	157.9	170.8

Sources: Guyanese Authorities, IMF Publication (EBS/05/5)

1/ Includes SIMAP, BNTF, IFAD Rural Support Project and other poverty related programs

2/ Includes severance payments for civil service reform as well as safety net programs for Linmine workers in 2003

3/ Includes Housing and Water and Public Sector Reform

4/ This is the definition used in the context of the Enhanced HIPC Completion Point. It excludes housing and water and public sector reform

ANNEX B1

Financial situation for 9th EDF (grants)

Account No	Title of Project	Date of Decision	Loan/ Grant	Amount of Financing Agreement	Payments			AMOUNT TO FIN.ADR./DAG
					PREVIOUS	2007	CUMULATIVE	
				€	€	€	€	
9.ACP.GUA.001	Micro-Projects Programme	17/02/04	G	4,000,000.00	708,981.48	851,428.19	1,560,409.67	39.01
9.ACP.GUA.002	Design & Tender Procedure - Guyana Sea Defences	22/12/03	G	178,220.00	151,742.00	-	151,742.00	85.14
9.ACP.GUA.003	Institutional Strengthening of the NAO's Office	02/04/04	G	820,000.00	384,306.61	134,600.50	518,907.11	63.28
9.ACP.GUA.004	Transport Sector Study	01/04/04	G	900,000.00	748,957.75	140,785.01	889,742.76	98.86
9.ACP.GUA.005	Old Technical Cooperation Facility	31/03/04	G	605,400.00	436,480.51	100,353.86	536,834.37	88.67
9.ACP.GUA.006	Poverty Reduction Budget Support to Guyana	23/08/04	G	27,000,000.00	11,926,572.91	6,884,257.30	18,810,830.21	69.67
9.ACP.GUA.007	Poverty Reduction Budget Support to Guyana	23/08/04	G	8,400,000.00	8,400,000.00	-	8,400,000.00	100.00
9.ACP.GUA.009	Support to the National & Regional Elections in Guyana 2006	20/03/06	G	940,000.00	740,000.00	182,967.50	922,967.50	98.19
9.ACP.GUA.010	9 th EDF Sea Defences Infrastructure Design Programme	12/02/07	G	900,000.00	-	-	-	-
9.ACP.GUA.011	9 th EDF Sea Defences Programme	01/01/07	G	17,018,000.00	-	-	-	-
9.ACP.GUA.012	New Technical Cooperation Facility	01/01/07	G	710,000.00	-	-	-	-
	TOTAL			61,471,620.00	23,497,041.26	8,294,392.36	31,791,433.62	51.72

9th EDF sectoral breakdown

country: Guyana

PROJECTS	EUROPEAN CONSENSUS	SECTORS	Total cumulative commitments as at 31.12.07
Support to the National and Regional Elections in Guyana	governance, human rights and support to economic and institutional reforms	Governance	940,000.00
Guyana Sea Defence - Design & Tender Procedure	Infrastructure, communication and transport	Infrastructure	178,220.00
Transport Sector Study			900,000.00
9th EDF Sea Defences Infrastructure Design Programme			900,000.00
9th EDF Sea Defence Programme			17,018,000.00 18,996,220.00
Technical Cooperation Facility			1,315,400.00
Support to the NAO's Office	Other	Other	820,000.00
Micro Projects Programme			4,000,000.00 6,135,400.00
Poverty Reduction Budget Support to Guyana	General Budget Support	General Budget Support	35,400,000.00
TOTAL			61,471,620.00
Level of sector concentration	percentage of 9th EDF commitments covered by largest sectors of concentration plus GBS	Largest sector (Infrastructure) + GBS	88.49%
		Two largest sectors + GBS	98.47%
		Three largest sectors + GBS	100.00%
		Nr of sectors + GBS to reach 85% of NIP	
		Sectors (NSA and GBS excluded)	42.41%

Financial situation for Regional Project

Account No	Title of Project	Date of Decision	Loan/Grant	Amount of Financing Agreement	Payments			AMOUNT TO FIN.ADR./DAG
					PREVIOUS	2007	CUMULATIVE	
				€	€	€	€	
7.PTN.NEA.027	Dutch Caribbean Promotion in the Europe	10/10/96	G	189,882.45	188,776.21	-	188,776.21	99.42
7.PTN.NEA.028	Dutch Caribbean Promotion in the Europe	10/10/96	G	1,100,037.00	1,100,000.00	-	1,100,000.00	99.99
7.PTN.NEA.029	Foundation for University Chair for Environment & Development	24/06/96	G	265,345.00	222,816.50	-	222,816.50	83.97
7.PTN.NEA.047	Small Enterprise Stimulation Programme (SESNA)	01/1/98	G	6,513,924.80	6,213,847.17	21,180.71	6,235,027.88	95.72
7.PTN.ARU.019	Dutch Caribbean Promotion in the Europe	10/10/96	G	720,372.39	720,372.39	-	720,372.39	100.00
7.PTN.ARU.021	Masters Degree in Nursing	06/08/96	G	110,000.00	81,886.74	-	81,886.74	74.44
7.PTO.REG.034	Extension Caribbean Regional Tourism Development	15/03/95	G	208,500.00	208,125.71	-	208,125.71	99.82
8.ACP.TPS.018	Support for Regional Cooperation in the Field of HIV/AIDS	13/10/98	G	13,800,000.00	9,692,795.43	2,045,207.23	11,738,002.66	85.06
8.PTN.NEA.007	Support to the NEA Youth Development	07/11/02	G	4,500,000.00	1,185,325.05	1,293,307.01	2,478,632.06	55.08
9.PTN.NEA.004	Technical Cooperation Facility	22/12/04	G	994,000.00	520,180.50	308,423.18	828,603.68	83.36
9.ACP.RCA.007	Technical Cooperation Facility	16/07/04	G	1,863,539.11	1,190,783.55	240,582.81	1,431,366.36	76.81
9.ACP.RCA.012	Caribbean Integration Support Programme	24/11/06	G	37,000,000.00		12,940,724.00	12,940,724.00	34.97
9.ACP.RCA.014	Capacity Building & Institutional Support for the CCJ	01/01/07	G	1,315,000.00	-	-	-	-
9.ACP.RCA.015	Technical Cooperation Facility 2	01/01/07	G	1,000,000.00	-	-	-	-
9.ACP.RCA.024	Standby Facility	01/01/07	G	14,752,478.00	-	-	-	-
9.ACP.RPR.006	Support to the Competitiveness of the Rice Sector in the Caribbean	10/31/03	G	11,705,000.00	1,744,081.40	9,805,850.49	11,549,931.89	98.68
9.ACP.RPR.150	FLEX 2006 – Budget Support	23/08/04	G	6,130,000.00	-	-	-	-
9.ACP.RPR.167	Capacity Support for Sustainable Management of Resource	01/01/07	G	1,500,000.00	-	-	-	-
9.PTO.REG.011	Strengthening the Integration of the British & Dutch OCTs	01/01/07	G	6,000,000.00	-	-	-	-
9.PTO.REG.014	Global C Envelope & Regional Allocation for Humanitarian	01/01/07	G	22,173,622.54	-	-	-	-
	TOTAL			131,841,701.29	23,068,990.65	26,655,293.43	49,724,284.08	37.72

Note:

While the Guyana Delegation is responsible for all the abovementioned regional projects, only those in bold are directly related to Guyana.

ANNEX B4

Loans from the European Investment Bank

LOANS FROM THE EUROPEAN INVESTMENT BANK								
8.ACP.GUA.011	IPED 11 Loan from EIB	12/22/00	L	500,000.00	41,000.00	-	41,000.00	8.20
8.ACP.GUA.014	Rosehall Water Supply Rehabilitation	12/4/00	L	1,400,000.00	1,400,000.00	-	1,400,000.00	100.00
8.ACP.GUA.012	Power Project*	7/24/01	L	20,000,000.00	-	-	-	0.00
	TOTAL LOANS FROM EIB			21,900,000.00	1,441,000.00	-	1,441,000.00	6.58

Note:

* The EIB Loan to Guyana for the Power Project has been cancelled in 2007.

ANNEX B5

Financial Situation of Budget Line Projects

Decision No	Title of Project	Date of Decision	Loan/Grant	Amount of Financing Agreement	Payments			AMOUNT TO FIN.ADR./DAG
					PREVIOUS	2007	CUMULATIVE	
18530	Accompanying Measures 2006 for Sugar Protocol Countries	28/02/2007	G	€	€	€	€	62.34
			G	5,663,000.00	-	3,530,080.00	3,530,080.00	
			G					
	TOTAL			5,663,000.00	-	3,530,080.00	3,530,080.00	62.34

Indicative timetable for disbursements
ANNEX C1

EDF	Guyana	Indic. Total	2008		2009		2010		2011		2012	
			1 st	2 nd	1 st	2 nd	1 st	2 nd	1 st	2 nd	1st	2nd
9 th **	Sea Defences I (Design)	€0.9	0.21	0.21	0.21							
	Sea Defences II	€17.0		0.5	4.3	2.2	2.2	2.2	2.2	2.2		1.2
	Poverty Reduction Budget Support to Guyana	€ 41.53	6.4	6.6								
	<i>Support to economic actors:</i>											
	NAO office	€0.82	0.13	0.07								
	Micro-projects Program	€ 4,0	0.96	0.65								
	Old TCF	€0.605	0.01									
	New TCF	€0.71	0.16	0.2	0.11	0.01	0.14	0.09				
	Sub-total	€65.565	7.87	8.23	4.62	2.21	2.34	2.29	2.2	2.2		1.2
8 th	Sea Defences	€ 20.5	1.4		1.4							
	Low Income Housing	€ 9.1	1.0	1.2	1.6	1.4		0.5				
	Linden Economic Advancement Programme	€ 12.5	2.8	1.3	0.9	0.25						
	Sub-total	€42.1	5.2	2.5	3.9	1.65		0.5				
	TOTAL	€107.655	13.07	10.73	8.52	3.86	2.34	2.79	2.2	2.2	2.2	1.2

Note:

The amount mentioned under 9th EDF Budget Support Programme includes an amount of €6.13M for FLEX 2006. Although the amount will be met from 9 ACP RPR 150 it will be spent on General Budget Support to Guyana.

ANNEX D1

Annex C of EAMR (Guyana): Questions on the EU Aid Effectiveness targets.

The Commission has to report its performance annually against the four EU targets on aid effectiveness. The data for this will be collected through the EAMR reporting system. You are therefore requested to complete the questions below with specific information as noted so that the current baseline we have from the July 2007 EAMR can be tracked annually. The information will also be important for you to exchange with your government colleagues, NGOs and with other donors, including MS.

Delegations had difficulty completing the questionnaire for the July 2007 EAMR. Following discussions with them the guidance to measure each target has been made more specific, following the revised OECD guidance for the 2008 survey. We hope you find the new elements more helpful. If you would still like further clarifications please contact your desk officer in AIDCO.

Some Delegations will also be completing the OECD survey during Jan-March 08. Your responses below should make it much easier to answer the OECD survey.

Regional offices will have to complete Annex C separately for each country in their region.

Please note that within the strategy that EuropeAid in relation to EU Target 4 – reduce the number of uncoordinated missions by 50 % - a number of new points have been prepared:

- Delegations are invited to:

- list dates for HQ missions already planned for the immediate 6 months period and mention if they are not coordinated;
- indicate to HQ what priority missions the Delegations estimate better serves coordination arrangements at local level for the following 6 months period.

The periods for missions, to be used in the January and July EAMR are as follows:

- In the 2008 January EAMR; Delegations list missions agreed for the period March to August 2008 and indicate their priorities for HQ in the period September 2008 to February 2009;
- In the 2008 July EAMR: Delegations list missions agreed for September 2008 to February 2009 and then indicate their priorities for HQ missions in the period March to August 2009.

1. EU Target No 1		
Channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or SWAP arrangements.		
2. Introduction		
The aim is to collect information that allows us to measure this target. The information that is needed is both the total amount of ODA provided, as well as the extent to which country systems are used in providing this ODA. For these purposes the country systems are defined as covering four main areas: (i) national budget execution procedures; (ii) national financial reporting procedures; (iii) national auditing procedures; and (iv) national procurement systems. By treating each of these four areas as having a 25% weight and dividing by the total amount of ODA provided the information required can be calculated (hence the division by four – see part 4 below). In all cases the necessary information can be collected using the same definitions as those in the OECD/DAC "Definitions and Guidance" (see attached page which includes an extract of definitions relevant to this indicator)		
3. Questions and definitions		
Question	Definition – OECD Ref	Response EUR
How much ODA did you disburse at country level for the government sector in FY 2007 (EUR)?	Qd2	9,910,082
How much ODA disbursed for the government sector in FY 2007 used national budget execution procedures (EUR)?	Qd5	4,020,000
How much ODA disbursed for the government sector in FY 2007 used national financial reporting procedures (EUR)?	Qd6	
How much ODA disbursed for the government sector in FY 2007 used national auditing procedures (EUR)?	Qd7	
How much ODA disbursed for the government sector in FY 2007 used national procurement procedures (EUR)?	Qd9	
4. Definition of Indicator		
[[Qd5 + Qd6 + Qd7 + Qd9] ÷ 4] ÷ [Qd2] (please calculate and enter as response %)		Response 40.56%
5. Additional information		
Are there any significant initiatives in your country to promote the use of country systems? If so provide a list and a short description. If not, highlight the constraints to use of country systems (use additional space as needed)		
The Government of Guyana has made significant stride in improving the Public Finance system with the help of the European Commission and other donors. The PEFA mission 2007 was positive. This is a joint effort between EU, IDA and the WB.		
In 2004 the European Commission and the GoG had signed a Financing Agreement to the tune of 23.3M Euros for General Budget Support. This amount was topped up by 12.1M Euros after the ETR in 2006 and a further top up of 6.13M Euros in 2007 as a result of FLEX. As such, a total of 41.53M Euros went to General Budget Support.		

The percentage of the EC support to government sector in 2007 appears to be below 50%, the reality was that Government had requested for the Delegation to deferred the planned payment of the 2007 GBS fixed tranche to 2008. In addition, the Government had also requested for the deferral of the planned 2006 fixed tranche for Sugar which was also planned to be disbursed in 2007.

Under the 10th EDF which covers the period 2008 to 2013, 30.2M Euro will go to General Budget Support and 14.8M Euros for Sector Support /Sea Defence. In addition, Guyana received 89.8M Euros for the period 2006 to 2010 through the Accompanying Measures for Sugar Protocol Countries.

Definitions from "Definitions and Guidance" OECD/DAC

www.oecd.org/dataoecd/13/29/36306366.doc

ODA	<p>Official Development Assistance (ODA) includes all transactions as defined in OECD-DAC Statistical Directives para. 32 (see appendix), including official transactions that:</p> <ul style="list-style-type: none"> ▪ Are administered with the promotion of the economic development and welfare of developing countries as its main objective; and ▪ are concessional in character and convey a grant element of at least 25%.
Disbursements	<p>A disbursement is the placement of resources at the disposal of a recipient country or agency (see OECD-DAC Statistical Directives para. 15-18). Resources provided in kind should only be included when the value of the resources have been monetised in an agreement or in a document communicated to government. In order to avoid double counting in cases where one donor disburses ODA funds on behalf of another, it is the donor who makes the final disbursement to the government who should report on these funds.</p>
Government sector	<p>Administrations (ministries, departments, agencies or municipalities) authorised to receive revenue or undertake expenditures on behalf of central government.</p>
Disbursements for the government sector	<p>This category includes the disbursement of ODA in the context of an agreement with the government sector (see definition above), including works, goods or services delegated or subcontracted by government to other entities (e.g. NGOs, private companies).</p>
Use of national budget execution procedures (Q ⁵)	<p>Donors use national budget execution procedures when the funds they provide are managed according to the national budgeting procedures as they were established in the general legislation and implemented by government. This means that programmes supported by donors are subject to normal country budgetary execution procedures namely procedures for authorisation, approval and payment.</p>
Use of national financial reporting procedures (Q ⁶)	<p>Legislative frameworks normally provide for specific types of financial reports to be produced as well as for the periodicity of such reporting. The use of national financial reporting means that donors do not make additional requirements on governments for financial reporting. In particular they do <u>NOT</u> require:</p> <ul style="list-style-type: none"> ▪ The production of additional financial reports. ▪ Periodicities for reporting that are different from government's normal reporting cycle. ▪ Formats for reporting that do not use government's existing chart of accounts.
Use of national auditing procedures (Q ⁷)	<p>Donors rely on the audit opinions, issued by the country's supreme audit institution, on the government's normal financial reports/statements as defined above. The use of national auditing procedures means that donors do not make additional requirements on governments for auditing.</p>
Use of national procurement procedures	<p>Donors use national procurement procedures when the funds they provide for the implementation of projects and programmes are managed according to the national procurement procedures as they were established in the general legislation and implemented by government. The use of national procurement procedures means that donors do not make additional, or special, requirements on governments for the procurement of works, goods and services. (Where weaknesses in national procurement systems have been identified, donors may work with partner countries in order to improve the efficiency, economy, and transparency of their implementation).</p>

1. EU target 2		
Provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements ¹		
2. Introduction		
<p>EU target 2 aims to measure progress in aligning and coordinating support for capacity development. It's closely linked with indicator 4 of the Paris Declaration. Therefore, the term "capacity building" used in the EU target is interpreted as "technical cooperation". This use of the DAC definitions allows consistency with the DAC monitoring of the Paris Declaration.</p> <p>The term "coordinated" also refers to the DAC definition which covers the following principles: ownership of TC by partner countries, alignment of TC with countries/local strategies and objectives and, where more than one donor is involved, harmonisation of TC among donors.</p> <p>To avoid confusion, we strongly advise that you use the definitions given in the OECD guidance, by clicking on the link http://www.oecd.org/dataoecd/13/29/36306366.doc. DAC criteria on this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators¹ in 2008 will be available on this site.</p> <p>Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.</p>		
3. Questions and definitions		
1	How much technical cooperation did you disburse in 2007 (Total TC in EUR)? <i>OECD question reference in the Paris survey : Q^{d3}</i>	Euro 645,729
2	How much technical cooperation did you disburse through co-ordinated programmes in support of capacity development in 2007 (EUR)? <i>OECD question reference in the Paris survey : Q^{d4}</i>	Euro 645,729
4. Definition of Indicator		
3	<i>Q^{d4} / Q^{d3} (please calculate this and enter in the next column as %)</i>	100%

5 Additional Information	
4	<p>Qualitative information² :</p> <p>Are there any significant initiatives to promote coordinated technical cooperation in your country?</p> <p>If so, please provide a short description. And indicate whether they are linked to the Code of Conduct / Division of Labour process or any other "EU initiatives"</p> <p>If not, highlight key constraints delaying joint work on TC and capacity development.</p> <p>Please note any other comments you have on these issues</p>

¹ Despite the different wording the target is interpreted to correspond to Paris Declaration indicator 4. Please pay particular attention to the definition for the question Q^{d4}.

Each OECD donor has different programming and implementation cycles and they are not necessarily in alignment with the Government's multi annual plan. Nevertheless, all donors try to align their programming period to some extent to that of the PRSP.

As such, different needs arise at different times. However, it is important to note that there is very good coordination between the major donors (EU, IDB, DFID, WB) and to a large extent a clear division of labour among them.

² These questions are taken from the survey on " Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

1. EU target 3		
Avoid establishment of new project implementation units (PIUs).		
2. Introduction		
<p>EU target 3 aims to assess progress towards strengthening local capacity by tracking the number of PIUs put in place to manage projects and programmes. It is linked to indicator 6 of the Paris Declaration. This target is interpreted as "avoiding the establishment of new parallel PIUs"</p> <p>To avoid confusion, we strongly advise that you use the definition of parallel PIUs given in OECD guidance, by clicking on the link http://www.oecd.org/dataoecd/13/29/36306366.doc. DAC criteria for this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.</p> <p>Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.</p>		
3. Questions and Definitions		
1	How many parallel project implementation units funded by EC were in operation in December 2007? <i>OECD question reference in the Paris survey : Q^d10</i>	4
2	Out of these, how many <u>new</u> parallel project implementation units were established during 2007?	1
4. Additional Information		
3	<p>Qualitative information³:</p> <p>Are there any significant initiatives to avoid the establishment of parallel PIUs in your country?</p> <p>What in your opinion should be done to increase domestic ownership and quality of project implementation arrangements?</p> <p>If so, please provide a short description. If not, highlight key constraints.</p> <p>Please note any other comments you have on these issues</p>	
	<p>Current PIUs will have to continue to operate until the end of the respective ongoing projects/programmes. However, with the move in the 10th EDF towards General Budget and Sector Supports, there would be a significant decrease in the amount of PIUs in the coming years.</p>	

³ These questions are taken from the survey on "Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

1. EU Target No 4

Reduce the number of uncoordinated missions by 50%.

2. Introduction

The aim is to collect data on the number of uncoordinated EC Missions to your country. The information needed is (a) the total number of EC Missions to your country and (b) how many of these were coordinated.

The Paris Declaration **objectives** underlying the related indicator of progress for coordinated missions are: "In planning their missions to the field⁴ it is important that donors: Conduct **fewer missions**, **coordinate timing of missions** with partner authorities and, where necessary, with other donors, **conduct more joint missions**, *avoid conducting missions during "mission free periods"*⁵.

Coordinated mission is a mission undertaken by 2 or more donors jointly, or by one donor on behalf of another. In practice, the following 3 questions help to clarify what is meant by a mission:

1. Does the mission involve international travel to a beneficiary country? i.e. **this concerns only missions from HQ, not missions undertaken within the country by the Delegation.**
2. Does the mission involve a request to meet with government officials, including local government?
3. Is this mission undertaken by 2 or more donors jointly? Or is it done by an HQ service also on behalf of another donor?

The Definitions and Guidance of the OECD (www.oecd.org/dataoecd/13/29/36306366.doc) requires that missions undertaken by consultants contracted by AIDCO (or other DG's), if they meet the 3 above questions, must also be included.

3. Questions and definitions

OECD ref: Q ^d 15	How many HQ missions to the field were undertaken in FY 2007? ⁶	19
Q ^d 16	How many of these were coordinated?	1
Please provide a breakdown of missions the Commission and its services have undertaken to your country in FY 2007 in the table below:		
Missions by:	Coordinated	Uncoordinated
Members of Commission	-	-
AIDCO	1	-
DEV	-	-
RELEX	-	1
TRADE	-	2
ECHO	-	-
FISH	-	-
OTHER DGs	-	2
Consultants contracted by the Commission	-	13
Total	1	18

⁴ 'Field' refers to the country in general including missions to the capital only.

⁵ The target set for 2010 for indicator 10 a) is to have 40% of donor missions to the field as joint.

⁶ This question applies to the missions from the HQ

4. Definition of Indicator		
Q^d16 / Q^d15	2006	2007
Please calculate and enter in the column for 2007 and also include the figure for this indicator for 2006 ;	(2/35) 5.4%	(1/19) 5.3%

5. Additional Information

Delegations are invited to list the dates for main HQ missions already planned for the March 2008 to August 2008, indicating whether they are, or not, to be coordinated with other donors;

HQ DG	Date planned	Purpose/Sector	Coordinated (Yes/No)

Delegations are suggested to indicate higher priority requests for HQ missions needed from September 2008 to February 2009, but not yet agreed with HQs, that the Delegation estimates serve better the coordination arrangements at local level and can yield more added value for the policy dialogue.

HQ DG	Date planned	Purpose/Sector	Donor(s) involved

Delegations are asked to briefly inform if there are significant initiatives to decrease the number of uncoordinated missions in your country? If so, please provide a short description. If not, highlight key constraints.

Most of the missions in Guyana are project related and it would be challenging to coordinate with other donors especially when there is division of labour between the donors in relation to the sectors of intervention. Also, mainly because each donor consultancy missions arise at different times during the life cycle of their individual projects and it will be a difficult task to coordinate these missions.

It is important to note however, due to the high level of coordination between the major donors, there are usually a sharing of information on major missions particularly to those donors operating in the same sector. There is also regular donor coordinating meetings where each donor give an update on the progress in there projects.

To properly address the issue of coordination, all donors would need to align their programming cycle. This in no doubt will reduce the number of uncoordinated missions.

Finally, Delegations are asked to assess the likelihood of meeting, by 2010, the twin targets for missions, ie. the OECD target of 40% and the EU target of halving the number of un-coordinated missions.

- OECD target of 40% likely to be met: No
- EU target of halving the number of un-coordinated missions: No

Delegations are asked to briefly indicate what additional steps HQ should be prepared to consider to help in achieving those targets at the level of the beneficiary country concerned:

The missions in Guyana from HQ are limited. As mentioned previously, most of the missions in Guyana are project/programme related. However, in order to achieve the OECD targets the following is necessary:

1. There is need for more coordination between the DGs (DEV, TRADE, AIDCO etc).
2. The Delegation needs to be informed at a much earlier stage of HQ missions to Guyana. This would enable the Delegation to involve other donors operating in the same sector.
3. The programme cycle of each donor needs to be aligned.

Other aid effectiveness related information

On 4 July 2007 our Counsellors Louis Michel and Benita Ferrero-Waldner wrote to all Heads of Delegations requesting implementation of the Code of Conduct for Division of Labour. Several Delegations have responded and have attached their progress reports on aid effectiveness. We need information on the specific points below:

1. Paragraph 5 of the Council conclusion on Division of Labour notes:

"Simultaneously with the implementation of the Code of Conduct, the Member States and the Commission **will promote wide discussions with partner countries and other donors on complementarity and division of labour**, based on the EU code of Conduct which will be complemented by first experiences in the field. **The outcome of these discussions would constitute an input to the OECD/DAC partnership and the High Level Forum on Aid Effectiveness III that will take place in Accra, Ghana in 2008.** The Council invites the **incoming Presidencies to actively support such a process**, in close cooperation with the Member States and the Commission."
(Highlights by AIDCO 01)

1.1 Have the discussions with partner countries and other donors been held?

(a) If yes, when and what was the result? Please describe in brief how these talks are progressing.

The Guyana Delegation has forwarded the "EU Code of Conduct on complementarity and division of labour in Development policy" to the National Authorising Officer on 10th of July 2007. The number of EU member states represented in Guyana is limited to 1, namely the UK, with a small representation of the development branch (DFID). No specific dialogue on the EU Code of Conduct has taken place with the NAO. The implementation of the EU code of conduct is integrated in the wider discussion with government and the international donor community to implement the principles of the Paris Declaration.

(b) If no, are there plans to hold them? If yes, please describe briefly what the plans are.

1.2 What input on division of labour is planned by the partner country towards HLF III? If none, then leave blank.

2 In paragraph 14 the Council invites the Commission to outline Community implementation of the Code of Conduct in its annual report on development cooperation, including: '**a self-assessment in its potential areas of comparative advantage** as referred to in the joint Development Policy Statement'. (highlights by AIDCO 01)

2.1 What action has been taken towards this self assessment of comparative advantage?

(a) If yes, please describe the process in brief and the results.

The Delegation in Guyana is the only donor providing Budget Support, support to Sea Defence and sugar sectors. For the 10th EDF over 90 percent of EC support to Guyana will be by way of General Budget or Sector supports. It is important to note that for the preparation of the 10th EDF all of the major donors were involved.

(b) If no, do you have any plans for initiating such a process? What are the plans?

3 In country that have already initiated some form of division of labour:

3.1 Please describe the process. (e.g., when did it start; partner country leadership; donors involved; results on the ground, etc).

As previously mentioned, the only member state represented in Guyana is the UK. The cooperation between the EU delegation and the UK representation, as well as its development branch (DFID), is regular, open and transparent. No overlap exists between programmes and both actors are active in mainly different sectors. The implementation of the principles of complementarity and division of labour between EU donors is not an acute problem in Guyana due to the limited number of EU donors. In addition, the principles of the EU Code of conduct are integrated into the discussion between all international donor agencies in Guyana to raise aid efficiency and effectiveness. Both DFID and the EU Delegation are members of the international donor group.

Information sharing between all international donors (UNDP, IADB, IMF, WB, DFID, EU, etc) as well as with government is well structured through different donor harmonisation groups. Most donors also consult during their programming exercise the whole donor group. These exchanges of information allow for the implementation of the principles of complementarity and division of labour between donors in an early stage.

Nevertheless, on the basis of the Paris Declaration, international development agencies in Guyana are trying to further coordinate their actions and increase their aid efficiency and effectiveness. Technical assistance to the government, one funded by the IADB and one by the EU delegation, related to the implementation of the Paris Declaration is ongoing.

The ongoing EU Technical Assistance on the implementation of the Paris Declaration has the objective to start a coordinated process, led by government, with all donors to support in a coordinated way the implementation of the second Poverty Reduction Strategy (PRS). This coordinated process is required to raise aid efficiency and effectiveness through among others, the application of the principles of complementarity and division of labour among donors. The finalisation of the second Poverty Reduction Strategy (PRS) has been delayed. A final version is expected at the latest by June 2008, although the first strategy ended in 2006. Until now, the government has presented an overview of the structure of the strategy to the donor community and transmitted a first partial draft for comments.

3.2 As a result of this process, did the Delegation:

- Reduce or expand the sectors in which it remains active?
- Exit from any sectors? Specify
- Enter any new sectors? Specify
- Become lead donor in any sectors? Specify
- Enter into delegated cooperation partnerships? Please specify.

Donor disbursements in Guyana as per 31/12/07 & planned donor disbursements for 2008

in Euro x 1 million

Donor	Sector 1 Private Sector	Sector 2 Agriculture	Sector 3 Infrastructure	Sector 4 Social	Sector 5 Governance	Sector 6 Economic/ Productive	GBS	Sector Support Sugar	Other	Total
2007										
GRANTS										
EC (excl EIB)	1.00		4.24	0.65	0.18		6.88	3.27	1.08	17.30
DFID			1.03	0.17	0.09				0.30	1.59
CIDA										0.00
UNDP	0.01	0.38		0.17	0.07	0.10				0.73
USAID	0.64	0.14			1.32	4.97				7.08
WB			0.40	2.80	0.03					3.24
IDB									0.80	0.80
IMF										0.00
LOANS										
CDB			2.09						8.91	11.00
IDB		0.11	15.66	10.43	3.90	2.12				32.23
WB					0.31					0.31
Total (2007)	1.65	0.63	23.42	14.22	5.90	7.20	6.88	3.27	11.09	74.27
2008										
GRANTS										
EC (excl EIB)	4.10		2.32	2.20			13.00	28.03	2.18	51.83
DFID			2.55	0.04	1.44				0.17	4.20
CIDA										0.00
UNDP	0.02	0.52		0.17	0.19	0.16				1.06
USAID	0.60	0.26			1.16	0.46				2.48
WB				3.31	0.16					3.46
IMF										0.00
LOANS										
CDB			1.08						4.96	6.04
IDB										0.00
WB										0.00
Total (2008)	4.71	0.78	5.95	5.72	2.94	0.63	13.00	28.03	7.31	69.08
Grand total	6.37	1.41	29.37	19.94	8.84	7.82	19.88	31.30	18.40	143.34

Note:

Exchange rate as at March 2008:

1€ =	302.981 GYD
1€ =	1.4724 CAD
1€ =	1.5121 USD
1€ =	0.76135 GBP

Information on CIDA actual disbursement under the various sectors during 2007 are not available as yet.

Donor commitment in Guyana for the period 2009 to 2013

List of Projects	2009	2010	2011	2012	2013
PRIVATE SECTOR	2.41	0.67	0.52	0.24	0.04
USAID	0.93				
Economic Growth	0.93				
CIDA	0.31	0.65	0.52	0.24	0.04
PSC Capacity Development Programme	0.04	0.04	0.04	0.04	0.04
Guyana Environmental Cap. Dev. Phase 2	0.27	0.61	0.48	0.20	0.00
EU	1.15				
Linden Economic Advancement Programme	1.15				
UNDP	0.02	0.02			
National Working Group	0.02	0.02			
AGRICULTURE	4.39	7.05	5.92	5.11	1.72
IDB	3.64	6.75	5.79	5.11	1.72
Agri Support Service	1.65	3.44	2.48	1.80	
Agri Export Diversification Programme	1.98	3.31	3.31	3.31	1.72
USAID	0.33				
Economic Growth	0.33				
CIDA	0.12	0.14	0.14		
Small Farmers Livelihood	0.12	0.14	0.14		
UNDP	0.31	0.17			
Second National Communication to the UNFCCC	0.10	0.09			
Capacity Development & Mainstreaming for Sustainable Land Management	0.10	0.09			
Assessment of Capacity Building Needs, Preparation of 2nd & 3rd National Reports & CHM	0.10				
INFRASTRUCTURE	30.25	26.06	20.02	11.08	1.08
IDB	19.54	13.57	9.50	4.38	1.08
Bridge Rehabilitation Programme	1.48				
Georgetown 11 Water Supply & Sewer System	1.65	1.13			
Unserved Area Electrification Programme	3.91	2.72			
Moleson Creek New Amsterdam Road	4.30	2.80			
Georgetown Solid Waste Management	1.32	3.04	3.04	1.79	1.08
Transport Infrastructure	3.57	3.87	3.15	2.60	
Power Sector Support Programme	3.31		3.31		
Low Income Settlement 11 1/					
DFID	2.60	1.59	0.32		
GEF Flood Mitigation Support (Conservancy Dam)	0.65	0.65	0.16		
Sea Defence Support	0.65	0.65	0.16		
Guywasp Water Project	1.30	0.29	0.00		
EU	8.11	10.90	10.20	6.70	
Sea Defences Programme (9th & 10th EDFs)	8.11	8.90	9.20	6.70	
Land Use Master Plan		2.00	1.00		
CIDA					
Basic Needs Trust Fund					
SOCIAL SECTOR	17.81	4.68	1.38		
IDB	4.87	3.38	1.38		
Basic Education Access and Mgmt. Programme	1.65	1.24			
Basic Nutrition Programme	0.44				
Health Sector Programme	2.78	2.14	1.38		

USAID	9.26				
Health Programme	9.26				
EU	3.00	0.50			
Low Income Housing Programme	3.00	0.50			
CIDA	0.45	0.57			
GBET	0.45	0.57			
UNDP	0.23	0.23			
PRS & MDG M&E Support to the Ministry of Finance	0.23	0.23			
GOVERNANCE	14.63	13.34	5.42	6.93	0.56
DFID	1.98	2.02	0.50		
Security Sector Reform	1.33	1.37	0.34		
Strengthening Governance Accountability	0.65	0.65	0.16		
IDB	11.09	9.32	4.60	3.90	0.33
Social Statistics and Policy Analysis	0.51				
Financial and Fiscal Management Programme	1.61				
Public Management Modernisation Programme					
Modernisation of the Justice Administration (PBL)	5.19	4.63			
Modernisation of the Justice Administration	1.19	1.72	1.62	1.32	
Citizen Security	2.58	2.98	2.98	2.58	0.33
Financial Sector Reform 2/					
USAID	1.06				
Governing Justly & Democracy	1.06				
EU		0.20	0.30	3.00	0.20
Support to Governance		0.20	0.30	3.00	0.20
CIDA	0.43	1.73	0.03	0.03	0.03
Elections	0.07	1.36			
CCF	0.34	0.34			
Office for Democratic Governance	0.03	0.03	0.03	0.03	0.03
UNDP	0.07	0.07			
TA to the Guyana Elections Commission	0.07	0.07			
ECONOMIC/PRODUCTION	5.28	1.77	7.47	0.51	
IDB	4.68	1.70	7.47	0.51	
Support for competitiveness (PBL)	3.36		6.48		
Support for competitiveness	1.32	1.70	0.99	0.51	
USAID	0.53				
Economic Growth	0.53				
UNDP	0.07	0.07			
Replicable Local Poverty Linkages	0.07	0.07			
GENERAL BUDGET SUPPORT (GBS)	0.00	7.55	7.55	7.55	7.55
EU		7.55	7.55	7.55	7.55
Poverty Reduction Budget Support to Guyana		7.55	7.55	7.55	7.55
SECTOR SUPPORT (SUGAR)	20.60	17.60	17.60		
EU	20.60	17.60	17.60		
Support to the Sugar Sector	20.60	17.60	17.60		

OTHER	3.56	6.12	5.36	0.86	0.86
EU	0.12	0.63	0.40	0.40	0.40
Support to the NAO's Office		0.30	0.20	0.20	0.20
Technical Cooperation Facility (9th EDF New)	0.12	0.23			
Technical Cooperation Facility (10th EDF)		0.10	0.20	0.20	0.20
CDB	2.98	5.03	4.50		
Community Service Enhancement	1.32	1.92	1.72		
Technical Vocation	0.73	0.99	0.79		
Project Development & Administration	0.60	1.65	1.65		
Future Allocations (not determined as yet)	0.33	0.46	0.33		
CIDA	0.46	0.46	0.46	0.46	0.46
Canada Fund for Local Initiatives	0.05	0.05	0.05	0.05	0.05
Partnership Projects	0.41	0.41	0.41	0.41	0.41
Grand Total	98.93	84.83	71.25	32.28	11.81

Note:

Exchange rate as at March 2008:

1/ Will be approved in 2008, disbursement projections not available

2/ Will be approved in 2008, disbursement projections not available

1€ = 302.981 GYD

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