

Guyana

The Development Challenge: Guyana remains one of the western hemisphere's poorest nations; 35% of its populace lives below the poverty line, with 19% living under conditions of extreme poverty. Per capita GDP was estimated in 2001 at \$740, while external debt amounted to \$1.2 billion. Annual debt servicing is projected to absorb 27% of the Government of Guyana's (GOG) 2002 revenues. To reduce this burden and help to make Guyana's debt sustainable without compromising poverty-reducing growth, relief is being provided under the enhanced Heavily Indebted Poor Country Initiative (E-HIPC).

Health indicators are similarly discouraging. The infant mortality rate stands at 57 per 1,000 and the maternal mortality rate at 188 per 100,000. In 1999, less than half of Guyana's residents had access to potable water. The incidence rates of communicable vector-borne diseases are comparatively high. Moreover, the incidence of HIV/AIDS and sexually transmitted infections (STIs) is alarmingly high, with HIV prevalence among the sexually active populace estimated at 5-6%, second highest in the Latin American and Caribbean region. Out-migration exacerbates the impact of morbidity and mortality, and in recent years Guyana reported negative population growth.

Guyana's nascent democracy is troubled and its governance weak, undermining its capacity to effectively address social and economic challenges. Following 28 years of oppressive authoritarian rule, Guyana began consolidating its democratic institutions in 1992. Between 1992 and 1997 the Government of Guyana (GOG) achieved substantial progress resulting from implementing democracy-building activities, as well as promoting and implementing macroeconomic policy reform. Real gross domestic product (GDP) grew at an average annual rate of 7.3%, exports increased, and external public debt declined. However, contention surrounding the 1997 Presidential election, and inter-ethnic tensions raised by the three-year legal challenge to overturn the results, slowed the pace of economic growth and democratic reform. Annual GDP growth between 1998 and 2001 averaged less than 0.5% (in two of these years, the figure was negative) and the prospects for 2002 are similarly weak, estimated at 1%. Fortunately, by mid-2002, the GOG had expressed a renewed commitment to the trade and investment policy reforms needed to spur growth.

Fresh elections, aimed at resolving questions about the 1997 outcome, were held in March 2001. As in the past, episodes of political violence between Afro-Guyanese supporters of the People's National Congress/Reform (PNC/R) and Indo-Guyanese supporters of the People's Progressive Party/Civic (PPP/C) marked the process. However, unlike the past, the newly-elected PPP/C government, under President Bharrat Jagdeo, sought to quell post-election unrest by identifying common ground upon which to engage the Opposition, and its leader, Hugh Desmond Hoyte (President from 1985 to 1992), in reform-oriented dialogue. Inter-party task force committees, established mid-2001 to consider pressing national and international issues, initially made encouraging progress, particularly in the area of democratic decentralization and local government reform. However, after failing to see tangible results emanating from the task force proposals, dialogue was suspended in March 2002 when the Opposition PNC/R walked out of Parliament. Many important aspects of governance have now been cast into limbo.

The breakdown in political dialogue was accompanied by an increase in lawlessness and banditry, and by mid-year the nation's crime wave, much of it related to drug trafficking, had reached epidemic proportions, undermining political stability and deterring investment. A group from civil society (Bar Association, Private Sector and Labor Unions) calling themselves the "Social Partners Initiative" initially concentrated on mediating the political crisis and re-starting the dialogue process. However, as the crime situation worsened, the Social Partners turned their efforts toward building a consensus strategy to address the nation's crime problems. Meanwhile, the United States, United Kingdom and Canada also enlisted the services of Commonwealth Mediator to facilitate re-engagement between the political party leaders. Growing impatient at the slow pace of consultations to improve the nation's security situation, a group from the private sector called for and successfully carried out a two-day national business shutdown. As the political parties edged closer to re-initiating the dialogue process, the leader of the opposition died unexpectedly on December 22, 2002. His death and the process of selecting his successor, will undoubtedly further delay the restoration of political stability.

U.S. national interests in Guyana are to strengthen democracy, alleviate poverty, and stem the spread of HIV/AIDS. In addition, because Guyana is the headquarters of the Caribbean Community (CARICOM), the GOG's continued commitment to liberalizing trade is critical to the achievement of trade agreements, including the Central America Free Trade Agreement (CAFTA) and the Free Trade of the Americas Agreement (FTAA).

The USAID Program: The Program Data Sheets provided below cover the three objectives for which USAID/Guyana is requesting FY 2003 and FY 2004 funds. USAID's goal is to increase broad-based participation in the economy and democratic processes. In economic growth, USAID seeks to improve the climate for private investment by increasing capacity to implement economic policy, strengthening private sector capacity to influence economic policy, and increasing services in support of small and micro enterprises. In democracy, USAID is supporting more responsive and participatory governance and rule of law by means of a broad-based approach encompassing legislative processes, elections, civil society, the justice system (civil and criminal), as well as local governance. Given the alarmingly high incidence of HIV/AIDS, USAID is working to increase prevention efforts and slow the rate of new infections by catalyzing local NGOs to plan and implement youth-focused prevention activities. In addition, funding is provided for basic care and support services by faith-based organizations to persons infected with and affected by HIV/AIDS. FY 2003 funds will be used to implement ongoing program activities in economic growth, democracy and HIV/AIDS prevention as described in the FY 2003 Congressional Budget Justification, and serve as a bridge to a revised country strategy to be submitted by late 2003. The specific activities to be funded by FY 2003 appropriations are described in more detail in the following Program Data Sheets. The activities to be funded by the FY 2004 appropriation will be designed over the next several months under a new country strategy in direct response to the country's changing circumstances. A recently approved strategy Concept Paper has already identified HIV/AIDS, conflict management, and trade and investment policy as areas falling within the Mission's manageable interest and comparative advantage.

Other Program Elements: In addition to the bilateral program, USAID's Global Environment Office manages a program aimed at addressing environmental planning issues in Guyana's Kanuku mountain region. USAID's Housing and Urban Development Office also provides assistance to Guyana's second largest city, New Amsterdam, under the Making Cities Work Program. USAID's Partners of the Americas program supports a Dairy Development project aimed at increasing the nutritional level of Guyanese children. The local Guyana Partners of the Americas chapter (twinned with Mississippi) is engaged in a Farmer to Farmer Program under which fruit and vegetable husbandry and aquaculture projects are being implemented. Finally, under USAID's University linkage program for historically disadvantaged institutions, Clark University and the University of Guyana have been working together to implement a conflict management program aimed, primarily, at developing mediation skills among a cadre of upcoming professionals.

Other Donors: Donor coordination is good, and USAID has continued to play a pivotal role in the Democracy and Governance donor thematic group, the Poverty Reduction group and the AIDS group. In great part through USAID leadership, donors are now united around persuading the GOG to make needed economic policy reforms. The United States and the United Kingdom are Guyana's first and second largest bilateral partners. The United Kingdom provides technical assistance mainly in the education, forestry and water sectors. The United Kingdom also funds programs aimed at improving the administration of justice and upgrading management skills in the Police and Prison services. Other major bilateral donors and their principal areas of focus include Canada (non-governmental organizations) and Japan (HIV/AIDS). Multilateral donors include the United Nations agencies, the European Union (infrastructure and economic growth activities), and the Inter-American Development Bank (IDB) (infrastructure). The United Nations Development Program provides support for poverty alleviation and rural development, constitutional reform, and elections, with funding from the United Kingdom, European Union and the IDB.

Guyana
PROGRAM SUMMARY

(in thousands of dollars)

| Accounts | FY 2001 Actual | FY 2002 Actual | FY 2003 Prior Request | FY 2004 Request |
|---|-------------------|-------------------|--------------------------|--------------------|
| Child Survival and Health Programs Fund | 798 | 1,000 | 1,000 | 2,000 |
| Development Assistance | 3,800 | 3,100 | 2,180 | 2,750 |
| Total Program Funds | 4,598 | 4,100 | 3,180 | 4,750 |

STRATEGIC OBJECTIVE SUMMARY

| | | | | |
|--|-------|-------|-------|-------|
| 504-001 Economic Growth and Opportunity | | | | |
| DA | 2,000 | 1,600 | 836 | 1,000 |
| 504-003 Prevent the Spread of HIV/AIDS Among Youth | | | | |
| CSH | 798 | 1,000 | 1,000 | 2,000 |
| 504-004 Governance and Rule of Law | | | | |
| DA | 1,800 | 1,500 | 1,344 | 1,750 |

Data Sheet

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|-------------------------------------|--|
| USAID Mission: | Guyana |
| Program Title: | Economic Growth and Opportunity |
| Pillar: | Economic Growth, Agriculture and Trade |
| Strategic Objective: | 504-001 |
| Status: | Continuing |
| Proposed FY 2003 Obligation: | \$836,000 DA |
| Prior Year Unobligated: | \$0 |
| Proposed FY 2004 Obligation: | \$1,000,000 DA |
| Year of Initial Obligation: | FY 1998 |
| Estimated Completion Date: | FY 2004 |

Summary: USAID's program to improve the climate for private investment includes training and technical assistance to: increase capacity to implement economic policy for growth with equity; strengthen capacity of the private sector to influence public policy; and increase services to support small and micro-enterprises.

Inputs, Outputs, Activities:

FY 2003 Program:

Policy reform (\$518,000 DA). In order to assist the GOG to attract private investment, promote exports, participate in the on-going Free Trade Area of the Americas (FTAA) negotiations, and meet its World Trade Organization (WTO) obligations, USAID will provide further technical assistance to implement the national trade policy strategy. Seminars to sensitize the public and private sectors on important trade issues will also be held. Further, USAID will fund technical assistance to complete the enactment of an Investment Code and Small Business Act, and to work with the relevant government ministries and agencies to eliminate impediments to investment. In addition, USAID will promote the development of export markets by providing technical assistance and training to three semi-autonomous government institutions that are responsible for attracting investment, promoting exports, and establishing and monitoring standards. In order to help private sector organizations (PSOs) influence public policy, USAID will provide technical assistance and training to at least 10 PSOs designed to improve the interaction between the private sector and government through improved case preparation and appropriate lobbying techniques. PSOs will implement several lobbying campaigns focusing on local and national issues, and market and trade issues at the international level. The principal contractor is Chemonics International, Inc. (prime).

Competitiveness of small and micro-enterprises (\$318,000 DA). To prepare producers and exporters of non-traditional agricultural products to become competitive in the export market, USAID will provide training to 50 small businesses in better handling and packaging techniques, and quality control and standards to meet export market requirements. It will also fund training for 150 exporters in marketing and export strategies, and financial management. USAID will work with three semi-autonomous government institutions to develop and disseminate export market information and standards requirements. The principal contractors are Chemonics International Inc (prime) and Management Sciences International (MSI) (sub).

FY 2004 Program:

Trade and investment (\$1,000,000 DA). This current economic growth program ends in April 2004, and USAID expects a new program anticipated to begin at some point in FY 2004. Proposed functional areas of assistance include the following: 1) encouraging increased private sector investment in non-traditional products; 2) formulation of appropriate trade and investment policies; and 3) ensuring compliance with WTO and FTAA trade commitments. Contractors are to be determined.

Performance and Results: The GOG finally recognized the need for a national trade policy strategy, including making the country's products more competitive to take advantage of the opportunities in a liberalized environment. USAID provided the assistance that was requested to meet this objective. Some progress was made in addressing the administrative barriers to trade and investment. In addition, timely advice and market information were made widely available to producers and exporters. A remarkable achievement in 2002 was the pro-active approach of private sector organizations in finding investments and export markets for their members through visits to neighboring countries and the preparation of more than 600 business profiles for dissemination abroad. Significant progress was also made in providing non-financial services to small and microenterprise entrepreneurs in the areas of pre and post-harvest handling and packaging, quality control, and standards to meet export market requirements.

By assisting the GOG to adopt and implement appropriate trade strategies in a liberalized trade environment and removing administrative barriers to investment and trade, investors' confidence will increase. The market and export information that has been widely disseminated and the improved confidence of PSOs to advocate will lead to increased exports in the near future.

US Financing in Thousands of Dollars

Guyana

| | |
|---|--------|
| 504-001 Economic Growth and Opportunity | DA |
| Through September 30, 2001 | |
| Obligations | 5,314 |
| Expenditures | 2,686 |
| Unliquidated | 2,628 |
| Fiscal Year 2002 | |
| Obligations | 1,512 |
| Expenditures | 1,250 |
| Through September 30, 2002 | |
| Obligations | 6,826 |
| Expenditures | 3,936 |
| Unliquidated | 2,890 |
| Prior Year Unobligated Funds | |
| Obligations | 0 |
| Planned Fiscal Year 2003 NOA | |
| Obligations | 836 |
| Total Planned Fiscal Year 2003 | |
| Obligations | 836 |
| Proposed Fiscal Year 2004 NOA | |
| Obligations | 1,000 |
| Future Obligations | 2,000 |
| Est. Total Cost | 10,662 |

Data Sheet

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|-------------------------------------|--|
| USAID Mission: | Guyana |
| Program Title: | Prevent the Spread of HIV/AIDS Among Youth |
| Pillar: | Global Health |
| Strategic Objective: | 504-003 |
| Status: | Continuing |
| Proposed FY 2003 Obligation: | \$1,000,000 CSH |
| Prior Year Unobligated: | \$0 |
| Proposed FY 2004 Obligation: | \$2,000,000 CSH |
| Year of Initial Obligation: | FY 2000 |
| Estimated Completion Date: | FY 2004 |

Summary: USAID's HIV/AIDS Special Objective seeks to increase Guyana's prevention efforts and slow the rate of new HIV infections. The overall strategy is to strengthen and catalyze non-governmental organizations (NGOs) to expand HIV/AIDS prevention activities targeting youth. The program includes a peer education program that uses indigenous manuals and materials, a behavior change communication strategy, and a training program for peer educators and crisis-intervention counselors. In addition, the program works through a network of partner NGOs that communicate and collaborate regularly; provides technical assistance to strengthen NGO institutional capacity including strategic planning and financial management; and provides technical assistance to the Ministry of Health to improve forecasting, ordering, storing, and distributing medical supplies and pharmaceuticals including condoms.

Inputs, Outputs, Activities:

FY 2003 Program:

Prevent the spread of HIV/AIDS among youth (\$1,000,000 CSH). USAID will use funds to prevent the spread of HIV/AIDS among youth through increasing awareness, knowledge, and prevention strategies. The program will continue to maintain, strengthen, and expand the existing NGO network to increase the project's geographical reach. The expansion will also include increased training in financial management, strategic planning, outcome oriented work-plan development, strengthening of monitoring and evaluation systems. It will also provide technical assistance for behavior change, communications, and care, and support to each partner NGO. Continued technical assistance will be provided to the Ministry of Health's Materials Management Unit (MMU) to improve forecasting, ordering, storing and distributing medical supplies and pharmaceuticals including condoms. In addition, technical assistance will be provided to develop a management information system for the MMU medical stores. Continued technical assistance to the National AIDS Program Secretariat will be increased, and to determine program efficacy and to guide workplan development, a national behavioral surveillance survey will be conducted among the target audience. The principal contractors and grantees are Maurice Solomon and Company, Family Health International (FHI), John Snow, Inc., and Population Services International (PSI).

FY 2004 Program:

USAID is currently designing a new Country Strategy (2004 -2008) for Guyana that anticipates assistance to strengthen NGOs to prevent the spread of HIV among youth, develop a condom social marketing campaign, and engage the business and labor community in the expanded response to HIV/AIDS.

Prevent the spread of HIV/AIDS among youth (\$1,300,000 CSH). The new program anticipates continued support to youth prevention activities and the network of NGOs focusing on prevention and care. USAID plans to expand regionally and programmatically. All technical support to the Ministry of Health, as well as the NGO groups, would continue. The behavior change communication strategy will be strengthened and expanded upon to encourage delaying the first sexual encounter, reducing the number of sexual partners, and using condoms. Contractor(s) and grantee(s) are to be determined.

Condom social marketing project (\$600,000 CSH). The new program anticipates designing and implementing a condom social marketing project to increase the availability and accessibility of condoms targeting youth with specific focus on high-risk groups. The social marketing program would also encompass behavior change communications to support delay of initial sexual activities, abstinence in risky situations, and partner reduction. Contractor(s) and grantee(s) are to be determined.

Business and labor response (\$100,000 CSH). The new program anticipates designing and implementing a strategy to engage the business and labor community in the fight against HIV/AIDS and plans to develop the capacity of local organizations to provide technical assistance in the development of comprehensive HIV/AIDS work place programs. Contractor(s) and grantee(s) are to be determined.

Performance and Results: Principal outcomes of this program are strengthened NGO capacity to deliver HIV/AIDS programs to targeted groups; increased knowledge of HIV/AIDS in targeted groups; and increased use of HIV/AIDS prevention strategies in targeted groups. The NGOs continue to increase their reach to youths aged 8 to 25 through peer education and a behavior change communications strategy. Almost 1,000 youths (60% female, 40% male) were trained or received refresher peer education training in 2002. On average, more than 110 trained and supervised peer educators (57% female, 43% male) were actively targeting more than 2,400 people per month. Each peer educator identified approximately 20 individuals to work with each month and focuses on the quality of each interaction; each educator also received ongoing support and technical assistance through monthly meetings at their respective NGOs.

Continued progress in this objective will indicate that community-based groups in Guyana will be strengthened and more active in the response to HIV/AIDS; more youth will have access to quality services provided by these community groups; more youth will have comprehensive knowledge about HIV/AIDS transmission and prevention; and more youth will take the necessary steps to protect themselves against HIV/AIDS.

US Financing in Thousands of Dollars

Guyana

| | CSH | DA |
|--|-------|-------|
| 504-003 Prevent the Spread of HIV/AIDS Among Youth | | |
| Through September 30, 2001 | | |
| Obligations | 998 | 0 |
| Expenditures | 538 | 0 |
| Unliquidated | 460 | 0 |
| Fiscal Year 2002 | | |
| Obligations | 1,000 | 0 |
| Expenditures | 48 | 0 |
| Through September 30, 2002 | | |
| Obligations | 1,998 | 0 |
| Expenditures | 586 | 0 |
| Unliquidated | 1,412 | 0 |
| Prior Year Unobligated Funds | | |
| Obligations | 0 | 0 |
| Planned Fiscal Year 2003 NOA | | |
| Obligations | 1,000 | 0 |
| Total Planned Fiscal Year 2003 | | |
| Obligations | 1,000 | 0 |
| Proposed Fiscal Year 2004 NOA | | |
| Obligations | 2,000 | 0 |
| Future Obligations | 0 | 2,000 |
| Est. Total Cost | 4,998 | 2,000 |

Data Sheet

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|-------------------------------------|---|
| USAID Mission: | Guyana |
| Program Title: | Governance and Rule of Law |
| Pillar: | Democracy, Conflict and Humanitarian Assistance |
| Strategic Objective: | 504-004 |
| Status: | Continuing |
| Proposed FY 2003 Obligation: | \$1,344,000 DA |
| Prior Year Unobligated: | \$0 |
| Proposed FY 2004 Obligation: | \$1,750,000 DA |
| Year of Initial Obligation: | FY 1999 |
| Estimated Completion Date: | FY 2003 |

Summary: The USAID Governance and Rule of Law program in Guyana seek to consolidate democratic institutions in five areas: 1) Legislative Strengthening, 2) Administration of Justice, 3) Elections, 4) Civic Advocacy, and 5) Local Government.

Inputs, Outputs, Activities:

FY 2003 Program:

Improve legislative drafting (\$250,000 DA). In order to improve legislative drafting technical capacities, USAID will fund training for six drafters in the Attorney General's Office and the Office of the Chief Parliamentary Counsel. Training will focus on electronic document preparation and editing in a linked network-based system. USAID will fund the necessary hardware and software for establishment of a network linkage between the Chief Parliamentary Counsel's Office and the Parliamentary Clerk. USAID will provide assistance to continue the compilation and updating of the Laws of Guyana on CD-ROM; technical assistance to launch a Parliamentary web site where the Laws of Guyana and other pending legislation can be accessed; and training to maintain the site. The principal contractor is National Democratic Institute (NDI).

More just and timely case dispositions (\$300,000 DA). In order to reduce the current case backlog, USAID will fund training for Court Registry personnel in electronic case record management. USAID will fund technical assistance to establish a case tracking system, and funds will be provided to procure the necessary hardware and software for the system. USAID will fund a pilot level Alternative Dispute Resolution program that draws upon changes in civil rules and criminal procedures allowing pre-trial hearings, court-annexed arbitration, plea bargaining and diversionary programs for juveniles and first-time offenders. USAID will continue to provide assistance to the Chancellor of the Judiciary to establish an enforceable code of judicial conduct and the implementation of professional ethics training courses on an annual basis. The principal contractor is the Carter Center (sub to NDI).

Guyana elections commission and local government elections (\$300,000 DA). In order to further institutionalize core Elections Commission Secretariat functions, USAID will fund training for key Information Technology personnel involved in maintaining and updating the Voter registration database. USAID will provide technical assistance to the Elections Commission to develop procedures manuals for Elections Administration and Logistics officers. USAID funds will assist the Elections Commission in Voter Education programming for the upcoming Local Government Elections. USAID funds will be used to support domestic election observation efforts as well as media monitoring during the local government campaign. The principal contractor is International Foundation for Electoral Systems (IFES) (sub to NDI).

Civil society capacity (\$294,000 DA). In order to improve Civil Society Organizations (CSO) capacity to participate in policy dialogue with elected leaders, USAID funding will be used to provide advocacy training for target groups (i.e., women, youth and Amerindians). USAID will fund a series of organizational development programs, as well as civic education programs focusing on constitutional

reform, legal rights, the national budget, public security and land use planning. The principal contractor is the Carter Center (sub to NDI).

Democratic decentralization (\$200,000). In order to facilitate further democratic decentralization, USAID will continue to provide technical assistance to the inter-party task force working to rationalize the roles and function of local-level government. USAID will fund technical assistance to revise local government statutes and Election Laws, in advance of the upcoming local government elections. USAID funds will be used to conduct a survey of local government technical and administrative personnel requirements and to establish a prioritized training program for meeting these needs. USAID funds will be used to continue efforts to build community-based coalitions to engage with Local Government decision makers in designing and implementing development projects in two municipalities. The principal contractor is NDI.

FY 2004 Program:

Government and rule of law (\$1,750,000 DA). USAID is currently designing a new Country Strategy that anticipates providing assistance to consolidate democratic institutions by mitigating political conflict and improving transparency and accountability in governance. In order to mitigate political conflict, USAID anticipates designing and implementing activities aimed at improving inclusiveness in public policy making, continuing with constitutional reform efforts and implementing reforms already enacted, providing remedies for inter-personal and inter-organization disputes, and supporting mediated inter-party dialogue. To promote transparency and accountability, USAID anticipates designing and implementing activities aimed at supporting participatory budget-making processes, developing investigative journalism capacities, fostering democratic decentralization, and continuing to revise electoral law to promote direct representation.

Performance and Results: USAID's support in the area of Legislative Strengthening yielded a significant result in 2002, i.e., the production of the consolidated Laws of Guyana on CD-ROM. This major milestone marks the first time since gaining independence in 1966 that Guyanese policy-makers, judges and advocates, teachers and students, and the public at large have had one-stop access to the laws governing their daily lives. Equally significant was the revision of existing Civil Rules and Criminal Procedures, which when put into practice, will greatly reduce the time between case filing and case disposition. Further progress toward institutionalizing the core roles and functions of the Guyana Elections Commission Secretariat was marked by the adoption of a revised organizational structure. Training provided to core information technology personnel is an essential component in moving ahead with efforts to update and compile Guyana's voters list on a continuous basis. Finally, support to the local government task force and leadership training for women has laid the groundwork for establishing effective and truly representative local governance.

Continued efforts in these areas will help to mitigate latent inter-racial and ethnic-based conflict and transform Guyana into a country where citizens have expanded opportunities to voice their concerns in policy-making discussions and where access to justice is improved for all.

US Financing in Thousands of Dollars

Guyana

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|---------------------------------------|--------|
| 504-004 Governance and Rule of Law | DA |
| Through September 30, 2001 | |
| Obligations | 4,556 |
| Expenditures | 3,058 |
| Unliquidated | 1,498 |
| Fiscal Year 2002 | |
| Obligations | 1,500 |
| Expenditures | 1,666 |
| Through September 30, 2002 | |
| Obligations | 6,056 |
| Expenditures | 4,724 |
| Unliquidated | 1,332 |
| Prior Year Unobligated Funds | |
| Obligations | 0 |
| Planned Fiscal Year 2003 NOA | |
| Obligations | 1,344 |
| Total Planned Fiscal Year 2003 | |
| Obligations | 1,344 |
| Proposed Fiscal Year 2004 NOA | |
| Obligations | 1,750 |
| Future Obligations | 2,000 |
| Est. Total Cost | 11,150 |