

**Country Programme Action Plan  
(CPAP)  
2006 - 2010**

*Agreed by*

**The Government of Guyana  
and  
The United Nations Development Programme**

Government  
of Guyana



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## The Framework

The Government of Guyana (hereinafter referred to as GoG) and the Guyana Country Office of the United Nations Development Programme (hereinafter referred to as UNDP) are in mutual agreement on the content of this document and their responsibilities in the implementation of the Country Programme.

Furthering their mutual agreement and cooperation for the realization of the Millennium Development Goals (MDGs) and the international agreements set out in various United Nations Conventions and UN Summits to which the Government of Guyana and UNDP are committed, including: the International Covenant on Civil and Political Rights, the International Covenant on Economic and Social Rights, the Convention against Torture, the Convention on the Rights of the Child, the Convention on the Elimination of Discrimination Against Women; the Convention of the Elimination against All Forms of Racial Discrimination, United Nations Conference on Environment and Development; UN Framework Convention on Climate Change; Convention on Biological Diversity; the Millennium Declaration; the World Summit on Social Development; the UN General Assembly Special Session on HIV/AIDS; and the World Summit on Sustainable Development.

And building upon the experience gained and progress made during the implementation of the previous Country Programme (2001-2005);

And entering into a new period of cooperation through the present Country Programme (2006-2010);  
The parties declare that these responsibilities, which are further specified in this Country Programme Action Plan (CPAP), will be fulfilled in a spirit of close cooperation, and have agreed as follows:

### Part 1. Basis of Relationship

1.1 The GoG and UNDP entered into a basic agreement governing UNDP's assistance to Guyana, namely the Standard Basic Assistance Agreement (SBAA). This was signed by both parties on 3 May 1977. This CPAP together with agreed AWP's (which shall be annexed to this CPAP) constitute together the project document referred to in the SBAA. Some operations carried out by UNDP in the country will additionally be covered by separate project documents when these are required by particular funding agencies and/or other partners. An example relates to projects funded by the Global Environment Facility.

### Part 2. Situation analysis

2.1. Despite being a country of significant economic potential, Guyana is currently a small Highly Indebted Poor Country (HIPC). During the past five years the economy experienced only slow growth, estimated at 0.65 percent<sup>1</sup> per annum, and the per capita gross domestic product (GDP) at the end of 2004<sup>2</sup> was only \$868.6 This per capita GDP level is likely to be even lower at the end of 2005 as a result of devastating floods in January, which affected more than one third of the population, with damage and losses estimated to be around 60 percent of GDP<sup>3</sup>. Additionally, developments in the external environment have added to the challenges faced by the country. As an oil dependent country the constantly increasing cost of energy since 2004, has had an adverse effect on the cost of living, external balances and the competitiveness of Guyana's products on the world market. On the other hand the prices that Guyana receives for its primary commodity exports have been declining over time, except for non sugar primary products. A serious challenge will be faced by Guyana as a result of changes to the European Union sugar protocol which will reduce sugar prices by over 60 percent in three years, threaten jobs and foreign exchange earnings, making the prospects of growth seem bleak.

2.2. Between 1992 and 2000 the percentage of persons living in poverty was seen to decline from 43 percent to 35 percent<sup>4</sup>. No later data on poverty are available, and in the absence of robust GDP growth, it is unlikely that the

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<sup>1</sup> Computations from Budget Speeches 2002-2005

<sup>2</sup> 2005 Budget Speech, which can be found at <http://www.gina.gov.gy/publications.htm>

<sup>3</sup> ECLAC: Guyana Flood Disaster Assessment Report. See 'Documents, Publications' at - <http://www.undp.org.gy>

<sup>4</sup> Guyana: Living Conditions Survey 2000

poverty levels would have continued to drop over the past five years. The absence of consistent, reliable time series data continues to be a major impediment in the capacity to monitor and evaluate progress in the country. As a result, the Government of Guyana has placed a high priority on strengthening capacity in reliable data gathering and maintenance.

2.3. The data from two surveys by the Bureau of Statistics (BOS) show that growth in the economy has not increased the number of available jobs. The Labor Force Survey of 1997, measured the rate of inactivity of the working age population at around 45 percent. Such high levels of economic inactivity have the likelihood of increasing economic vulnerability, especially among women and youth (young men in particular), which in turn could contribute to higher crime and the spread of HIV/AIDS, as well as tensions, resulting in distrust and lack of social cohesion between and among communities.

2.4. Migration out of Guyana has been high – averaging about two percent of the country's population per year. Motivated by the search for higher paying jobs and improved standards of living, many university graduates continue to migrate to member countries of the Organization of Economic Co-operation and Development and to the Caribbean Community and Common Market countries (CARICOM). Moreover, according to the preliminary report on the 2002 Population Census, population growth over the last 20 years has been marginal. Therefore, the ongoing migration of skilled professionals and entrepreneurs in the last 20 years, has hampered the Government's efforts to achieve sustainable economic growth, and has also limited its capacity to implement programmes. Not surprisingly, this has led to inadequate human resources and a low absorptive capacity in the public sector.

2.5. Investments by the private sector have been somewhat constrained and the official development assistance (ODA) has been on the decline for several years, though it now shows signs of revival. Consistent with the efforts to create a broad-based job-creation-oriented economic growth policy, an Investment Law and a Small Business Act were passed to stimulate investments, particularly in the hinterland regions, where extreme poverty exceeds the national average. In addition, comprehensive reforms in fiscal policy, including the passage of the Fiscal Enactments Law, the Organic Budget Law and consideration of the VAT, currently being undertaken by the Parliament, will further enhance the investment framework and may encourage private investment.

2.6. Due to the perceived political and social instability in the country, efforts to attract foreign investment have faced some difficulties; stimulating private investment will take more than laws and regulations. An enabling investment climate will require a stable political environment, efficient bureaucracy, law and order and the expeditious resolution of business conflicts. Unfortunately, political instability exacerbated by pockets of both organized and violent crime persist, and this will impact existing and future investments.

2.7. Analysis contained in the draft 2005 Poverty Reduction Strategy Paper (PRSP) Progress Report also acknowledges the importance of political stability, internal security, sound infrastructure and efficient conflict resolution mechanisms as essential blocks to building confidence in the economy.<sup>5</sup>

2.8. In short, Guyana faces three obstacles in its efforts to achieve the MDGs: (i) constraints on people's choices and interventions; (ii) the prevailing political culture; and (iii) vulnerability to economic, environmental and social hazards. Other immediate threats to the achievement of the MDGs include the presence of HIV/AIDS, flooding during heavy rains, low activity rates and unemployment.

2.9. Keenly aware of these problems, the government is making efforts to reduce their negative impact. This has resulted in improvements in the infrastructure, education and health sectors. Recent developments also suggest that direct foreign investment will start to increase.

### **Part 3. Past cooperation and lessons learned**

3.1. UNDP has focused primarily on three practice areas: Governance, Poverty, and Environment and Energy. To date, key governance interventions carried out by the United Nations Development Programme (UNDP) have been in coordinating donor inputs to strengthen the Elections Commission, facilitating Constitutional Reforms, facilitating

<sup>5</sup> PRSP Progress Reports can be found at: <http://www.povertyreduction.gov.gy/>

political dialogue and building social cohesion and peace, as well as supporting the preparation of national reports under the human rights conventions.

3.2 In the area of poverty reduction the UNDP interventions have taken the form of supporting the preparation of a Poverty Reduction Strategy Paper (PRSP<sup>6</sup>) including coordinating donor support, preparation of PRSP progress reports in 2004 and 2005, preparation of an MDG Report<sup>7</sup>, capacity building for monitoring the MDGs and the PRS as well as public/private partnership demonstration projects. One demonstration project focused on creating economic opportunities for Amerindian People in a remote part of the country in partnership with a private sector company. The second project focused on entrepreneurship training to small businesses, which is intended to facilitate their expansion and job creation.

3.3 In the area of energy and environment, the country office has supported the raising of awareness on environmental matters, management of the environment, and demonstration projects for renewable energy for the hinterland regions. It has also been instrumental in building monitoring capacities at the community level, and increasing flows of Global Environment Facility (GEF) resources to the country.

3.4 Assessments of the Government of Guyana/UNDP programme of cooperation found that with limited resources at its disposal and with the need to focus on results, too many outcomes were set. The consensus was therefore to narrow the focus of the programme and work towards a smaller number of outcomes in order to maximize impact as is the case under outcome 2.

3.5 The same point was reiterated in a 2005 Poverty Outcome Assessment that suggested that UNDP needed to focus much more on making its interventions more strategic, on actions which used the comparative and unique advantage of UNDP rather than on actions which could be undertaken by any other development partner. This would require that UNDP ensure that there is a deep understanding of what constituted its comparative advantage in the context of both Guyana and the mandate given to UNDP by the General Assembly and the Executive Board, and what were the distinguishing characteristics about its value added.

3.6 The slow rate of programme implementation was attributed to weak capacity for national execution. The latter also contributed to national ownership of the programme being somewhat diluted. Hence, maintaining human resource capacity is a continuing and major challenge for any development initiative in Guyana. It must be noted here that concerted efforts are being made by the Government to attract and retain skilled Guyanese in key public service positions by progressively revising compensation scales and improving conditions of service.

3.7 The experience of and the lessons learnt exercise on the January 2005 floods, carried out with senior officials, highlighted the need to mainstream disaster management and in particular, risk reduction and enhanced capacity in this area. It was clear that UNDP was expected to play a major role in supporting capacity building and mobilizing resources to address the area of disaster management.

## Part 4. Proposed programme

4.1 The major challenges analysed in the CCA and the results expected from the UN to address them, as presented in the UNDAF, were identified and prioritised in a participatory process which involved Government, civil society, other development partners and UN agencies. This culminated in the Joint Strategy Meeting held in April 2005. Recommendations made in that meeting (hyperlink) were action in the respective CPDs of UN agencies, including UNDP. After submission of UNDP's draft CPD to its Executive Board in September 2005, comments and suggestions of the Board were discussed with the Government and other partners, and further changes were made in the CPD. This CPAP is based on the finalized CPD, posted on UNDP's website in October 2005 for the Executive Board's formal approval in January 2006. In preparing the CPAP, the UNDP Country Office worked closely with the Government, particularly the main focal point for UNDP, namely the Ministry of Finance, as well as the Office of the President, other Government ministries and institutions and prospective partners in civil society, the private sector, other UN agencies and development partners. An initial meeting was held with key partners to start the CPAP preparation process on 13 September. This was followed by a series of meetings with the partners potentially

<sup>6</sup> PRSP can be found at: <http://www.povertyreduction.gov.gy/>

<sup>7</sup> MDG Report for Guyana can be found under Documents, Publications at: <http://www.sdn.org.gy/undp/>

involved in implementing components of the programme and/or in contributing towards the outcomes of the CPD and UNDAF. The CPAP was later reviewed and cleared through a Programme Appraisal Committee process that was Chaired by the Ministry of Finance and included a wide-group of participants from line ministries, Implementing Partners, the donor community as well as members from the Civil Society.

4.2 The Common Country Assessment (CCA)<sup>8</sup> sees the challenges to Guyana's progress towards national priorities and the achievement of MDGs in the context of human development. It identifies key challenges in three inter-linked areas: (i) the expansion of human capabilities, including access to and the quality of education, health, water, sanitation and living conditions; (ii) the empowerment of individuals and groups through their participation in development processes and increased political and social stability; and (iii) widening opportunities by strengthening Guyana's macro-economic framework, improving and sustaining economic growth and improving the quality and quantity of jobs.

4.3 The United Nations Development Assistance Framework (UNDAF)<sup>9</sup> draws logically from the analyses in the CCA to indicate three outcomes to which programmes, projects and operations, of UN agencies in Guyana, are expected to contribute between 2006 and 2010. The three outcomes, each relating to both national priorities and Guyana's progress towards the MDGs, are:

(a) by 2010 there will be at least a 10 percent increase in the proportion of Guyanese accessing quality services in education, health, water and sanitation, and housing with capabilities enhanced to maximize available resources:

(b) empowered individuals and groups, strengthened institutions and an enabling constitutional and human rights framework; and

(c) reduce poverty to 28% by 2010 through stimulation of growth and job creation.

4.4 The CPD reflects the contributions of UNDP and its associated fund, United Nations Volunteers, towards the above three UNDAF outcomes agreed by the Government and UN agencies in Guyana. It relates UNDP's comparative advantages to national priorities within the areas indicated by the UNDAF and consistent with UNDP's corporate strategy, as agreed by its Executive Board in the Multi-Year Funding Framework (MYFF). It also attempts to mainstream a number of key crosscutting themes including respect for human rights, mainstreaming gender equality and building capacity to reduce and cope with conflict, disaster, and HIV/AIDS.

4.5 More specifically, the CPD identifies eight outcomes, which UNDP will pursue in the period 2006 to 2010. Generally, the outputs anticipated from UNDP's interventions up to 2010 are intended to improve the country's chances of achieving the MDGs. This approach is designed to catalyse development through strengthening national capacity to develop evidence-based policies; improved monitoring and evaluation, and hence improved strategic planning and implementation, at both the national and regional levels; promoting development of systems and institutions of governance; enhancing people's involvement in determining development directions; and enhancement of national capacities to respond to disasters and to stimulate emergency recovery initiatives .

**4.6 CP Outcome 1: "PRS/PRSPs prepared to ensure participatory process with civil society in policy formulation and programming and taking into account clear linkages with human development and the MDGs."** The CPD expects UNDP to generate two outputs that will contribute to this outcome:

- a) strengthened capacity to collect, analyze and disseminate key economic and social data and
- b) systems developed to ensure feedback from civil society on policy framework and programming.

4.7 UNDP will build capacity in the public sector by supporting the establishment of statistical units in all line Ministries, the Bureau of Statistics and the Office of the President. This will improve monitoring and evaluation for improved accountability, planning and policy design. It is expected to enhance the quality and focus of the PRSP and the progress reports, including MDG reports, which currently suffer from a paucity of data. This project is also

<sup>8</sup> CCA can be found under Documents at: <http://www.undp.org.gy>

<sup>9</sup> UNDAF can also be found at: <http://www.undp.org.gy>

