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The World Bank

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IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-H2160)

ON A

GRANT

IN THE AMOUNT OF SDR 6.7 MILLION
(US\$ 9.6 MILLION EQUIVALENT)

TO THE

REPUBLIC OF GUYANA

FOR A

POVERTY REDUCTION AND PUBLIC MANAGEMENT OPERATION

September 27, 2007

Poverty Reduction and Economic Management
Caribbean Country Management Unit
Latin America and the Caribbean Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective 09/27/2007)

Currency Unit = Guyana Dollars

GUY\$ 1.00 =0.00

US\$ 1.00 = GUY\$204.20

FISCAL YEAR

January 1- December 31

ABBREVIATIONS AND ACRONYMS

AAP	Assessment and Action Plans
AG	Auditor General
AO	Audit Office
APR	Annual Progress Report
BNTF	Basic Needs Trust Fund
CAS	Country Assistance Strategy
CIDA	Canadian International Development Agency
CDB	Caribbean Development Bank
CFAA	Country Financial Accountability Assessment
CPAR	Country Procurement Assessment Review
DEC	Development Economics Department
DFID	Department for International Development (UK)
ECLAC	Economic Commission for Latin America and the Caribbean (UN)
EFA/FTI	Education for All/Fast Track Initiative
EMP	Environment Management Plan
EU	European Union
FIAS	Foreign Investment Advisory Service (IFC)
FY	Fiscal Year
GDP	Gross Domestic Product
GEF	Global Environment Fund
GEMP	Government Expenditure Management Project (CIDA)
GFC	Guyana Forestry Commission
GOINVEST	Guyana Office for Investment
GPL	Guyana Power and Light
GRA	Guyana Revenue Authority
GUYSUCO	Guyana Sugar Corporation
GWI	Guyana Water, Inc.
HIPC	Highly Indebted Poor Countries
HIV	Human Immunodeficiency Virus
ICA	Investment Climate Assessment
ICR	Implementation Completion Report
IDA	International Development Association
IDB	Inter-American Development Bank
IFMAS	Integrated Financial Management Systems
IMF	International Monetary Fund

JSA	Joint Staff Assessment
MCC	Millennium Challenge Corporation
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative
MIS	Management Information System
MLHSSS	Ministry of Labor, Human Services and Social Security
MOF	Ministry of Finance
MTEF	Medium Term Expenditure Framework
NDC	Neighborhood Democratic Council
NPTA	National Procurement and Tender Administration
NPAS	National Protected Areas System
NPV	Net Present Value
OPCS	Operational Policy and Country Services
PAC	Public Accounts Committee
PCPMU	Policy Coordination and Program Management Unit
PD	Policy Document
PEFA	Public Expenditure and Financial Accountability
PEPFAR	President's Emergency Plan For AIDS Relief
PER	Public Expenditure Review
PFM	Public Financial Management
PHRD	Japanese Policy and Human Resources Development
PPC	Public Procurement Committee
PRPMO	Poverty Reduction and Public Management Operation
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PRSC	Poverty Reduction Support Credit
PSTAC	Public Sector Technical Assistance Credit
PSIA	Poverty and Social Impact Analysis
PSIP	Public Sector Investment Program
RDC	Regional Democratic Council
SIMAP	Social Impact Amelioration Program
SPS	State Planning Secretariat
STI	Sexually Transmitted Infections
TA	Technical Assistance
TFSCB	Trust Fund for Policy and Human Resources Development
UNDP	United Nations Development Program
USAID	United States Agency for International Development

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REPUBLIC OF GUYANA

POVERTY REDUCTION AND PUBLIC MANAGEMENT OPERATION

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MAP

A. Basic Information			
Country:	Guyana	Program Name:	Guyana Poverty Reduction and Public Management Operation
Program ID:	P078703	L/C/TF Number(s):	IDA-H2160
ICR Date:	09/28/2007	ICR Type:	Core ICR
Lending Instrument:	DPL	Borrower:	GOVERNMENT OF GUYANA
Original Total Commitment:	XDR 6.7M	Disbursed Amount:	XDR 6.7M
Implementing Agencies: The Office of the President			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	09/30/2004	Effectiveness:	07/06/2006	07/06/2006
Appraisal:	03/07/2006	Restructuring(s):		
Approval:	04/27/2006	Mid-term Review:		
		Closing:	03/31/2007	03/31/2007

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Satisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Satisfactory
Borrower Performance:	Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Satisfactory	Government:	Not Applicable
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Not Applicable
Overall Bank Performance:	Satisfactory	Overall Borrower Performance:	Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating:
Potential Problem	No	Quality at Entry	None

Program at any time (Yes/No):		(QEA):	
Problem Program at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

D. Sector and Theme Codes

	Original	Actual
Sector Code (as % of total Bank financing)		
General agriculture, fishing and forestry sector	15	15
General education sector	5	
General public administration sector	70	85
General water, sanitation and flood protection sector	5	
Health	5	
Theme Code (Primary/Secondary)		
Biodiversity	Secondary	Secondary
Education for all	Secondary	Not Applicable
HIV/AIDS	Secondary	Not Applicable
Poverty strategy, analysis and monitoring	Primary	Primary
Public expenditure, financial management and procurement	Primary	Primary

E. Bank Staff

Positions	At ICR	At Approval
Vice President:	Pamela Cox	Pamela Cox
Country Director:	Caroline D. Anstey	Caroline D. Anstey
Sector Manager:	Jaime Saavedra Chanduvi	Jaime Saavedra Chanduvi
Program Team Leader:	Clara Ana Coutinho Sousa	Homa-Zahra Fotouhi
ICR Team Leader:	Clara Ana Coutinho Sousa	
ICR Primary Author:	Clara Ana Coutinho Sousa	

F. Results Framework Analysis

Program Development Objectives (from Project Appraisal Document)

The Poverty Reduction and Public Management Operation (PRPMO) supports the Government's efforts to implement critical reforms in public sector management and poverty reduction programs identified in Guyana's 2001 Poverty Reduction Strategy

Paper (PRSP) and the 2004 and 2005 Progress Reports. Building on the reforms supported by PRSC-I, the proposed operation aims to improve the transparency, accountability, and efficiency with which overall resources are utilized across the public sector. In addition, the PRPMO will help improve the Government's institutional capacity to monitor progress under the PRSP, evaluate the impact of poverty reduction programs, and improve the statistical information for poverty analysis and targeting. Finally, the operation will support actions to strengthen environmental management and regulations to ensure the sustainable use of Guyana's natural resources.

Revised Program Development Objectives (if any, as approved by original approving authority)

Not applicable.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Satisfactory implementation of reforms to improve the quality of the public investment program.			
Value (quantitative or Qualitative)	Public investment program not prioritized and there is no clear criteria for project selection. Public sector investments are not always consistent with PRSP and debt sustainability.	Criteria for selection of projects is formulated and applied. Five year rolling PSIP prepared and incorporated in the 2006 budget. PSIP consistent with key priorities of the PRSP and with debt sustainability.		Criteria for selection of projects is formulated and applied. Five year rolling PSIP prepared and incorporated in the 2006 budget. PSIP consistent with key priorities of the PRSP and with debt sustainability.
Date achieved	09/30/2005	04/28/2006		04/28/2006
Comments (incl. % achievement)	The reform was completed before the operation was discussed by the Board. The completion date reflect date constraints imposed by the ICR template.			
Indicator 2 :	Satisfactory implementation of actions and policies to improve transparency and efficiency of public resource use.			
Value (quantitative or Qualitative)	1999 CPAR and 2002 CFAA highlight shortcomings in budget formulation and reporting, as well as in fiduciary oversight. Procurement practices not in line with	Adopt new Audit Act and regulations. Implement AG key recommendations contained in the 2004 report.		New Audit Act and regulations adopted. Recommendations of the 2004 AG report implemented. New regulations for

	international best practices.	Launch first phase of fiduciary oversight strengthening program. Reform regulatory framework for public procurement.		procurement adopted. Procurement tender Boards appointed. First annual audit of procurement prepared. Fiduciary oversight program ongoing.
Date achieved	06/30/2003	04/30/2006		04/30/2006
Comments (incl. % achievement)	The conditionality included in the PRPMO was met before approval. Progress was made since then and was reported as actual value achieved by completion with information on additional achievements as of 08/31/2006.			
Indicator 3 :	Satisfactory implementation of measures to improve monitoring and evaluation of the PRS			
Value (quantitative or Qualitative)	No regular reports of PRS activities are published. Census data not published. No household survey data available to monitor poverty trends. No mapping of access to basic services is available.	Satisfactory preparation and publication of semi-annual reports on execution of current and capital expenditures (sector and priority poverty-related programs). Satisfactory preparation and publication of summary of the 2002 census. Launching of the HIBS		Satisfactory preparation and publication of 3 semi-annual reports on execution of current and capital expenditures (sector and priority poverty-related programs). Satisfactory preparation and publication of summary of the 2002 census. HIBS complete.
Date achieved	06/30/2004	06/30/2006		04/30/2006
Comments (incl. % achievement)	The conditionality included in the PRPMO was met before approval. Progress was made since then and was reported as actual value achieved by completion with information on additional achievements as of 08/31/2006.			
Indicator 4 :	Satisfactory implementation of measures to improve the climate for environmentally sustainable development.			
Value (quantitative or Qualitative)	No EMP for Skeldon exists. Regulatory framework for forestry and mining weak.	Adoption and satisfactory implementation of the EMP for Skeldon and associated canefield expansion. Forests Bill submitted to Parliament.		Adoption and satisfactory implementation of the EMP for Skeldon and associated canefield expansion. A new Forests Bill was submitted to Parliament. Mining bill under

				preparation.
Date achieved	12/30/2004	04/30/2006		04/30/2006
Comments (incl. % achievement)	The conditionality included in the PRPMO was met before approval. Progress was made since then and was reported as actual value achieved by completion with information on additional achievements as of 08/31/2006.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Not applicable.			
Value (quantitative or Qualitative)				
Date achieved				
Comments (incl. % achievement)				

G. Ratings of Program Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	06/29/2006	Satisfactory	Satisfactory	0.00

H. Restructuring (if any)

Not Applicable

6. Program Context, Development Objectives and Design

(this section is descriptive, taken from other documents, e.g., Program Document/ISR, not evaluative):

6.1 Context at Appraisal

(brief summary of country macroeconomic and structural/sector background, rationale for Bank assistance)

Guyana is a low-income, commodity-based small economy that faces significant development challenges. In the late 1980s, following more than a decade of disastrous performance under socialist policies, Guyana embarked on a comprehensive program of reforms to liberalize the state-controlled economy.¹ A vast range of market-oriented reform measures was implemented, including the elimination of most price controls, unification of the exchange rate, trade liberalization, and large-scale privatization. These reforms resulted in a strong economic recovery, with average growth of 7 percent from 1991 to 1997 and a fall in inflation to single digits from a peak of about 100 percent in 1991. But by 1998, the initial gains of reform and stabilization seemed exhausted. From 1998 to 2005, growth averaged only ¼ percent and the public finances deteriorated reflecting a series of external and domestic shocks and delays in the implementation of key structural reforms. A difficult security situation and social and political tensions, including tensions between the two major political parties that are deeply divided along racial lines, also contributed to hampering growth and poverty reduction efforts, weakened investor confidence and resulted in high migration of Guyana's skilled manpower abroad.²

Guyana prepared its first Poverty Reduction Strategy Paper (PRSP) in 2001. The strategy had seven pillars: (1) broad-based, jobs-generating economic growth; (2) environmental protection; (3) stronger institutions and better governance; (4) investment in human capital, with emphasis on basic education and health; (5) investment in physical capital; (6) improved safety nets; and (7) special intervention programs to address regional pockets of poverty. The Country Assistance Strategy (CAS), discussed by the Board in September 2002, focused on supporting the policy reform agenda of the PRSP, notably through interventions to support actions and policies to stimulate growth, to improve governance and increase public sector efficiency and accountability and to improve delivery and quality of basic services and safety nets. The CAS envelope was US\$25 million over a three-year period. The CAS marked a shift away from project lending to a series of Poverty Reduction Support Credits (PRSCs) that aimed to support the implementation of the reform agenda set out in Guyana's PRSP. Drawing lessons from the implementation of the 1993 CAS, emphasis was also given to technical assistance, through the Public Sector Technical assistance Credit (PSTAC), to help address key capacity constraints and support the implementation of the PRSP.

Lessons from PRSC I indicated that Guyana did not have the capacity to complete a PRSC every year and the reform agenda needed to be simplified and focused (Simplified ICR, June 2004; ICR,

¹ The socialist policies, which were initiated in the mid-1970s, resulted in a drastic decline in income levels, growing poverty, and a buildup of large external imbalances that culminated in an economic crisis in the late 1980s. In 1988, official reserves were depleted and external payment arrears amounted to over 315 percent of GDP.

² Guyana has one of the highest rates (89 percent) of skilled migration in the world (see World Bank (2006) International migration, remittances, and the brain drain, Report no. 33988).

March 2006). This led to a shift from PRSCs to a Development Policy Operation (DPO) series that would be timed to match the speed of the Government's implementation performance, focused on a narrower reform agenda and accompanied by enhanced technical assistance. The Poverty Reduction and Public Management Operation (PRPMO) built on the achievements of PRSC I and supported reforms to strengthen public management systems to increase the efficiency of public resource use and to enhance capacity for poverty monitoring. In addition, the operation supported actions to provide an adequate legal and regulatory framework to ensure environmentally sustainable development.

At the time of the approval of the PRPMO Guyana's macroeconomic indicators were strongly affected by significant exogenous shocks that hit the country. However, the situation was expected to improve under the policies the government was implementing in the context of the IMF-supported PRGF approved in 2002, for which the fifth review was successfully completed at the end of January 2006.³ Significant exogenous shocks that hit Guyana in 2005 included the closure of OMAI, the country's largest gold mine, the severe flooding early in the year and higher-than-expected oil prices.⁴ These adverse shocks (anticipated and unanticipated) led to some deterioration in macroeconomic indicators, although the outcomes were broadly in line with revised expectations under the IMF program. Guyana reached the Enhanced HIPC (E-HIPC) Completion Point in December 2003, qualifying for US\$329 million of debt relief in NPV terms, in addition to the debt relief of US\$256 million in NPV terms obtained under the original HIPC in May 1999. However, by the end of 2004, concerns regarding debt sustainability had re-emerged. However, improved growth prospects and revenue effort, as well as the Multilateral Debt Relief Initiative (MDRI) significantly improved Guyana's debt outlook.

6.2 Original Program Development Objectives (PDO) and Key Indicators (as approved)

The Poverty Reduction and Public Management Operation (PRPMO) supports the Government's efforts to implement critical reforms in public sector management and poverty reduction programs identified in Guyana's 2001 Poverty Reduction Strategy Paper (PRSP) and the 2004 and 2005 Progress Reports. Building on the reforms supported by PRSC I, the operation sought to improve the transparency, accountability, and efficiency with which overall resources are utilized across the public sector (please see annex 7). In addition, the PRPMO aimed to help improve the Government's institutional capacity to monitor progress under the PRSP, evaluate the impact of poverty reduction programs, and improve the statistical information for poverty analysis and targeting. Finally, the operation supported actions to strengthen environmental management and regulations to ensure the sustainable use of Guyana's natural resources. Technical assistance for the implementation of the reform measures supported by the PRPMO was provided by IDA through an ongoing Public Sector Technical Assistance Credit (PSTAC, US\$4.8 million), a Japanese Policy and Human Resources Development (PHRD) grant (US\$595,000), and a Trust Fund for Statistical Capacity Building (TFSCB) grant (US\$ 285,000).

6.3 Revised PDO (as approved by original approving authority) and Key Indicators, and Reasons/Justification

No revisions were introduced.

³ The SDR54.55 million PRGF arrangement was extended twice and expired in September 2006.

⁴ The floods affected the country's most heavily populated areas, having been the worse of the last 100 years. ECLAC assessed the impact of the floods at 60 percent of GDP.

6.4 Original Policy Areas Supported by the Program (as approved)

- A. Ensuring a Sound Macroeconomic Framework.** The PRSP includes as one of its pillars the maintenance of a sound macroeconomic framework through satisfactory implementation of the macroeconomic program prepared in consultation with the IMF under the PRGF (2002-05 and later extended to September 2006). The PRPMO incorporated the maintenance of a sound macroeconomic framework as a prior action.
- B. Improving the Quality, Transparency and Accountability of Public Sector Management.** The Government's agenda laid out in the PRSP gives priority to reforms aimed at improving the quality, transparency and accountability of public resource management. The PRPMO supports the Government's efforts in four critical areas:
- **Improving the quality of the Public Sector Investment Program (PSIP).** To increase the efficiency and transparency of public resource use, the Fiscal Management and Accountability Act enacted in 2003 required the preparation of a PSIP as an essential input into the medium-term expenditure framework (MTEF). The Government, therefore, undertook to prepare and publish five-year rolling PSIPs consistent with PRSP objectives and debt sustainability. The PRPMO supported the preparation of the 2005 rolling PSIP and the formulation of the methodology for selecting and ranking future projects. The government also committed to subject all new public investment projects appraised after June 2005, estimated to cost over US\$10 million (net of grants), excluding those financed by multilateral financial institutions, to a detailed feasibility study reviewed by the World Bank or IDB for economic, environmental and financial viability. The PRPMO also foresaw the integration of the PSIP into the 2006 budget.
 - **Audit.** To strengthen accountability and efficiency in the use of the public resources in Guyana, the PRPMO supported (i) the adoption of a new Audit Act and accompanying regulations detailing rules, policies and procedures regarding the management and operation of the Audit Office (AO) and the conduct of audits; and (ii) the implementation of the Auditor General's key recommendations contained in his 2004 report (see details in Annex VII of the PD).
 - **Fiduciary Oversight.** To enhance transparency and oversight over the use of public resources, the PRPMO supported the first phase of the Government's fiduciary oversight strengthening program (see details in Annex VIII of the PD).
 - **Procurement.** The PRPMO supported the implementation of public procurement reform consistent with established international standards, notably: (i) the adoption of the amended National Procurement Act and regulations as well as their dissemination; (ii) the appointment of staff for the National and Regional Tender Boards and Secretariat; (iii) the adoption of standard bidding documents and evaluation criteria; and (iv) the completion of first annual audit of procurement operations.
 - **Monitoring and Evaluation.** The PRPMO supported the Government's efforts to set up a monitoring and evaluation system, including through: (1) the publication of a summary of the 2002 census data; (2) the launch of a household income and expenditure survey; and (3) the publication on a semi-annual basis of executed current and capital public expenditures by sector and priority poverty-related programs.
- C. Improving the Climate for Environmentally-Sustainable Development.** The operation supported the Government's commitment to sustainable development and improved environmental management in the following areas:

- **Guyana Sugar Corporation’s (GUYSUCO) Environmental Management Plan (EMP).** The PRPMO supported the preparation of an EMP for the new sugar mill (Skeldon) and associated canefields expansion. The EMP would allow GUYSUCO to manage the Halcrow and GUYSUCO Conservancies (comprising some 7,500 hectares of freshwater swamp and reef forest) in a manner consistent with wildlife and biodiversity conservation, thereby effectively mitigating the natural habitat loss associated with expanding cane cultivation.
- **Forestry.** The PRPMO supported the preparation of a new Forests Bill, expected to ensure the sustainable development of Guyana’s forest resources, while protecting the environment and advancing land tenure and the rights of indigenous peoples.
- **Mining.** The PRPMO provided technical assistance for the preparation of a Strategic Environmental Assessment (SEA) of the mining sector to serve as a basis for the drafting of the new legislation (see Annex XII for further details). The Government intends to draft and table in Parliament a new Mining Bill improving the regulatory environment for the mining sector (including issues such as environmental impact, taxation, and the rights of Amerindian communities). While the Mining Bill is likely to help attract new large-scale mining by international companies, such investments will need to minimize and mitigate a range of possible adverse environmental impacts. The submission of a new Mining Bill to Parliament is expected to be a prior action for PRPMO II.

6.5 Revised Policy Areas (if applicable)

No revisions were made to policy areas.

6.6 Other significant changes

(in design, scope and scale, implementation arrangements and schedule, and funding allocations)

No other significant changes were introduced.

7. Key Factors Affecting Implementation and Outcomes

7.1 Program Performance *(supported by a table derived from a policy matrix)*

The DPL had a single tranche, disbursed at approval after the implementation of the actions supported by the operation.

Tranche #	Amount	Expected Release Date	Actual Release Date	Release
<i>Tranche 1</i>	SDR 9.6 million	05/31/2006	07/06/2006	<i>Select: (1) Regular</i>
Tranche 1				
<i>List conditions from Legal Agreement/ Program Document</i>				Status
1. Prepare and publish a five- year Public Sector Investment Program (PSIP) consistent with PRSP objectives and debt sustainability, including: (a) a methodology for selecting and ranking future projects; and (b) the Recipient’s commitment to subject all public investment projects, estimated to each cost above ten million Dollars (net of grants) and appraised after June 1, 2005, excluding those financed by multilateral financial institutions, to a detailed feasibility study reviewed by the Association or the Inter-American				Met

Development Bank for economic, environmental and financial viability; and (ii) integrated the PSIP into the Recipient's budget for 2006.	
2. Progress in the improvement of public financial management by: (a) the enactment of the Audit Act; (b) the adoption of the audit regulations under the Audit Act in the Recipient's Official Gazette dated July 23, 2005; (c) implementation of the Auditor General's key recommendations contained in the Auditor General's report dated September, 2004 for fiscal year ending December 31, 2003; and (d) the launching of the first phase of the fiduciary oversight strengthening program contained in the Fiduciary Oversight Implementation Action Plan, through, <i>inter alia</i> : (i) stakeholder consultations which agreed on and endorsed thirty recommendations related to strengthening fiduciary oversight, limiting use of discretionary powers and disclosure of public officials' assets and implementation process; (ii) the issuance of a press release specifying reforms agreed to with stakeholders during the consultations process; (iii) publication of the Fiduciary Oversight Implementation Action Plan agreed with the Association, including a timeline, technical assistance requirements and funding sources for the implementation of the agreed recommendations; (iv) endorsement through policy statements by the Recipient's Prime Minister, the Recipient's Minister of Finance and Recipient's Minister of Parliamentary Affairs, in the Recipient's Parliament specifying reforms agreed to with stakeholders; and (v) submission to Parliament of the revised standing orders.	Met
3. Continue the satisfactory reform of the regulatory and institutional public procurement framework consistent with established international standards, through: (i) the adoption of the amended National Procurement Act and its regulations, and their dissemination; (ii) the appointment of staff for the Recipient's National and Regional Tender Boards and Secretariat; (iii) the adoption of standard bidding documents and evaluation criteria; and (iv) the completion of the first annual audit of procurement operations.	Met
4. On monitoring and Evaluation: (a) issue the first semi annual publication of executed current and capital public expenditures by sector and priority poverty related programs; (b) publish a summary of the 2002 census; (c) launch a household income and expenditure survey; and (d) complete the mapping of access to basic services.	Met
5. Adopt and make satisfactory progress in the implementation of an Environmental Management Plan (EMP) for the Skeldon sugar factory and associated cane field expansion.	Met

7.2 Major Factors Affecting Implementation:

Overall, the PRMPO supported key elements of the reform agenda in the PRSP and the government was committed to their implementation. The key reform measures supported by

the PRPMO were presented in the Government's 2005 draft Annual Progress Report (APR) of the Poverty Reduction Strategy as integral elements of its development agenda. The draft APR was extensively disseminated, including by its posting on the web, and was discussed in several public meetings involving a diverse range of stakeholders throughout the country before it was considered by Parliament. The consultations broadly confirmed the importance and direction of the government reforms supported by the PRPMO, with emphasis on those related to strengthening government capacity for monitoring and evaluation. Consultations made to prepare the fiduciary oversight reforms contributed to increased dialogue between the main parties and resulted in a program of reforms with bi-partisan support, an outstanding achievement in the Guyanese context. Bi-partisan support of the fiduciary oversight reform agenda represents an unprecedented and encouraging development in Guyana's highly polarized political environment, highlights the commitment across the political spectrum to these reforms and contributes to their sustainability.

The design of the operation benefited from a wide range of Bank and other development partners' analytical work, both formal and informal. The Development Policy Review completed by the Bank in 2003 and endorsed by the government stressed the need to enhance public sector efficiency, transparency and governance and improve the business environment. The Public Expenditure Review (PER, 2002), the Country Financial Accountability Assessment (CFAA, 2002) and the 2004 IMF AAP update highlighted the actions needed to improve transparency and efficiency of public expenditure and strengthen financial management, while the Country Procurement Assessment Report (CPAR) of 1999, subsequently updated by Bank specialists for the preparation of the PRSC I and PRPMO, supported the dialogue on procurement reform. The PSTAC, together with trust funds, provided funding for analytical work underpinning the strengthening of fiduciary oversight and the reform of the social protection system. The PSTAC and trust funds also supported the preparation of two poverty and social impact analyses (PSIA) of key adjustments in the bauxite and sugar sectors⁵, as well as the strengthening of the monitoring and evaluation system through the preparation of an M&E plan, a diagnostic of the Bureau of Statistics, and the provision of technical assistance for the preparation of a poverty map and the Household Income and Expenditure Survey. The Bank engaged actively in the development of the PRSP and subsequent Progress Reports, and the content of the PRPMO reflects this work. The analytical work for the new Audit Act derived from work funded by the IDB.

Technical assistance to support the implementation of the reform agenda and good donor co-ordination were critical elements. The technical assistance, both informal and through the PSTAC, the PHRD Trust Fund and the Statistics TA had a positive effect on the operation. Similarly, the close coordination among donors supporting the areas of reform covered by the PRPMO, notably IMF, IDB and DFID, added momentum for the Government to act. The risk that Bank funds could be used for questionable purposes in an election year or in the run up to the cricket world cup was successfully mitigated through conditionality embedded in the IMF PRGF program and coordinated monitoring from IDA, IMF and IDB.

Close Government and IDA coordination and regular monitoring contributed to the successful implementation of the reforms. The close coordination and monitoring allowed the timely identification of problems and bottlenecks and their rapid resolution. Notable in this

⁵ The bauxite and sugar sector (except that the PRMPO addresses the environmental mitigation requirements of the Skeldon sugar expansion which was promoted under PRSC 1) are not part of the PRMPO.

respect was the presence of the PRPMO first task manager in the field for long periods during the preparation of the program and for six months after the PRPMO was approved, ensuring close monitoring and supervision.

The polarized nature of Guyana's politics poses inherent risks and lead to delays in implementation of the reform agenda. For example, the political stalemate of the period 2002/04 delayed the passing of the Amended Procurement Law and accompanying regulations. Also, the members of the independent Public Procurement Commission have not yet been appointed because Parliament has not approved the candidates proposed by the Government.⁶

Program implementation was also adversely affected by the Government's weak capacity. Years of political instability, insecurity and low pay have led to the loss of skilled staff. The reversal of these constraints will take time, particularly given the budgetary constraints faced by the Government that limits its ability to attract and retain skilled civil servants.

QAG assessed the PRPMO and rated the operation Moderately Unsatisfactory (4) (please see discussion in section 10.1).

7.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization:

The Policy Coordination and Program Management Unit (PCPMU) in the Office of the President was responsible for coordinating and overseeing all aspects of the program supported by the PRPMO. Other ministries and agencies, notably the Ministry of Finance, the Office of the Auditor General, the Parliament Office, the Ministry of Agriculture, GUYSUACO and the Mining Board also had key roles in executing the program, and worked with the PCPMU in implementing program components under their respective jurisdictions.

The Bank monitored implementation through regular supervision missions, some of which were joint missions with IMF and /or IDB as well as through the extended presence in the field of the first PRPMO task team leader and frequent phone and video conferences from Washington. Technical assistance from the PSTAC, the Statistics project, and the PHRD grant supported the design and implementation of measures supported by the PRPMO. Close coordination with IMF and IDB ensured additional technical assistance while conditionality embedded in the IMF PRGF program mitigated some of the risks associated with the operation, notably regarding fiscal discipline. With this assistance, all the measures supported by the PRPMO were undertaken prior to Board approval and the reform agenda continues to be implemented.

The monitoring of the PRPMO program was based on the use of a matrix to track reform implementation. This matrix identified pending reform measures, bottlenecks or pending problems, expected next steps and institutional responsibilities for follow-up (on both the Government and IDA sides). This matrix was updated regularly by the Government PRPMO coordinator and IDA PRPMO task team leader and was used by both teams during the regular implementation review meetings and supervision missions.

⁶ The Constitution foresees the establishment of an independent Public Procurement Commission to provide oversight for procurement matters. The appointment of the members of the commission require approval by 2/3rd majority in Parliament.

7.4 Expected Next Phase/Follow-up Operation (if any):

The Government has indicated its interest in a PRPMO II, focused on deepening the reforms introduced under PRPMO I. The indicative actions incorporated in Annex VI of the PRPMO are being implemented and are expected to be supported by a new operation. A new PRSP is under preparation in Guyana and is expected to be completed in early 2008. The new PRSP will inform a new CAS. The PRPMO II would be scheduled for the Bank's Board in early FY09, after a new CAS is adopted.⁷ Staff continues the policy dialogue and monitoring and supervision of the areas of reform supported by PRPMO I.

8. Assessment of Outcomes

8.1 Relevance of Objectives, Design and Implementation

(To current country and global priorities, and Bank assistance strategy)

The PRPMO objectives, design and implementation arrangements were highly relevant, and remain so today, to Guyana. First, the operation supported critical areas of the PRSP agenda, namely stronger institutions and better governance; and environmental protection. The PRPMO is also in line with the 2002 CAS, which focused the Bank's support on the implementation of the reform agenda set out in the PRSP.

Second, a relevant design was achieved through close collaboration with other donors providing assistance in the areas targeted by the PRPMO, notably the IMF and the IDB and complemented their efforts. This ensured that Government efforts were focused on a commonly agreed and supported reform agenda.

Third, the operation recognized the high level of risk involved in the implementation of the reform program (including the complex political situation, particularly in the run up to the 2006 elections, capacity constraints in the public sector, fiscal pressures and vulnerability to exogenous shocks) and tried to mitigate these risks through the provision of significant technical assistance, close donor coordination, careful consideration of the delicate political balances, and communication and outreach efforts. Also, the implementation of the operation was supported by very close collaboration between the Government and IDA staff, and regular and frequent program implementation monitoring meetings and supervision missions. Finally, the operation relied heavily on earlier studies conducted by IDA and other institutions and by additional work commissioned specifically to inform measures supported by the operation (such as the studies on fiduciary oversight).

8.2 Achievement of Program Development Objectives

(including brief discussion of causal linkages between policy actions supported by operations and outcomes)

A. **Ensuring Macroeconomic Stability.** With PRPMO support, the Government introduced measures and policies which contributed to the maintenance of macroeconomic stability. Macroeconomic developments in 2006 were the most favorable in nearly a decade and outcomes were better than anticipated during the preparation of the PRPMO (Table 1). Real GDP is estimated to have increased by 5.3 percent, reflecting high growth in the timber and bauxite sectors. Inflation remained low, at 4.2 percent at end-December 2006. The external current account deficit is estimated to have widened to 25 percent of GDP, reflecting

⁷ This is in line with a recommendation from the QAG panel.

increased imports due to high fuel prices and large capital imports associated with significant public sector investment and a strong recovery in foreign direct investment. Nevertheless, financing was adequate and international reserves at end-2006 corresponded to 3.1 months of imports. The Guyana dollar remained stable at about G\$200 per U.S dollar. In real effective terms, the dollar depreciated by 4 percent from end-2005 to end-2006. The overall fiscal deficit declined from 13.6 percent of GDP in 2005 to 11.3 percent in 2006 and the primary balance improved from a deficit of 4.9 percent of GDP in 2005 to 1.4 percent in 2006. Tax revenues were higher than projected in 2006, largely offsetting the deterioration in the current balance of public enterprises resulting from lower-than-expected GUYUSCO receipts and higher payment for material and supplies by Guyana Power and Light (GPL). Broad money grew 18.6 percent in the 12 months to February, in line with the economic recovery.

The medium-term macro framework suggests that macroeconomic stability will be sustained. Economic growth is projected to remain at 5 percent in 2007 and average about 4.5 percent a year in the period 2008–11, reflecting a recovery in gold and bauxite production—in response to foreign direct investment in these sectors—a substantial increase in sugar production, and somewhat stronger economic activity in the rest of the economy. Inflation is projected to decline to 4 percent after the increase observed in 2007 caused by the introduction of the VAT.⁸ The current account deficit is projected to narrow to 13.5 percent of GDP by 2011—equivalent to the 1999–2004 average—owing to a deceleration of imports of capital and intermediate goods and higher exports of sugar, bauxite and gold. The 2006 joint Bank/IMF Debt Sustainability Analysis (DSA) indicates that concerns regarding debt sustainability in Guyana have been eased. The additional forgiveness of US\$354 million from the IDB will reduce the NPV of external debt-to-revenue ratio from 183 percent in 2006 to 120 percent in 2007. Nevertheless, the sensitivity analyses indicate that the 250 percent threshold could be breached in the long run under a few of the standard and country specific alternative scenarios and Guyana’s risk of debt distress is moderate.

Table 1: Selected Economic Indicators

	2004	2005		2006		2007	2008	2009	2010	2011
		PRPMO	Act	PRPMO	Prel.					
Real GDP (in percent)	1.6	-2.8	-2.1	4.2	5.3	5.1	4.8	4.6	4.4	4.4
Inflation (end of period)	5.5	9.0	8.3	5.4	4.2	5.0	4.0	4.0	4.0	4.0
				In percent of GDP, unless otherwise indicated						
Primary balance (excluding Skeldon)	0.9	-4.1	-4.9	-	-1.4	-3.2	-3.0	-1.3	-0.8	-0.7
Overall Balance (after grants)	-4.5	-13.4	-13.6	-13.6	-11.3	-10.6	-6.7	-3.8	-2.9	-2.7
Overall Balance (after grants, excluding Skeldon)	-4.1	-5.2	-9.3	-5.8	-5.3	-5.9	-5.5	-3.8	-2.9	-2.7
External Current account balance (Exc. Off. Transfers)	-11.0	-22.6	-19.1	-26.5	-25.1	-22.2	-19.3	-17.9	-16.3	-13.5
External financing gap (in US\$ millions)	0.0	-	0.0	-	0.0	-5.7	-12.6	-9.5	-5.4	0.0
External public sector debt (en of period)	136.2	148.0	132.5	115.0	104.6	69.0	72.2	74.4	76.4	77.7
NPV od external debt-to-revenue ratio (in percent)	194.9	217.1	221.9	190.0	183.0	119.8	121.5	125.0	128.4	130.3
Gross official reserves (in US\$ millions)	224.7	240.0	251.4	250.0	277.5	303.5	343.0	376.0	403.0	438.0
In months of imports	3.2	3.4	3.2	2.8	3.1	3.2	3.3	3.4	3.4	3.5

Source: IMF

B. Improving the quality of the PSIP. The PRPMO supported actions and policies that resulted in the preparation of a five year rolling PSIP as part of the budgetary process. A methodology for selecting and ranking projects was prepared by the government and was

⁸ Year-on-Year Inflation accelerated to 9.3 percent in January 2007 as a result of the introduction of the VAT but slowed to 8.2 percent in March 2007.

applied in the preparation of the 2005 and 2006 PSIPs, which were incorporated in the 2006 and 2007 budget respectively.⁹ Projects included in the 2005 and 2006 PSIPs are broadly consistent with PRSP objectives and debt sustainability. However, two projects included in the first draft of the 2005 PSIP were the cause of particular controversy between the authorities and development partners, including IDA: (i) the construction of a sports stadium to host the 2007 Cricket World Cup (equivalent to more than 3 percent of GDP); and (ii) the construction of a bridge over the Berbice river (6 percent of GDP). Even though the economic feasibility of both projects was subsequently confirmed (subject to certain contingency measures for revenue shortfalls in the case of the cricket stadium), they still spurred concerns about the government's priorities. The Berbice Bridge was ultimately undertaken by the private sector with limited participation from the National Insurance Scheme.¹⁰ However, the cricket stadium was maintained in the 2005 PSIP and was built to allow Guyana to host the 2007 Cricket World Cup, along with other Caribbean countries. Financing of US\$25 million was provided by the Government of India (a US\$5 million grant and a US\$20 million concessional loan) and expenses related to the stadium were maintained within the limits agreed under the 2006 IMF supported program. The government maintains its commitment to subject all new public investment projects appraised after June 2005, estimated to cost over US\$10 million (net of grants), excluding those financed by multilateral financial institutions, to a detailed feasibility study reviewed by the World Bank or IDB for economic, environmental and financial viability. Two projects of that size were appraised since June 2005 and both were subject by feasibility studies. The feasibility study for the Berbice Bridge was financed and reviewed by the IDB while the feasibility study for the Cricket Stadium was commissioned by the Government with financial support from the CDB. The completion of the feasibility studies for these projects was a condition under the IMF supported PRGF.

C. Improving Financial Management. Preliminary results of the Public Expenditure and Financial Accountability (PEFA) assessment, being prepared jointly by the Bank, IDB and EU, suggest that public financial management in Guyana improved considerably in the last five years. Most notably, new laws and regulations have been enacted to address systemic weaknesses and close loopholes in public financial management and procurement. The PRPMO contributed to these results in the following areas:

- **Audit.** The reform agenda supported by the PRPMO included the enactment of a new Audit Act and gazetting of regulations, and the implementation of the Auditor General's key recommendations contained in the 2004 report (Annex VII of the PD). The new Audit Act was enacted by Parliament in April 2004. Regulations detailing rules, policies and procedures regarding the management and operation of the Audit Office (AO) and the conduct of audits were approved by Parliament in May 2005 and gazetted in July 2005. The Audit Act of 2004 gives the Auditor General key constitutional and legal requisites to carry out effective and independent audits. According to the Audit Act, the Auditor General (AG) is required to report annually, and within nine months of the end of each fiscal year, on the results of the consolidated financial statements and the accounts of budget agencies. The AG has delivered its 2004 audit opinion on the Public Accounts within 12 months, despite the disruption caused by the exceptional floods in 2005 and limited resources. The 2005 Public Accounts were submitted on July 31, 2007. Lack of

⁹ The IDB has been providing technical assistance for the preparation of the PSIP.

¹⁰ The studies were commissioned by IDB and CDB and were undertaken by international consultancy firms.

personnel as well as problems affecting the Integrated Financial Management System (IFMAS) reconciliation module seriously hampered the government's ability to produce financial statements with the required timeliness. Nevertheless, preliminary results from the PEFA exercise indicate that the scope, nature and follow-up of external audit in 2006 have improved compared to the situation reported by the 2002 CFAA.

- The Auditor General's reports are submitted to the speaker of the National Assembly. According to parliamentary rules, the Public Accounts Committee (PAC) is in charge of issuing reports on the Audit.¹¹ The latest report available from PAC was issued in February 2006 and concerns FY 2000 and FY 2001. Despite these delays, there is now a formal system in place for the follow-up of audit recommendations and the PEFA exercise indicates improvements in legislative scrutiny of external audit reports compared to the situation described by the 2002 CFAA. The MOF issued in April 2006, following the report from the PAC, a Treasury Memorandum, instructing Ministries to implement the recommendations from the PAC. In addition, the Government implemented key recommendations of the 2004 Auditor General's report (please see Annex VII of the PD).
On the lottery fund: (i) the criteria for the selection of projects to be financed from the Lotteries Fund were defined, submitted to Parliament and published; (ii) a financial audit of the Lottery Fund for 2004 was completed in late 2005 and submitted to Parliament; (iii) reports of all projects submitted and selected for financing, including the amounts provided, were submitted to Parliament in 2005 and published. Reports have continued to be published semi-annually; and (iv) a compliance audit of the terms of the Lottery Agreement including validation of the calculation basis for determining the amounts owed to the Government was completed and approved by Parliament in May 2005.
On the Wildlife Division: (i) the revenues derived from the operations of the Wildlife Division (1998-2002) were transferred to the Consolidated Fund; and (ii) the Wildlife Division was transferred from the Office of the President to the Environmental Protection Agency (EPA).
On the Guyana Revenue Authority (GRA): (i) the audit of the GRA's operations for 2003 was completed and tabled in the National Assembly; and (ii) the Government appointed the commissioner and deputy commissioner of the GRA in 2005 as required by the law. Finally, in 2005, the Government undertook to table all existing external loans in the National Assembly, thereby increasing transparency and has done so since then.

The AO is implementing a three-year strategic development plan - with IDB support - which when fully implemented, should allow it to perform operational, performance and forensic audits better. The implementation of state-of-the-art International Auditing Standards and auditing methodology has commenced and the AO is developing in-house skills to start auditing through the IFMAS system and to operate a data extraction and analysis application to support analytical reviews on government financial accounting databases. The recruitment of skilled auditors is also ongoing.

- **Fiduciary Oversight.** The reform agenda supported by the PRPMO included the launching of the first phase of the fiduciary oversight strengthening program (please see details in Annex VIII of the PD). The Government commissioned a series of studies, which made recommendations in three main areas: (i) effective parliamentary oversight over public finances; (ii) curtailing discretionary powers of public officials; and (iii)

¹¹ Those rules are found in the Standing Orders of the National Assembly as amended on 2nd May, 2006.

disclosure of assets of public officials.¹² The recommendations were subject to broad consultations and the Government selected 30 out of 60 recommendations detailed in the studies, for first phase implementation by end 2007. The Government is implementing the time-bound action plan for these 30 recommendations and most actions selected from the recommendations towards building an effective parliamentary oversight over public finances were completed or are ongoing (see details in Annex 8). Progress in the implementation of the actions planned to curtail discretionary powers of public officials and to provide the framework for the disclosure of assets of public officials has been sluggish.

- With IDB support, the Government's efforts have led to the revision of Parliamentary Standing Orders and measures to strengthen the Integrity Commission to effectively review the assets of public officials. The system of Parliamentary Committees has been revitalized with the establishment of four Sectoral Committees on: Natural Resources, Economic Services, Foreign Relations and Social Services. In addition, operations of the Public Accounts Committee and the Economic Services Committee have been strengthened through training and funding of specialized studies and consultants.
- **Procurement.** Measures in the area of procurement envisaged under the PRPMO included (i) the adoption of an amended National Procurement Act and respective regulations, and their dissemination; (ii) appointment of staff for the National and Regional Tender Boards and Secretariat; (iii) adoption of standard bidding documents and evaluation criteria; and (iv) completion of the first annual audit of procurement operations.. The Amended National Procurement Act was passed by the National Assembly in July 2003 and gazetted in November 2004. Regulations were adopted in December 2004 and disseminated. Board members for National and Regional Tender Boards and Secretariat were appointed in 2005 and the training program began in July 2005. Standard bidding documents were completed and disseminated in a pilot phase in 2005. The standard bidding documents have been extended to all government institutions at ministerial and regional tender board levels. Although candidates for the Public Procurement Committee (PPC) were proposed by the government, the Public Accounting Committee of Parliament has yet to decide on these appointments. The Audit Office has reviewed Government compliance with the Procurement Act in the context of the annual audit report for 2004, and has made recommendations to correct deficiencies. Likewise, compliance with the Act has been reviewed in the 2005 Audit of National Accounts. In addition, a consultancy was carried out in 2006 on Strengthening of Procurement Administration. This consultancy produced a series of recommendations that are being incorporated into an action plan. The recommendations include the development of an e-procurement system, for which a stand-alone strategy was submitted in March 2007. The new legal and regulatory framework provides Guyana with the framework needed to render public procurement more efficient, competitive and transparent. Further adaptation and simplification of the bidding documents might be required to cover the full range of the smaller value threshold procurement in Guyana, so as to have the desired effect of increasing competition. The nomination of the PPC and its secretariat would also strengthen the framework.

¹² Assets are disclosed to the Integrity Commission.

Preliminary results of the ongoing PEFA exercise show that competition, value for money and controls in public procurement improved in the last few years as a result of the reforms introduced.

- **Monitoring and Evaluation.** The PRPMO supported measures aimed at improving the Government's ability to monitor and evaluate the impact of policies introduced in the context of its PRS. Actions undertaken by the government (which were PRPMO prior actions) are: (i) strengthening of the Statistics Bureau, notably through technical assistance; (ii) publication of 2002 census data; (iii) completion of the Household Income and Expenditure Survey in May 2007 and preparation of a poverty report that will inform the new PRSP now under preparation; (iv) publication of the executed public current and capital expenditures by sector and by priority poverty-related programs on a semi-annual basis – the last report was published in June 2007 and is available to the public in hard copy from the Office of the President. It is expected that it will be among the documents available on the PRSP website when fully operational; (v) preparation of a map describing access to basic services, which will be updated regularly. In addition, the government is developing a systems-based approach to monitoring and evaluating the PRS. The Government intends to further strengthen the monitoring and evaluation of its PRSP implementation, including by expanding its public expenditure tracking system and using census and household income and expenditure survey results to inform the PRS progress reports and budget allocations.
- D. **Improving the Climate for Environmentally-Sustainable Development.** The PRPMO supported actions and policies to protect the environment in the sugar, forestry and mining sectors. Progress made in this area includes:
- **Sugar Sector.** The Government is undertaking a major restructuring and modernization plan, including the construction of a new sugar mill (Skeldon) and development of canefields, to improve the competitiveness and viability of its sugar industry after the erosion of the EU preferential regime. The Government adopted and is implementing, through GUYSUOCO, an Environmental Management Plan (EMP) for the new sugar mill and associated canefields. In this context, GUYSUOCO is managing the Halcrow and GUYSUOCO Conservancies, comprising some 7,500 hectares of freshwater swamp and reef forest, in a manner consistent with wildlife and biodiversity conservation, thereby effectively mitigating the natural habitat loss associated with expanding cane cultivation. With technical assistance provided by the Bank, sites were selected for the new landfill that GUYSUOCO will need for waste generated by construction and operation of the Skeldon facilities, as well as for a Rapid Biological Assessment of the conservancy area to provide useful baseline data for biodiversity monitoring and management. GUYSUOCO has also prepared, and is systematically implementing, a detailed Pest Management Plan that emphasizes integrated pest management, careful selection of compounds, safe pesticide use and storage. GUYSUOCO is also providing technical assistance and free pest management support to private farmers who are or will be supplying cane to the new Skeldon factory.
 - **Forestry.** The Guyana Forestry Commission Bill 2007 was passed by Parliament on July 26, 2007. The new bill repeals the Guyana Forestry Commission (GFC) Act 1979 and re-establishes the Guyana Forestry Commission. According to the Bill, the purpose of the Commission will be to encourage the development and growth of forestry in Guyana on a sustainable basis. This Bill will be followed by a new Forests Bill which is expected to be tabled before the House by end 2007. Among other features, the new Forests Bill will increase transparency in the establishment of conservation concessions and special protected areas, while respecting Amerindian rights and allowing for opportunity for community-based forestry on Amerindian lands. The Government also intends to update the Code of Practice to support implementation of the new Forests Bill.

- **Mining.** The Government is drafting a new Mining Bill, which will improve the regulatory environment for the mining sector (including issues such as environmental impact, taxation, and the rights of Amerindian communities), and is expected to be submitted to Parliament by mid 2008. While the Mining Bill is likely to help attract new large-scale mining by international companies, such investments will need to minimize and mitigate a range of possible adverse environmental impacts. The Bank provided technical assistance for the preparation of a Strategic Environmental Assessment (SEA) of the mining sector to serve as a basis for the drafting of the new legislation (see Annex XII of the PD for further details). The SEA was completed in 2006.

8.4 Justification of Overall Outcome Rating

(combining relevance, achievement of PDOs)

Rating: *Satisfactory*

Objectives, design and implementation were relevant to Guyana's priorities as defined by the PRSP and confirmed in the PRSP Progress Reports, and to the Bank strategy. The operation's objectives were achieved and the sustainability of the reforms implemented is likely over the medium-term. The Government has continued implementation of the reforms and has indicated its interest on a follow-on IDA Operation (PRPMO II), supporting the second phase of the reform program introduced by PRPMO I

8.5 Overarching Themes, Other Outcomes and Impacts

(if any, where not previously covered or to amplify discussion above)

(a) Poverty Impacts, Gender Aspects, and Social Development

The PRPMO's strategic contribution to the reduction of poverty was through (i) building the capacity and setting up the mechanisms (institutional arrangements, formats, etc.) and systems to improve the monitoring and evaluation of poverty-related programs and interventions; (ii) enhancing the impact of public spending and reducing the level of discretion of top officials while supporting accountability, transparency and participation; and (iii) strengthening environmental management and regulations to ensure the sustainable use of Guyana's natural resources, which are key sources of economic growth¹³. These are steps that equip the country with the basic information and reporting system that it will need to really develop an effective strategy that focuses on the poor, while enhancing public management systems to increase efficiency in the use of public resources. Guyana has benefited from large aid inflows over the years, but the impact on economic growth and poverty reduction has been limited, raising doubts about the efficiency of the projects and highlighting the need for improvements in this area. The Bank's intervention would also inform direct interventions of other donors such as the IDB. In addition, the PRPMO is expected to have a positive impact on improving the social conditions of the Amerindian population – the poorest group, through its support to sustainable development of natural resources (Forests Bill and SEA of mining sector to inform new Mining Bill). The Bank's support should be seen as one building block of the government's anti-poverty strategy provided by a donor with limited levels of financial support. Obviously, the immediate impact of this type of policy is difficult to assess.

¹³ These areas are consistent with the CAS agenda.

(b) Institutional Change/Strengthening

(particularly with reference to impacts on longer-term capacity and institutional development)

As the PD acknowledges, implementation capacity in Guyana is weak and was a key factor in the past delays in PRSP implementation. The PSTAC and resources from two Bank-managed grants (PHRD and Statistics), provided technical assistance for the implementation of several measures supported by the PRPMO, such as: (i) assistance to the preparation of the fiduciary oversight studies and of bidding documents; (ii) the training of public officials in procurement and M&E; (iii) TA to strengthen capacity for the treatment and analysis of census and household survey data; and (iv) TA for the preparation of the Strategic Environmental Assessment of Guyana's mining sector, to help ensure that the future Mining Bill will more adequately address a diverse range of environmental and social issues. In addition, close coordination with the IDB ensured the additional technical assistance needed to sustain the reforms supported by the PRPMO, notably for the preparation of the PSIP and to build the capacity of Parliamentary commissions in charge of fiduciary oversight. As a result of these interventions, capacity improved considerably in the areas of statistics (census and survey data manipulation and reporting). The regulatory framework and capacity have also improved in the areas of procurement and auditing. However, the reliance on consultants to perform many of the functions in these areas will need to be reduced.

(c) Other Unintended Outcomes and Impacts (positive or negative, if any)

The PRPMO increased the visibility of the government reforms in the areas of procurement and fiduciary oversight, which are now receiving support from other donors, notably the IDB and the MCC Threshold Program.

8.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

(optional for Core ICR, required for ILI, details in annexes)

Neither surveys nor stakeholder workshops were undertaken.

9. Assessment of Risk to Development Outcome

Rating: Satisfactory

As mentioned in paragraph 76 of the PD, critical risks to the operation were: (i) lack of national consensus, ethnic and political tensions, and security; (ii) implementation and institutional capacity; (iii) public spending pressures in the run up to the 2006 elections and the 2007 Cricket World Cup; and (iv) developments in the world economy. To address capacity constraints, extensive technical assistance by IDA (PSTAC and a PHRD grant), IMF and IDB was provided to mitigate some risks (paragraph 76 of the PD). The risk that Bank funds could be used for questionable purposes in an election year was mitigated through conditionality of the IMF PRGF program. The IMF program, the preparation of PSIP (incorporated in the budget and monitored by the IMF) and the monitoring of large projects (Skeldon, by IDA and the IMF, with DfID support, the Cricket Stadium, mainly by the IMF, and other large projects by the IDB) address the broader fiscal discipline issue. Data on the 2005 and 2006 budget execution shows that the mitigating measures were adequate. The reforms supported by the PRPMO were implemented prior to Board approval precisely because the team recognized the risks (paragraph 76 of the PD). The preparation of the PRPMO contributed to increased dialogue between the main parties and resulted in a program of reforms with bi-partisan support, an outstanding achievement in the Guyanese context.

10. Assessment of Bank and Borrower Performance

(relating to design, implementation and outcome issues)

The operation was prepared carefully, paying great attention to the client's needs, capacity constraints, political circumstance and the Bank's comparative advantage. Careful attention was also given to donor coordination to leverage support for the implementation of the measures supported by the operation and ensure effective mitigation of risks. These efforts combined with strong country ownership resulted in the successful implementation of the actions supported by the operation and the sustainability of the reform program.

10.1.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

(i.e., performance through lending phase)

Rating: *Satisfactory*

The operation was prepared carefully, paying great attention to the client's needs, capacity constraints, political circumstance and the Bank's comparative advantage. Moving away from the annual PRSCs model and implementing a strategically focused programmatic DPL tailored to take account of Guyana's needs, its capacity, IDA's comparative advantage and the role of other donors, was fully adequate and justified. This was the best instrument to support Guyana, given this country's specific circumstances. The decision to follow this approach benefited from broad consultations in the region and the Bank (DEC, OPCS, etc.), several review meetings and consultations with other donors.

The risk-reward tradeoffs were adequately assessed and mitigated. Macroeconomic outcomes (please see 8.2 A. above) in 2006 were the most favorable in nearly a decade, expenditures related with the Cricket Stadium and the elections were contained broadly within the program's limits; preliminary indications from an ongoing Public Expenditure and Financial Accountability (PEFA) assessment showed that much progress was made in PFM as a result of recent reforms; the action plan for fiduciary oversight is being implemented; the PSIP was updated in 2006 and integrated in the budget, the 2005 audit report was tabled in Parliament and the new Forests Commission Bill was passed. Finally, donor coordination was deepened and IDB resources were leveraged for the implementation of a number of the reforms supported by the PRPMO.¹⁴ These developments show that reforms were well justified and timely, adequate risk mitigation measures were applied and the reforms are sustainable.

QAG assessed the PRPMO and rated the operation Moderately Unsatisfactory (4), but the team and the regional management disagree with assessment and presented a rejoinder. In QAG's view, the operation was moderately unsatisfactory because (i) government ownership and commitment to the reforms was weak, as evidenced by the slow progress in key elements of the PRSP program in the areas of the regulatory framework for mining and forestry and financial accountability; and (ii) the poverty focus of the operation was weak, undermining its rationale. Furthermore, the panel is of the view that the overall government expenditure program in 2006, involving a significant expansion of public spending as a share of GDP without commensurate expansion of implementation capacity, did not justify the provision of incremental financing by IDA. The key reasons raised by the team and regional management to contest the assessment are (i) the final judgment was largely an external *opinion on the country strategy* which did not take into account the particular circumstances surrounding the country and the development of this operation and hence did not address policy lessons or weaknesses in operational policy; (ii) the

¹⁴ One example is the "Support for the Implementation of the Strategic Plan of the Auditor's Office", approved by the IDB's Board in December 2006 (GY-T1030).

assessment does not address the PRPMO and its achievements (which were impressive) but a different operation that the panel seems to believe should have been undertaken (PRSC type) even though the approach followed by the PRPMO was strongly endorsed by the project team, regional management and development partners such as the IDB and IMF; and (iii) the assessment does not take into account that the operation introduced innovative reforms which are resulting in remarkable changes in fiduciary oversight. Measures are being sustained and deepened with support from other donors, notably IDB and MCC.

(b) Quality of Supervision
(including M&E arrangements)

Rating: Satisfactory

After disbursement of the PRMPO, the Bank remained fully engaged with the authorities, providing technical assistance and closely monitoring the implementation of the actions and policies supported by the operation. In order to address capacity bottlenecks, IDA complemented the assistance under the PRPMO with technical assistance provided by (i) the Public Sector Technical Assistance Credit (PSTAC) and; (ii) the multi donor financed Guyana National Statistics Strategy and Statistical Development grant. Supervision and monitoring activities included visits to Guyana as well as phone, video conferences and email exchanges with the authorities. IDA staff also worked closely with partner donors notably the IMF and the IDB.

The work with the authorities continues and a follow-on PRPMO II is being considered to support the second phase of the reform program supported by the PRPMO, thus providing continuity and sustained support for these reforms.

(c) Justification of Rating for Overall Bank Performance

Rating: Satisfactory.

The overall performance of the Bank is considered satisfactory. Analytical work, including work prepared or commissioned by IDA, informed the Government reforms (2005 PRSP Progress Report) from which measures supported by the PRPMO derive. IDA also provided extensive technical assistance for the preparation and implementation of the PRPMO supported program and helped leverage resources of other donors, played a key role in coordination with the IMF, IDB and other donors and ensured close monitoring of the PRPMO program implementation through frequent and regular reviews.

10.2 Borrower Performance

(a) Government Performance

Rating: Satisfactory

The rating for Borrower performance is satisfactory. Despite a challenging political situation and delays, the Government exerted committed efforts to implement the reforms supported by the PRPMO. In particular, it should be noted that the Government made considerable effort, with the support of IDA's staff, to pro-actively engage and find a common ground with opposition parties to define an action plan for the fiduciary oversight reforms -- a demonstration of its commitment and determination to pursue its governance efforts in this area -- and as a result cross party Parliamentary support for the reforms was reached. Also, despite the difficult country environment, the Government implemented all the PRPMO conditions and several of the other reforms included in the PRSP program.

(b) Implementing Agency or Agencies Performance

Rating: Satisfactory

The Policy Coordination and Program Management Unit (PCPMU) coordinated and oversaw all aspects of the PRPMO supported program and to coordinate the work of other ministries and agencies, notably the Ministry of Finance, the Auditor General Office, The Ministry of Agriculture, the Mining Board and GUYSUCO. The PCPMU was proactive in anticipating implementation issues and by holding regular meetings and contacts to monitor progress, helping solve difficulties faced by other implementing agencies as they emerged. In addition, the PCPMU was proactive in maintaining contacts with the Bank's team.

(c) Justification of Rating for Overall Borrower Performance

Rating: Satisfactory.

As a whole, the Government's reform program was well focused and designed and it has been implemented despite the difficult circumstances. Identification and implementation of the program had to take into account the possible impact on the program of a fragile political situation, a serious shortage of skills in the public sector, possible external shocks, and weak economic management in the preceding years. Macroeconomic stability was maintained and Guyana is negotiating a new IMF-supported PRGF arrangement. Most PRPMO conditions were met and several other reform measures covered by the Government's program have been implemented. The authorities continue to implement measures to (i) build the capacity and setting up the mechanisms (institutional arrangements, formats, etc.) and systems to improve the monitoring and evaluation of poverty-related programs and interventions; (ii) enhance the impact of public spending and reduce the level of discretion of top officials while supporting accountability, transparency and participation; and (iii) strengthen environmental management and regulations to ensure the sustainable use of Guyana's natural resources.

11. Lessons Learned

(both operation-specific and of wide general application)

Choice of lending instrument. Experience from the implementation of the PRSC I showed that: (i) Guyana did not have the capacity to complete a PRSC every year and (ii) the reform agenda needed to be simplified and focused (Simplified ICR, June 2004; ICR, March 2006). These lessons led to the move from PRSCs to a series of programmatic DPLs, while keeping the fundamental goal of pursuing the most effective tools to improve the capacity of the country to reduce poverty. The implementation of the PRPMO demonstrates that the decision to move from annual PRSCs to a series of programmatic DPLs was adequate in view of the period required by the Government to implement reforms. It also indicates that reforms need to be sensitive to the political context and to IDA's comparative advantage. In the post-MDRI environment with limited IDA resources, the Bank's true value added is in policy dialogue and policy-based lending, while also leveraging support for the execution (implementation) of the reforms from other development partners with larger resource envelopes. Hence, follow-on support should be timed to meet the pace of reforms depending on the Government's capacity, political context, commitment to reforms and IDA's comparative advantage, while continuing a focus on core priorities of the PRSP and privileging coordination with other development partners.

Client commitment. The successful implementation of the Government's program followed from its ownership and degree of commitment. The PRPMO supported key pillars of the PRSP. Specific policies in the area of fiduciary oversight were included in the 2005 PRSP Progress Report and endorsed by Parliament. Moreover, the action plan for fiduciary oversight reform was adopted after broad consultations and had support from the main political parties. This helped

strengthen the Government's ownership and commitment to the PRPMO supported program and to its medium-term sustainability. Also, the emphasis on communication and monitoring by civil society of these reforms had a positive impact on the Government's commitment to its implementation.

Institutional capacity. The PRPMO PD acknowledged that weak institutional capacity represented a critical risk for the implementation of the reform program (paragraph 76 of the PD), and judiciously coordinated TA through other Bank programs and with other development partners (paragraph 59 and 62). However, experience during twelve months has highlighted how severe this problem is and the significant amount of technical assistance and realistic time frames needed for implementation of reforms in Guyana. In this respect, the timely delivery of technical assistance by the international community has been and remains critical to making sufficient progress in the reform program. Also, it confirms the need to continue pursuing the reform program incrementally. Finally, the implementation of the PRPMO underscores the need to support the development of permanent capacity to sustain the reforms in the long run.

Donor coordination. As mentioned earlier, close coordination among donors in the provision of financial and technical assistance greatly contributed to the outcome of the reform program. Going forward, as Guyana enters a more complex phase with the agenda of PRSP II, it will be critical that coordination with the other donors active in this area continues to be further strengthened. The PRPMO also confirms that the Bank's strategic role in Guyana is in supporting policy reform while coordinating its policy work with financing and implementation support from other donors, in light of the limited resource transfers anticipated for the post-MDRI era.

The lessons detailed above are being taken into account for the preparation of PRPMO II.

12. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/Implementing agencies

(b) Cofinanciers

(c) Other partners and stakeholders

(e.g. NGOs/private sector/civil society)

Annex 1 Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Supervision			
Badrul Haque			
Antonella Bassani	Sector Manager	AFTP4	
Benu Bidani			
Enzo De Laurentiis	Manager	LCSPT	
Charles E. Di Leva	Chief Counsel	LEGEN	
Fabiola Altimari Montiel	Counsel	LEGLA	
George Campos Ledec	Lead Ecologist	LCSSEN	
Judith M. Lisansky	Sr Anthropologist	LCSO	
Emmanuel N. Njomo	Consultant	LCSFM	
Ahmadou Moutapha Ndiaye			
Chris Parel	Consultant	LCSFM	
Clara Ana Coutinho Sousa	Senior Economist	LCSPE	
Tamara Amoroso Whalen	Operations Analyst	LCCGY	

(b) Staff Time and Cost

Stage	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY03	1	1.15
FY04	12	101.99
FY05	37	191.81
FY06	25	85.64
FY07		0.00
Total:	75	380.59
Supervision/ICR		
FY03		0.00
FY04		0.00
FY05		0.00
FY06		0.00
FY07	21	83.04
Total:	21	83.04

Annex 2. Beneficiary Survey Results
(if any)

Annex 3. Stakeholder Workshop Report and Results
(if any)

Annex 4. Summary of Borrower's ICR and/or Comments on Draft ICR

The ICR was transmitted to the Government on August 21, 2007 for comments. On September 10, 2006, the Government provided the Bank with inputs to update factual information on a few issues discussed in the ICR and complimented the Bank for the clarity of the document. No specific text for this section was provided.

Annex 5. Comments of Cofinanciers and Other Partners/Stakeholders

Annex 6. List of Supporting Documents

- 1. 2006 PSIP**
- 2. IMF Staff Report to the Article IV Consultation, April 2007**
- 3. Forestry Commission Bill 2007**
- 4. Parliament Standing Orders**
- 5. Auditor General Report on 2005 Public Accounts (submission to Parliament)**
- 6. Auditor General Strategic Development Plan**
- 7. Draft Guyana PEFA (2007)**
- 8. Strengthening Procurement Administration (Report prepared by a consultant in 2007)**
- 9. Executed Public Current and Capital Expenditures by Sector and by Priority Poverty Related programs (...)**
- 10. Quarterly reports on Sugar Reforms**
- 11. Mining SEA (2006)**
- 12. Action Plan for the Introduction of e-Procurement in Guyana**

Annex 7. **POLICY MATRIX FOR THE
POVERTY REDUCTION AND PUBLIC MANAGEMENT OPERATION**
(Actions listed here should be satisfactory to IDA when adopted by Government)

		MEDIUM TERM OUTCOME		
PRPMO-I	INDICATIVE ACTIONS BEFORE PRPMO-II	(by end 2008)	Status	Overall Impact Assessment
Maintain stable macroeconomic framework.	Maintain stable macroeconomic framework.	Maintain budget deficit on a downward trajectory in 2005-08; maintain NPV of external debt-to-revenue ratio below 250% during 2005-2008.	Ongoing. Macroeconomic stability maintained, budget deficit declined in 2006 and is projected to continue a declining trend. NPV of debt to revenue was 183.0% in 2006 and is projected to remain below 250%.	Satisfactory
Prepare and publish a 5-year PSIP, consistent with PRSP objectives and debt sustainability, including a methodology for selecting and ranking future projects.	Satisfactory execution of the 2005-2009 PSIP, and annual publication of updated 5-year rolling PSIPs, consistent with PRSP objectives, debt sustainability, and project selection and ranking methodology contained in the 2005-2009 PSIP	Improved targeting of public investment for poverty reduction and growth enhancement consistent with debt sustainability.	The outcomes of the 2006 budget show that capital expenditure was in line with the published PSIP, which was consistent with debt sustainability and broadly in line with PRSP priorities.	Moderately satisfactory

		MEDIUM TERM OUTCOME		
PRPMO-I	INDICATIVE ACTIONS BEFORE PRPMO-II	(by end 2008)	Status	Overall Impact Assessment
Commit to subject all new public investment projects appraised after June 2005, estimated to cost over US\$10 million (net of grants), excluding those financed by multilateral financial institutions, to a detailed feasibility study reviewed by the World Bank or IDB for economic, environmental and financial viability	Subject all new projects of over \$10 million (net of grants), excluding those financed by multilateral financial institutions, to a detailed feasibility study reviewed by the World Bank or IDB for economic, environmental and financial viability.		No project of over \$10 million (net of grants), excluding those financed by multilateral financial institutions, was appraised since 2005.	Satisfactory
Integrate PSIP in the 2006 budget.	Integrate PSIP in annual budgets.		The 2006 PSIP was integrated in the 2007 budget.	Satisfactory
Continue improvement of public financial management as evidenced by: enactment of new Audit Act and gazetting of regulations	Further progress in public financial management improvement program as evidenced by satisfactory implementation of new Audit Act.		The Audit Act is under implementation and capacity is being strengthened to improve the quality of the audits.	Satisfactory
Implementation of Auditor General (AG)'s key recommendations contained in his 2004 report (see details in Annex ... of ICR)		Enhanced public financial management performance, as evidenced by timely follow-up on the AG's findings and issuance of treasury memoranda within 6 months of tabling of AG's reports in Parliament	The MoF has implemented the recommendations of the 2004 audit report and tabled a treasury memorandum following the PAC report on the 2001 and 2002 AG's reports.	Satisfactory
Launch the first phase of fiduciary oversight strengthening program (see details in Annex VIII of PD).	Completion of first phase and launching of second phase of fiduciary oversight reform agenda		An action plan to strengthen fiduciary oversight was adopted and is under implementation.	Moderately satisfactory

		MEDIUM TERM OUTCOME		
PRPMO-I	INDICATIVE ACTIONS BEFORE PRPMO-II	(by end 2008)	Status	Overall Impact Assessment
<p>Improve monitoring and evaluation of PRS activities as evidenced by: issuing of the first semi-annual publication of executed current and capital public expenditures by sector and priority poverty-related programs; publication of a summary of the 2002 Census; launching Household Income and Expenditure Survey; and completion of the mapping of access to basic services</p>	<p>Further improvements in monitoring and evaluation by: completing the household income and expenditure survey; continuing publication of current and capital expenditure execution; expanding public expenditure tracking system; using census and household income and expenditure survey results to inform PRS Progress Reports and budget allocations</p>	<p>Information available to assess targeting of public resources and progress in reducing poverty, and to adjust public policy for poverty reduction.</p>	<p>The GoG issued semi-annual publication of executed current and capital public expenditures by sector and priority poverty-related programs in June and December 2006 and June 2007. A summary of the 2002 Census was published and the Household and mapping of access was completed. The Income and Expenditure Survey was completed in May 2007. A poverty report is under preparation with Bank's support and will inform PRSP II.</p>	<p>Satisfactory</p>
<p>Continue satisfactory reform of regulatory and institutional public procurement framework consistent with established international standards, as evidenced by: adoption of amended National Procurement Act and of Regulations, and their dissemination</p>	<p>Procurement monitoring and evaluation system functional and providing adequate information for performance assessment and feedback into policy-making.</p>	<p>Strengthened transparency and efficiency in public procurement, as measured by improvement in the scoring of the OECD baseline indicators</p>	<p>A new legal and regulatory framework for procurement is in place. As part of the IFA exercise, baseline indicators of the OECD/DAC indicators are under preparation.</p>	<p>Satisfactory.</p>

		MEDIUM TERM OUTCOME		
PRPMO-I	INDICATIVE ACTIONS BEFORE PRPMO-II	(by end 2008)	Status	Overall Impact Assessment
Appointment of staff for National and Regional Tender Boards and Secretariat				
Adoption of standard bidding documents and evaluation criteria			Standard bidding documents have been adopted and evaluation criteria is being implemented.	
Completion of the first annual audit of procurement operations	Annual audits of procurement operations	better value for money and improvement in the perception of increased transparency, efficiency and service delivery quality	Auditor General reports for 2004 and 2005 include compliance of the Procurement act have been completed.	Satisfactory
Adopt and make satisfactory progress in the implementation of Environmental Management Plan (EMP) for the Skeldon sugar factory and associated canefield expansion	Satisfactory implementation of the Environmental Management Plan for the Skeldon sugar factory and associated canefield expansion	Continued good environmental management of the Skeldon sugar factory, canefields and conservancies, in accordance with the EMP		Satisfactory.
Submit to Parliament a revised Forests Bill, improving the legal basis for sustainable and environmentally sound management of Guyana's forests	Satisfactory implementation of the Forests Law, including updating the Code of Practice	Legal and regulatory framework for environmentally sound forest management is in place and functioning	A Forestry Commission Bill was approved by Parliament on July 26 and the revised Forest Bill is scheduled to be discussed in the coming months.	Moderately satisfactory
	Submit to Parliament updated Wildlife Bill, improving legal basis to protect and sustainably manage wildlife			Unsatisfactory
	Submit to Parliament a new Mining Bill, facilitating mining investments while improving environmental management			Unsatisfactory

Annex 8: Improving Fiduciary Oversight in Guyana

Action	Status
<i>Study 1: Strengthen Fiduciary Oversight</i>	
1. Parliament must be in control of its own Budget.	Ongoing. The Parliamentary Special Select Committee on the Needs Assessment of Parliament recommended a procedure to determine whether Parliament is in control of its own budget.
2. An oral question time should be set down each sitting day, and Ministers must answer oral questions in the House within a time frame to be defined.	Done. New Standing Orders were approved in May 2006 and oral questions without notice can now be asked in each sitting.
3. Ministers should be required to respond in writing to Written Questions within a time frame to be defined.	Done. New Standing Orders approved in May 2006 so provide and it is being adhered to.
4. Bills passed by Parliament should be given Presidential Assent in accordance with the Constitution.	Done. New Standing Orders approved in May 2006 uphold the constitutional requirement. Implementation of this requirement has been slow.
5. Key members of Parliament should be given training in how to undertake Fiduciary Oversight Role.	Ongoing. With IDB and other donors' support, key members of Parliament made overseas visits and participated in workshops on fiduciary oversight.
6. Debates, questions and answers, accountability documents, reports from the Auditor General and Ombudsman, Committee reports, and reports should be posted on the Parliamentary website.	Ongoing. With IDB support, the Parliament website is being upgraded to allow the posting of this information. The current Parliament website is frequently updated.
7. Members should be able to petition the Speaker for Urgent (i.e. same sitting day) Debate on a matter of national importance.	Done. New Standing Orders (May 2006) provide for this and it has been implemented on a number of occasions.
8. Resource each Committee with: a full time analyst; a full time research assistance; an experienced writer drawn from the Clerk's office; and a committee clerk	Ongoing. The Committees Division is being strengthened vis-à-vis staffing, physical and technical resources.
9. Fund the committees to allow engagement of specialist advisers (e.g. on tax or financial matters).	Ongoing. With IDB support, special advisers can be hired if needed.
10. The Committees should use their enquiry powers to undertake in depth investigations of government matters, with the requirement they report to Parliament within 6 months of commencing investigation.	Ongoing as required.
11. The Committees should use their powers to call	Ongoing as required.

officials and Ministers as well as witnesses outside government, before them to question any matter. Ministers and officials should be required to attend, and if not, submit their reasons in writing expeditiously to the chair of the committees.	
12. Ministers and officials should be required to respond to requests for information by the committees in a timely manner. If they do not, the committee chair should report this formally to the house.	Ongoing. Ministers and officials have responded to requests in a timely manner.
13. Following an Oversight Committee Report to Parliament which has recommendations for action, the Executive must report in writing to Parliament within three (3) months the action it proposes to make or reasons why action has not or cannot be taken.	Ongoing. The executive responded within the 90 days to with a Treasury memorandum to the 2006 report from the Public accounts Committee.
14. The President should be asked to present an Annual State of the Nation Speech to Parliament at the beginning of each year.	Ongoing. The President addressed the new Parliament after the 2006 general elections
15. All Bills should be reviewed and certify for Constitutional consistency by the Attorney General.	Ongoing. This is implemented.
16. Minister should make major policy statements in the House if they are not foreshadowed in the President's Annual State of the Nation Speech, or the Budget.	Ongoing. Ministers have made major policy statements to the House as required.
17. Recommendations made by the Auditor General in his annual reports to the PAC should be addressed and acted on by Parliament expeditiously.	Ongoing. Delays
18. The Executive should report to Parliament not later than 2 months after the PAC's report on its examination of the Auditor General Report is adopted by Parliament.	Ongoing. The executive responded within the 90 days to with a Treasury memorandum to the 2006 report from the Public accounts Committee.
19. Ombudsman's Report should be tabled in the House through the Speaker and become the subject of Parliamentary debate.	Ongoing. The Ombudsman Report has always been tabled in the House and subject to a negative motion. Now the relevant sectoral committee reviews these reports and reports to the House.
20. The Ombudsman office should be resourced adequately to ensure it can employ investigatory and prosecutorial staff to undertake inquiries on its own behalf.	Ongoing.
<i>Study 2: Limiting Use of Discretionary Powers</i>	
21. On the basis of this report and the detailed materials in the annexes to Study 2 on decisions, rights and process, develop specific recommendations in respect to each agency to be considered by the office of the President focusing on:	
<ul style="list-style-type: none"> • Rights of Ministers and the President to override and give exemptions to laws and the case for removing some of these; 	No action has been taken so far
<ul style="list-style-type: none"> • Clarifying independent powers of 	No action has been taken so far

commissioners that are not subject to higher authorities;	
<ul style="list-style-type: none"> • Transparency of processes for taking agency decisions to higher authority 	No action has been taken so far
<ul style="list-style-type: none"> • Rationalization of functions where there are overlapping jurisdictions between agencies and Ministries to clarify lines of accountability e.g. utility regulation, licensing and competition; 	No action has been taken so far
<ul style="list-style-type: none"> • Providing requirements and process that enable greater transparency and oversight by Parliament in accordance with the Constitution. 	No action has been taken so far
22. Using the material in the annexes to volume 3 develop specific recommendations for the Office of the President and Minister to clarify roles, responsibilities and relationships between President, Ministers, boards, Chief Executives offices/ Commissioners and remove people from conflicted roles in a practical way over time.	No action has been taken so far
23. Formulate improved procedures for accountability of agencies for their discretionary decisions within the Executive and under the Constitution:	
<ul style="list-style-type: none"> • Office of the President and Ministry of Finance work jointly to develop an integrated process for strategic planning, service commitments , budgeting and performance reporting; 	No action has been taken so far Transition plan being developed for shift M&E to MoF
<ul style="list-style-type: none"> • Establishing the obligation for all regulations to be tabled in the House. 	Done.
<ul style="list-style-type: none"> • Strengthening the capacity and resources of the select committees and the Attorney General’s office to scrutinize the performance and practices of the semi autonomous agencies. 	Ongoing. Actions to strengthen capacity are ongoing with IDB support. A consultancy is being procured to strengthen capacity to scrutinize semi-autonomous agencies.
<ul style="list-style-type: none"> • Providing Parliament with sufficient resources needed to conduct its business in accordance with the Constitution. 	Ongoing. Resources are allocated taking into account the country’s constraints.
24. Strengthening the capacity of agency boards: the Government should develop a code of principles, standards and good practices for the conduct of board members and a program to train and develop board members in good governance practices.	Ongoing. A consultancy is being procured for this action.
25. Develop and promulgate proper principles for setting fees and changes.	Ongoing. A consultancy is being procured for this action.
26. Strengthen the rights of review and appeal to discretionary decisions of agencies and make them	Ongoing. A consultancy is being procured for this action.

transparent.	
27. Review and rationalize rights to impose penalties.	Ongoing. A consultancy is being procured for this action.
28. Review rights to grant exemptions from laws administered by the agencies.	Ongoing. A consultancy is being procured for this action.
Study III: DISCLOSURE OF PUBLIC OFFICIALS' ASSETS	
<i>Study 3: Disclosure of Public Officials Assets</i>	
29. The Office of the Auditor General should be nominated as the liaison agency for the Integrity Commission.	on-going
30. The Commission should be expanded along the lines of the T&T Commission to take on four roles; Prevention; Investigation; Enforcement and Enlistment of public support.	(on-going)(while the GoG reports this as an ongoing action, the study planned under PSTAC to guide this process was NOT conducted