

THE COOPERATIVE REPUBLIC OF GUYANA

MINISTRY OF FINANCE

**Project: LINDEN ECONOMIC ADVANCEMENT PROGRAMME
(LEAP)**

EDF Nr: 8 ACP GUA 009

ANNUAL REPORT 2005

Linden, Guyana.

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LIST OF ABBREVIATIONS

AEE	AGRICULTURAL ECONOMICS EXPERT
BAE	BUSINESS ADVISE EXPERT
BCGI	BAUXITE COMPANY GUYANA INC
BDS	BUSINESS DEVELOPMENT SERVICE
BDU	BUSINESS DEVELOPMENT UNIT
BDE	BUSINESS DEVELOPMENT EXPERT
BESO	BUSINESS EXECUTIVE SERVICES OVERSEAS
BIC	BUSINESS INCUBATOR CENTER
BIM	BUSINESS INCUBATOR MANAGER
CAGI	CONSULTATIVE ASSOCIATION OF GUYANESE INDUSTRIES
CESO	CANADIAN EXECUTIVE SERVICES OVERSEAS
CIDA	CANADIAN INTERNATIONAL DEVELOPMENT AGENCY
DSA	DAILY SUBSISTENCE ALLOWANCE
EC	EUROPEAN COMMISSION
EDF	EUROPEAN DEVELOPMENT FUND
EE	ECONOMICS EXPERT
EMPRETEC	UNCTAD'S CAPACITY-BUILDING PROGRAMME TO PROMOTE SME DEVELOPMENT BY FOSTERING ENTREPRENEURSHIP, INNOVATION, AND LINKAGES
GDDP	GUYANA DAIRY DEVELOPMENT PROJECT
GO-INVEST	GUYANA OFFICE FOR INVESTMENT
GOG	GOVERNMENT OF GUYANA
GNBS	GUYANA NATIONAL BUREAU OF STANDARD
GNCB	GUYANA NATIONAL COOPERATIVE BANK
GNEC	GUYANA NATIONAL ENGINEERING COOPERATION
GTA	GUYANA TRAINING AGENCY
GVC	GUYANA VOLUNTEER CONSULTANCY
IBAE	INTERNATIONAL BUSINESS ADVISE EXPERT
ICM	INTERNATIONAL CREDIT MANAGER
IDB	INTERNATIONAL DEVELOPMENT BANK
IICA	INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE
IIF	INWARD INVESTMENT FACILITY
ILO	INTERNATIONAL LABOUR ORGANIZATION
IMC	INTERIM MANAGEMENT COMMITTEE
IPED	INSTITUTE OF PRIVATE ENTERPRISE DEVELOPMENT
IPM	INTERNATIONAL PROJECT MANAGER
LCICD	LINDEN CHAMBER OF INDUSTRY COMMERCE & DEVELOPMENT
LEAP	LINDEN ECONOMIC ADVANCEMENT PROGRAMME
LEAF	LINDEN ECONOMIC ADVANCEMENT FUND
LM	LOCAL MANAGER
LTI	LINDEN TECHNICAL INSTITUTE
MCI	MICRO-CREDIT INSTITUTION
MIN TIC	MINISTRY OF TRADE INDUSTRY & COMMERCE
MIS	MANAGEMENT INFORMATION SYSTEM
MOU	MEMORANDUM OF UNDERSTANDING
MOYSC	MINISTRY OF YOUTH SPORT AND CULTURE
MTC	MAYOR & TOWN COUNCIL
NAO	NATIONAL AUTHORIZING OFFICER
NARI	NATIONAL AGRICULTURE RESEARCH INSTITUTE

NBIC	NATIONAL BANK OF INDUSTRY & COMMERCE
NPM	NATIONAL PROJECT MANAGER
NTA	NATIONAL TECHNICAL ASSISTANCE
NTB	NATIONAL TENDER BOARD
PA	PUBLIC AWARENESS
PE	PROGRAMME ESTIMATE
RDC	REGIONAL DEMOCRATIC COUNCIL
SAASL	SURAPANA AGRICULTURAL ALLIED SERVICES LIMITED
SESNA	SMALL ENTERPRISE STIMULATION PROGRAMME IN THE NETHERLANDS ANTILLES
SME	SMALL & MEDIUM ENTERPRISE
SWP	SECOND WORK PROGRAMME
TA	TECHNICAL ASSISTANCE
TAP	TECHNICAL AND ADMINISTRATIVE PROVISIONS
TF	TASK FORCE
THAG	TOURISM & HOSPITALITY ASSOCIATION OF GUYANA
TOR	TERMS OF REFERENCE
TOT	TRAINING OF TRAINERS
UNCTAD	UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
UN	UNITED NATION
UNDP	UNITED NATIONS DEVELOPMENT PROGRAMME
USAID	UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
WP	WORK PROGRAMME

1. EXECUTIVE SUMMARY

The Financial Agreement for LEAP was signed in January 2001 and implementation began in January 2002. The Annual Reports for 2002, 2003 and 2004 have been submitted to the NAO and the Delegation of the European Commission in Guyana.

LEAP proposes to develop the market for financial and non-financial business services in Region 10, Guyana, an area that has been hard hit mainly by a decline in the bauxite mining industry. The activities under the third work programmes and the fourth Programme Estimate were designed to contribute to creating new employment by assisting the local private sector to start and expand businesses, assist public authorities and support training and infrastructure investments to encourage new business investment, generating new long-term employment. This will contribute to improving the standard of living of the community in Linden and Region 10 and to reduce social tensions.

The core activities of the project, which will be operational until June 2009 (7 years in total), consist of business support services inclusive of a business incubator, provided on a cost-sharing basis and national and foreign investment promotion. Accompanying measures include: vocational training, institutional strengthening for public and private institutions, a credit fund and rehabilitation of economic infrastructure.

This report covers a period of 12 months from January 1, 2005, through December 31, 2005, and carries on from the activities covered in the 2004 Annual Report. In 2005 the activities of the last eight months of the 3rd Work Programme and the first four months of the 4th Programme Estimate were implemented within the framework of the Linden Economic Advancement Programme (LEAP) financed by the European Commission (EC), and the Government of Guyana (GoG).

The 3rd Work Programme had an approved budget of GYD326.7m of which GYD48.8m or 14.9% was disbursed as at 31st December 2004, leaving a balance of GYD277.9m or 85.1% to be disbursed in 2005, within that programme.

For the period January 1 to August 31 2005 when the 3rd Work Programme closed, and November 30th when disbursements were completed GYD 159.3m or 49% was disbursed. All the components averaged 65% disbursement of their allocations, with the exception of component 5 which disbursed 40% of its allocation.

The 4th Programme Estimate, which started on September 1, 2005, had an approved budget of GYD 466.2m, of which GYD 6.5m or 1% was disbursed as at December 31, 2005. The budget of the 4th Programme Estimates increased with a rider (additional GYD 8.3 m).

This annual report follows the 3rd Work Programme within the context of the LEAP Global Work Plan. During the 3rd Work Programme an external evaluation was conducted which recommended as a priority the revision of the Log frame. The Log frame revision involving key stakeholders was completed in February 2005. The revised Log frame was endorsed by the LEAP Advisory Group in February 2005. and submitted to the LEAP Steering Committee on March 23, 2005 (the ECD having the responsibility for amending the Technical Administrative Procedures).

The revised Log frame is included in this Annual Report as Annex 2. The results and supporting activities it lays out for the programme as a whole are the primary reference for the activities proposed there.

LEAP continued to respond to the needs of its clients, micro and small businesses by designing and delivering relevant programmes and business advice services.

In addition, more sector specific training was delivered within the forestry sector (felling and ripping logs), shoe manufacturing (safety and industrial shoes and boots) and construction (preparing of bills of quantities).

During 2005, fifteen (15) workshops were held and five thousand, nine hundred and twenty-one (5,921) hours of training were delivered. In addition the LEAP facilitated under its job readiness programme a specific on-the-job training intervention in the making of industrial and safety shoes for employees of Arawak Leather Craft and Shoe Company.

Clients continued to participate in trade fairs and expositions in New York and Suriname.

Industrial works were completed on the BIC, West Watooka Road, two drainage sluices at Wismar, the Speightland Bridge and the first three (3) miles of the Moblissa Road. Work on the Mackenzie Car Park was 90% completed by the end of 2005.

LEAF lending operations started in January 2005, after the 1st tranche of GYD 60M, was received in December 2004. By end of 2005 a total of GYD216.4m had been disbursed and seventy hundred and fifty two (752) jobs created.

As a result of alleged irregularities committed by GUYFLAG in conducting its insurance business, the Office of the Commissioner of Insurance (OCI) notified the public that, among other things, the Guyana Fire, Life and General Insurance Company (GUYFLAG) was to cease its operations on the grounds that it has not been able to satisfy the Commissioner of Insurance with regard to its application. This matter is now engaging the attention of the Courts.

As a consequence GUYFLAG did not satisfy the criteria to be classified as a financial institution, and therefore could no longer manage the LEAF funds. Several measures were immediately put in place to safe-guard the remainder of the funds, which were in the LEAF account, but which had not yet been disbursed

In May 2005, the Accountant Mr. Henry Hamilton resigned, however his position was filled with the appointment of Mrs. Gwenette Adams, effective from May15, 2005.

Mr. Clive William was appointed Inward Investment Facility Officer on May 30, 2005.

Mr. Dominique Bard, the LEAF International Micro-Credit Expert joined the staff in May and left at the end of October, at the conclusion of his contract.

Ms. Valarie Sharp was recruited as LEAF Fund Manager on August 2, 2005.

Ms. Deonne Bacchus joined the staff in December 2005 as an Associate Engineer.

2. INTRODUCTION, SUMMARY & BACKGROUND

2.1. INTRODUCTION

This Annual Report provides a review of the activities that were undertaken in the implementation of the project for the period from **January 1, 2005** to **December 31, 2005** financed by the European Development Fund (EDF) and contribution from the Government of Guyana, Ministry of Finance. It sets out the structure of the project and reviews the planned outputs and activities, the managerial and administrative procedures followed for implementation and approved budget allocations and expenditures.

2.2. PROJECT OBJECTIVE

The objective of the programme is to broaden the Region's economic base.

2.3. PROJECT PURPOSE

The purpose of the programme is to increase sustainable employment opportunities in Region 10.

2.4. PROJECT IMPLEMENTATION STRATEGY

It is proposed to implement the project under eight components as follows:

- Component 0 - Management of the LEAP Programme
- Component 1 - Provision of Business Development Services
- Component 2 - Business Incubator
- Component 3 - Inward Investment Facility
- Component 4 - Linden Economic Advancement Fund (LEAF)
- Component 5 - Infrastructure Rehabilitation
- Component 6 - Vocational, Technical & Management Training
- Component 7 - Institutional Strengthening

2.5. PROJECT DURATION

The Financing Agreement was signed on 21 December 2001. The project will run for 7 (seven) years. Implementation started January 2002 and will end by June 2009.

2.6. TECHNICAL ASSISTANCE

The international technical assistance included a total of 210 p/m

Position	Project total	In this period	Accumulated	Balance
Project Manager	84 p/m	10.97 p/m	44.19 p/m	39.81 p/m
Business Advice Expert	72 p/m	11.10 p/m	31.43 p/m	40.57 p/m
Credit Expert for LEAF	24 p/m	9.39 p/m	23.13 p/m	0.87 p/m
Short Term Expert	30 p/m	3.93 p/m	15.16 p/m	14.84 p/m

In total 602 p/m was provided for local professional TA. In this period the local professional staff was revised as follows:

- BDU/Local Manager
- BIC Manager
- IIF Manager
- IIF Officer
- Agricultural Economist
- Business Development Expert
- Civil Engineer
- Accountant

Position	Project total	In this period	Accumulated	Balance
Local Professional Staff	602 p/m	92.16 p/m	273.13 p/m	328.87 p/m

In total 666 p/m was provided for auxiliary staff. In this period the auxiliary staff was revised as follows:

- Accounts Assistant
- Administrative Assistant
- Secretary (2)
- Receptionist
- Driver (2)
- IT Officer

Position	Project total	In this period	Accumulated	Balance
Auxiliary Staff	666 p/m	104.58 p/m	414.56 p/m	251.44 p/m

Cost Estimate

The costs estimated and the expenditure for the period under review were

Instrument	Approved	Expended
3 rd Work Programme	GYD 326,661,000/Euro 1,422,009	GYD 159,334,816/Euro 693.611
4 th Programme Estimate	GYD 474,529,810/Euro 1,834,548	GYD 6,433,739/Euro 24.873
MOU BIC	GYD 43,200,000	GYD 14,521,161

NB: rate of exchange 3rd WP=GYD 229.718 to €1; 4th PE GYD 258.663 to €1

2.7. BACKGROUND CONTEXT

The population of Region 10 is estimated at forty one thousand, one hundred and twelve (41,112), and is distributed amongst the main population centers as follows: Linden thirty thousand four hundred and twenty three (30,423) or 74%, Kwakwani two thousand, one hundred and thirty eight (2,138) or 5.2%, Ituni seven hundred and forty (740) or 1.8% and the remaining seven thousand eight hundred and eleven (7,811) or 19% are scattered along the riverin and other areas.¹

For over 80 years the development of Region 10 depended on the mining and processing of bauxite deposits which are located in Linden, Ituni and Kwakwani. Proven and probable mineral reserves are estimated at 62 million tonnes in Linden with smaller reserves at Ituni and Kwakwani. As is usual in most mining towns in developing countries, the bauxite company, in addition to providing employment, also provided all the education, health facilities, social and physical infrastructure as well as utilities (electricity and water) at highly subsidized rates.

For several reasons exogenous and endogenous to the industry, the bauxite company lost its market for calcine bauxite, metal grade and chemical grade bauxite, leading to low levels of production, which resulted in massive levels of retrenchment.

As at December 31, 2005 the number of employees of Omai Bauxite Mining Inc (OBMI) stood at seven hundred and eighty three (783) as opposed to five hundred and thirty five (535) at December 31, 2004, an increase of two hundred and forty eight or 46%.

As at December 31, 2005 OBMI's bauxite production stood at approximately 250,000 metric tones.

In October 2005, the Government of Guyana and a Russian Company, RUSAL, signed a Memorandum of Understanding which allowed RUSAL to take over the management of Aroraima Mining Company, to establish a new company, Bauxite Company Guyana Inc (BCGI) in which RUSAL would own 90% of the shares, and the Government of Guyana (GoG) 10%. This new company BCGI, should begin its operations during the 1st quarter of 2006

As at December 31, 2005 the number of persons employed in the Aroraima bauxite operations (Kwakwani) stood at one hundred and ten (110). This was unchanged from December 31, 2004. Production figures for 2005 were not available.

¹ Census Report 2002

3. STATUS OF INTERVENTIONS AND PROJECT IMPLEMENTATIONS (1 JANUARY 2005 – 31 DECEMBER 2005)

3.1. OVERVIEW

As mentioned earlier, for the first eight months of 2005 (January – August) the 3rd Work Programme was in operation, while the 4th Programme Estimate started on September 1, 2005.

There were effectively two Riders to the 3rdWP, the 1st Rider was not formalized and its purpose dealt with in Rider #2.

1. To extend the closing date of the 3rd Work Programme from March 31st, 2005 to June 30, 2005 as a result of the delay in the transfer of the start up advance by the EC to the LEAP until August 2004. All of the regulations in the original Work Programme remain unchanged and apply to the present Rider with the exception of 1.3 below.
2. To adjust allocation among the components and to the activity budgeted within the components as per attached Annex 3. There was no increase in the approved budgeted amount of **G\$326,661,000**.
3. In order to complete the BIC facility as soon as possible, EU procurement procedures as specified in Article 19.1.2 Negotiated Procedures for Works Contracts will be used for the award of the BIC Works Contract.

The purpose of Rider # 3 was as follows:

1. To extend the closing date of the 3rd Work Programme from June 30, 2005 to August 31, 2005 to provide adequate time for comprehensive review and approval of the 4th Programme Estimate by the NAO and EC Delegation.
2. To reallocate the anticipated cost overrun for the Bank Guarantee to Component 5, as there are insufficient funds remaining in Component 7 to cover this. This results from the delay in closing the 2nd WP and in the proposed extension of the 3rd WP. Specifically Budget Line 5.H, is introduced and allocated G\$2,600,000 and Budget Line 5.D.2 is reduced from G\$ 40,000,000 to G\$37,400,000. There are no changes in the total budget of Component 5, Component 7 or to the total budget of the 3rd WP.

For the 3rd WP GYD277.2m was available for disbursement between January and August 2005.

The first advance of GYD 45,425,902 on the 4th Programme Estimate (PE) was received on October 26, 2005. The Mou for component 7 for the 4th PE was signed on October 10, 2005, and GYD5,300,000 and GYD3,029,810 which were covered in the MoU were received on November 7th and 9th respectively. The total funds received for disbursement as at December 31, 2005 under the 4th PE was GYD53,755,712.

On December 28, the 1st Rider to the 4th PE was signed. The purpose of this rider was as follows:

1. To provide the LEAP Programme with additional funds to implement the activities or part thereof of Component 7 'Institutional Strengthening' as foreseen in the Programme Estimate # 4 as specified in Memorandum of Understanding # 3.
2. To lift the suspension to the implementation of Component 7.
3. To adjust allocations to Activity within Component 5, 6 & 7.

The total funds available were as follows:

- i. SASP IV, account # 201200 with the Bank of Guyana – GYD3,029,810 as per September 16th, 2005
- ii. NICIL – GYD 5,300,000

Giving the total of Eight million, Three Hundred and Twenty Nine Thousand, Eight Hundred and Ten Dollars (GYD\$8,329,810).

The 1st external evaluation of the LEAP took place during the 2nd quarter of 2004. Several recommendations were made to improve the projects effectiveness. The implementation of those recommendations continued through 2005, and those included:

Recommendation	Action
Revision of Log frame	Revised Log frame submitted March 2005 and accepted as basis for 4PE and ongoing M&
Better use of local permanent staff less sub contracting	Balanced with project objectives to build capacity of local service providers and needs for expert TA
Increase budget allocation to BDS and IIF	FA revision will be prepared early 2006
Development of Standard Modules of Services Greater involvement of Support staff in rapid assessment of clients	Services defined and brochures detailing these published April 05. Market value of services being determined in preparation for introduction of cost recovery strategies... Hard copy and electronic modules for business and production skills made more accessible to clients.
Review of potential of Agricultural	Focus has been sharpened on agro business and commercial

Sector	agriculture and potential for job creation. Review of Region 10 Food security and production capability for expanded markets contribution to national food security completed as basis for programme interventions completed 05/05
Creation of Business Library	Business Resource centre based primarily on electronic media and resources planned for in BIC opened April 2005. Resource Center launch delayed until Feb 2006. Web sites and other resources being catalogued, registered. Software identified
Targets and indicators established for cooperation with local institutions	<ol style="list-style-type: none"> 1. Institutional Capacity Development strategy revised by IBDE 2. Chamber of Commerce based in Incubator Centre and benefit from hands on capacity development by LEAP staff. MoUs with RDC and Chamber expanded for 2 year period. Support to establishment of Region 10 Planning Unit. PPSF established 3. Increased budget allocation recommended for FA revision 4. Specific activities and indicators identified in Log frame revision and ongoing M&E
Incorporate market approach to BDS	Client demand for services offered is being monitored and analysis will be integrated into cost recovery to be introduced in 4 th WP /06. Included is analysis of cost of delivering current services to identify effective approaches. Implementation agreed to but delayed due delay in contracting LEAP Public Education Consultant
Work more closely with non business community based organizations	Collaboration initiated with Linden Fund re international trade fairs, investment promotion. Local branch of Fund now located in Business Centre facilitating day to day contact.
Regional Development Strategy	Introduction of LED / PACA methodology in July 05. TA recruited and assigned directly to Regional Development Council 2 nd quarter 05. Business Opportunities Study completed unsatisfactorily Nov 04. 11 Business opportunity profiles completed and promoted to potential investors nationally, Caribbean, New York and Suriname.
Sustainability	Working group on sustainability to be established in 4WP as pre financing agreement.

During 2005 local management and personnel continued to be more involved in the day-to-day running of the project and the decision making process, which contributed significantly to the implementation of the 3rd WP. Two (2) important back-stopping missions were carried out by senior programme and administrative personnel from Transtec.

Consultations on the implementation of the programme and the identification of sub-projects continued at local community and regional levels. Five Advisory Group meetings were held, in addition to three (3) meetings on specific elements of the programme. Two (2) meetings of the Steering Committee were held.

Throughout the year coverage of LEAP activities on local and national print, broadcast and television media continued to be very positive and supportive of the programme. Three (3) editions of the LEAP News newsletter were published and distributed to the Region 10 Community and at local regional and international trade and investment expositions.

As a result of these activities, the LEAP is now a household word in most of Region 10, and has been recognised for its efforts at economic diversification within the Region. LEAP has also been able to strengthened its working relationships with the Guyana Office of Investment (GOINVEST), Guyana Manufactures and Service Association (GMSA), United Nations Development Programme (UNDP), Guyana Trade and Investment Support (GTIS) to mention a few. As a consequence of attending local Regional and International Trade and Investment Expositions, LEAP has been able to inform the public of investment opportunities within Region 10. Several investment enquiries have been received and these initiatives will continue to be perused during 2006.

The LEAF also benefited substantially from the public awareness campaign, to the extent that the first tranche of GY\$63.7M approximately was completely disbursed by the end of March and the second tranche at a GY\$150M was received in August.

3.2. COMPONENT 0 – MANAGEMENT

During the 1st quarter of 2005 the LEAP continued to operate out of its temporary office in the Linmine Office Complex. However in April the programme office was moved to its permanent location in the Business Incubation Centre (BIC), the renovation of which was completed at the end of March. The **BIC** was formally declared open by President Bharrat Jagdeo on April 29, 2005. The BIC is a state-of-the-art office complex which houses the LEAP offices on the first floor and business incubator comprising of seven (7) office suites, two (2) industrial areas and two (2) commercial suites, along with the resource centre and conference facilities on the ground. Additional office furnishings, fixtures and equipment had to be procured to furnish the Centre.

Project staffing continued to be reviewed to meet the existing needs of the programme. Ms. Gwenette Adams was approved in May as the new Accountant, following the resignation of Mr. Henry Hamilton. Mr. Clive Williams was appointed Inward Investment Facility Officer on May 30, 2005, and Ms. Deonne Bacchus was appointed Associate Engineer in December 4, 2005. Mr. Neil Fraser was confirmed as Business Development Unit Manager in January 2005. Ms. Valarie Sharpe was approved LEAF Fund Manager in July 2005.

Based on the recommendations of the 1st External Evaluation which was carried out in the 2nd quarter of 2004, a workshop was held on January 18 and 19, to revise the **LEAP log frame**. This process was facilitated by an external consultant and the sessions were attended by all of the stakeholders i.e. LEAP Programme staff, EC, M&T.C, LCICD, AG, NAO/Taskforce. The revised draft log frame was then sent to the NAO/Taskforce and the EC for their comments. However the EC has the responsibility for amending the Technical Administrative Procedures (TAPS).

An **internal monitoring and evaluation system** was designed and became operational in January 2005. The information which is being collected manually will be transferred to the LEAP database during 2006.

In order to **assess the impact of the of LEAP's training programme** delivered in 2004, several impact assessment workshops were conducted during 2005. The results showed that the training programmes were well received, the contents were found to be appropriate, trainers and the qualification commendable, and the trainees, in most cases were able to apply the concepts to which they had been

exposed. Suggestions for improvements centred around increasing the length of the course and more practice and application during the training programme.

Stakeholders continued to be informed about LEAP and LEAF and were consulted in the **preparation of the 4th PE** which was presented to the Advisory Group in June 2005. Functional relationships with the GoG, NAO/TF and the EC continue to be good, resulting in quick resolution of issues.

The management team continued the effective and proper utilization of the project resources, in keeping with the guidelines and procedures dictated by the EC, EDF and GoG.

The audit of the 3rd WP began in November and was scheduled to be completed in December.

The mid-term evaluation is scheduled for February 2006, and the Terms of Reference for the consultants were drafted and submitted to the EC for their comments.

Several sessions on cost recovery are scheduled to be held in January 2006.

3.3. COMPONENT 1 – BUSINESS DEVELOPMENT UNIT

Based on the revised log frame the targets and indicators for the Business Development Unit are as follows:

Overall Objective											
To broaden the Region's economic base											
Project Purpose											
To increase sustainable employment opportunities in Region 10											
Results											
Result 1											
Demand for, and availability of (market for) business services increased											
Number	Brief description	Aim / (base)	2004	1 st Q. 2005	%	2 nd Q. 2005	%	3 rd Q. 2005	%	4 th Q. 2005	%
R 1 Services											
R 1.1	2 privately run BAS agencies established and utilised	2 by 2009	+1=2 Desir	0		+2 = 4 Naughton Image	200%	0		0	200 %
R 1.2a	Business BIC library established after 3 m	Aug. '05	-	Business library will be established as part of the Resource Centre in 2006							
R 1.2b	> 30 clients per month in library	360 clients /yr from '06onward	-	Business library will be established as part of the Resource Centre in 2006							
R 1.3	10 BAS businesses established	10 by 2009	0	<i>(see R 3.3)</i>							
R 1.4	> 35 BAS workshop executed	35 BAS Workshops by 2009	+16 =27	+ 2 = 29	83%	+ 3 = 32	91%	+ 4 = 36	103%	0	103 %
R 1.5	Business Advisory Services (BAS)	200 BAS/year	-	77	38.5%	+84=161	81%	+145=306	153%	+ 39 = 345	172%
R 1.6	Client MIS established in '03, upgraded in '05	End of 2005 (300 active clients per year) 2002-05: 1200	+ 249 =509	+ 33 = 542		+ 32 = 574		+ 17 = 591		+ 30 = 621	52 %

The Business Development Unit continued to provide advisory services to existing and potential entrepreneurs in Region 10. The programme staff within the BDU continued to work towards improving the quality of advisory services given to clients. The Unit recognized the importance in expanding and continuously upgrading the database as this was crucial in its efforts at providing a level of consulting and training necessary to develop entrepreneurial skills and create jobs.

With respect to the log frame targets and indicators, Business Advisory services were provided to 345 clients and 11 BAS workshops were conducted during 2005. Client MIS was upgraded in 2005 and an additional 152 active files were added to the database bringing the number of active files to 497.

Following the floods along the coast land areas in 2005, a rapid assessment of food security, agricultural production and consumption in Region 10, was commissioned by a team of consultants from Vokaty & Associates. The objective of the study was to determine the volumes and types of food being consumed in the Region, and to assess the potential to increase production, as well as the inputs and services necessary to achieve this increase. A final report was submitted in April 2005.

In June another assessment of agriculture in Region 10 was done, this time with the sole objective of recommending measures to move agriculture from subsistence level to a firm commercial base. This study was executed by Rymon & Associates and the final report was submitted in July 2005. The recommendations presented in these two studies can be found in Annexes 3 and 4)

The Region 10 Agricultural Association was formed in May 2005, and the Association should draft a constitution and be registered before the end of the year.

Resources are allocated in the 4th PE to implement some of the recommendations of the two studies, and to strengthen the Agricultural Association

Outreach visits continued to be made to Ituni on the third Thursday of every month and to Kwakwani, Aroarima and Berbice River on the fourth Thursday of every month.

In June three on-farm demonstration, one each in West Watooka, Moblissa and Mabura, on the safe use of pesticides and agro-chemicals were conducted in collaboration with IICA. There was also a demonstration and training exercise on the use of a portable processing unit by NARI, a training seminar in exporting marketing for farmers was also conducted.

Within the BDU fourteen (14) other training interventions were mounted for LEAP clients in various relevant topics ranging from Basic Portuguese, Business Plan Preparation to sewing and garment making. A total of twelve thousand, six hundred and forty one hours of training were delivered. See annex 1 for a list of training programmes.

Four (4) editions of the quarterly Agricultural Digest, which compares commodity prices in Georgetown, Linden, Ituni and Kwakwani, were produced and circulated.

Eighteen (18) Business Plans were prepared for LEAP clients to provide a road map to entrepreneurs on how to manage their businesses and where relevant to access credit from LEAF.

3.4. COMPONENT 2 – BUSINESS INCUBATOR

Memorandum of Understanding (MOU)

An MOU was signed in December 2002 between the Government and the Commission of the European Community (EC) to entrust the management of LEAP with the additional responsibility of rehabilitating the project building intended for LEAP. Under this MOU the EC and the Government allocated and transfer GYD 15,000,000.

In June 2004 an addendum was signed for the rehabilitation of the building intended for LEAP and the Business Incubator Centre of which and additional amount of GYD 28,200,000 was allocated.

Below is the analysis of total funds received and monies spent.

G.o.G Funds	Funds Received	Actual 2003	Actual 2004	Actual 2005	Actual Total
	43,200,000	1,665,599	26,913,808	14,534,861	43,114,268

TA Contract Subvention

RDI Budget	2003		2004		2005		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	3,794,400	0	3,794,400	251,942	3,983,604	2,967,684	11,572,404	5,072,676

Based on the revised log frame the targets and indicators for the Business Incubation Centre are as follows:

Overall Objective											
To broaden the Region's economic base											
Project Purpose											
To increase sustainable employment opportunities in Region 10											
Results											
Result 2											
Business Incubator concept successfully introduced and tested											
Number	Brief description	Aim / (base)	2004	1 st Q. 2005	%	2 nd Q. 2005	%	3 rd Q. 2005	%	4 th Q. 2005	%
R 2 Incubator			Start in May 05								
R 2.1a	30 entrepreneurs benefit	30 by 2009				11		- 1 = 10		+ 2 = 12	40%
R 2.1b	1/3 continue successfully	10 by 2009		Successful continuation can only be assessed once the first incubator tenants leave the building.							
R 2.2 a	Cost recovery of BIC	70% in 2009				272,000 of	29.3 %	607,200 of	65.4 %	701,265 of 976,816	71.8 %

		<u>Per quarter</u>				928,337		928,924			
R 2.2 b		<u>Cumulated %</u>				0.272m/ 0.93m	29.3 %	0.88m/ 1.86m	47.3 %	1.58m/ 2.84m	55.6 %
R 2.3	1 viable proposal for BIC operation	Analysed by <u>2008</u>									

The Region 10 Business Centre which houses the Business Incubator was formally opened on April 29, 2005 by President Bharrat Jagdeo.

A committee comprising of LEAP staff and members of the Advisory Group was established to set the conditions which potential tenants would have to satisfy, and to review the first set of applications for tenancy.

With respect to the log frame targets as at the end of 2005, only R2.1a, R2.2a and R2.2b could be evaluated. Forty percent (40%) of R2.1a. has been achieved; however the target of 30 entrepreneurs benefiting by 2009 would depend on how quickly the initial 12 tenants leave the incubator.

By the end of 2005 there were six (6) incubator tenants and six (6) tenants in the Kiosks in front of the building. During the year the BIC tenants made full use of the services available to them e.g. office support services (internet access, printing, faxing etc), business advisory and consultancy services and technical assistance.

Between May and December, approximately three hundred and ten thousand dollars (GYD 310,000) were realized by renting the conference room to various organizations.

3.5. COMPONENT 3 – INWARD INVESTMENT FACILITY

The Inward Investment Facility activities are budgeted in Components 5, 6 and 7 of the 4th Programme Estimate.

Based on the revised log frame the targets and indicators for the Inward Investment Facility are as follows:

Overall Objective											
To broaden the Region's economic base											
Project Purpose											
To increase sustainable employment opportunities in Region 10											
Results											
<u>Result 3</u>											
Substantial new investment in businesses generated											
Number	Brief description	Aim / (base)	2004	1 st Q. 2005	%	2 nd Q. 2005	%	3 rd Q. 2005	%	4 th Q. 2005	%
R 3 Investment											
R 3.1	1,5 m Euro disbursed under IIIS	1,5 m Euro by 2009	0	0	-	0	-	0	-	0	-
R 3.2	>G\$ 50m of investment realised ¹⁾	By 2009 LEAF inv. Direct inv.	577.5m	→ 36.5m							Total 291%
				→ 110m							
R 3.3	10 businesses establ. on opportun. profiles	10 by 2009	0	Business opportunity profiles were published in 2005							

¹⁾ See also 4.1 (LEAF money disbursed) which has been to a certain extent spent on investments in machinery, equipment and buildings. Direct investments refer to the major LEAP clients Arawak, Caribe Products, Lintel, Karlam, and LIG International.

The year 2005 was one of mixed fortunes for the Inward Investment Facility. During the 1st quarter the NAO Task Force and the EC Delegation approved the Infrastructure Investment Incentive Scheme (IIIS). Although the Scheme was approved it was not operationalized. The major reasons were:

- The pre-conditions to accessing the Scheme proved to be too stringent
- Our experience has suggested that investors cannot indicate precisely when they will conclude putting their financial packages together. However once this happens, the investor wants to move immediately, consequently he is not inclined to wait until LEAP goes through its procedural requirements to have the infrastructural works commence.

The concept of the IIIS would have to be re-examined and simplified during the 1st quarter of 2006. Consequently no funds were disbursed, and no investment incentives provided under this scheme

In terms of achieving results against log frame targets, ten (10) business opportunity profiles were published in 2005, and as such no investors have come forward to take advantage of these business opportunities.

Karlam South American Timbers, a foreign owned company started its sawmilling operations in August 2004. Its major product was manufacturing of hard wood flooring for export to China and Europe. The company setup two sawmills and at peak were employing approximately 125 Guyanese skilled, semi and unskilled labourers. However in November in 2005 Karlam temporarily closed its operations claiming they needed to restructure the company, and their inability to obtain a regular supply of logs with which to feed the sawmills. Karlam is scheduled to restart its operations in April 2006, by which time the restructuring exercise would have been completed, and they would be using logs from their own concession.

In December 2004, the Government of Guyana (GoG) signed a Memorandum of Understanding with **Kaizen Solutions/NPI Communications**, to setup an inbound/outbound call centre in Linden. In January 2005 a cost sharing agreement was signed between the LEAP and Kaizen Solutions for training of its Back Office agents. Under the agreement the LEAP paid the trainers fees, training materials and provided meals for the trainees; the cost was approximately GYD1.3 million. Thirty persons were trained. In January of 2005 LEAP signed another cost sharing agreement with Kaizen Solutions to subsidize training of another one hundred and thirty persons. The cost was approximately GYD1.5 million. In February 2005, NPI withdrew from the MoU which had been signed in December 2004.

In May 2005, the Government terminated the MoU with Kaizen Solutions, on the grounds that Kaizen Solutions were unable to find an investor to come in as a co-investor with them.

In May the GoG signed a MoU with **Caribe Call Centre Inc (Lintel)** to set-up an inbound-outbound call centre using the venue and facilities which were previously used by Kaizen Solutions. In July and October respectively the LEAP signed two Cost Sharing agreements to provide training to one hundred and forty persons (140) at a cost of approximately GYD .6m. Most of these were drawn from those who had previously been trained by Kaizen Solutions, but who required additional training in telemarketing skills more specifically voice training and selling techniques. In August, Lintel contracted 42 persons as telemarketing agents. In October Lintel began to experience technical difficulties resulting from unreliable connectivity and lack of redundancy. This resulted in unacceptable levels of downtime and thus inability to satisfy their contractual obligations. In December 2005 Lintel changed its original service provider to Guyana Telephone and Telegraph (G.T&T), who installed a router which improved the level of service. However due to several unusual breakages of the

America's II fibre optic cable, Lintel continued to experience disruptions to its service, and by the end of December had reduced its staff to thirteen (13)

Arawak Leather Craft formally started its operations i.e. making of industrial and safety shoes and boots, in October 2005, after the machinery and equipment were installed, and the renovations to the factory were completed. The LEAP continued its support to Arawak under a Cost Sharing Agreement signed in October through which LEAP paid trainers fees for two persons from Trinidad. The level of this support was GYD 480,000. Arawak paid for local trainers, stipend for the trainees and provided the training materials. By the end of December 2005 the Company was employing fifteen (15), mostly women from the Coomacka area, and had produced two hundred and eighty four (284) pairs of safety and industrial boots and shoes.

In January 2005 **Caribe Wood Products** started its operations at their facility in Wismar, behind the Wismar Market. They received a loan from LEAF and purchased some machinery and equipment. Although the company originally intended to go into pre-fabricated houses primarily for export, they decided that in order to generate some cash flow it would be better for the next 6-9 months to concentrate on the production of squares for which there is a ready market. At the end of December this company was employing thirteen (13) persons.

The Inward Investment Facility continued to provide investment support to the following companies:

- JOP Developers – sawmilling
- Envirotec Recycling Enterprise – Plastic recycling project
- Blankaert Timbers - Sawmilling
- Linden Investment Group, local and foreign investors - rehabilitation of the Linden Airstrip to allow for the refuelling of light aircraft.

LEAP continued to work very closely with the Goinvest, GMSA, GTIS and Privatization Unit. As part of its investment promotion campaign, LEAP participated in several investment promotion missions, and facilitated the participation of some of its clients to trade fairs and exhibitions in New York, Suriname and Guyana.

3.6. COMPONENT 4 – LINDEN ECONOMIC ADVANCEMENT FUND

Component 4 - LEAF

Project Budget	1st WP		2nd WP		3rd WP		4th WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	2,499,938	0	15,699,999	15,502,702	199,600,000	80,820,345	376,650,000	1,699,352	594,449,937	98,022,399

Based on the revised log frame the targets and indicators for the LEAF are as follows:

Overall Objective											
To broaden the Region's economic base											
Project Purpose											
To increase sustainable employment opportunities in Region 10											
Results											
Result 4											
LEAF-initiated financial services are accessible and sustained											
Number	Brief description	Aim / (base)	2004	1 st Q.2005	%	2 nd Q.2005	%	3 rd Q.2005	%	4 th Q. 2005	%
R 4 LEAF						Both Q's					
R 4.1	LEAF moneys fully disbursed by early 2006 (equivalent of EURO 1.9 million)	1,9 m € by 2006 = 518.1 m \$ 1 € = 272.67\$				81.9 m \$	15.8%	+ 48.6 m\$ = 130,5 m \$	25.2%	+ 85.5 m\$ = 216 m \$	41.6%
R 4.2	LEAF financial results positive by 2007							2005: Interest: \$7.534m Application fees \$2.090m Legal fees \$4.880m			
R 4.3.a	300 micro-credits disbursed	300 by 2009				70	23%	+ 112 = 182	60%	+ 56 = 238	79%
R 4.3.b	300 micro-credits recollected	300 by 2009								Whole year: 73	24%
R 4.4.a	200 sm./ medium credits disbursed	200 by 2009				17	8.5%	+ 7 = 24	12%	+ 27 = 51	25.5%
R 4.4.b	200 sm. / medium credits recollected	200 by 2009								Whole year: 6	3%
R 4.5 (Total)	500 – 1000 total job creation	At least 500 jobs created ²⁾								Whole year 732 ³⁾	146%

¹⁾ Interest earned, legal fees and application fees collected

²⁾ According to the approval forms

³⁾ Loan defaulters are subtracted

The 1st tranche in the amount of GYD60m was transferred to the Financial Institution in December 2004. GUYFLAG commenced its 1st LEAF on-lending operations in January 2005.

In March 2005 the International Credit Expert Mr. Tjeerd Ossweraade left the project and was replaced with the appointment of Mr. Dominique Bard in April 2005.

LEAP contracted a local consultant to provide expertise to assess the current situation of the Fund and ensure the FI complied with all conditions for on-lending and reporting of LEAF activities as stipulated in the MoU. The consultant's report and recommendations was submitted to the LEAP Steering Committee in April 2005. Key measures were recommended which aimed at improving the implementation of LEAF overall operations. The main recommendations amongst several others were considered as benchmarks to be complied with as a condition for the replenishment of the LEAF account. These were as follows:

- The opening of three additional bank accounts (Escrow account, Bad debts reserve, LEAF operations)
- Regularisation of Credit Committee Loan Approval documents
- The recruitment of a more qualified LEAF Fund Manager
- A serial of measures to be initiated to implement an acceptable system of financial accountability and control

The acting Fund Manager was replaced by the new Fund Manager, Mrs. Valarie Sharpe who was recruited in July 2005.

The second tranche of GYD150m was transferred to LEAF bank account in August 2005. Lending operations increased significantly and improved in terms of quality of services offered to LEAF clients.

A communication campaign was launched during the year which included: A television interview with the new Fund Manager, improvement of the LEAF brochure, a special appreciation day organized by LEAF addressed to its clients and to the Region 10 community and participation in GUYEXPO 2005. With support from LEAP several staff training packages with the participation of local professional consultants were implemented as a continuous process. Training was provided in accounting, classic lending and micro lending operations, business plan and cash flow projection etc. Staff training sessions were also conducted in Portfolio & Risk management and Financial Statement Analysis. The CUMME MIS/CRM system was improved to match LEAF's technical requirements with emphasis on reporting, allowing the automated generation of periodic reports.

Community outreach visits to monitor client projects were conducted to Ituni, Kwakwani, Aroaima and other communities along the upper Berbice River.

On October 5, 2005 the Office of Commissioner of Insurance (OCI) issued a statement which stated among other things that the Guyana Fire, Life and General Insurance Company (GUYFLAG) was to cease its operations on the grounds that it has not been able to satisfy the Commissioner of Insurance with regard to its application.

The genesis of this statement was alleged irregularities committed by GUYFLAG in conducting its insurance business. The result was that GUYFLAG no longer satisfied the criteria to be classified as a financial institution and therefore could no longer manage the LEAF fund. In addition to which the EC indicated it would not be releasing the 3rd tranche unless arrangements were put in place to have a new financial institution in place to manage the Fund.

As at December 31, 2005 this matter was still largely unresolved, consequently loans could only be made out of repayments received which averaged 3m – 4m per month. On the other hand the number of applications pending disbursement increases daily.

However all the parties concerned namely, EC Delegation, NAO Task Force, LEAP/LEAF and the Advisory Group are working assiduously to resolve this problem.

Summary of LEAF lending operations as at December 31, 2005

Loan applications registered	711, value GYD762.9m
Number of loans disbursed	286
Amount disbursed	GYD216.5m
Amount repaid	GYD50.3m
Number of loans outstanding	200
Amount outstanding	GYD\$166.8m

Portfolio Outstanding

Active loans	139, value GYD112.9m
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Loans in arrears

Past Due <90 days	45, value: GYD3.5m
Balance outstanding	GYD45.4m

Non Performing (>90 days)	16, Value GYD5.3m
Balance outstanding	GYD8.5m

Employment Generation

Permanent jobs	750
Temporary jobs	10
Seasonal jobs	5

In this case the key to achieving the results as indicated in the log frame is the timely release of the funds to the Financial Institution. In 2005 in order to protect the integrity of the fund, new administrative procedures were introduced which resulted unfortunately in a slowdown in the rate of disbursements.

3.7. COMPONENT 5 – INFRASTRUCTURE REHABILITATION

Component 5 - Infrastructure Rehabilitation

Project Budget	1st WP		2nd WP		3rd WP		4th WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	0	0	3,500,000	1,466,687	50,600,000	31,681,703	1,699,352	6,570	55,799,352	33,154,960

Based on the revised log frame the targets and indicators for infrastructure Rehabilitation are as follows:

Overall Objective											
To broaden the Region's economic base											
Project Purpose											
To increase sustainable employment opportunities in Region 10											
Results											
Result 5											
Physical infrastructure support enhancing economic activity provided											
Number	Brief description	Aim / (base)	2004	1 st Q.2005	%	2 nd Q.2005	%	3 rd Q.2005	%	4 th Q. 2005	%
R 5 Infrastructure											
R 5.1	5 feasibility studies completed	5 by 2009	0	1 (Moblissa Water)	20%	1 underway Millie's Hideout		1 underway Millie's Hideout		2 underway Millie's hideout / wharf	20%
R 5.2	3 public buildings upgraded and leased	3 by 2009	0	0	--	+ 1 BIC	67%	0	--	0	67%
R 5.3	6 comm. groups benefit from infrastr. Support	6 by 2009	0	0	-	0	-	0	-	Road Dalawala in prepar.	0%
R 5.4a	Ph. 1 of industrial site completed		0	Site selection under way						0	0%
R 5.4b	Indust. incubator established	Established by 2009	0								
R 5.5	Upgrade wharf service facilities completed	Completed by 2009	0	0	-	Feas. Study initiated	-	-	-	-	0%
R 5.6	5 infrastructure works via IIS completed	5 by 2009		0	-						0%
R 5.7	8 miles of agricult. roads completed	8 miles by 2009 ¹⁾	2.5m	-	-	+ 0.6 = 3.1 West Watooka	39%	-	69%	+ 3 m = 6.1m Mobl. Road	76%
R 5.8	3 other econ. infrastr. works rehabilitated or constructed	3 by 2009	1 Wis-mar market	0	-	0	-	+ 2 = 3 Kokers; Culverts	100%	+ 2 = 5 Speightland Br. Mackenzie Car Pk.	167%

¹⁾ The target of 8 miles is valid for the whole project duration and not only from 2005 (planning) onward, hence the cumulated figures.

Activities undertaken in Component 5 contributed to supporting physical infrastructure, enhancing economic development in partnership with the public and private sector. Engineering services were provided for feasibility studies, design and supervision of sub-project works, as well as the preparation

of tender documents, evaluation of tenders and award of contracts in compliance with EDF rules for Simplified Procedure, and GOG requirements.

This component further generated short-term employment and provided residents of Region 10 with on-the-job training and experience. Opportunities were also provided to Region 10 contractors to increase their experience and resources which contributed to increasing their capacity to compete successfully for a wider range of service, supply and works contracts. The implementation of this component in 2006 will be strengthened, and supervision of works improved, through the addition of an Associate Engineer in December 2005.

In terms of results achieved against the log frame the areas slippage are in results 5.3, 5.5. and 5.6 which were specifically linked to the Investment Incentive Scheme.

The **West Watooka road rehabilitation project** was completed in March 2005 and officially opened by Prime Minister Hinds on April 29, 2005. **The Business Incubation Centre** was completed in March 2005, and officially opened on April 29, 2005 by President Bharrat Jagdeo.

A contract was signed with a consulting firm to conduct a study to determine the most efficient, and cost effective way, of getting water for agricultural and domestic purposes to the residents in Moblissa – **The Moblissa Water Resource Study.**

The preliminary report was submitted by the consultants in March, and a presentation was made to the RDC, GWI, AG and LEAP. The final report was accepted, however a study to determine the economic feasibility of the option recommended will have to be done during the 1st quarter of 2006.

A contract was signed for the **rehabilitation of the Speightland Bridge and the installation of culvert** in August 2005. This project was completed in November 2005. A contract was awarded in September 2005, for the **repairs to three (3) sluicies/kokers** on Burnham Drive, Wismar, this was completed in October 2005. A contract was awarded in June 2005 for the **rehabilitation** to the culvert and road at the junction of Wilfred Gaskin Highway and Burnham Drive, Wismar, this was completed in September

On July 7, 2005 a contract was signed for the **rehabilitation of the first (3) miles of the Moblissa road**, this was completed in November 2005. In August 2005 a contract was signed for the **rehabilitation of the Mackenzie Car Park**, and the **building of six (6) stalls** on the park, this was 90 % completed as at December 31, 2005.

Not much progress was made on the **feasibility study of the Millie's Hideout Road**. Originally three (3) consultants purchased tender documents, but only one (1) tender was submitted, and this was a joint venture between two (2) consulting firms. The evaluation committee advised that this was in violation of the EDF, rules for Simplified Procedures, which require a minimum of three (3) tenders for the evaluation. In addition the amount quoted in the joint submission was way above the LEAP budgetary allocation.

The Terms of Reference were therefore revised in keeping with the budget and new tender documents should be prepared by March 2006.

3.8. COMPONENT 6 – TECHNICAL, VOCATIONAL AND MANAGEMENT TRAINING

Component 6 - Technical & Vocational Management Training

Project Budget	1st WP		2nd WP		3rd WP		4th WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	8,899,957	72,500	26,018,000	24,352,889	26,800,000	21,450,176	49,875,000	3,798,597	102,693,000	49,601,662

Based on the revised log frame the targets and indicators for Technical, Vocational and Management Training are as follows:

Overall Objective											
To broaden the Region's economic base											
Project Purpose											
To increase sustainable employment opportunities in Region 10											
Results											
Result 6											
Employability of residents strengthened											
Number	Brief description	Aim / (base)	2004	1 st Q.2005	%	2 nd Q. 2005	%	3 rd Q. 2005	%	4 th Q. 2005	%
R 6 Employability											
R 6.1	3 schools offer programmes in promoting entrepreneurship from third form	3 schools in 2009	0	Activities are planned for September 2006.							
R 6.2	300 youth (50 outside Linden) trained in business literacy (including language)	300 youth ... (50 out of Linden) in 2009	91 Job readiness	+ 12 = 103 (Portuguese language training)	34%	0	Specific activities targeting exclusively young people are planned for 2006		0	34%	0%
R 6.3	Job Centre unbundled in 2007, with provision to exist at least six months after unbundling	Job Centre unbundled by 2007	0	Job Centre to be launched in 2006.							
R 6.4	Sector specific training in three selected	2009: 3 training prgr. each in 3 sectors	4 Garm. Furnit. Poultr	0	-	+ 1 = 12 Jewellery	133%	+ 1 = 13 Loggers	144%	+ 3 = 18 Sewing	200%

	sectors provided	(Tot. = 9) Transport: Manufact.: For./agro:	y Markg - farme rs							Leathe r Agro- proces s.	
R 6.5	150 youth benefit from in-service employment training	150 youth by 2009	23	30 CC	20%	+ 130 Call C. = 160	107%	+ 60 Call C. = 190	127%	+ 80 Call C. + 23 YEN = 293	195%
R 6.6	Specialized training for 100 persons/yr provided ¹⁾	100 persons per year 50% of trg. costs recovered from companies	132 n.a	28 Portug. + 30 CC = 58 ?	58% -	+ 130 Call C. + 11 Jewe llery = 199 ?	188% -	+ 60 Call C. + 3 Loggers =262 ?	262% -	+ 80 Call C. + 12 Sewin g + 14 Leath. = 368 Winter: 89.8% Lintel: ??	368%
R 6.7	A segment with general information for employment included in TV/ News once a month	12 times/year	24	3	25%	+ 10 = 13	108%	+ 7 = 20	167%	+ 3 = 23	192%
R 6.8	Database upgraded continuously	Data base upgraded every 6 months	3,344 entries	0	-	Upgr aded	-	0	-	?	50%

¹⁾ The following training programmes focusing on employment (not self-employment) are considered: job readiness, front desk reception, restaurant servers, language training, and any training supporting large investors.

During 2005 the LEAP continued its strategy to improve technical vocational and managerial skills where as in 2003 and 2004 emphasis was placed on forestry and wood products, garment manufacturing and agriculture, several other dimensions were added.

As far as achieving the results indicated in the log frame, Component 6 appears to be doing well although the activities associated with three (3) crucial results R.6, R.6.2 and R.6.3 will not begin until 2006.

With the LEAF beginning its on-lending operations in January 2005, the demand to have business plans developed and written for clients to access funds increased dramatically. To cope with this situation the LEAF hired external consultants and also held two (2) workshops, one (1) in Linden and one (1) in Kwakwani, on Business Plan Preparation., to build capacity in those areas so that persons could prepare their own business plans or use their newly acquired skills to prepare plans for others.

One (1) training workshop was also held exclusively for LEAF credit staff in assessment of business plans. In addition the LEAF staff was trained in the use of management information systems (MIS).

A two (2) week workshop was conducted in the Participatory Approach to Competitive Advantage (PACA). The objective of the intervention was to enable both public and private sector institutions, working together, to define the sectors in which Region 10 may have a competitive advantage. Those sectors were identified as forestry and wood products, tourism, agriculture and handicraft.

In order to build capacity, a five (5) day workshop was held for employees within the Regional Administration on Project Planning and Appraisal. The objective of this workshop was to expose the participants to those tools which would then be submitted to the Regional Authorities and the Central Government for implementation.

A three (3) month beginner's course in Portuguese was also facilitated. This course was well received especially by members of the Police Force (Immigration) and Customs Department, who come into daily contact with Brazilians passing through Linden.

3.9. COMPONENT 7 – INSTITUTIONAL STRENGTHENING

Component 7 – Institutional Strengthening

Project Budget	1st WP		2nd WP		3rd WP		4th WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	19,399,833	0	16,769,352	14,195,348	49,661,000	25,382,592	10,204,810	550,394	96,034,995	40,128,334

Based on the revised log frame the targets and indicators for Institutional Strengthening are as follows:

Overall Objective											
To broaden the Region's economic base											
Project Purpose											
To increase sustainable employment opportunities in Region 10											
Results											
Result 7											
Existing and new private and public sector entities relevant for economic development strengthened											
Number	Brief description	Aim / (base)	2004	1 st Q.2005	%	2 nd Q.2005	%	3 rd Q.2005	%	4 th Q. 2005	%
R 7 institutional strengthening											
R 7.1	Econ. Dev. Prgr. implemented jointly by public & private sector	Development plan elaborated by 2007 and jointly implemented	---	0		PACA training PACA exercise		Economic planner recruited; Work plan elab.		UNV arrived	
R 7.2	LCICD membership at 100	100 members by 2009 ¹⁾	24	0		+ 2 = 26	26%	+ 11 = 37	37%	0 + 28 w/o pay- ment	37%
R 7.3	3 new bus. associations created & functional	3 new by 2009	0	0	--	1 Agric.	33%	0	33%	0	33%

¹⁾ All data 2002 – 2004 cover the period April of the preceding year to March next year (Chamber's finance from April – March). This indicator ought to take previous memberships (before 2005) into account.

In terms of sustainability, the long-term economic development of Region 10 depends on the management capacities of several regional institutions, Regional Democratic Council, IMC, Linden Chamber of Industry and Commerce Development for which LEAP provides institutional support. Their capacities to set objectives, to devise strategies, to plan activities, and to implement them adequately will be decisive to enhance economic development in Region 10 within the framework of the national development plans.

It is part of LEAP's mandate to ensure that these capacities are developed in the context of enhancing investment climate and supporting the business community to the benefit of the population to ensure sustainable employment and income. The institutional strengthening efforts will directly improve the institutional environment through the enhancement of public-private sector relationship.

In terms of the results as set out in the log frame, all the results seem to be achievable by 2009, but the work on the Regional Development Plan will have to commence in earnest in 2006.

The following primary result has been identified for the institutional strengthening component: "Existing and new private and public sector entities relevant for economic development strengthened".

To achieve this result the activities in this component are four -fold in nature:

- Focus on Key stakeholder institutions being directly involved and having a direct impact on the economic development of the region such as the Regional Democratic Council, the Mayor and Town Council, the Linden Chamber of Commerce, Industry and Development, the Linden Technical Institute, and other private sector organisations, sector associations and local NGOs.
- Promote informed "ownership" of the programmes activities through multi media – multi forum public education
- Integrate services of the Business Development Unit where relevant with the Programme's institutional strengthening activities.
- Ensure long term sustainability of LEAP's efforts and enhance the transfer of ownership to local stakeholders.

The BDU advisory services, provided primarily through Component 6 and 7, are geared towards the needs of micro, small and medium enterprises. The introduction of a cost-recovery scheme which seeks to incrementally increase service fees to market rates before the project ends, would prepare the business community for greater sustainability of offered business services

During 2005 LEAP continued working very closely with the RDC, M&TC and LCICD. Guidelines for the establishing of a Public-Private Sector forum was developed and approved by the stakeholders. The first meeting was held in April and it was agreed that meetings would be held on the last Tuesday of every month and would be chaired alternately by the RDC and M&TC. The minutes of the meeting, the agenda, circulation of notices would be the responsibility of the LCICD. Five (5) meeting of the Public-Private Sector were held in 2005.

A MoU was signed in May 2005 with the RDC to cover the emoluments for the Junior Economic Planner. Under the terms of the MoU LEAP would provide GYD2.7m to the RDC over a period of eighteen months. The Junior Economic Planner was recruited in July 2005.

The Participatory Appraisal of Competitive Advantage (PACA) workshop was held in April, and five (5) local consultants were trained in the methodology which was endorsed by the RDC, M&TC, LCICD and LEAP. A second PACA intervention is scheduled for March – April 2006.

A MoU was signed in May 2005 with the LCICD which paved the way for the hiring of an Executive Secretary. Under the terms of this MoU LEAP would provide GYD2.5m to the LCICD, over a period of eighteen (18) months. The first tranche of GYD 600,000 was released during 2005 with a balance of GYD1.9m to be released during this year.

4. FINANCIAL STATUS

4.1. FINANCIAL REVIEW 2005

During the review period, the 3rd Work Programme was closed and the 4th Programme Estimate commenced.

4.2. 3RD WORK PROGRAMME

Revised budgetary allocation for the 3rd WP amounted to **GYD 326.7M**. During the review period GYD 159.3M was spent which was approximately 48.8% of the budgetary allocation.

During 2005 there were two Riders. Rider#2 which extended the closing date of the Work Programme from 31 March 2005 to 30 June 2005, it also adjusted the allocation among the components and the activity budget with the components to complete the BIC facility. Rider #3 extended the closing date of the Work Programme from 30 June 2005 to 31 August 2005 to provide adequate time for comprehensive review and approval of the 4th Programme Estimate by the NAO and EC Delegation. It also reallocated the anticipated cost overrun for the Bank Guarantee to Component 5 as there were insufficient funds remaining in Component 7 to cover this.

The total funds received for the period for the Work Programme was GYD 118.7M or approx 36.3% of the targeted expenditure under this Work Programme was received.

During the review period the Mid Term Audit of the 3rd Work Programme was completed by Bisheswar Seebarran and Co; the audit report was submitted to the Auditor General of Guyana and the NAO. End of Work Programme audit commenced in November 2005 and was not completed at the end of the period under review.

3rd Work Programme performance at the end of December 2005 can be summarised as follows:-

Approved Work Programme Budget	326,661,000	100.00%
Funds Received (in 2005)	128,639,532	39.4%
Total Spent	159,334,816	48.8%

N.B: The reason for the amount spent being greater than funds received, was due to G\$33,556,544 of funds brought forward 2004. In 2004 funds received was G\$82,359,899 while G\$48,803,355.

4.3. 4TH PROGRAMME ESTIMATES

The 4th Work Programme was signed into existence on the 1 September 2005; however, the first advance was received on 26 October 2005.

The budgetary allocation for the 4th Programme Estimate was GYD 466.2 M on the 28 December 2005 Rider # I was signed to provide additional funds to implement activities or part thereof of Component 7 “Institutional Strengthening as specified in Memorandum of Understanding #3. The total funds was GYD 8.3M. This Rider also lifts the suspension to the implementation of Component 7 as well as adjusts allocations to activities within Components 5, 6 & 7. As a result the revised budgetary allocation was GYD 474.5M.

During the review period a total of **GYD 6.4M** was spent, reflecting a budget consumption rate of less than 1%.

4th Programme Estimate performance at the end of December 2005 can be summarised as follows:-

Approved Work Programme Budget	474,529,810	100.00%
Funds Received to-date	50,000,000	10.54%
Total Spent	6,433,739	0.013%
Funds Available from advance	43,566,261	10.53%

Work Programme Expenditure and Fund Balance

Tables 1 thru 4 summarises Work Programme Expenditure and budget commitments. From a total of GYD 165.8M spent on work Programme activities during the Year 2005, 50% was applied to Infrastructure Rehabilitation, 16% to Institutional Strengthening, 16% to Vocational Training and 19% to LEAF activities.

Table 1 : WP Expenditure for the Period 01/01/2005 to 31/12/2005

		GYD	EURO	%
<u>Work Programme 3</u>				
Component 4	LEAF	31,681,703	127,069	20
Component 5	Infrastructure Rehabilitation	80,820,345	327,150	51
Component 6	Technical, Vocational & Management Training	21,450,176	86,197	13
Component 7	Institutional Strengthening	25,382,592	101,657	16
		159,334,816	642,073	100
<u>Programme Estimate 4</u>				
		GYD	EURO	%
Component 4	LEAF	385,396	1,490	6
Component 5	Infrastructure Rehabilitation	1,699,352	6,570	26
Component 6	Technical, Vocational & Management Training	3,798,597	14,686	59
Component 7	Institutional Strengthening	550,394	2,128	9
		6,433,739	24,873	100
<u>Total WP3 and PE 4</u>				
		GYD	EURO	%
Component 4	LEAF	32,067,099	128,559	19
Component 5	Infrastructure Rehabilitation	82,519,697	333,720	50
Component 6	Technical, Vocational & Management Training	25,248,773	100,882	15
Component 7	Institutional Strengthening	25,932,986	103,785	16
		165,768,555	666,946	100

Table 2 : 3rd WP - Summary of Expenditure January to November 2005

Component 4 - LEAF

Project Budget	1st WP		2nd WP		3rd WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	2,499,938	0	15,699,999	15,502,702	50,600,000	31,681,703	68,799,937	47,184,405

	Particulars	Revised Budget	Total 2005	
		GYD	GYD	EURO
4.A	Programme & Activities Coordinated/Synchronised	3,800,000	2,447,865	9,844
4.B	Financial Institution assisted with Business Plan	4,200,000	1,236,000	5,120
4.C	Credit Market Survey, Analysis & Transition to Approach	3,200,000	151,100	622
4.D	Communications Campaign	2,500,000	2,369,124	9,622
4.E	Training Seminars	4,300,000	4,299,497	17,132
4.F	Support of LEAF Operations	28,000,000	19,365,999	77,196
4.G	Support of Lending Operations & Reaching Lending Target	500,000	413,000	1,693
4.H	Phase 1 MIS and Phase 2 MIS/Reporting	4,000,000	1,399,118	5,840
4.I	Leaf Progress Report	100,000		
	Total LEAF	50,600,000	31,681,703	127,069

Component 5 - Infrastructure Rehabilitation

Project Budget	1st WP		2nd WP		3rd WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	0	0	3,500,000	1,466,687	199,600,000	80,820,345	203,100,000	82,287,032

		Revised Budget	Total 2005	
Particulars		GYD	GYD	EURO
5.A	Capacity to Respond to LEAP Emerging needs	5,000,000	554,673	2,312
5.A.1	Vehicle	7,600,000	1,576,951	6,444
5.B	Rehabilitation of Public Assests			
5.B.1	Completion of the West Watooka Road Rehab-Extension	24,000,000	10,294,227	39,856
5.B.2	Completion of Moblissa Road Rehabilitation	26,000,000	25,556,129	105,488
5.B.3	Rehabilitation & Upgrading of Aluminium Plant Wharf			
5.B.4	Rehabilitation Requirements in Kwakwani and Ituni	10,000,000	40,400	155
5.B.5	Government Assets to be identified by commitment of Investors	30,000,000	26,630,427	110,133
5.C	Development of Industrial Infrastructure			
5.C.1	Industrial Site Development	15,000,000	200,000	773
5.C.2	Small-Medium Industrial Development Incubator			
5.D	Individual/Cooperative Investment Support Incen			
5.D.1	Design & Implementation of Incentive Facility for Private Investors	1,000,000	-	
5.D.2	Identification, Approval Implementation of up to 5 Investment Projects	40,000,000	-	
5.E	Community Support Facility Infrastructure Investment Provided	20,000,000	693,120	2,679
5.F	Feasibility Studies			
5.F.1	Assessment of Wharf & Bond, Moblissa Water, Audit of Public Assets & Watooka Complex	11,000,000	5,332,000	20,856
5.G	Support to the Region 10 Business Incubation Centre	10,000,000	9,942,418	38,455
	Total Infrastructure Rehabilitation	199,600,000	80,820,345	327,150

Component 6 - Technical vocational and Management Training

Project Budget	1 st WP		2nd WP		3rd WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	8,899,957	72,500	26,018,000	24,352,889	26,800,000	21,450,176	61,717,957	45,875,565

		Revised Budget	Total 2005	
	Particulars	GYD	GYD	EURO
6.A	Capacity of LEAP to respond to emerging priority needs	1,500,000	1,481,760	5,942
6.B	Entrepreneurial Development and Business Skills Training			
6.B.1	Entrepreneurial Skills Training - Empretec	800,000	47,000	194
6.B.2	Start and Improve your own business - ILO	1,294,600	1,262,020	5,202
6.B.3	Preparing and assessing business plans - GTA	450,000	436,951	1,670
6.B.4	Strategic Management and Financing - GTA	1,145,000	846,838	3,466
6.B.5	Market Oriented Small Business Development - GTA			
6.B.6	Women Entrepreneurship for Business Start-up	1,000,000	988,850	4,061
6.B.7	Basic Marketing - GTA	800,000	728,720	2,930
6.B.8	Exporting in context of new Trade Agreements			
6.B.9	Training in Client Relations	450,000	66,600	270
6.B.10	Training of Trainers			
6.B.11	Introduction to Business and New Business Ideas	1,200,000	1,136,880	4,793
6.C	Targeted Sector Training			
6.C.1	Training for Jewellery Manufactures - Bureau of Standards			
6.C.1	Jewellery Standards	400,000	381,580	1,594
6.C.1	Jewellery Design	600,000	583,635	2,396
6.C.1	Use of Jewellery Equipment			
6.C.1	Business Profiles on Jewellery Manufacturing	100,000	23,750	98
6.C.2	Training for Light Manufacturing & Service industry			
6.C.2	Business Opportunities for light manufacturing and service industries	350,000		
6.C.2	Product development	900,000	743,710	3,083

6.C.3	Training for Wood Working Industry: milling, kiln, furniture	950,000	53,330	219
6.C.4	Development of the Commercial Potential of the Agriculture Sector			
6.C.4	Agro-Processing	400,000	400,000	1,716
6.C.4	Non-traditional Agriculture Production	2,050,000	2,046,658	7,875
6.C.4	Development of Livestock potential	1,000,000	487,900	2,014
6.C.4	Marketing	1,000,000	690,793	2,631
6.C.4	Use of Pesticides	850,000	542,600	2,146
6.C.5	Development of the Craft Sector			
6.C.5	Facilitate participation in CPEC Handicraft Project			
6.C.5	Facilitate workshop on Bamboo Craft	10,400		
6.C.5	Provision of Technical Assistance to the Development of the Craft Industry	3,000,000	2,915,675	12,051
6.D	Development of the Region 10 Youth Entrepreneurial Network			
6.D.1	Entrepreneurial Skills Development	1,700,000	1,228,322	5,012
6.D.2	Profiling Young Entrepreneurs	150,000	-	
6.D.3	Peace Corps Volunteer Attachment			
6.E	Target Training In Employment Skills			
6.E.1	Facilitate training on employment readiness, job search and entry level skills	2,700,000	2,587,386	9,872
6.E.2	Business Skills Literacy Training	500,000	462,150	1,786
6.F	Competency Certification and Training - GTA - Assessor Fees/Transportation	1,500,000	1,307,068	5,175
	Total Technical vocational and Management Training	26,800,000	21,450,176	86,197

Component 7 - Institutional Strengthening								
Project Budget	1st WP		2nd WP		3rd WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	19,399,833	0	16,769,352	14,195,348	49,661,000	25,382,592	85,830,185	39,577,940

	Particulars	Revised Budget	Total 2005	
		GYD	GYD	EURO
7.A	Capacity of LEAP to respond to emerging priority needs	200,000	200,000	816
7.B	Survey of Potential Business/investment opportunities in Region 10 - 2nd phase	1,500,000	784,431	3,227
7.C	Labour Pool Database complete and maintain	4,000,000	1,050,075	4,294
7.D	Develop Investment Promotion Strategy for Region 10	200,000	150,000	612
7.E	Partnerships strengthened with relevant local private and public sector organization	200,000	131,094	530
7.F	Inward Investments Identified and Attracted to Region 10			
7.F.1	Links with Potential Local Investors	400,000	249,150	985
7.F.2	Links established and strengthened with private and public sector organizations	400,000	315,002	1,293
7.F.3	Facilitate Investment Ventures - research, assessment & follow-up	1,246,000	272,682	1,053
7.G	Capacity of Stakeholders & LEAP to Identify & Attract Investment			
7.G.1	Maintain active membership in Professional Agencies - WAIPA, IPANET, CDE	400,000	320,861	1,280
7.G.2	LEAP Staff & Stakeholders - Participate in Investment Promotion activities	2,900,000	1,590,886	6,467
7.G.3	LEAP Staff Stakeholders Participation in WAIPA Investment Promotion Study	155,000	-	
7.G.4	Investment Promotion Media Campaign	500,000	426,956	1,875
7.G.5	Facilitate Development of Craft Sector	1,400,000	194,019	784
7.G.6	Local Trade Exhibitions & Fairs	1,000,000	566,270	2,321
7.H	Provision of Direct Technical Assistance to Business Development Projects	2,500,000	168,051	631
7.I	Development of Livestock Farming Potential in Region 10			
7.J	Agriculture Digest Produced	160,000	87,494	338
7.K	Needs Assessment survey of Young Women, Women Entrepreneurs in Reg 10			
7.L	Capacity for Analysing & Responding to Gender Issues	200,000	189,136	775
7.M	BI Tenants have Improved Capacity to Manage their own Business			
7.M.1	Business Planning	2,100,000	2,097,214	8,354

7.M.2	Product Development			
7.M.3	Marketing			
7.M.4	Management	1,700,000	1,694,665	6,977
7.N	Capacity Development of Stakeholders and LEAP through NBIA			
7.N.1	Technical Assistance from TIC Jamaica			
7.N.2	Maintain Active Membership of NBIA - Participation in NBIA Annual Conference	2,000,000	921,817	3,579
7.O	Entrepreneurs 10 have access to BIC through public awareness			
7.O.1	Launching on BIC	300,000	288,540	1,130
7.O.2	Advertising & Selection of Tenancy	300,000	146,100	570
7.P	Direct Technical Assistance to the Economic Planning Capacity of the RDC	2,900,000	2,769,613	11,803
7.Q	Public Awareness Campaign			
7.Q.1	Television Programming/News Magazine	10,500,000	4,969,505	19,486
7.Q.2	Maintenance of the LEAP website	500,000	300,000	1,251
7.Q.3	Community Outreach/Events	350,000		
7.R	Preparation of the 4th Work Programme	600,000	597,320	2,456
7.S	Bank Guarantee	11,000,000	4,855,611	18,585
7.T	Bank Charges	50,000	46,100	182
	Total Institutional Strengthening	49,661,000	25,382,592	101,657

	<i>TOTAL (Components 4, 5, 6 and 7)</i>	<i>326,661,000</i>	<i>159,334,816</i>	<i>642,073</i>
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Table 3 : 4th PE - Summary of Expenditure September to December 2005

Component 4 - LEAF

Project Budget	1st WP		2nd WP		3rd WP		4th WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	2,499,938	0	15,699,999	15,502,702	199,600,000	80,820,345	15,600,000	385,396	594,449,937	98,022,399

	Particulars	Revised Budget	Total 2005	
		GYD	GYD	EURO
4.A	Activities Coordinated/Synchronised	800,000	-	
4.B	2nd Business /Work Plan (2006)	600,000	8,000	31
4.C	LEAF Credit Impact Study	1,000,000	-	
4.D	Public Awareness	600,000	135,075	522
4.E	Study Tours/Training Seminars	3,000,000	-	-
4.F	Operations & Start up	5,000,000	242,321	937
4.G	Risk Management	600,000	-	-
4.H	Maintenance & MIS Phase 2 (MIS/CRM)	1,000,000	-	-
4.I	Support to In-House Legal Services	2,000,000	-	-
4.J	LEAF Emerging Priority Needs	1,000,000	-	-
	Total LEAF	15,600,000	385,396	1,490

Component 5 - Infrastructure Rehabilitation

Project Budget	1st WP		2nd WP		3rd WP		4th WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	0	0	3,500,000	1,466,687	50,600,000	31,681,703	376,650,000	1,699,352	55,799,352	33,154,960

	Particulars	Revised Budget	Total 2005	
		GYD	GYD	EURO
5.A	Capacity to Respond to LEAP Emerging needs	1,000,000		
5.B	Liaison & Supervisor	-	-	
5.B.1	Partner Liaison & Site Supervision	4,500,000	1,078,777	4,171
5.C	Rehabilitation of Public Assets/LEAP	-		
5.C.1	Completion of Moblissa Road Upgrading	16,050,000	-	
5.C.2	Completion of LEAP/RDC/M&TC Projects	9,000,000	500,000	1,933
5.C.3	New RDC & M&TC Initiatives	35,000,000	-	-
5.C.4	Rehabilitation & Extension of the Band Stand Area	2,000,000	-	-
5.D	Development of Industrial Infrastructure	-	-	-
5.D.1	Industrial Site Development	60,000,000	-	-
5.D.2	Small-Medium Industrial Development Incubator	10,000,000	-	-
5.E	Infrastructure Investment Incentives Scheme	-	-	-
5.E.1	Identification, Approval Implementation - Investment Projects	25,000,000	30,000	116
5.E.2	Logistic Support to Implementation of the IIIS	200,000	60,000	232
5.E.3	Facilitate Investment Including Company Site Visit	400,000	20,575	80
5.F	Community Support IIIS	-	-	-

5.F.1	Community Economic Projects	32,500,000	-	-
5.F.2	Water Supply to Moblissa Community	50,000,000	-	-
5.F.3	Road Rehabilitation Requirements in KK & Ituni	20,000,000	-	-
5.F.4	PACA Support	19,000,000	10,000	39
5.G	Feasibility Studies	-	-	-
5.G.1	Assessment of the Wharf & Bond	6,000,000	-	-
5.H	Public/Private Sector Collaboration	-	-	-
5.H.1	Linmine Spare Parts	1,000,000	-	-
5.H.2	Privatisation of Watooka Club	25,000,000	-	-
5.H.3	Rehabilitation & Upgrade Millies Hideout Road	35,000,000	-	-
5.H.4	Cold Bond & Package House	15,000,000	-	-
-	Bank Charges	-	-	-
5.I.	Bank Guarantee Cost	10,000,000	-	-
	<i>Total Infrastructure Rehabilitation</i>	376,650,000	1,699,352	6,570

Component 6 - Technical & Vocational Management Training

Project Budget	1st WP		2nd WP		3rd WP		4th WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	8,899,957	72,500	26,018,000	24,352,889	26,800,000	21,450,176	49,875,000	3,798,597	102,693,000	49,601,662

		Revised Budget	Total 2005	
	Particulars	GYD	GYD	EURO
6.A	Capacity of LEAP to respond to emerging priority needs	1,000,000		
6.B	Maintenance & Upgrade of LEAP MIS	500,000	55,500	215
6.C	Entrepreneurial/Business Development & Skills Training	-		
6.C.1	Improving & Expansion of Small Business	1,500,000	-	-
6.C.2	Preparing and Assessing business plans	700,000	111,075	429
6.C.3	Micro & Small Business-Stock Control & Record Keeping	450,000	120,000	464
6.C.4	Computer Applications for Small & Medium Business	400,000	-	-
6.C.5	Intermediate Marketing	450,000	-	-
6.C.6	ToT - Micro & Small Business-Business Plan	300,000	-	-
6.C.7	Promotion & Study Tours of Micro & Small Business	500,000	382,952	1,481
6.C.8	School Business Entrepreneurial	600,000	-	-
6.D	Production Skill Training			
6.D.1	Training Programme for Wood Working Industry: milling, kiln, furniture	1,000,000	-	-
6.D.2	Transportation-Motor Vehicle Technology & Auto Electrical	400,000	-	-

6.D.3	Provision of Technical Assistance to the Development of the Craft Industry	1,500,000	253,137	979
6.E	Targeted Training in Employment Skills			-
6.E.1	Facilitate training on employment readiness, job search and entry level skills	1,800,000	835,768	3,231
6.E.2	Business Skills Literacy Training	500,000	-	-
6.F	Development of the Commercial Potential of the Agriculture Sector	-	-	-
6.F.1	Good Agriculture Practice	1,000,000	-	-
6.F.2	Farmers Exposed to Appropriate Technology	2,000,000	-	
6.F.3	Demonstration Farms	1,000,000	-	-
6.F.4	TA for Packaging Facility & Cold Storage	1,000,000	-	-
6.F.5	Quarterly Digest-Website Update	750,000	-	-
6.F.6	TA/Training Workshop	1,500,000	44,400	172
6.F.7	Support of Agriculture Association & Community Groups	800,000	47,598	184
6.F.8	Survey of Farm Lands	5,000,000	46,680	180
6.F.9	Agriculture Land Clearing Support	4,000,000		-
6.F.10	Business Consulting	500,000	-	-
6.G	Youth Entrepreneurial Network	-	-	-
6.G.1	Entrepreneurial Skills Development	1,200,000		
6.G.2	Profiling Young Entrepreneurs	50,000	60,000	232
6.G.3	Support to YEN , guest speaker series, participation in Reg.10/Nat.Forum	100,000	-	-
6.H	Support to the Business Incubator Tenants	-	-	-

6.H.1	Financial Management and record keeping	400,000	31,440	122
6.H.2	Product Development, Positioning and Marketing	400,000	64,732	250
6.H.3	Networking: NBIA and participation in Annual Conference/Fall Training	3,000,000	780,787	3,019
6.H.4	Technical Assistance	2,500,000	659,443	2,549
6.I	Gender Issues	100,000	-	-
6.J	Design & Establish 'Job Centre'	1,200,000	-	-
6.K	Design & Implment 'Apprenticeship Scheme'	1,400,000	-	-
6.L	LEAP Training & Co-ordinating & Monitoring Officer	800,000	142,485	551
6.M	Strengthen Region 10 Image-Competitive Investment Region	-	-	-
6.M.1	Product Investment Fact Sheets on Region 10	1,000,000	-	-
6.M.2	Investment Promotion CD-ROM Produce Copies	700,000	-	-
6.M.3	Update Website & LEAP Public Awareness	3,000,000	57,600	223
6.M.4	Investment Promotion Media Campaign	500,000	-	-
6.M.5	Develop Marketing Database for Investment Generation Campaign	300,000	-	-
6.N	Communication/Public Education Campaign	3,675,000	105,000	406
6.O	LCICD Support to Management & Membership Training	200,000	-	-
6.P	Management Training/LS of RDC & M&TC	200,000	-	-
6.P.1	Co-operation with RDC & M&TC	-	-	-
6.P.2	Regional Economic Planning Unit	-	-	-
	<i>Total Technical vocational and Management Training</i>	49,875,000	3,798,597	14,686

Component 7 – Institutional Strengthening

Project Budget	1st WP		2nd WP		3rd WP		4th WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	19,399,833	0	16,769,352	14,195,348	49,661,000	25,382,592	10,204,810	550,394	96,034,995	40,128,334

	Particulars	Revised Budget	Total 2005	
		GYD	GYD	EURO
7.A	Capacity of LEAP to respond to emerging priority needs	200,000	-	-
7.B	Local Economic Activities	-	-	-
7.B.1	LED Intervention - Local Costs	400,000	-	-
7.B.1	Support to Regional Planning Unit	1,400,000	-	-
7.C	Broadening Private Sector Institutional Base/New Association	-	-	-
7.C.1	LCICD Support	2,000,000	-	-
7.C.1	Women's Entrepreneurial Association	300,000	-	-
7.D	Private/Public Sector Collaboration Forum	300,000	-	-
7.E	Target and Generate Investment Opportunities	-	-	-
7.E.1	Participate in Local Trade/Investment Exhibitions	979,810	125,444	485
7.E.2	Participate in International Trade/Investment Exhibitions	1,175,000	389,700	1,507
7.F	Build Effective Investment Partnership	-	-	-
7.F.1	Strengthen Partnership with Local/Private Sectors	250,000	21,400	83

7.F.2	Maintain Active Membership with Professional Agencies	50,000	-	-
7.G	Communication/Public Education Campaign	1,800,000	-	-
7.H	Preparation Launch & Review of 5th Programme Estimate	1,275,000	-	-
7.I	Bank Charges	75,000	13,850	54
	Total Institutional Strengthening	10,204,810	550,394	2,128
	TOTAL (Components 4, 5, 6 and 7)	452,329,810	6,433,739	24,873

Table 4 : Work Programme Fund Balance

EURO			<i>170.168</i>	<i>170.168</i>	<i>229.718</i>	<i>258.663</i>	<i>258.663</i>
RATES							
Component		Total Budget As Per Financing Agreement	Balance from the 1st WP	Balance from the 2nd WP	Balance from the 3rd WP	Revised Budget for the 4th PE	Balance from Revised Budget for the 4th PE
		EURO	EURO	EURO	EURO	EURO	EURO
4	LEAF	2,482,000	2,482,000	2,473,381	2,259,974	60,310	2,199,663
5	Infrastructure Rehabilitation	3,500,000	3,500,000	3,408,898	2,981,075	1,456,142	1,524,934
6	Technical, Vocational & Management Training	589,000	588,574	445,463	343,245	192,818	150,426
7	Institutional Strengthening	300,000	300,000	216,580	18,542	39,452	(20,910)
	Sub Total	6,871,000	6,870,574	6,544,322	5,602,835	1,748,723	3,854,113
	Contingency	1,127,000	1,127,000	1,127,000		85,826	85,826
	TOTAL	7,998,000	7,997,574	7,671,322	5,602,835	1,834,548	3,939,939
	Revenue Raised by the Project	850,000	849,873	847,752	839,420		839,420
	Total	7,148,000	7,147,701	6,823,570	4,763,415	1,834,548	3,100,519

**

** Negative balance due to exchange rate

5. ANNEXES

ANNEX 1 : Training Programmes Conducted 2005

<u>MONTH</u>	<u>WORKSHOP</u>
<i>February 2005</i>	YEN - Competitive Advantage Portuguese Language
<i>March 2005</i>	Business Plan Preparation - KwaKwani
<i>April 2005</i>	Basic Marketing
<i>May 2005</i>	Export Marketing for Farmers
<i>June 2005</i>	Telemarketing Jewellery Skills PACA
<i>July 2005</i>	Contractors Follow-Up Business Plan Preparation-Linden Financial Management Felling & Ripping for Loggers
<i>September 2005</i>	Women Entrepreneurial Training Project Planning & Appraisal Assessment of Business Plans Sewing & Garment Making
<i>October 2005</i>	Telemarketing
<i>November 2005</i>	Manufacture of Safety & Industrial Footwear

ANNEX 2: Logical Framework

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT COMPONENT
Overall Objective				
To broaden the Region's economic base				
Project Purpose				
To increase sustainable employment opportunities in Region 10	<ul style="list-style-type: none"> At least 1700 sustainable / long-term jobs / positions created by the end of the project with 90% of jobs paying NIS 	LEAP MIS GoG Records (NIS and Inland Revenue)	<ul style="list-style-type: none"> Political and social stability prevails Continued commitment of regional and national policy framework at regional and national levels supports economic development of Region 10 Allocations planned for the programme are integrally available to achieve the project purpose 	
Results				
<u>Result 1</u> Demand for, and availability of (market for) business services increased	<ul style="list-style-type: none"> 2 privately run agencies for BAS established and utilised Business library established 3 months after BIC opens <i>and is used by more than 30 clients per month</i> 10 businesses established on the basis of the business opportunities profile At least 35 workshops for BAS executed. 200 direct and indirect BAS provided to individual s or groups of clients per year (LEAP MIS BIC records	<ul style="list-style-type: none"> Linden entrepreneurs accept the payment of fees at market rates Region 10 becomes attractive to BAS providers 	

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT COMPONENT
	300) <ul style="list-style-type: none"> • Client MIS established by the end of 2003 upgraded by 2005 			
<ul style="list-style-type: none"> • Activities to Achieve Result 1 				
1.1 Provide the entrepreneurs with Business Development Assistance 1.2 Assemble employment and sectoral statistics 1.3 Develop a client MIS 1.4 Identify and update information on business opportunities 1.5 Assist in the preparation of business plans, registration documents and investment appraisals 1.6 Encourage privately run agencies for BAS 1.7 Provide business development reference materials and establish respective library 1.8 Organize workshops for BAS 1.9 Provide support on product/sector development				1, 2, 4, 6, 7. 6, 7. 6. 7. 1, 6. 6, 7. 3, 6. 1, 6. 1, 5 IIIF, 6.

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT COMPONENT
<p>Result 2</p> <p>Business Incubator concept successfully introduced and tested</p>	<ul style="list-style-type: none"> ▪ 30 entrepreneurs benefit from business incubation services of which one third continue successful operations after leaving the centre. ▪ 70% cost recovery for business incubator operations achieved by end of project <p>A viable proposal of BIC analyzed by 2008 and recommendations six months prior to project end</p>	<ul style="list-style-type: none"> • Business Incubator Internal Operations Report • LEAP MIS • Project progress reports 	<ul style="list-style-type: none"> • Local administrative organs will participate in the process and develop capacity to manage and propagate the incubation concept • Incubator firms stick to the rules established (maximum time frame, fees, lease conditions, etc.) • A significant percentage of those who benefit from incubation will make the decision to continue their business activities in Region 10 communities 	
Activities to Achieve Result 2				
<p>2.1 Establish the BIC</p> <p>2.2 Provide incubator services</p> <p>2.3 Undertake periodic reviews of incubator systems</p> <p>2.4 Render the BIC financially sustainable</p> <p>2.5 Prepare BIC for handover to appropriate body</p>				<p>2, 5.</p> <p>1, 2, 6.</p> <p>1, 2</p> <p>2, 6.</p> <p>2, 7.</p>
<p>Result 3</p> <p>Substantial new investment in businesses generated</p>	<ul style="list-style-type: none"> • 2.5 m Euros approved and disbursed under the IIIS by the end of the project • At least a minimum of G\$50m realized by the end of the project. • 10 businesses established on the basis of the business opportunities profiles 	<ul style="list-style-type: none"> • Signed investment agreements / contracts • Signed MoU's between LEAP and the Investor approving access to IIIS • Minutes of IIIS administrative committee meetings 	<ul style="list-style-type: none"> • National and Regional authorities/agencies are committed to supporting investments in Region 10 • GoG general and specific investment incentives are accessible to investors • There is significant national and foreign interest in investing in Region 10 • Utility services in Region 10 (Power, Water and telecommunications) are sufficient 	

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT COMPONENT
			and available at competitive rates. Lands and Survey Commission has the capacity and is pro-active.	
Activities to Achieve Result 3				
3.1 Produce investment profile of Region 10 3.2 Promote Region 10 as a competitive region for investment 3.3 Develop and implement investment incentive scheme 3.4 Provide assistance in preparing proposals for medium/large investment opportunities 3.5 Evaluate and advise on investment proposals 3.6 Collaborate with other national and regional institutions 3.7 Assist investors to comply with national and regional regulations 3.8 Assist investors to access concessions provided for Region 10 3.9 Monitor approved investments				1, 7. 3, 5, 7. 3, 5. 3, 5. 3, 5 3, 7. 3, 7. 3, 7. 3, 7. 3, 5.

<p>Result 4</p> <p>LEAF-initiated financial services are accessible and sustained</p>	<ul style="list-style-type: none"> • LEAF moneys fully disbursed by early 2006 (equivalent of EURO 1.9 million) • LEAF financial results are positive by 2007 • 300 micro-credits disbursed and recollected according to repayment schedule • 200 small and medium size credits disbursed and recollected according to repayment schedule • Employment generation: (assumed ratio: 0.75 direct and 0.50 indirect jobs per micro-loan, 1.25 and 1.00 per small loan, 1.5 and 1.25 per medium size loan): while correcting for substantial fall-out and failure rates after some time, 500-1000 permanent jobs would be created under the LEAF alone, under the most likely financial projection scenario. 	<ul style="list-style-type: none"> • LEAF MIS • Annual audit and periodic evaluation reports 	<ul style="list-style-type: none"> • The executing agency fulfils its contractual and procedural obligations in lending within the framework of the LEAP. • The Financial Institution is able to set up a comprehensive follow-up system allowing for timely loan repayments according to schedule • Credit Market among entrepreneurs with employment generation capacity continues to exist. 	
<p>Activities to Achieve Result 4</p>				
<p>4.1. Provide credit for start-up and existing micro, small and medium sized enterprises</p> <p>4.2. Provide training and hands-on assistance to the financial institution managing the fund</p> <p>4.3. Provide business support services / technical assistance to loan applicants and borrowers (cf Result 1)</p>				<p>FA Specific Commitment contract with FI, 4.</p> <p>1, 4.</p> <p>1, 4, 6.</p>

Result 5 Physical infrastructure support enhancing economic activity provided	By the end of the project: <ul style="list-style-type: none"> • At least 5 feasibility studies completed • At least 3 public buildings upgraded and leased • At least 6 community groups benefit from economic infrastructure support • Phase 1 of industrial site completed and small-medium industrial incubator established ▪ Upgrade of wharf service facilities completed (<i>dependent on whether decision is made to develop the road to Brazil</i>) 	<ul style="list-style-type: none"> • 		
	<ul style="list-style-type: none"> • At least 5 infrastructure works resulting from IIS approved projects completed • At least 8 miles of agricultural road completed • At least 3 other economic infrastructure works rehabilitated or constructed 	<ul style="list-style-type: none"> ▪ LEAP MIS ▪ LEAP files ▪ LEAP Newsletter ▪ Employment Records ▪ Pictures of areas where infrastructure rehabilitation took place 	<ul style="list-style-type: none"> • Stakeholders can agree on the sites for the investors and the industrial park(s) as well as on the park management structure • Pool competent contractors willing to bid for contracts in Region 10. 	
Activities to Achieve Result 5				
5.1 Provide engineering design on demand to the other components of LEAP				1, 5.
5.2 Identify the infrastructure needs of public sector assets				1, 5, 7.
5.3 Carry out feasibility studies based on needs identification				1, 5
5.4 Organize tenders and supervise rehabilitation works				1, 5.
Result 6 Employability of residents strengthened	By end of project <ul style="list-style-type: none"> • 3 schools in Region offer programmes in promoting entrepreneurship from third form • 300 youth (50 outside Linden) 	<ul style="list-style-type: none"> • Department of education reports on school curriculum's • LEAP MIS 	<ul style="list-style-type: none"> • Persons in Region 10 continue to seek to improve employment. • Person s who receives training remains in Region 10 for employment. 	

	<p>trained in business literacy (including language)</p> <ul style="list-style-type: none"> • Job Centre unbundled in 2007, with provision to exist at least six months after unbundling • Sector specific training in three selected sectors (transportation, manufacturing, forestry/agriculture) provided • 150 youths benefit from in service employment training . • Specialized training for 100 persons/yr provided • 50% of training costs recovered from benefiting companies – if applicable. • A segment with general information for employment included in TV/News once a month • Database upgraded continuously 		<ul style="list-style-type: none"> • Potential employers are ready to invest in training for prospective employees • Department of Education of education cooperates with LEAP. 	
<p>• Activities to Achieve Result 6</p>				
<p>6.1 Promote the teaching of entrepreneurship in secondary schools and tertiary institutions</p> <p>6.2 Promote business literacy skills for youth</p> <p>6.3 Encourage the establishment of an effective functioning job centre</p> <p>6.4 Expand on sector readiness training</p> <p>6.5 Contribute to semi-apprentice schemes to promote entry level employment</p> <p>6.6 Provide recruitment and training services for business</p>				<p>1, 6.</p> <p>1, 6.</p> <p>1, 6.</p> <p>1, 3, 4, 6.</p>

<p>6.7 Collect information for the establishment of a data base on skills etc</p> <p>6.8 Design and implement newspaper and TV sensitization programmes</p> <p>6.9 Certify prior learning and experience</p>				<p>1, 6.</p> <p>1, 6, 7.</p> <p>3, 7.</p> <p>1, 3., 7.</p> <p>1, 6.</p>
<p><u>Result 7</u></p> <p>Existing and new private and public sector entities relevant for economic development strengthened</p>	<ul style="list-style-type: none"> • Economic development programmes implemented jointly by public and private sector agencies (RDC, IMC, LCID, LTI) • LCICD has a membership of 100 paying members • At least 3 new business associations created and supporting sector expansion. 	<ul style="list-style-type: none"> • LEAP MIS <ul style="list-style-type: none"> • GoG economic and social reports. • Results of impact assessment. • LEAP workshop reports • Consultants' reports 	<ul style="list-style-type: none"> • Public and private sector institutions are willing to collaborate on relevant issues and participate in project activities. • The desire for self-help prevails among entrepreneurs for the set-up of business associations • Qualified trained persons remain in their respective positions after training 	
<p>Activities to Achieve Result 7</p>				
<p>7.1 Organize training in economic development planning and management as well as study tours on relevant developmental issues</p> <p>7.2 Identify areas of cooperation with M&TC and Regional Development Council to enhance internal functioning and impact on the economic structure</p>				<p>1, 3, 5, 7.</p> <p>1, 5, 7.</p>

7.3 Assist LCICD to assume a leading role in private sector development				1, 7.
7.4 Assist in broadening and/or reinforcing the private sector's institutional base				1, 3, 7.
7.5 Stimulate the operationalisation of public and private sector collaboration				3, 5, 7.
7.6 Technical Assistance and support provided to IMC, RDC LCICD & LTI				1, 3, 5, 6, 7.