

**THE COOPERATIVE REPUBLIC OF GUYANA
MINISTRY OF FINANCE**

**LINDEN ECONOMIC ADVANCEMENT PROGRAMME
(LEAP)**

EDF Nr 8 ACP GUA 009

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Linden, Guyana

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LIST OF ABBREVIATIONS

AEE	AGRICULTURAL ECONOMICS EXPERT
BAE	BUSINESS ADVISE EXPERT
BCM	BUSINESS CASH MANAGEMENT
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
RTDA	REGION TEN TOURISM DEVELOPMENT ASSOCIATION
RTFA	REGION TEN FARMERS ASSOCIATION
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 the Linden Economic Advancement Programme (LEAP) was signed in January 2001, and implementation began in January 2002. The Annual Reports for 2002, 2003, 2004 and 2005 have been submitted to the National Authorizing Officer / Task Force (NAO/TF) and the Delegation of the European Commission (DEC) 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 Fourth Programme Estimate (4PE) 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 (7.5 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, 2006, through December 31, 2006, and carries on from the activities covered in the 2005 Annual Report. The 4PE started in September 2005, and should have ended in December 2006, however, it was extended to March 31st 2007. The 4PE was implemented under the framework of the Linden Economic Advancement Programme (LEAP), financed by the European Development Fund (EDF) and the Government of Guyana (GoG).

The 4PE had an approved budget of GYD466.2 m of which GYD6.5M or 1.4% was spent between September 1st and December 31st 2006. Between January 1st and December 31st 2006 60.3m or 13% was spent.

This Annual Report follows the 4PE within the context of the LEAP global plan. In February the second External Evaluation team completed its mission, however for several reasons the report was not finalised until November 2006. See annex 1 for recommendations. These recommendations are still engaging the attention of the DEC, NAO/TF and LEAP.

LEAP continued to respond to the needs of its clients, micro and small businesses by designing and delivering relevant programmes, and business advisory 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 2006, eighteen (18) workshops were held and, eight thousand, four hundred and forty eight (8448) hours of training were delivered to 237 participants. In addition the LEAP continued to facilitate, under the 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 Manufacturing Company.

Infrastructural works were completed on following:

- Approach to Speightland Bridge
- Renovation to the Recreation Hall for the Linden Museum
- Extension to the light manufacturing area within the BIC
- Rehabilitation of the Lodge and construction of other facilities at Rockstone.

Problems continue to affect the operations of the LEAF as there was no replenishment to the fund during 2006. Only funds which were repaid by borrowers were available for on-lending. By the end of 2006 GYD345M had been disbursed and 1056 permanent jobs created.

2. INTRODUCTION, SUMMARY & BACKGROUND

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, 2006** to **December 31, 2006** financed by the European Development Fund (EDF), and contributions from the GoG,. It sets out the structure of the project, and reviews the planned outputs and activities, the managerial and administrative procedures followed for the implementation, and approved budget allocations and expenditures. In 2005 revisions were made to the project log frame. These revisions were approved by the Advisory Group, the DEC and the NAO/TF, and the revised Log Frame is in annex 2.

PROJECT OBJECTIVE

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

PROJECT PURPOSE

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

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

PROJECT DURATION

The Financing Agreement was signed on 21 December 2001. The project will run for 7.5 (seven and a half) years. Implementation started June 2002 and will end by June 2009.

TECHNICAL ASSISTANCE

The **international technical assistance** included a total of 210 project months (p/m)

International Long-term expertise

Position	Project total	In this period	Accumulated	Balance
Project Manager	84 p/m	11.19 p/m	53.13 p/m	30.87 p/m
Business Advice Expert	72 p/m	10.90 p/m	40.08 p/m	31.92 p/m
Credit Expert for LEAF	24 p/m	0.00 p/m	22.89 p/m	1.11 p/m

International short-term expertise

Position	Project total	In this period	Accumulated	Balance
Short Term Expert	30 p/m	3.83 p/m	18.22 p/m	11.78 p/m

Please see in **annex 4** the complete list of all short-term missions organised by the TA contract since the beginning of the project.

Local Professional Staff

Position	Project total	In this period	Accumulated	Balance
Local Professional Staff	602 p/m	101.47 p/m	356.40 p/m	245.6 p/m

In total 602 p/m was provided for local professional TA.

- BDU/Local Manager
- BIC Manager
- IIF Officer 1
- IIF Officer 2
- Agricultural Economist
- Local Business Development Expert
- Civil Engineer
- Senior Accountant

Local auxiliary staff

Position	Project total	In this period	Accumulated	Balance
Auxiliary Staff	666 p/m	107.22 p/m	499.83 p/m	166.17 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
- Security

In addition to the vacant position for IT Officer being filled, the position of Security was added to the Auxiliary Staff and was filled by Mr. Derrick Bennett.

COST ESTIMATE

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

Instrument	Approved	Spent
3 rd Work Programme	GYD 326,661,000/Euro 1,422,009	GYD 7,511,958/Euro 31,229
4 th Programme Estimate	GYD 474,329,810/Euro 1,833,811	GYD 69,759,838/Euro 268,266

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 centres 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 river and other areas.

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.

During 2006 uncertainty continued to plague the bauxite industry. In January it was announced that a new company, the Bauxite Company of Guyana Inc (BCGI) would take over the operations of Aroaima Mining Company (AMC) which was responsible for the mining operations at Kwakwani and Everton. BCGI is a subsidiary of a Russian Aluminium Company (Rusal), one of the world's three largest producers of aluminium. This new entity plans to invest US\$20,000,000 primarily in the purchase of critical new equipment, in the pursuit of higher production which for this year has been set at 3.4 million tonnes. It is not expected that there would be any lost in jobs.

No year end and employment data was available.

Omai Bauxite Mining Inc. (OBMI) which operates the mining and processing facilities in Linden was forced to implement a retrenchment scheme in March 2006, following a reduction in sales in January. Sixty one (61) employees were laid off leaving 598 employees on the payroll.

In June OBMI announced that it was closing its operations and laying off all its employees for 2 months from July. The reason for this closure was because of stiff competition from China who was accused of dumping refractory A super grade calcine bauxite (RASC) on the world market. As a result of low production and a lack of sales the local company had stockpile in excess of 40,000 tonnes of RASC. As usual in these circumstances, all the employees did not resume duty in September preferring to seek employment that was a more reliable nature. Production for the year was 140,000 metric tonnes and employment as at the end of 2006 stood at 498.

In mid June Cambior a Canadian Gold Mining company announced that it was selling its 70% equity in OBMI, in order to focus on its core gold business rather than make significant new investments in bauxite. The other equity shareholder in OBMI is the Government of Guyana which has the remaining 30% of the shares.

Two companies Rusal and a Chinese company BOSAI Minerals Inc. have expressed interest in acquiring Cambior's 70% equity. Negotiations are continuing with both companies, and should be completed early in 2007.

3. STATUS OF INTERVENTIONS AND PROJECT IMPLEMENTATIONS (1 JANUARY 2006 – 31 DECEMBER 2006)

The 4PE started in September 2005. There were effectively 3 riders and 3 exchanges of letters to the 4PE.

The purpose of the **1st Rider** was:

To provide additional funds to implement the activities of Component 7, Institutional Strengthening, to lift the suspension to the implementation of Component 7, and to adjust allocations to Activity within Components 5, 6 & 7. The rider was approved in December 2005.

The purpose of the **2nd Rider** was:

To approve the award of contracts and grants using the procedure stated in the Practical Guide to Contract Procedures financed from the 9th European Development Fund (EDF). The rider was approved in August 2006.

The purpose of the **3rd rider** was:

To extend the closing date for the 4PE from December 31, 2006 to March 31, 2007, and to reallocate programme funds from Component 5, Infrastructural Rehabilitation to Component 6, Technical Vocational and Management Training and Component 7, Institutional Strengthening.

This Rider was approved in December 2006.

The other changes to the 4PE were done through an exchange of letters, as it dealt with the re-allocation of funds within components.

The **first letter** dealt with the re-allocation of programme funds within component 5, Infrastructure Rehabilitation. This was approved in September 2006.

The **second letter** dealt with the reallocation of programme funds within component 6, Technical Vocational and Management Training. This was approved in September 2006.

Between September 2005 and December 2005 \$6,433,739 were disbursed under the 4PE, so that \$437,566,261 was available for disbursement between January 2006 and December 2006 of which \$60,315,708 were disbursed.

The second external evaluation of the LEAP was conducted during the 1st quarter of 2006. Unfortunately the report was not finalised until November 2006. The report contained a statement which suggested that Guyana Fire, Life & General Insurance Company (GUYFLAG) through an associated organisation established a competitive scheme, the Linden Investment Fund, and that this created a situation where further final tranches of money into LEAF were suspended. However the NAO/TF expressed concern that this erroneous statement made with respect to LEAF was still contained in the report. However due to the protracted nature of the report writing stage, it was felt that no significant value would be achieved through another revision of the report. The DEC in consultation with the NAO/TF decided to accept the final version of the report, under the condition that the latest letter from the NAO/TF on the issue, (LEAF) will be attached to, and will form an integral part of the report. See annex one for recommendations. These recommendations are still engaging the attention of the DEC, NAO/TF and LEAP.

During 2006, 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 4PE. Two important backstopping 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. Nine Advisory Group meetings were held, in addition to three meetings on specific elements of the programme. Two 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 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.

LEAP also intensified its activities in the riverain areas, in the Berbice, Essequibo and Demerara Rivers. As a result of these and other 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 Manufacturing 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 2007.

During 2006, the issues surrounding replenishment of the LEAF remained unresolved, in spite of several attempts by the Advisory Group, the LEAP Management and Guyflag to have the matter speedily resolved. No new funds were released, however loan applications were reviewed and disbursements were made from funds which were repaid by the borrowers.

COMPONENT 0 – MANAGEMENT

During 2006, the LEAP management continued to build on the good relation which existed within the project team. Staff meetings were held weekly, during which the staff were kept fully informed as to all aspects of the programme. Staff members were also given the opportunity to raise any issues that concerned them.

Project staffing continued to be reviewed to meet existing needs of the programme, however finding and retaining competent staff continued to be a challenge.

Mr. Clive Williams resigned as Inward Investment Officer in May, and Ms. Kene Moseley the other Inward Investment Officer, was appointed Information Technology Officer (ITO), a position which was vacant in the local auxiliary staff. Subsequently Ms. Suzette Blair and Mr. Carl McAlmont were appointed, in April and May respectively, to fill the two Inward Investment Officer positions.

In order to consolidate key activities of the Programme Estimates, LEAP also made the following appointments (financed under the Programme Estimates budget);

- Assistant Engineer – Lindy Sharpe
- Demonstration Farm Manager – Winston Thom
- Region Ten Farmers Association Coordinator – Candace Barnes
- Executive Secretary (LCICD) – Michelle Munroe
- Regional Planner (RDU) – Bernard De Souza
- Legal Officer (LEAF) – Leslyn Charles

The following contracts were not renewed:

- Associate Engineer – Deonne Bacchus
- Executive Secretary (LCICD) – Ali Fredericks

In January the Internal Monitoring Evaluation System was transferred to LEAP database. This system is updated on a monthly basis. It is used to monitor the activities of the professional staff, and to assist management in determining whether performance objectives are being achieved.

In order to assess the Impact of the LEAP training programmes during 2006, four courses were evaluated. These courses were Women Entrepreneurial, Manual Jewellery skills, Basic Marketing and Business Plan Preparations (Linden). The results indicated that the training programmes were well received; the content appropriate, the trainers and their qualifications commendable, and the trainers in most cases were able to apply the concepts to which they had been exposed.

Suggestions on what improvement could be made, were taken on board where practical.

Stakeholders continue to be informed about LEAP and LEAF, and were consulted in the preparation of the 5PE. Functional relations with the GoG the NAO/TF and the DEC continued to be good, resulting in a quick resolution on issues.

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

The final audit for the 3WP was completed in March, and the Mid Term Audit for the first six months of the 4PE was completed in September. Both audit conclusions were positive, and demonstrated an appropriate use of the funds, in full compliance with the EDF rules.

Various short-term missions were organised (financed by the TA contract) in 2006:

Mission #	Title	Name	Timesheets	m/m	
Mission # 9	Set-up of an integrated accounting system:	Sou Man	May 06	0,20	
			Feb 06	0,20	
			Total		0,40
Mission # 15	Elaboration of a Regional Development Plan (PACA - LED):	Frank Waeltring	March 06	0,03	
			April 06	0,97	
			Total		1
Mission # 18	Fact sheets	Mary Donovan	Sept 06	0,33	
			Total		0,33
Mission # 19	Regional Economic Development Planning	James Mwangi	Oct 06	0,27	
			Nov 06	1,00	
			Total		1,27
Mission # 20	Solutions for Crisis in the Poultry Industry	Gabriel Brown	Nov 06	0,13	
			Total		0,13
Mission # 21	Procurement Officer	Johan Pieters	Nov 06	0,50	
			Total		0,50

Please see in **annex 4** the complete list of all short-term missions organised by the TA contract since the beginning of the project.

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)	Up to end of 2005	1 st Q. 2006	2 nd Q. 2006	3 rd Q. 2006	4 th Q. 2006	Total 2006	Cumulative Total	Cumulative %
R 1 Services										
R 1.1	2 privately run BAS agencies established and utilised	2 by 2009	4 = 200%	0	0	0	0	0	4	200%
R 1.2a	Business BIC library established after 3m	Aug. '05	-		Launched in April				In progress	80%
R 1.2b	> 30 clients per month in library	360 clients /yr from '06 onward	-		20	40	48	108	108	30%
R 1.3	10 BAS businesses established	10 by 200.9	0	0	0	0	1- Laundromat	1	1	10%
R 1.4	> 35 BAS workshop executed	35 BAS Workshops by 2009	36 = 103%	2	1	3	1	7	43	123%
R 1.5	Business Advisory Services (BAS)	200 BAS/year	345	72	55	51	51	229	574	114% (yearly indicator for 2006)
R 1.6	Client MIS established in '03, upgraded in '05	End of 2006 (300 active clients/year) 2002-06: 1500	621	26	11	21	14	72	693	46%

The Business Development Unit (BDU) continued to provide services to new and existing entrepreneurs in Region 10. Programme Staff continued to work towards improving the quality of the advisory services they provide to the LEAP clients. The BDU continued to recognize the importance of expanding, and continuously upgrading its database, as this is most critical in its efforts at providing the level of consultants and training, necessary to develop entrepreneurial skills and to create jobs.

The BIC library became operational in April 2006 and receives an average of 12 persons monthly

In addition eight (8) Business Advisory workshops were conducted. Business Advisory Services (BAS) was provided to an additional 229 clients and active clients increase by 72.

Twenty three Business Plans were prepared by the BDU staff for LEAP clients, to provide a road-map for these entrepreneurs on how to manage their businesses, and where relevant to access credit from LEAF. Twelve business plans were also prepared by consultants engaged by the LEAP.

Within the BDU twelve other training interventions were mounted for LEAP clients, in various relevant topics in the following areas: Sewing & Garment Designs, Book-Keeping & Accountancy, Computer Applications, Portuguese Language, Timber Harvest Planning and Floral Arrangement a total of 237 participants took advantage of these programmes.

Outreach visits continued to be made to Ituni, on the third Thursday of every month, and to Kwakwani, Aroaima and Berbice River, on the fourth Thursday of month. Monthly visits were also made to the Riversview community which includes residents of Central Riversview, Goshen and Falmouth. Visits were also made to Rockstone

During the period under review several workshops were organized in the following:

Agro Processing, Bar Coding and Labelling, Post Harvest Handling of Agriculture Produce, Labelling and Packaging, Pest Management and Poultry Production.

Only two additions of the quarterly Agriculture Digest, which compares commodity prices in Georgetown, Linden, Ituni and Kwakwani, were produced and circulated. The reason for this, was that the responsibility for the production of the digest was transferred to the Region 10 Farmers Association, but although they gathered the information, they were unable to disseminate it to the farmers.

In an effort to move agriculture from a subsistence to a commercial level, it was discovered that the clearing of land was one of the bottlenecks encountered in trying to commercialize agriculture in Region 10.

In January 2006, a concept paper, on Land Clearing, was submitted, and accepted by the LEAP Advisory Group. Land Clearing support to Region10 Farmers was officially launched in March, targeting farmers from Lower Demerara (Speightland, Dalawalla), West Watooka, Moblissa and the Berbice River. These are the main agricultural areas.

Phase 1 – A total of fifteen farms in three Sub Regions – West Watooka, Moblissa and Dalawalla were selected. Fifty seven acres were cleared at a cost of \$2,748,000. Two Inspectors were hired to inspect works, which were completed within the contracting period. The land cleared has since been cultivated.

Phase 2 – Sixteen farms were selected, 15 of which were located in the Berbice River (Develdt, Gateroy, Fortuyn, Tacama and Wikki Calcuni) and one (1) in West Watooka. Seventy acres were cleared in the Berbice River, and ten acres in West Watooka at a total cost of \$4,165,000. Three land clearing Inspectors were hired during this phase, and the works were completed within the contracting period. The lands cleared have since been cultivated.

Phase 3 – In December 2006, nineteen farms were selected, and contracts will be signed during the 1st quarter of 2007.

In March 2006, to further support the objective of commercializing agriculture in Region 10, a concept paper on the establishment of a Demonstration Farm, was submitted and approved by the Advisory Group. Subsequently a Technical Management Board (TMB) was set up to provide guidance, and to oversee the execution of this initiative. Members of the TMB were drawn from the Ministry of Agriculture, Bounty Farms, National Agriculture Research Institute (NARI), Conservation International (CI), Region Ten Farmers Association (FTFA), the Advisory Group and LEAP. The next step was to select the host farm where the Demonstration Farm will be located. In June 2006 invitations to host the Demonstration Farm were advertised. Seven applications were received, but three were rejected because they did not satisfy the criteria set. One farm was finally selected. However, there are issues to be clarified concerning the Lease on the land. This issue should be cleared up during the 1st quarter of 2007. In September 2006 a Demonstration Farm Manager was hired and paid under the PE budget. A list of equipment which should be procured for the farm, has been prepared and the relevant Tender Dossier will be submitted to the DEC during the first quarter of 2007. Seven Technical Management Board meetings were held

In November, the Management of LEAF reported that a number of persons, to whom it had extended credit, in the poultry sub sector, advised them that they were facing serious problems and were unable to meet their commitments to LEAF. They identified the problems as being high mortality and stunted growth with their batches of chicken. The Management of LEAF called a meeting to discuss this issue with the farmers, LEAP, Regional Representatives, and the Ministry of Agriculture. As a result LEAP retained the services of Dr. Gabriel Brown DVM, from the School of Veterinary Medicine University of West Indies for a short-term TA mission. While in Linden, Dr. Brown visited several poultry farms and feed distributors. He also visited the major poultry feed manufacturers and suppliers. In addition he also took back to Trinidad tissue samples for laboratory analysis. Based on his findings he was able to identify the problems, and make recommendations which are being implemented.

Several meetings were held with the Guyana Lands & Survey Commission (GLSC), on the subject of Leases for Agriculture Lands which is a burning issue in Region 10. One of the major reasons for the slow pace at which leases were issued, was the fact that the land had to be surveyed at farmers' expense, which in most cases was prohibited. As a consequence LEAP took the decision to undertake surveys of farmland, where farmers satisfied the criteria established by LEAP. These surveys are expected to begin during the 1st quarter of 2007.

COMPONENT 2 – BUSINESS INCUBATOR

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)	Up to end of 2005	1 st Q. 2006	2 nd Q. 2006	3 rd Q. 2006	4 th Q. 2006	% 2006	Total 2006	Cumulative total
R 2 Incubator			Start in May 05							
R 2.1a	30 entrepreneurs benefit	30 by 2009	12	13	13	12	12	43.3%	13	25
R 2.1b	1/3 continue successfully	10 by 2009								
R 2.2 a	Cost recovery of BIC	70% in 2009 <u>Per quarter</u>	1,58M– I 2.83M - E	599,000- I 847,000-E	632,000-I 944,000-E	634,000-I 1.46M -E	651,000-I 1.56M-E	52%	2.5M-I 4.8M- E	52% for 2006
R 2.2 b	Cost recovery of BIC	<u>Cumulated %</u>	Figures above = 55.8%	2.18M-I 3.68M-E	2.81M-I 4.62M-E	3.45M-I 6.09M-E	4,10M-I 7.66M-E	See 2.2a	see above	53.5%
R 2.3	1 viable proposal for BIC operation	Analysed by 2008		0	0	0	0			

Memorandum of Understanding (MOU)

In December 2002 an MOU was signed between the GoG and the Commission of the European Community (EC) to entrust the management of LEAP, with the additional responsibility of rehabilitating the building intended for the Business Incubator Centre (BIC) and to house the LEAP Office. Under this MOU the EC and the GoG allocated and transferred GYD 15,000,000, for this project.

In June 2004, an addendum to the MOU was signed, and an additional amount of GYD 28,200,000 was allocated.

During 2006, tenancy at the incubator remained stable; there were two departures, and one new tenant was admitted. As at December 31, there were fourteen resident tenants including those tenants in the kiosks, and one (1) non resident tenant. With respect to log frame target R2.1a this represents 43.3% achievement. BIC income for the year was \$2,5M This represents a cost recovery rate of 52% at Log frame target R2.2a. As the cumulated incomes showed in the table amount to +/- 4,1 m GYD, we calculate a cost recovery of 53.5%.

Incubator tenants continued to receive support for enterprise growth through provision of subsidized facilities, Technical Assistance, and training.

The Macaw Resource Centre was launched on April 27, 2006. The Centre is now operational, and equipped with research databases, and internet access. During the period July to December 2006, there was an average of 12 requests by clients, per month, for use of the facility. In respect of Log Frame target R1.2b, this represents an achievement of 40% for the period of operation.

The Training and Conference facilities continued to be rented during the year, on average, these facilities were used for 21 hours per month. Income from this rental was \$355,833.

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

Additional funds received from GOG

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

Income generated by the Activities

Income	2004	2005	2006	Total
	G\$509,484	G\$1,804,895	G\$2,800,428	G\$5,114,807

Income was received from rental of kiosks, suites and conference rooms, photocopying and fax services and interest for the BCM account.

Expenditure

Expenses	2004	2005	2006	Total
	0	G\$122,900	G\$1,647,334	G\$1,770,234

These expenses were incurred due to repairs and maintenance of the building and were paid from generated income.

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										
Result 3 - Substantial new investment in businesses generated										
Number	Brief description	Aim/(base)	Cumulative end 2005	1st Q. 2006	2nd Q. 2006	3rd Q. 2006	4th Q. 2006	Total 2006	Cumulative End 2006	%
R 3 - Investment										
R 3.1	2.5M Euro disbursed under IIIS	2,5 m Euro by 2009	0	The IIIS has been cancelled. This indicator may be substituted by one measuring progress on the Industrial Site - Envirotec						
R 3.2	>G\$ 50M of investment realised ¹⁾	By 2009 LEAF inv. Direct inv.	724.0M	24.3M 0.0M		16.9m 0.0m		41.2M 0.0M	765.2M	1530 %
R 3.3	10 businesses established on opportunity profiles	10 by 2009	0	0	0	0	1 Laundromat			10%

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 2006 proved to be a difficult one, and in some ways disappointing for the Inward Investment Facility. This was further compounded by the fact that National and Regional Elections were scheduled for August, and this contributed to the slow down in foreign and local investment, as investors adopted a wait and see attitude.

Very early in 2006 it was decided that the Inward Investment Incentive Scheme (IIS), which was approved in 2005, and proved too difficult and impractical to operationalise would be abandoned, and the funds used instead on Infrastructural Rehabilitation.

Arawak Leather Craft & Shoe Manufacturing Company started its manufacturing of Safety and Industrial footwear in October 2005. The LEAP continued to provide support to Arawak thru Mr. Faiz Amin, the person from whom Arawak acquired its machinery and equipment. Hand-holding assistance was also provided, and a revised Business Plan was prepared for the acquisition of additional finance. This finance assisted the investor in the production of Safety and Industrial footwear for the local market. The LEAP also continued to provide technical services to this venture by assisting the investor in sourcing raw materials for his operation. This investor exhibited his products at Guyexpo 2006 and has since been awarded several orders to supply Safety and Industrial footwear.

However, the year was not without challenges for Arawak, as it encountered severe cash flow problems and was forced close for two months (August and September 2006). During this period the LEAP insisted that adequate financial and inventory control, procurement and product costing systems be put in place. These systems were implemented and Arawak resumed production in October 2006.

Carib Call Centre Guyana Inc (Lintel) started its operation in May 2005, as an inbound/outbound Call Centre. February 2006 saw Lintel continuing with the use of GT&T through which they routed their calls. Lintel did not install any redundancy to cater for instances when GT & T went down, and they lost connectivity. At that time fifteen persons were dialling during the day and ten on the night shift. The key factors to operating a successful inbound/outbound Call Centre are the possession of contracts, and a reliable telecommunication service provider which allows the facility to operate with a minimum down time, and built in redundancy in the event that the telecommunication system is down.

Lintel failed to satisfy these two key conditions, and eventually in December 2006 it ceased its operation. At the time of the closure eighteen persons were employed.

However, it is expected that within the first quarter of 2007, negotiations will begin with a company called Tropical Call Centre Services, based in St. Kitts, with the view of having them take over the facility in Linden.

Caribe Wood Products started in January 2005. The first five months in 2006 saw a major decline in the number of persons employed with Caribe. During the month of May 2006 there was only three persons employed, and they were experimenting with parquet floor tiles as there was a ready overseas market for this product. June saw an increase in the employment level from three to seven persons, as they were now sourcing logs from Demerara Timbers Limited. Caribe was also now producing floor boards and supplying them to a kiln drying operator, to be kiln dried. This soon developed into a contractual arrangement and Caribe was later supplying the operator with various sizes of boards. By August there was steady supply of lumber which caused an increase in the number of persons employed from seven to fifteen. The operations ceased temporarily at the end of November for the Christmas holidays, as the person supplying the logs left the concessions to go home.

Rock Hamilton Investment is an investment venture for the establishment of a hotel, sawmill and kiln drying operation. This investor has submitted a proposal which is currently being reviewed.

Karlam South America Timbers Ltd. Repeated promises that this entity would restart its operations in 2006 proved futile. It was further discovered that the group of investors had major disagreement, and a new investor Baishanlin International had bought over the company, and would restart operations early in 2007.

Missions

The IIF made a visit to Barbados where consultations were held with Barbados Investment and Development Corporation (BIDC) and Barbados Coalition of Service Industries (BCSI). The purpose of the mission was to have a look at industrial estates, and the services provided by BIDC and BCSI. The mission discovered that BIDC which is responsible for the industrial development in Barbados has made the country the Caribbean's number one choice for investors. This was achieved after 50 years, and they're developing relatively new Information Technology (IT) and Communication sector.

GuyExpo 2006

This major event that showcases products and services of Guyana, was held in October 2006. LEAP's presence highlighted amongst other things, the proposed Coomacka Industrial Park (CIP), and some of the products produced in Region 10. Arawak Leather Craft & Shoe Manufacturing Company and Q-Farms got good responses from the event, and even got orders to fill.

Church's Chicken

This subsidiary of Camex Restaurant Inc. has started construction of a fast food outlet in Co-op Crescent, Linden and is scheduled to open to the general public by the first quarter of 2007.

Other Activities

Fact Sheet on Region 10

The IIF was assisted by an international consultant to produce a fact sheet on Linden, to aid in the generation of investment in Region 10.

Business Opportunity Profiles

The BOPs were updated to reflect the US equivalent so that foreign investors can better interpret the profiles.

Investment Promotion Strategy

Consultations with ministries and the private sector were conducted for the Investment Promotion Strategy (IPS) and the Regional Development Strategy (RDS). The IPS is the framework which the IIF will use for the next two years, to generate investment in the region. The IPS will compliment the RDS in its developmental plans for the region.

In 2006 most of Region Ten's Investment encountered problems which were due to circumstances over which the LEAP had no control. Internal disagreements amongst foreign investors contributed to the demise of Karlam. The reluctance to install redundancy, the inability to source contracts, and the absentee management style contributed to the downfall of Lintel. Adequate 'due diligence' on potential investors is now a pre-condition to the LEAP providing any kind of assistance. The challenge facing the LEAP in 2006 was not so much attracting investors, rather it was retaining the investment in Region 10.

COMPONENT 4 – LINDEN ECONOMIC ADVANCEMENT FUND

2nd WP		3rd WP		4th WP		Total	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
3,500,000	1,466,687	50,600,000	49,023,514	15,600,000	7,363,191	69,700,000	57,853,391

COMPONENT 4 – LINDEN ECONOMIC ADVANCEMENT FUND

Number	Brief description	Aim/(base)	Up to end 2005	%	1 st Q 2006	2 nd Q. 2006	3 rd Q 2006	4 th Q 2006	%	Total	Cumulative total
R 4 LEAF											
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\$	216.5 M	41.6%					66.7%	128.6M	345.1M
R 4.2	LEAF financial results positive by 2007	<u>2006</u> : Interest: 7.534M Application fees \$2.090M Legal fees \$4.880M (The figures above are 2005 total)			5.6 M 318,773	6.4M 384,638	6.5M 146,845	5.3 M 265,150		23.8M 1.2M 1.3M	31.3M 3.29M 6.18M
R 4.3.a	300 micro-credits disbursed	300 by 2009	238	79%	14	23	29	43	36.3%	109	347
R 4.3.b	300 micro-credits recollected	300 by 2009	73	24%	0	5	4	3	4%	12	85
R 4.4.a	200 sm./medium credits disbursed	200 by 2009	51	25.5%	22	10	11	4	23.5%	47	98
R 4.4.b	200 sm. / medium credits recollected	200 by 2009	6	3%	0	1	1	0	5%	2	8
R 4.5 (Total)	500 – 1000 total job creation	At least 500 jobs created ¹⁾	732 ²⁾	146%	199	122	105	108	106.8%	534	1266

¹⁾ According to the approval forms.

On October 5, 2005 the Office of Commissioner of Insurance (OCI) issued a statement which stated, among other things, that the 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 for registration.

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 DEC indicated it would not be releasing the 3rd tranche, unless arrangements were put in place to have a new Financial Institution (FI) 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 increased daily.

In January 2006 the LEAP Advisory Group requested a meeting with the NAO, unfortunately this was not possible. In April the Advisory Group wrote His Excellency the President, requesting a meeting to discuss the continuing crisis. On May 22nd the Advisory Group met with the President, and another letter was sent to him on August 4th, urging that the implementation agreement with Guyflag not be terminated on August 22nd. On August 29th upon the request of the NAO, the DEC agreed to a two months extension of the six months termination period of the implementation agreement with Guyflag. This extension would end on October 15th, 2006. In the meanwhile five FI which was governed by the Financial Institution Act (FIA), and whose operations are supervised by the Bank of Guyana were invited to tender for the management and operations of the LEAF. The fact that those Institutions invited to tender fell under the ambit of the FIA, precluded any insurance company from being invited to tender.

One tender was received and opened on November 7th, however since the technical requirements were not met, the bid was rejected, and the evaluators did not proceed with the Financial Evaluation

The DEC had by now agreed to a further three month extension of the six months termination period with Guyflag. This extension will end on January 15th, 2007.

The year 2006 was therefore a very challenging one for the LEAF, since no new funds were made available; the Fund was only able on-lend funds which were repaid by the borrowers. GYD 132 M was lent during this period.

Some clients still have the perception that they might soon not be liable to GUYFLAG for the loans received. As a result, (particularly those with non-performing loans) their actions towards repayments were to say the least very ambivalent. However, the Fund Manager and staff remained optimistic, and hoped that they would be able to give the required level of service to all the people of this region in the shortest possible time.

Total applications received to-date revealed that with the exception of locations #18 – Bissarani/Kuruduni and #26 – Kibilibiri/Hururu, applications were received from all other (41) locations. This signals the intent and willingness of persons throughout the entire region to do business with LEAF.

LEAF 2nd Clients' Appreciation Day was held on 22nd November 2006, and some clients were awarded for their outstanding business performances.

LEAF Credit Impact study commenced, and is expected to be completed by March 2007.

The FI managing LEAF has now been renamed CARICOM GENERAL INSURANCE CO. INC effective 1st November 2006.

Debt Management

A legal Officer was recruited, and commenced work on 4th May, 2006.

Legal action was taken against seventeen clients, of whom thirteen consented to judgment, three matters are pending and one was withdrawn.

Training

LEAF staff attended several training programs, such as “Intermediate Marketing”, “Book Keeping and Accountancy” conducted by LEAP.

The LEAF Fund Manager participated in the IX Inter-American Forum on Micro enterprise which was held in Quito, Ecuador, during the period 13/09/06 to 18/09/06.

Outreach:

Exercises were completed in the Kwakwani, Ituni, Berbice River communities and Riverview, Essequibo River.

Staffing:

There were four resignations, two recruitments and two promotions during the year. The FI had much difficulty attracting quality human resources due to the prevailing uncertainties with the future of LEAF.. Present staff complement is six.

Strengthening Relations & Working in Partnership:

LEAF has strengthened relationships with the following organizations:

Linden Tourism Committee, Linden Chamber of Commerce, Linden Fund USA and the Kashif & Shanghai Organisations, also, the Regional Women’s Affairs Committee which LEAF assisted to establish a Women’s Business Association within the region. LEAF participated in the Linden Expo and Guyexpo 2006.

Summary of LEAF lending operations as at December 31, 2006

a) Number of loans applications:	1005
b) Value of loan applications registered:	GYD1,057,3b
c) Number of loans disbursed:	435
d) Value of loans disbursed:	GYD345.0m
e) Value of loans repaid:	GYD131.6m
f) Number of loans outstanding:	263
g) Value of loans outstanding:	GYD213.0m

Portfolio Outstanding

h) Active Loans	GYD143.5m
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Loans in Arrears

i) Past Due < 90 days	79
j) Balance Outstanding:	GYD7.9m
k) Non-Performing > 90 days:	78
l) Balance Outstanding:	GYD32.7m

Employment Generation

Permanent Jobs:	1056
Temporary Jobs:	10
Seasonal Jobs:	07

COMPONENT 5 – INFRASTRUCTURE REHABILITATION

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

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
	2,500,543	0	15,700,000	15,502,702	199,600,000	98,278,498	365,061,050	35,686,009	582,861,593	149,467,209

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											
Nber	Brief description	Aim/ (base)	2005	%	1 st Q. 2006	2 nd Q. 2006	3 rd Q. 2006	4 th Q. 2006	Total	%	Cumulative total
R 5.1	5 feasibility studies completed	5 by 2009	1 (Moblissa Water)	20	0	0 underway Millie's Hideout	2 Millie's Hideout wharf	1 Linden – Kwakwani Road	3	80 %	4
R 5.2	3 public buildings upgraded and leased	3 by 2009	+1 = 2 BIC	67%	0	0	0	0		67	2
R 5.3	6 comm. groups benefit from infrastr. Support	6 by 2009	0	-	0	0	1 Rockstone	0	1	17 %	1
R 5.4a	Ph. 1 of industrial site completed		0		0	0	Survey of site at HEED completed	Preliminary Report submitted		5%	
R 5.4b	Indust. incubator established	Established by 2009	0	-	0	Wisroc Site Identified	T D Completed but (Cancelled)	Call Centre Identified		10 %	

Nber	Brief description	Aim/ (base)	Up to end of 2005	%	1 st Q. 2006	2 nd Q. 2006	3 rd Q. 2006	4 th Q. 2006	Total	%	Cumulative total
R 5.5	Upgrade wharf service facilities completed	Completed by 2009	0	-	Feasibility Study initiated	Feasibility study indicates negative returns	0	0		-	
R 5.6	5 infrastructure works via IIS completed	5 by 2009	0	-	0	0	TD for Envirotec in progress	TD for Envirotec endorsed by DEC.	in progress	5%	In progress
R 5.7	8 miles of agriculture roads completed	8 miles by 2009	6.1 miles	76 %	TD for Haimara and Moblissa on the way		TD for Haimara endorsed by DEC	TD for Moblissa endorsed by DEC		76 %	6.1 miles
R 5.8	3 other econ. infrastructure works rehabilitated or constructed.	3 by 2009	+5 =6	-	1 (Museum , partial)		<i>considered under 5.3</i>	Gluck Island facilities on the way	1	233 %	7

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 dossiers, evaluation of tenders and award of contracts, in compliance with EDF 9 rules for Simplified Procedure, and GOG requirements.

In December 2005 LEAP employed an Associate Engineer, financed under the Programme Estimate budget. The contract was however terminated in December 2006, because the expected results were not being achieved. Activities within this component also generated short-term employment for clerks-of-works, and small contractors from Region 10. Infrastructure works were delayed, due to the lengthy procedures for tendering, stipulated by the EDF 9 procurement procedures implemented during 2006, and the availability of contactors who were willing to work in Region 10.

The activities for launching a tender procedure under EDF 9 involved the preparation of the tender dossier by LEAP, which was then submitted to the DEC for approval, before the tender could be launched.

Given that new templates were introduced for the preparation of tender dossiers, staff preparing these documents experienced problems with the incorrect use of templates and unauthorized changes.

This resulted in lengthy delays in the tendering process, from the preparation of tender dossiers, to approval by the DEC, to launching of the tender, and final receipt of, and evaluation of the tenders.

It was decided to reorganize the staff within this component, and to appoint from amongst the LEAP staff a Procurement Officer to facilitate preparation of tender dossier, and to monitor the movement of tender dossiers between LEAP and the DEC. In November 2006 LEAP engaged the services of a short-term Procurement Expert (under the TA contract) for 2 weeks, to establish procedures to be followed when preparing Tender Dossiers. Two staff members were attached to the consultant, and have since been given responsibility for the procurement process. In addition, a draft procurement plan was drawn up to ensure quality control, management of the process, and to facilitate the development of the progress and implementation reports. The Consultant also held a brief training session with the programme staff.

The implementation of the activities in this component will be strengthened, and supervision of works improved, through the employment of another Associate Engineer by the first quarter of 2007.

Sub-activities completed in 2006 are listed below:

1. The Approach to Speightland Bridge
2. Renovation to Recreation Hall for Linden Museum
3. Extension to Light Manufacturing Area for BIC
4. Rehabilitation of Lodge and construction of other facilities at Rockstone, Region 10.
5. Land surveying works for HEED Industrial Site
6. Agricultural Land Surveying Works.

Tender Dossiers that were endorsed by the DEC in 2006, for works that will commence during the first quarter of 2007 are:

- Construction of New Sub-Office at Ituni for the RDC.
- Rehabilitation of Quick Service Bay at HEED for Envirotec
- Topographic Survey, Sub-surface Investigation, Design and Supervision of Haimara Road Rehabilitation, Mackenzie, Linden
- Completion of Moblissa Road Upgrading

Design of the Moblissa Water Supply System was completed by a consulting firm in July 2006.

Two (2) reconnaissance surveys were carried out along the Millie's Hideout trail, to Friendship/Kimbia on the West Bank of the Berbice River. A comprehensive report inclusive of the engineer's estimate, indicated that this sub-activity was not economically feasible for LEAP to undertake. As a consequence, a decision was taken at a meeting held with the Regional Chairman and the Regional Executive Officer (REO) to focus on rehabilitating critical sections of the existing road between Linden and Kwakwani.

Other sub-activities that were designed, but had to be cancelled for several reasons beyond LEAPs control on account of cost/benefit considerations are as follows:

- Rehabilitation of road and construction of bridge for Ituni Small Loggers Association.
- Rehabilitation of road for Wiruni Community, Upper Berbice River

During the year drawings were prepared for the rehabilitation of the Wisroc Shopping Plaza to house the Industrial Incubator. However these plans had to be shelved when it became clear that the question surrounding the ownership could not be ascertained. In addition to which, the Cooperative Society, which in the past managed the premises, appeared to be defunct.

Certificates of Final Acceptance:

Certificates of Final Acceptance for the following sub-activities were issued:

- Rehabilitation and Extension of West Watooka Road.
- Culvert and Road Repair – Burnham Drive, Wismar Shore, Linden
- Construction of Speightland Bridge
- Rehabilitation of Moblissa Road – Phase 1

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	23,481,386	58,463,950	26,896,731	120,181,907	74,803,506

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										
Nber	Brief description	Aim / (base)	Up to en of 2005	1 st Q.2006	2 nd Q. 2006	3 rd Q. 2006	4 th Q. 2006	%	Total	Cumulative total
R 6 Employability										
R 6.1	3 schools offer programmes in promoting entrepreneurship from third form	3 schools in 2009	0	1 LTI	0	+4 LFS, MHS,NSS S, CWSS	0	167 %	5	5
R 6.2	300 youth (50 outside Linden) trained in business literacy (including language)	300 youth (50 out of Linden) in 2009	+12= 103 0	0 0	0 0	22 0	0 0	42% 0	22 0	125
R 6.3	Job Centre unbundled in 2007, with provision to exist at least six months after unbundling	Job Centre unbundled by 2007	0	Idea needs to be reconceptualised						
R 6.4	Sector specific training in three selected sectors provided	2009: 3 training prgr. each in 3 sectors (9 in total) Transport: Manufact.: For./agro:	+5=16	6 2 Sewing, Design, Agro Proc, Harvest handling, Pack/labelling	0	2 Sewing, Timber Harvest	4 Poultry, Floral, 2 Sewing	311 %	12	28

Nber	Brief description	Aim / (base)	Up to end of 2005	1 st Q.2006	2 nd Q. 2006	3 rd Q. 2006	4 th Q. 2006	%	Total	Cumulative total
R 6.5	150 youth benefit from in-service employment training	150 youth by 2009	293	7	13	2	15	220 %	37	330
R 6.6	Specialized training for 100 persons/yr provided 1)	100 persons per year 50% of trg. costs recovered from companies	368 n.a	0 n.a	0	0	0	368 %	0	368
R 6.7	A segment with general information for employment included in TV/ News once a month	12 times/year	23	0	0	0	0	0	0	
R 6.8	Database upgraded continuously	Data base upgraded every 6 months	3,344 entries	Permanently being updated						

1) The training programmes focussing on employment (not self-employment) are considered training support to large investors

MHS: Mackenzie High School, **LFS:** Linden Foundation Secondary; **LTI:** Linden Technical Institute; **NSSS:** New Silvercity Secondary School, **WCSS:** Wismar Christianburg Secondary School.

During 2006 the LEAP continued to build upon its strategy to improve Technical Vocational and Management Skills.

Working within the Agricultural Sector to build the initiatives that were taken in 2005, several short but, Focused Workshops were conducted in Agro Processing, Post Harvest Handling and Packaging and Labelling.

The other Training Programmes and Workshop also targeting specific groups, and were also in areas which would allow the participants to generate income from the skills imparted. This was particularly true to such programmes as sewing, fabric and garment design and floral arrangements.

Programmes were also designed to assist the entrepreneurs to improve the management of their businesses, in the areas of Book keeping & Accountancy, and in Computer Applications for Small Business. Sector Specific courses were also conducted within the Forestry Sector in Timber Harvest Planning.

During the period October 2005 and July 2006 two trainers were recruited from Trinidad & Tobago to train apprentices in safety shoe manufacturing i.e. from the cutting of the leather to the lasting of the shoe.

During 2006, eighteen workshops were held and, eight thousand, four hundred and forty eight (8448) hours of training were delivered with 237 participants.

COMPONENT 7 – INSTITUTIONAL STRENGTHENING

Expenditures for Institutional Strengthening for the period were from funds Delegation of the European Commission (DEC) and the Government of Guyana (GoG).

Component 7 – Institutional Strengthening - DEC

Project Budget	1st WP		2nd WP		3rd WP		4th WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	19,399,605	0	16,769,352	14,195,348	49,661,000	45,494,123	4,875,000	1,363,876	90,705,185	61,053,347

GoG Funds	Amount of the MoU	2005	Funds received in 2006	Total
	8,329,810	0	G\$4,377,376	G\$4,377,376

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)	2005	1 st Q.2006	2 nd Q.2006	3 rd Q.2006	4 th Q. 2006	%	Cumulative Total
R 7 institutional strengthening									
R 7.1	Econ. Dev. Progr. implemented jointly by public & private sector	Development plan elaborated by 2007 and jointly implemented	---	In progress. Draft plan submitted in Oct 06.			1 st Draft		50%
R 7.2	LCICD membership at 100	100 members by 2009	37	0	54		33	33%	33 ⁽¹⁾
R 7.3	3 new bus. associations created & functional	3 new by 2009	1	+ 1 = 2 LACA	0	0	+ 1 = 2 Rockstone Tourism Assoc.	100%	3

⁽¹⁾ Members used to pay before the Annual Meeting due in March. A higher figure can be expected during this year

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 programme activities, through multi media – multi forum public education
- Integrate the services of the BDU, 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, continued to be geared towards the needs of micro, small and medium enterprises.

During the period under review, Institutional Strengthening support continued to be extended to several existing agencies, and new associations as they came on stream.

In April 2006 a second PACA consultancy was undertaken. Several initiatives were undertaken within the various sectors.

Tourism: Several steps were taken to promote Linden as a tourist destination, and to package its tourism product. A local consultant was engaged for 10 months; this contract was signed in December 2005 and ended in October 2006. The deliverables were as follows:

- Data collection. A detailed register was compiled of all Linden and Region 10 based businesses, in the tourism and hospitality sector (Hotels, restaurants, Bed & Breakfast services, tour and tour operators, entertainment entities etc). This would serve as a basis for tourist information purposes.
- Prepare a Business Plan for the intended Linden Office for Visitors (LOV)
- Conduct a quality rating exercise of the Region 10 hotels
- Develop a tourist/visitors monitoring system as part of the LOV working system.
- Provide recommendations and potential niche markets
- Assist the tourism group to identify Infrastructure requirements

The First Rockstone Fish Festival: The first Rockstone Fish Festival was in September 2006. More than 800 persons from Region 10, and also from Georgetown attended. It is planned to make this an annual event. For this event the LEAP assisted the Rockstone Community Development Council (RCDC), to rehabilitate an old guest house, owned by the Linmine Secretariat, to be used to provide accommodation for visitors. LEAP also constructed permanent sanitary facilities. The Rockstone Tourism Association (RTA) was established in December and LEAP provided assistance to develop the constitution and by-laws, and provided assistance to have the association registered.

Linden Town Week: For the first time the Linden Town Day was expanded to become the Linden Town Week, and was staged from April 22nd – May 1st. Cultural shows, sports event, entertainment, games, fashion shows and the first Linden Expo, were all staged during the period. These activities were promoted and managed by the Kashif & Shanghai Organization, and the Linden Fund.

The Town Week also saw the launching of the Linden Magazine, a glossy publication, which would be of interest to tourist and visitors. The Linden Museum of Socio - Cultural Heritage was also officially opened by the Prime Minister Hon. Samuel Hinds in April 2006.

Bed and Breakfast: Prior to the commencement of the Linden Town Week, LEAP, in collaboration with the Linden Fund, and the Region 10 Tourism Development Association (RTDA) coordinated a Bed and Breakfast Assessment and Registration programme.

This programme entailed the assessment, and grading of over 116 potential properties in Linden, with an aim to supplement the accommodation available in Linden. Tourism consultant Donald Sinclair, contracted by LEAP, trained 12 members from the RTDA as assessors, and assessments were carried out over a one month period.

A scheme was also developed to grade establishments, based not only upon the existence of a set of minimum facilities, but also upon an assessment of those facilities, to determine the degree to which they satisfy a number of conditions.

A webpage promoting the qualifying list of Bed and Breakfast accommodation available in Linden was developed, and added to the LEAP website to support overseas bookings. Over 116 properties were registered in the Bed and Breakfast database, and 40 properties were listed on the LEAP Bed and Breakfast webpage.

Gluck Island: This Island is situated just opposite Rockstone in the Essequibo River. It is approximately 21 square miles and uninhabited. In April 2006 a team from the Guyana Amazon Tropical Bird Society (GATBS), at the request of LEAP, conducted a rapid assessment of the island to determine its potential as an Eco-Tourism destination. The consultants discovered over 140 different species of birds, of which 50 species was classified as rare or uncommon, indicating a paradise for bird watchers interested in spotting rare species. The Victoria Regia flower is also found in two locations. The consultants made several recommendations on the way forward. The Environmental Protection Agency (EPA) has already given approval for minor infrastructural works, and LEAP's Engineer in Training has visited the island, and estimates were prepared to construct a walk way around the island. More works will be carried out during 2007, and attempts will be made to get private investors interested in this venture.

The Linden Chamber of Industry Commerce & Development: Support to the LCICD continued during 2006. Particular emphasis was placed on the management of the Chamber, increasing its membership and constitution reform. Five standing committees were established, namely planning and monitoring of finances, public private sector forum, income generation, public relations and membership, and member services. In June 2006 LEAP contracted the services of an Attorney-at-Law, to rewrite the Chamber's constitution. After several rounds of consultations, the draft was presented at a meeting in November, so as to incorporate any suggestions or ideas from the membership. The New Constitution was finally accepted in December 2006. In August 2006, the LEAP also provided the service of a consultant to facilitate the following:

- Identify different funding agencies and the project proposal format required by them. The consultant was also supposed to identify 2 possible funding agencies, to whom the chamber may apply, introduce the project proposals format specific to each agency, and to assist the members in project proposal preparations.. A new Executive Secretary was recruited in May, and during 2006 LEAP disbursed \$1,696,000 to the LCICD

The RDC: Under the terms of the MOU signed in 2005 between the LEAP and the RDC, it is agreed that a Junior Economic Planner would be recruited, to assist in the writing of the Regional Development Strategy. During 2006 wide ranging consultations were held with all the communities within Region 10, key government ministries, agencies, and the donor community, to gather information to be used in developing the RDS.

A first draft was presented in October 2006, and a second draft should be completed by April 2007. During the year LEAP disbursed \$1,506,000 to the RDC.

LTi: In January 2006 LEAP financed the attachment of 2 instructors who were sent to Jamaica, to upgrade their knowledge, and skills as auto mechanics and auto electricians. The cost of this attachment was \$400,000, and this was financed by the LEAP.

4. A BRIEF OVERVIEW – 2007

It would be useful to read the 5PE in conjunction with the 4PE, since the 5PE follows the 4PE within the context of the LEAP Global Work Plan. The anticipated results of the activities outlined in the 5PE will be implemented in conjunction with the other components of the Project and will compliment and build on the previous Work Programmes.

BAS will continue to be provided to the LEAP clients. The crisis surrounding the LEAF and the prevailing economic conditions in Region 10 has impacted negatively on the capacity of its clients to pay the economic cost for BAS. However the LEAP will continue to collect fees where possible.

Within the BIC, the emphasis will be on enhancing the incubation process for the benefit of the tenants; and on the successful implementation of the Industrial Incubator.

Foreign and domestic investment will be vigorously pursued. In this vein it is hoped that the LEAF crisis will be speedily resolved so that small, micro, and medium enterprises can access much needed finances to execute their plans.

Several significant infrastructure works will be undertaken, (Moblissa Water Supply, Moblissa Road Upgrade, Haimara Road Upgrade, Linden/Ituni Road, development of a wharf facility on the West Bank of the Demerara River etc). When completed, these projects will increase economic activity in several communities.

Training interventions will continue, but will be more focused on specific, as opposed to general needs, and within those sectors with value-added potential and where the possibilities exist for self-employment.

The LEAP will, during the 5PE, examine the issues related to sustainability and continuity after the Programme's schedule closure in June 2009. LEAP will also continue to assist through Institutional Strengthening and training, to increase the capacity of the major stakeholders viz, the LCICD, RDC, LTI, and the M&TC. It is also envisaged that during the life of the 5PE the RDS, will evolve into a Regional Development Plan (RDP).

5. FINANCIAL STATUS

FINANCIAL REVIEW 2006

The period under review is from 1 January 2006 to 31 December 2006. During this period total expenditure was GYD 77,271,796 (approximately € 284, 141) being expenses incurred from both the 3 WP and the 4PE. Total income was GYD 2,882,048 (€ 11,142)

3RD WORK PROGRAMME

Revised budgetary allocation for the 3WP amounted to **GYD 326.7M**. In January 2006 GYD 7.5M, approximately € 31,229 was deducted by TRANSTEC from the reimbursement of the final replenishment for payments towards the Bank Guarantee and bank charges for the Work Programme. The payment of this transaction was previously agreed by the DEC because there were insufficient funds before this period to make payment

The total funds received in 2006 for the 3WP was GYD 22.4M or approx 6.9% of the targeted expenditure under the 3WP.

In February 2006 a total of GYD 1,485,870 was transferred from the Work Programme cheque account # 680-452-0 to the Business Cash Management (BCM) account # 490-254-0. The BCM account was subsequently closed, transferring a total of GYD 24,709,719 back to the Government, thus closing the Work Programme. The request for the closure of the Work Programme was submitted to the NAO Task Force In July 2006 the DEC informed LEAP that the Work Programme was reconciled and closed, and the bank guarantee was released.

End of Work Programme audit was completed in March 2006 by Bisheswar Seebarran and Co. In October 2006, the DEC offered its no objection to this report.

3WP performance at the end of December 2006 can be summarised as follows:-

Approved Work Programme Budget	326,661,000	100.00%
Funds Received (in 2006)	G\$22,480,65	6.9%
Total Spent	G\$7,511,958	2.3%

4TH PROGRAMME ESTIMATES

The budgetary allocation for the 4PE was GYD 474.5 M, being GYD 452.3M for expenditure and GYD 22.2M for contingency.

A total of GYD 70.0M was spent, reflecting a budget consumption rate of approximately 15%.

A total of GYD 972,590 was received as income, which was generated from the sale of tender dossiers, participants registration for workshops and training, and interest received from the BCM account. In addition to that GYD 1,909,858 was transferred from the 2nd and 3 WP bringing the total income received from the Work Programmes, as of 31 December 2006 to GYD 2,882,048.

In August 2006 the DEC approved Rider No. 2 changing Article 4.10 "Contracts and grants award procedures" the Work Programme to include grants up to € 10,000 as per procedures stated in the **Practical Guide to Contracts Procedures from the 9th EDF**.

In December 2006 Rider No. 3 was approved, to extend the closing date of the 4PE to March 31st 2007, as well as to reallocate funds within component 5, and, from component 5 to components 6 & 7. This was in response to changing circumstances, and updated information to cover costs related to continuing ongoing activities, through the extension period.

During the review period the Mid Term Audit of the 4PE was completed by the Office of the Audit General of Guyana; the audit report was submitted to the NAO Task Force, and the DEC.

4PE performance at the end of December 2006 can be summarised as follows:-

Approved Work Programme Budget	474,529,810	100.00%
Funds Received to-date	G\$79,870,197	16.83%
Total Spent	G\$69,759,838	14.70%
Funds Available	G\$10,110,359	2.13%

Work Programme Expenditure and Fund Balance

Tables 1 to 3 summarises Work Programme Expenditure and budget commitments. From a total of GYD 77.3M spent on Work Programme activities during the Year 2006, 47% was from Infrastructure Rehabilitation, 14% from Institutional Strengthening, 30% from Vocational Training and 9% from LEAF activities.

**WP Expenditure for the Period
01/01/2006 to 31/12/2006**

TABLE 1:

Work Programme 3		GYD	EURO	%
Component 4	LEAF	0	0	0
Component 5	Infrastructure Rehabilitation	2,283,473	9,493	30
Component 6	Technical, Vocational & Management Training	0	0	0
Component 7	Institutional Strengthening	5,228,485	21,736	70
Total WP3		7,511,958	31,229	100
Programme Estimate 4		GYD	EURO	%
Component 4	LEAF	7,062,315	27,445	10
Component 5	Infrastructure Rehabilitation	33,986,651	131,394	49
Component 6	Technical, Vocational & Management Training	23,520,014	90,929	34
Component 7	Institutional Strengthening	813,482	3,145	1
Component 7	Institutional Strengthening (GOG)	4,377,376	15,353	6
Total PE 4		69,759,838	268,266	100
Total WP3 and PE 4		GYD	EURO	%
Component 4	LEAF	7,062,315	27,445	9
Component 5	Infrastructure Rehabilitation	36,270,124	140,887	47
Component 6	Technical, Vocational & Management Training	23,520,014	90,929	30
Component 7	Institutional Strengthening	6,041,967	24,881	8
Component 7	Institutional Strengthening (GOG)	4,377,376	15,353	6
		77,271,796	284,141	100

TABLE 2: 4 WP - Summary of Expenditure 2006

Component 4: LEAF

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	49,023,513	15,600,000	7,363,191	69,700,000	57,853,391

	Particulars	Revised Budget	Total 2006	
		GYD	GYD	EURO
4.A	Activities Coordinated/Synchronised	500,000	246,765	2,133
4.B	2nd Business /Work Plan (2006)	600,000		
4.C	LEAF Credit Impact Study	1,200,000	285,120	1,102
4.D	Public Awareness	2,000,000	165,650	640
4.E	Study Tours/Training Seminars	3,000,000	1,147,639	4,437
4.F	Operations & Start up	4,000,000	2,882,402	11,143
4.G	Risk Management	100,000		
4.H	Maintenance & MIS Phase 2 (MIS/CRM)	700,000	62,539	242
4.I	Support to In-House Legal Services	3,000,000	1,967,200	7,747
4.J	LEAF Emerging Priority Needs	500,000		
	Total LEAF	15,600,000	7,062,315	27,445

Component 5 : Infrastructure Rehabilitation

Project Budget	1st WP		2nd WP		3rd WP		4 th WP		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	2,500,543	0	15,700,000	15,502,702	199,600,000	98,278,498	365,061,050	35,686,009	582,861,593	149,467,209

	Particulars	Revised Budget	Total 2006	
		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	8,811,050	3,539,256	13,683
5.C	Rehabilitation of Public Assets/LEAP			
5.C.1	Completion of Moblissa Road Upgrading	37,550,000	2,798,122	10,818
5.C.2	Completion of LEAP/RDC/M&TC Projects began in 3rd WP	8,500,000	3,377,764	13,059
5.C.3	New RDC & M&TC Initiatives	60,000,000	911,524	3,524
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	45,000,000	3,139,474	12,137
5.D.2	Small-Medium Industrial Development Incubator(Wisroc Plaza)	35,000,000	582,443	2,252
5.E	Infrastructure Investment Incentives Scheme			
5.E.1	Identification, Approval Implementation - Investment Projects(Envirotec)	13,000,000	234,393	906
5.E.2	Logistic Support to Implementation of the IIS	400,000	15,680	61
5.E.3	Facilitate Investment Including Company Site Visit	400,000		
5.F	Community Economic Projects			
5.F.1	Community Economic Projects: Rockstone Community Tourism Infrastructure	16,000,000	4,260,165	16,470
5.F.2	Water Supply to Moblissa Agriculture Community	50,000,000	1,558,264	6,024
5.F.3	Road Rehabilitation Requirements in KK / Ituni Loggers Groups,Wiruni Community, Upper Berbice River			
5.F.4	PACA Support LTI Wood Drying Kiln, Gluck Island Tourism Development	15,000,000	3,457,040	13,365
5.F.5	Demonstration Farm	20,000,000	980,071	3,789
5.F.6	Agriculture Land Clearing Support	10,000,000	2,444,860	9,452
5.F.7	Surveying of Farm Lands	12,000,000	708,975	2,741

	Particulars	Revised Budget	Total 2006	
		GYD	GYD	EURO
5.G	Feasibility Studies			
5.G.1	Assessment of the Wharfs & Bond	6,000,000	1,050,000	4,059
5.G.2	Assessment of the Condition of Demera/Linden Bridge and Capacity for Expansion	4,000,000		
5.H	Public/Private Sector Collaboration			
5.H.1	Linmine Spare Parts	3,000,000		
5.H.2	Privatisation of Watooka Club			
5.H.3	Rehabilitation & Upgrade Millies Hideout Road	1,900,000	617,963	2,389
5.H.4	Cold Bond & Package House			
-	Bank Charges			
5.I.	Bank Guarantee Cost	15,500,000	4,310,657	16,665
5.J	Income			
	Total Infrastructure Rehabilitation	365,061,050	33,986,651	131,394

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	23,481,386	58,463,950	26,896,731	120,181,907	74,803,506

	Particulars	Revised Budget	Total 2006	
		GYD	GYD	EURO
6.A		-		
6.B	Capacity of LEAP to respond to emerging priority needs	1,200,000	1,000,000	3,866
6.C	Maintenance & Upgrade of LEAP MIS	500,000	246,060	951
6.C.1	Entrepreneurial/Business Development & Skills Training	-		
6.C.2	Improving & Expansion of Small Business	2,300,000	1,444,788	5,586
6.C.3	Preparing and Assessing business plans	1,600,000	588,900	2,277
6.C.4	Micro & Small Business-Stock Control & Record Keeping	300,000	301,840	1,167
6.C.5			398,648	1,541
6.C.6	Intermediate Marketing	1,050,000	412,910	1,596
6.C.7	ToT - Micro & Small Business-Business Plan	-		
6.C.8	Promotion & Study Tours of Micro & Small Business	1,469,213		-
6.D	School Business Entrepreneurial	1,000,000	245,200	948
6.D.1	Production Skill Training	-	-	-
6.D.2	Training Programme for Wood Working Industry: milling, kiln, furniture	1,000,000	226,800	877
6.D.3	Transportation-Motor Vehicle Technology & Auto Electrical	400,000	400,000	1,546
6.E	Provision of Technical Assistance to the Development of the Craft Industry	2,000,000	285,285	1,103
6.E.1	Targeted Training in Employment Skills	-		
6.E.2	Facilitate training on employment readiness, job search and entry level skills	3,300,000	963,079	3,723
6.F	Business Skills Literacy Training	1,500,000	475,999	1,840
6.F.1	Development of the Commercial Potential of the Agriculture Sector	-	-	-
6.F.2	Good Agriculture Practice	1,000,000	17,070	66
6.F.3	Farmers Exposed to Appropriate Technology	1,600,000	141,400	547
6.F.4	Demonstration Farms	2,500,000	780,356	3,017
6.F.5	TA for Packaging Facility & Cold Storage	1,000,000	48,860	189
6.F.6	Quarterly Digest-Website Update	750,000		

	Particulars	Revised Budget	Total 2006	
		GYD	GYD	EURO
6.F.7	TA/Training Workshop	1,250,000	432,604	1,672
6.F.8	Support of Agriculture Association & Community Groups	1,000,000	302,652	1,170
6.F.9	Survey of Farm Lands	5,000,000	4,800	19
6.F.10	Agriculture Land Clearing Support	4,000,000	3,616,253	13,981
6.G	Business Consulting	300,000	164,163	635
6.G.1	Youth Entrepreneurial Network	-		
6.G.2	Entrepreneurial Skills Development	1,200,000	743,050	2,873
6.G.3	Profiling Young Entrepreneurs	50,000		-
6.H	Support to YEN , guest speaker series, participation in Reg.10/Nat.Forum	160,000	68,090	263
6.H.1	Support to the Business Incubator Tenants	-		
6.H.2	Financial Management and record keeping	400,000		
6.H.3	Product Development, Positioning and Marketing	600,000	98,102	379
6.H.4	Networking: NBIA and participation in Annual Conference/Fall Training	780,787		
6.I	Technical Assistance	3,328,950	1,837,242	7,103
6.J	Gender Issues	100,000		
6.K	Design & Establish 'Job Centre'	500,000		
6.L	Design & Implment 'Apprenticeship Scheme'	1,700,000	635,800	2,458
6.M	LEAP Training & Co-ordinating & Monitoring Officer	1,650,000	623,372	2,410
6.M.1	Strengthen Region 10 Image-Competitive Investment Region	-		-
6.M.2	Product Investment Fact Sheets on Region 10	1,000,000	390,541	1,510
6.M.3	Investment Promotion CD-ROM Produce Copies	700,000	2,000	8
6.M.4	Update Website & LEAP Public Awareness	3,000,000	2,906,662	11,237
6.M.5	Investment Promotion Media Campaign	500,000	234,600	907
6.N	Develop Marketing Database for Investment Generation Campaign	600,000	100,000	387
6.O	Communication/Public Education Campaign	4,975,000	3,182,888	12,305
6.P	LCICD Support to Management & Membership Training	600,000	200,000	773
6.P.1	Management Training/LS of RDC & M&TC	200,000		-
6.P.2	Co-operation with RDC & M&TC	-		
6.Q	Regional Economic Planning Unit	-		
	INCOME	-		
	Total	58,463,950	23,520,014	90,929

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	45,494,123	4,875,000	1,363,876	90,705,185	61,053,347

	Particulars	Revised Budget	Total 2006	
		GYD	GYD	EURO
7.A	Capacity of LEAP to respond to emerging priority needs	1,000,000	100,000	387
7.B	Local Economic Activities	-	-	
7.B.1	LED Intervention - Local Costs	500,000	300,000	1,160
7.B.1	Support to Regional Planning Unit	1,200,000		
7.C	Broadening Private Sector Institutional Base/New Association	-		-
7.C.1	LCICD Support	400,000	7,000	27
7.C.1	Women's Entrepreneurial Association	-		-
7.D	Private/Public Sector Collaboration Forum	150,000	20,100	78
7.E	Target and Generate Investment Opportunities	-	-	-
7.E.1	Participate in Local Trade/Investment Exhibitions	600,000	374,032	1,446
7.E.2	Participate in International Trade/Investment Exhibitions	500,000		
7.F	Build Effective Investment Partnership	-		-
7.F.1	Strengthen Partnership with Local/Private Sectors	350,000	26,200	101
7.F.2	Maintain Active Membership with Professional Agencies	50,000		
7.G	Communication/Public Education Campaign	-		
7.H	Preparation Launch & Review of 5th Programme Estimate	125,000		-
7.I	Bank Charges	-	(13,850)	(54)
	Total Institutional Strengthening	4,875,000	813,482	3,145

Component 7 – Institutional Strengthening

G.o.G Funds	Funds Received	Actual 2005	Actual 2006	Actual Total	Funds Bal as of 31/12/06
	8,329,810	0	4,377,376	4,377,376	3,952,434

Particulars		Revised Budget	GYD	EURO
7.A	Capacity of LEAP to respond to emerging priority needs	100,000		
7.B	Local Economic Activities	-		
7.B.1	LED Intervention - Local Costs	100,000	99,850	386
7.B.2	Support to Regional Planning Unit	1,400,000	1,295,450	5,008
7.C	Broadening Private Sector Institutional Base/New Association	-		
7.C.1	LCICD Support	1,900,000	1,396,000	5,397
7.C.1	Women's Entrepreneurial Association	100,000		
7.D	Private/Public Sector Collaboration Forum	250,000	11,200	43
7.E	Target and Generate Investment Opportunities			
7.E.1	Participate in Local Trade/Investment Exhibitions	479,810	452,050	1,748
7.E.2	Participate in International Trade/Investment Exhibitions	675,000		-
7.F	Build Effective Investment Partnership	-	199,620	772
7.F.1	Strengthen Partnership with Local/Private Sectors	200,000		
7.F.2	Maintain Active Membership with Professional Agencies	-		
7.G	Communication/Public Education Campaign	1,800,000	490,306	1,896
7.H	Preparation Launch & Review of 5th Programme Estimate	1,250,000	406,000	
7.I	Bank Charges	75,000	26,900	104
7.J	Income	-		
Total	Total Institutional Strengthening (GOG)	8,329,810	4,377,376	15,353
	TOTAL (Components 4, 5, 6 and 7)	452,329,810	69,759,838	268,266

TABLE 3: Work Programme Fund Balance

EURO

RATES			170.168	170.168	229.718	258.663	258.663
Component		Total Budget As Per Financing Agreement	Balance from 1st WP	Balance from 2nd WP	Balance from 3rd WP	Revised Budget for 4PE	Balance from 4PE
		EURO	EURO	EURO	EURO	EURO	EURO
4	LEAF	583,000	583,000	574,381	360,974	60,310	300,663
5	Infrastructure Rehabilitation	3,500,000	3,500,000	3,408,898	2,981,075	1,411,338	1,569,737
6	Technical, Vocational & Management Training	589,000	588,574	445,463	343,245	226,024	117,221
7	Institutional Strengthening	300,000	300,000	216,580	18,537	18,847	(310)
	Sub Total	4,972,000	4,971,574	4,645,322	3,703,831	1,716,519	1,987,312
	Contingency	1,127,000	1,127,000	1,127,000		85,826	85,442
TOTAL		6,099,000	6,098,574	5,772,322	3,703,831	1,801,962	2,072,754
	** Negative balance due to exchange rate						

ANNEX 1: Training Programmes / Workshops conducted in 2006

January 2006

Agro -Processing

February 2006

Elementary Sewing
Intermediate Sewing
Fabric & Garment Design
Post Harvest Handling
Intermediate Marketing
Book-Keeping & Accountancy

March 2006

Packaging and Labeling

May 2006

Computer Applications for Business
Portuguese Language

June 2006

Sewing & Garment Design

July 2006

Timber Harvest Planning

September 2006

Export Marketing

October 2006

Elementary Sewing
Intermediate Sewing

November 2006

Floral Arrangement
Poultry Production

December 2006

Book-Keeping & Accountancy

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 ACTIVITY 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 and is used by more than 30 clients per month 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 (300) Client MIS established by the end of 2003 upgraded by 2005 	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 ACTIVITY COMPONENT
<ul style="list-style-type: none"> • Activities to Achieve Result 1 				
<ul style="list-style-type: none"> Provide the entrepreneurs with Business Development Assistance Assemble employment and sectoral statistics Develop a client MIS Identify and update information on business opportunities Assist in the preparation of business plans, registration documents and investment appraisals Encourage privately run agencies for BAS Provide business development reference materials and establish respective library Organize workshops for BAS Provide support on product/sector development 				<ul style="list-style-type: none"> 1, 2, 4, 6, 7. 6, 7. 6. 7. 1, 6. 6, 7. 3, 6. 1, 6. 1, 5 IIIIF, 6.

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT ACTIVITY 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 ▪ A viable proposal of BIC analyzed by 2008 and recommendations six months prior to project end 	<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>

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT ACTIVITY COMPONENT
<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 IIS 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 IIS • Minutes of IIS 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 and available at competitive rates. Lands and Survey Commission has the capacity and is pro-active. 	

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT ACTIVITY COMPONENT
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.

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT ACTIVITY COMPONENT
<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. 	
Activities to Achieve Result 4				
<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>

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT ACTIVITY COMPONENT
<p>Result 5</p> <p>Physical infrastructure support enhancing economic activity provided</p>	<p>By the end of the project:</p> <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"> • 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. 	

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT ACTIVITY COMPONENT
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.

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT ACTIVITY COMPONENT
<p>Result 6</p> <p>Employability of residents strengthened</p>	<p>By end of project</p> <ul style="list-style-type: none"> • 3 schools in Region offer programmes in promoting entrepreneurship from third form • 300 youth (50 outside Linden) trained in business literacy (including language) • 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"> • 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. • Persons who receive training remain in Region 10 for employment. • Potential employers are ready to invest in training for prospective employees • Department of Education of education cooperates with LEAP. 	

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT ACTIVITY COMPONENT
<ul style="list-style-type: none"> • Activities to Achieve Result 6 				
6.1 Promote the teaching of entrepreneurship in secondary schools and tertiary institutions 6.2 Promote business literacy skills for youth 6.3 Encourage the establishment of an effective functioning job centre 6.4 Expand on sector readiness training 6.5 Contribute to semi-apprentice schemes to promote entry level employment 6.6 Provide recruitment and training services for business 6.7 Collect information for the establishment of a data base on skills etc 6.8 Design and implement newspaper and TV sensitization programmes 6.9 Certify prior learning and experience				1, 6. 1, 6. 1, 6. 1, 3, 4, 6. 1, 6. 1, 6, 7. 3, 7. 1, 3., 7. 1, 6.

PROJECT DESCRIPTION/ INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS (By July 2009, in the Linden Region)	MEANS/ SOURCE OF VERIFICATION	ASSUMPTIONS / RISKS	PROJECT ACTIVITY COMPONENT
<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 • 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 	
Activities to Achieve Result 7				
<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>7.3 Assist LCICD to assume a leading role in private sector development</p> <p>7.4 Assist in broadening and/or reinforcing the private sector's institutional base</p> <p>7.5 Stimulate the operationalisation of public and private sector collaboration</p> <p>7.6 Technical Assistance and support provided to IMC, RDC LCICD & LTI</p>				<p>1, 3, 5, 7.</p> <p>1, 5, 7.</p> <p>1, 7.</p> <p>1, 3, 7.</p> <p>3, 5, 7.</p> <p>1, 3, 5, 6, 7.</p>

ANNEX 3: SUMMARY MATRIX OF Mid Term Report RECOMMENDATION

Nr.	RECOMMENDATION
A	Efficiency
1	Maintain current level of stability of local and international staff involvement.
2	The gradual further involvement of the local staff members in the overall management in order to be able to have a smooth hand-over when the international staff positions are either finalised or phasing out. This includes re-integrating and/or redefining the role of a Local Programme Manager with gradually increasing responsibilities.
3	The gradual increase of the role of the Advisory Group; this will further increase the feeling of ownership of LEAP in the local community.
4	The current MTE found that clearer procedures as well as follow-up actions are needed in three areas with respect to the advice provided by the AG members:
4a	needs to be made explicit which information, data and documents will be provided to the AG, and which not (if any).
4b	The follow-up actions of AG meetings must be monitored and structured more closely; the agenda of the AG Meeting should include an item "Follow-Up to Advice in Previous Meeting".
4c	It is recommended to request the advice from the AG at earlier stages of the decision making process within LEAP, for example at the stage of the designing of ToR for consultancies, and plans for training programmes. Although the role of the AG does not include control over the overall course of the programme, there may well be valuable ideas and suggestions regarding the emphasis and focus of the programme. It is advised that the agenda includes an item on these issues.
5	The MTE recommends that the PPSF needs to be revitalised.
6	The fund, LEAF, has an impact on all other LEAP components and has raised expectations with the population in Region 10. Therefore, the recently arisen problem of having to select a new financing institution instead of GUYFLAG needs to be solved urgently, and simultaneously a continued flow of credit to the local SMEs needs to be guaranteed.
B	Effectiveness
1	A recommendation <i>for future projects</i> comes directly from a lesson learnt: The separation of the zero-component (from the seven programme components) into a separate contract with TRANSTEC managing international and national inputs of management and TA has been very effective. The MTE team has assessed that this contract provides the necessary flexibility to adjust to changing circumstances and demands, to which in particular the substantial volume of short-term international mission-days has contributed.
2	The selection of projects must be made as transparent as possible, and at the same time there must be a balance maintained between different types of projects and different target groups, resulting in trade-offs between interest groups.
3	It is recommended to maintain the right balance between high- and low-impact activities. Precisely therefore it is important that the decisions on such activities are shared among the management, PSC and AG.
C	Impact
1	Every effort should be made to retain trained staff at LEAP as much as possible. The impact (and sustainability) of the programme could be negatively affected by the effectiveness of the staff retention system at LEAP. This needs to be addressed on a continuous basis.
2	A prioritisation may need to be made among the three types of training distinguished in this report in as far as they do not succeed to become self-sufficient.
3	There are some plans within the LEAP programme to take up the gender issue, but much more urgency is being advised by the MTE in this regard.
4	Retaining the young through YEN and apprenticeships is an important part of the programme if the Linden region is expected to become a vibrant economy, and therefore it is recommended to at least maintain these programmes at the same level.
5	In the closure period of the programme environmental issues need to be taken up and suggestions need to be made on how to deal with them, specifically with the effects and overall impact the programme will have brought about.

D	Sustainability
1	The biggest concern for the future is the sustainability of various components of the programme; the planning for it has to start as soon as possible since it will take time to enhance the capacity of the potential local partners, i.e. RDC, M&TC, LCICD, LTI and other organisations, involved in a possible hand-over of certain components, and to organise for and manage sufficient institutional strengthening.
2	The MTE recommends in particular that sustainability issues will be included in the LEAP Agenda with a great degree of urgency, and re-schedule the LEAP Working Group on Sustainability planned for September 2006, and advance it substantially.
3	The MTE team found that LEAP can best be converted into a Public Private Partnership or an SME Development Agency/Authority (SMEDA)
3a	LEAP should be turned into Linden Enterprise Development Trust (in order to operate as a SMEDA) based on the Irish-Enterprise model which the EU has successfully introduced into Eastern Europe, Central Asia and various African countries which are successfully implementing reform programmes.
3b	The MTE recommends to enhance especially institutional capacity building in view of the recommendation to involve several local public and private organizations in the conversion of LEAP into a SMEDA/Trust.
4	Taking the above into consideration, the LEAP team must in this year's annual work programme begin the process of handing-over arrangements and institutional capacity building on an intensive scale to those local institutions who will manage the LEAP/LEAF which should be turned into Guyana Trust corporations. Legal advice should be taken on the exact legal requirements necessary to do this
5	Proposals for institutional strengthening (IS), including a budget, have to be made in the coming months by the organizations themselves, and these should be submitted to the LEAP management and the AG for further processing and evaluation. The MTE has made specific recommendations regarding the Institutional Strengthening of the LCICD (cf. Section 4.7.1).
6	The LCICD could well be one of the important private players in the Region, but it needs to be guaranteed that it does not develop in the direction of a lobbying organisation only for the better-off enterprises, as was often said of the Private Sector Commission; it must make special provisions for micro and small enterprises preferably through their respective associations set up under the LEAP-programme.
7	A Linden LED Development Resource and Training Centre should be established, to assist the replication elsewhere in Guyana of the LEAP/LEAF experience.
8	It is recommended to establish a connection with another EU programme in Guyana, the Micro-Projects Programme (MMP) that is being implemented between 2004 and 2011.
9	With the 10th EDF country strategy to be formulated, the MTE provides discussion of how to replicate the LEAP/LEAF in other Regions to enhance local economic development. EU should consider under the forthcoming 10th EDF to finance further Regional LED programmes with a credit component but a Regional Economic Development Plan for each allocated region should be the starting point.
E	Scenarios and Re-allocation of Resources
1	In Scenario A, in which no additional funds will be forthcoming from the EC Delegation, a substantial re-allocation of funds is strongly recommended by the MTE from the infrastructure (and perhaps training) components to the benefit of further institutional strengthening of the RDC, LCIC, M&TC, and other local, public or private organisations.
2	The MTE agrees with the NAO that after substantial attention for the various training programmes, it is now advisable to change the focus within the programme towards more direct and visible impact, through actual physical activities (as is currently being done through the infrastructure component). This does not mean the complete halt of the training programme, but a shift in focus, and starting to pay more attention to making training self-sufficient.
3	The amounts to be re-allocated need to be further investigated and specified into sub-components to be determined by the LEAP management with an enhanced role for the Advisory Group (AG) on the basis of proposals to be submitted by the interested public and private organisations. However, most likely the original IS-budget of Euro 300,000 should be surpassed substantially.
4	In Scenario B, a request for additional funding will be made, partly also based on the unanticipated change in EU regulations on disbursements of credit effectively reducing the LEAP budget with Euro 850,000. It is the 10th EDF that needs to be targeted, either a Private Sector Diversification budget line, or the Sugar Action Plan since it concerns many rural activities.

ANNEX 4:

List of Short-Term missions organised under the TA contract until 31.12.2006:

Mission #	Title	Name	Timesheets	m/m
Mission # 1	Preparation of the LEAF tender dossier:	Ian Francis	March 02 April 02	0,73 0,03 Total 0,76
Mission # 2	Support to the Business Advice Unit:	Peter Rutherford	June 02 July 02 Aug 02 Sept 02	0,30 1,00 1,00 0,70 Total 3,00
Mission # 3	Set-up of an integrated accounting system:	Sou Man	Aug 02 Feb 03	0,33 0,23 Total 0,56
Mission # 4	Vocational/technical education expertise:	Peter Rutherford	Oct 02 Nov 02 Dec 02	0,10 1,00 0,17 Total 1,27
Mission # 5	Support the GoG to identify and negotiate a contract with a FI to operate the LEAF:	Max Busch	July 03 Sept	0,33 0,33 Total 0,66
Mission # 6	Assess and define criteria for selection of infrastructure interventions:	Thorsten Strand	Aug 03 Sept 03	0,43 0,73 Total 1,16
Mission # 7	Develop a LEAP communication programme:	Mary Donovan	Sept 03	0,57 Total 0,57
Mission # 8	Start Your Business Workshop:	Dieter Kohn	Jan 04 Feb 04	0,43 0,10 Total 0,53
Mission # 9	Set-up of an integrated accounting system:	Sou Man	Nov 03 July 04 Sept 04 Feb 05 Nov 05 May 06 Feb 06	0,30 0,30 0,17 0,20 0,20 0,20 0,20 Total 1,57

Mission #	Title	Name	Timesheets	m/m
Mission # 10	Business Opportunities Survey in Region 10:	Constance Tyson	March 04	0,07
			April 04	0,27
			Total	0,34
		Jennnifer Lai	March 04	0,24
			April 04	0,51
			May 04	0,09
			August 04	0,12
			Sept 04	0,12
			Oct 04	0,06
			Total	1,14
Mission # 11	Assessment of Administration and Operations of the LEAF:	Frank Bakx	April 04	0,03
			May 04	0,33
			June 04	0,33
			July 04	0,09
			Total	0,78
Mission # 12	Follow-up of the communication programme:	Mary Donovan	Sept 04	0,20
			Oct 04	0,17
			Total	0,37
Mission # 13	Logframe facilitation:	Dawn Marshall	Jan 05	0,30
			Feb 05	0,07
			Total	0,37
Mission # 14	Survey on Agricultural Potential and Food security in Region 10:	Alexandra Vokaty	Feb 05	0,30
			March 05	0,14
			April 05	0,10
			Total	0,54
Mission # 15	Elaboration of a Regional Development Plan (PACA - LED):	Frank Waeltring	June 05	0,97
			July 05	0,03
			March 06	0,03
			April 06	0,97
			Total	2,00
Mission # 16	Project planning and Appraisal Workshop:	David Logan	Sept 05	0,23
			Total	0,23
Mission # 17	Preparation, Constitution and TOR for Farmer Association:	Alexandra Vokaty	Oct 05	0,07
			Nov 05	0,07
			Total	0,14

Mission #	Title	Name	Timesheets	m/m
Mission # 18	Fact sheets:	Mary Donovan	Sept 06	0,33
			Total	0,33
Mission # 19	Regional Economic Development Planning:	James Mwangi	Oct 06	0,27
			Nov 06	1,00
			Total	1,27
Mission # 20	Solutions for Crisis in the Poultry Industry:	Gabriel Brown	Nov 06	0,13
			Total	0,13
Mission # 21	Procurement Officer:	Johan Pieters	Nov 06	0,50
			Total	0,50
			Total used	18,22
			Total provision	30,00
			Balance	11,78

DEC and NAO have been informed by LEAP of the organisation of each above short-term missions (including ToR and experts' CV).

All above mentioned short-term missions were effectively implemented for the LEAP and their corresponding number of man-months were included in duly paid Transtec invoices. Hence, these missions are considered as approved by the ECD and NAO taskforce.